

City of Tupelo, Mississippi

Financial Statements For the year ended September 30, 2023

**CITY OF TUPELO
TABLE OF CONTENTS
September 30, 2023**

INDEPENDENT AUDITORS’ REPORT	7
MANAGEMENT’S DISCUSSION AND ANALYSIS.....	11
BASIC FINANCIAL STATEMENTS - OVERVIEW:	
Government-Wide Financial Statements:	
Statement of Net Position	21
Statement of Activities	23
FUND FINANCIAL STATEMENTS:	
Governmental Funds:	
Balance Sheet - Governmental Funds	24
Reconciliation of Governmental Funds Balance Sheet to the Government - Wide Statement of Net Position	25
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	26
Reconciliation of Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Government - Wide Statement of Activities and Changes in Net Position	27
General Fund Statement of Revenues, Expenditures and Changes In Fund Balances - Budget and Actual - Budgetary Basis	28
Coliseum Operating Fund Statement of Revenues, Expenditures and Changes In Fund Balances - Budget and Actual - Budgetary Basis	29
City Infrastructure Fund Statement of Revenues, Expenditures and Changes In Fund Balances - Budget and Actual - Budgetary Basis	30
Proprietary Funds:	
Statement of Net Position	31
Statement of Revenues, Expenses and Changes in Net Position.....	34
Statement of Cash Flows.....	36
Fiduciary Funds:	
Statement of Fiduciary Assets and Liabilities.....	38
Notes to Financial Statements	40

CITY OF TUPELO
TABLE OF CONTENTS
September 30, 2023

REQUIRED SUPPLEMENTARY INFORMATION:

Schedule of the City's Proportionate Share of the Net Pension Liability	78
Schedule of the City's Contributions	80
Notes to the Required Supplementary Information	82

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS:

Non-Major Governmental Funds:

Combining Balance Sheet	86
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	87
Combining Balance Sheet - Non-Major Special Revenue Funds.....	88
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Non-Major Special Revenue Funds	89
Combining Balance Sheet - Non-Major Capital Projects Funds.....	92
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Non-Major Capital Projects Funds	93
Combining Balance Sheet - Non-Major Debt Service Funds	95
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Non-Major Debt Service Funds.....	96

General Fund:

Comparative Balance Sheet	99
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance.....	100

Special Revenue Funds:

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget (NON-GAAP Basis) and Actual	
Library Fund	106
Convention and Visitor's Bureau Fund	107
Firemen and Policemen Retirement Fund	109

CITY OF TUPELO
TABLE OF CONTENTS
September 30, 2023

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS: - Continued

Special Revenue Funds: - Continued

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

Coliseum Project Fund	110
Rental Rehabilitation Fund	112
Narcotics Fund.....	113
Transportation Fund	115

Capital Projects Funds:

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

City Capital Project Fund	117
Fairgrounds Construction Fund	118
Thoroughfare Fund Phase VI	119
Thoroughfare Fund Phase VII	120
Special Obligation Capital Fund	121
American Rescue Plan Act Project Fund.....	122

Debt Service Funds:

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

City Bond and Interest Fund	124
Water G.O. Bond Fund	126
City Tax Increment Fund	128
Special Obligation Debt Service Fund	130

**CITY OF TUPELO
TABLE OF CONTENTS
September 30, 2023**

Agency Funds:

Combining Balance Sheet	133
Agency Funds - Combining Statement of Changes in Assets and Liabilities.....	134

SUPPLEMENTARY INFORMATION:

Schedule of Investments.....	137
Schedule of Long-Term Debt	138
Reconciliation of Original Ad Valorem Tax Rolls to Fund Collections	140
Schedule of Surety Bonds for Municipal Officials.....	142
Schedule of Expenditures of Federal Awards	143

REPORTS ON COMPLIANCE AND INTERNAL CONTROL:

Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	146
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance.....	148
Schedule of Findings and Questioned Costs	151
Independent Auditors' Report on Compliance With State Laws and Regulations	152

INDEPENDENT AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT

Honorable Mayor and City Council
City of Tupelo, Mississippi

Report on the Audit of the Financial Statements

Opinions

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, 2023, 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.

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, 2023, 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.

We did not audit the financial statements of the Northeast Mississippi Regional Water Supply District, which represent approximately 35 percent and 4 percent, respectively of the assets and revenues of the Proprietary Funds. 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.

Basis for Opinions

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 *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Tupelo, Mississippi and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. 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, 2022 and ending June 30, 2023.

Responsibilities of Management 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Tupelo, Mississippi's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

In performing an audit in accordance with generally accepted auditing standards and Government Auditing Standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City of Tupelo, Mississippi's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Tupelo, Mississippi's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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 pages 78 through 79, and the schedule of the City's contributions on pages 80 through 81 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 accompanying 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 April 8, 2024 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
April 8, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

CITY OF TUPELO, MISSISSIPPI MANAGEMENT'S DISCUSSION AND ANALYSIS

Required Supplemental Information for the year ended September 30, 2023

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, 2023. 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 \$297,499,912,. This compares to the previous year when assets and deferred outflows exceeded liabilities and deferred inflows by \$291,008,759.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$63,074,325, an increase of \$3,059,129 in comparison to the prior year. Approximately 35% of the combined fund balances, \$21,924,526 is considered unassigned and is available for spending at the City's discretion.
- The City's total debt is \$108,856,824. No new debt was issued in the current fiscal year. Debt in the amount of \$6,980,761 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

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

CITY OF TUPELO, MISSISSIPPI

MANAGEMENT'S DISCUSSION AND ANALYSIS

Government-wide Statements

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

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

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

Fund Financial Statements

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

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

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 \$297,499,912 at the close of the most recent fiscal year. This is a \$6,491,153 increase over last year's net position of \$291,008,759. Tables A-1 and A-2 provide a summary of the City's net position at September 30, 2023 and 2022.

CITY OF TUPELO, MISSISSIPPI MANAGEMENT'S DISCUSSION AND ANALYSIS

A large portion, 88.3% and 86.6%, 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, 2023 and 2022, 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>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Current & Other Assets	\$ 80,108,957	\$ 74,825,711	\$ 28,785,950	\$ 56,179,852	\$ 108,894,907	\$ 131,005,563
Capital Assets	202,773,067	199,581,112	198,438,802	171,565,421	401,211,869	371,146,533
Total Assets	<u>282,882,024</u>	<u>274,406,823</u>	<u>227,224,752</u>	<u>227,745,273</u>	<u>510,106,776</u>	<u>502,152,096</u>
Total Deferred Outflows	13,708,989	6,598,650	2,240,680	1,437,979	15,949,669	8,036,629
Current Liabilities	19,475,196	16,770,590	16,776,486	17,382,979	36,251,682	34,153,569
Noncurrent Liabilities	135,687,414	123,871,007	52,342,640	54,033,058	188,030,054	177,904,065
Total Liabilities	<u>155,162,610</u>	<u>140,641,597</u>	<u>69,119,126</u>	<u>71,416,037</u>	<u>224,281,736</u>	<u>212,057,634</u>
Total Deferred Inflows	3,154,048	4,543,295	1,120,749	2,579,037	4,274,797	7,122,332
Net Position:						
Net Investment in						
Capital Assets	135,113,855	128,705,122	127,573,557	123,243,318	262,687,412	251,948,440
Restricted	22,443,471	23,309,990	30,531,095	30,304,496	52,974,566	53,614,486
Unrestricted (Deficit)	(19,282,971)	(16,194,531)	1,120,905	1,640,364	(18,162,066)	(14,554,167)
Total Net Position	<u>\$ 138,274,355</u>	<u>\$ 135,820,581</u>	<u>\$ 159,225,557</u>	<u>\$ 155,188,178</u>	<u>\$ 297,499,912</u>	<u>\$ 291,008,759</u>

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 \$1,120,905. 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 10.9% of the City's total revenues come from property taxes, with 39.2% of all revenue coming from some type of tax. (See Table A-2.) This compares to 11.1% and 39.2% for the fiscal year ended September 30, 2022. Another 52.6% 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>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Revenues						
Program Revenues:						
Charges for Services	\$ 6,639,823	\$ 5,798,409	\$ 81,750,605	\$ 77,773,466	\$ 88,390,428	\$ 83,571,875
Operating Grants & Contributions	1,819,339	2,369,192	-	-	1,819,339	2,369,192
Capital Grants & Contributions	1,013,487	2,586,782	5,784,593	4,523,980	6,798,080	7,110,762
General Revenues:						
Property Taxes	18,263,189	17,772,392	-	-	18,263,189	17,772,392
Other Taxes	47,618,833	44,903,490	-	-	47,618,833	44,903,490
Investment Income (Loss)	1,598,003	374,056	(28,849)	101,275	1,569,154	475,331
Gain on (Loss) Disposal of Assets	130,762	488,967	97,500	201,855	228,262	690,822
Other	3,483,878	3,027,032	-	13,581	3,483,878	3,040,613
Total Revenues	80,567,314	77,320,320	87,603,849	82,614,157	168,171,163	159,934,477
Expenses						
General Government	7,735,641	6,351,993	-	-	7,735,641	6,351,993
Public Safety	26,283,025	21,412,951	-	-	26,283,025	21,412,951
Public Works	12,686,177	11,358,696	-	-	12,686,177	11,358,696
Culture & Recreation	14,261,720	11,805,148	-	-	14,261,720	11,805,148
Other Functions	4,637,327	4,996,058	-	-	4,637,327	4,996,058
Capital Projects	6,165,255	9,462,536	-	-	6,165,255	9,462,536
Interest on Long-Term Debt	2,018,274	2,238,440	-	-	2,018,274	2,238,440
Water & Sewer	-	-	14,261,559	13,093,580	14,261,559	13,093,580
Electric	-	-	59,265,625	55,509,592	59,265,625	55,509,592
Solid Waste Management	-	-	4,082,842	3,519,003	4,082,842	3,519,003
N. MS Reg. Water Supp. Dist.	-	-	4,794,390	4,443,736	4,794,390	4,443,736
Total Expenses	73,787,419	67,625,822	82,404,416	76,565,911	156,191,835	144,191,733
Excess of Revenue Over Exp. Transfers	6,779,895 (4,326,121)	9,694,498 (4,121,281)	5,199,433 (1,162,054)	6,048,246 (1,180,929)	11,979,328 (5,488,175)	15,742,744 (5,302,210)
Change in Net Position	2,453,774	5,573,217	4,037,379	4,867,317	6,491,153	10,440,534
Net Position—Beginning	135,820,581	130,247,364	155,188,178	150,320,861	291,008,759	280,568,225
Net Position—Ending	\$138,274,355	\$135,820,581	\$159,225,557	\$155,188,178	\$297,499,912	\$291,008,759

CITY OF TUPELO, MISSISSIPPI MANAGEMENT'S DISCUSSION AND ANALYSIS

Governmental Activities

Governmental activities increased the City's net position by \$2,453,774. 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 45.3%, property taxes 22.7% and charges for services 8.2%.

The largest expense categories for the City's governmental activities are public safety 35.6% and culture and recreation 19.3%.

Business-type Activities

Business-type activities increased the City's net position by \$4,037,379.

Charges for services are the major revenue categories for the enterprise funds. Total business-type revenues are comprised of \$14,444,211 for water and sewer, \$59,946,871 for electric, \$4,088,469 for solid waste management and \$3,271,054 for the Northeast Mississippi Regional Water Supply District.

Financial Analysis of the Government's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds—The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the City's net resources available for spending at the end of the fiscal year.

General Fund—The general fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the general fund was \$21,924,526, which comprised 93.5% of total general fund balance. As a measure of the general fund's liquidity, it may be useful to compare both the fund balance, assigned and unassigned, to total fund expenditures. Total fund balance represents 62.1% of total fund expenditures. The fund balance of the City's general fund decreased by \$1,805,310 during the current fiscal year.

Debt Service Fund—The debt service fund has a total fund balance of \$7,648,489, all of which is restricted for the payment of debt service. The net increase in fund balance during the current year was \$744,112.

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 \$20,691,079.

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 \$11,296,727, 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 \$159,225,557. Changes in net position, which totaled \$4,037,379, were as follows: the electric fund increased by \$783,099, the water & sewer fund increased by \$148,825, the solid waste management fund increased by \$6,688 and Northeast Mississippi Regional Water Supply District increased by \$3,098,767.

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 2022 – 2023 general fund budget increased by \$1,615,906 and an overall operating budget increased by \$5,923,667. The growth puts the City of Tupelo back in line with pre-covid expectations.

CAPITAL ASSET AND DEBT ADMINISTRATION

The City anticipates spending \$63,197,114 in capital projects from fiscal years 2024 – 2027. The sources of revenue include federal grants, G.O. Bonds, State of Mississippi funds and general fund revenues. An intent was issued for \$20 million of G.O. Bonds in July 2023 with the City anticipating issuing \$12 million in fiscal year 2024. The City of Tupelo also anticipates spending \$8,400,000 of ARPA funds and \$8,000,000 of State of Mississippi matching ARPA funds totaling \$16,400,000 from fiscal year 2024 – 2026 for water, sewer and storm water projects.

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, 2023, amounted to \$374,362,493, net of accumulated depreciation of \$305,314,025. 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>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Land	\$ 15,267,497	\$ 14,492,172	\$ 1,864,705	\$ 1,864,705	\$ 17,132,202	\$ 16,356,877
Infrastructure	170,099,780	163,929,503	-	-	170,099,780	163,929,503
Plant, Buildings, Improvements	135,894,839	134,259,953	265,991,601	260,583,310	401,886,440	394,843,263
Sanitary & Sewer Lagoons	-	-	6,896,810	6,896,810	6,896,810	6,896,810
Machinery & Equipment	31,655,590	31,574,558	29,910,461	31,411,071	61,566,051	62,985,629
Construction in Progress	13,884,745	10,539,669	8,210,490	3,611,064	22,095,235	14,150,733
Accumulated Depreciation	(164,100,198)	(155,214,743)	(141,213,827)	(132,801,539)	(305,314,025)	(288,016,282)
Total	<u>\$ 202,702,253</u>	<u>\$ 199,581,112</u>	<u>\$ 171,660,240</u>	<u>\$ 171,565,421</u>	<u>\$ 374,362,493</u>	<u>\$ 371,146,533</u>

CITY OF TUPELO, MISSISSIPPI MANAGEMENT'S DISCUSSION AND ANALYSIS

Long-term Debt—At year-end, the City had \$108,856,824 in bonds and notes outstanding. More detailed information about the City's long-term liabilities is presented in the notes to the financial statements.

Table A-4

City of Tupelo's Outstanding Debt

	Governmental Activities		Business-Type Activities		Total Primary Government	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
General Obligation Bonds	\$ 34,970,000	\$ 37,575,000	\$ -	\$ -	\$ 34,970,000	\$ 37,575,000
Special Obligation Bonds	-	-	10,780,000	11,610,000	10,780,000	11,610,000
Tax Increment Bonds	604,000	701,000	-	-	604,000	701,000
State Revolving Loans	-	-	-	-	-	-
Special Obligation Bonds	25,000,000	25,000,000	-	-	25,000,000	25,000,000
Notes Payable	2,448,751	2,694,227	29,491,434	32,694,719	31,940,185	35,388,946
Bond Premium	4,565,647	4,905,763	996,992	1,139,714	5,562,639	6,045,477
Total	\$ 67,588,398	\$ 70,875,990	\$ 41,268,426	\$ 45,444,433	\$108,856,824	\$116,320,423

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Key assumptions for revenue forecasts for fiscal year 2024 are summarized as follows:

1. Sales tax revenues will remain flat
2. Property tax revenue will increase 5.3%
3. Interest rates will remain 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 2024 fiscal year budget. This includes 13.11 mills for the General Fund, 10 mills for the Thoroughfare Fund, .7 mills for the Library fund, 1.61 mills for the Fire and Police Retirement Fund, and 7.05 mills for the City Bond and Interest Fund.
3. Personnel cost will increase due to an increase in health insurance and retirement costs. Due to the expected increase, a cost-of-living increase will be reviewed in December for a possible effective date of January 1, 2024.

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, 2023

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Tupelo Airport Authority
ASSETS:				
Current Assets:				
Cash	\$ 66,803,135	\$ 12,754,711	\$ 79,557,846	\$ 1,526,138
Cash - Restricted	-	2,731,388	2,731,388	-
Certificate of Deposit - Restricted	-	50,199	50,199	-
Investments	4,006,469	-	4,006,469	-
General Property Taxes Receivable	819,547	-	819,547	-
Other Receivables	470,908	543,804	1,014,712	6,302
Accounts Receivable, Net	1,958,534	6,896,957	8,855,491	31,076
Accounts Receivable - Restricted	-	314,616	314,616	-
Unbilled Revenue	-	1,868,311	1,868,311	-
Due from Other Funds	2,178,604	9,076	2,187,680	-
Due from Other Governmental Units	3,367,190	1,688,722	5,055,912	964,269
Due from Component Units	44,057	-	44,057	-
Inventories	77,526	1,605,833	1,683,359	-
Prepaid Items	382,987	129,190	512,177	1,718
Other Current Assets	-	193,143	193,143	-
TOTAL CURRENT ASSETS	80,108,957	28,785,950	108,894,907	2,529,503
Noncurrent Assets:				
Cash - Restricted	-	6,650,154	6,650,154	-
Investments - Restricted	-	19,835,152	19,835,152	-
Notes Receivable	70,814	25,542	96,356	-
Other Receivables	-	121,320	121,320	-
Other Assets	-	146,394	146,394	-
Capital Assets:				
Land	15,267,497	1,864,705	17,132,202	6,099,049
Plant, Buildings and Improvements	135,894,839	265,991,601	401,886,440	51,484,259
Sanitary and Sewer Lagoons	-	6,896,810	6,896,810	-
Machinery and Equipment	31,655,590	29,910,461	61,566,051	2,596,942
Infrastructure	170,099,780	-	170,099,780	-
Construction in Progress	13,884,745	8,210,490	22,095,235	1,413,784
Accumulated Depreciation	(164,100,198)	(141,213,827)	(305,314,025)	(33,328,206)
TOTAL NONCURRENT ASSETS	202,773,067	198,438,802	401,211,869	28,265,828
TOTAL ASSETS	282,882,024	227,224,752	510,106,776	30,795,331
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Outflows Related to Pensions	13,708,989	2,240,680	15,949,669	512,473
TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$ 13,708,989	\$ 2,240,680	\$ 15,949,669	\$ 512,473

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

September 30, 2023

-Continued-

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Tupelo Airport Authority
<u>LIABILITIES:</u>				
Current Liabilities:				
Accounts Payable	\$ 3,124,528	\$ 5,550,767	\$ 8,675,295	\$ 402,479
Equity in Pooled Cash Deficit	75,147	-	75,147	-
Accrued Expenses	824,629	313,877	1,138,506	59,493
Accrued Interest Payable	661,039	171,896	832,935	-
Due to Other Funds	74,604	2,450,085	2,524,689	-
Due to Other Governmental Units and Entities	-	-	-	1,443,086
Unearned Revenues	11,022,254	-	11,022,254	3,191
Long-Term Debt: Due Within One Year	3,667,245	4,117,380	7,784,625	-
Customer and Event Deposits	25,750	4,172,481	4,198,231	-
TOTAL CURRENT LIABILITIES	19,475,196	16,776,486	36,251,682	1,908,249
Noncurrent Liabilities:				
Advances TVA - Home Insulation Loans	-	27,829	27,829	-
Accrued Compensated Absences	1,109,673	115,753	1,225,426	-
Due to Other Funds	-	2,414,584	2,414,584	-
Net Pension Liability	70,656,588	12,633,428	83,290,016	1,773,921
Long-Term Debt: Due in More Than One Year	63,921,153	37,151,046	101,072,199	-
TOTAL NONCURRENT LIABILITIES	135,687,414	52,342,640	188,030,054	1,773,921
TOTAL LIABILITIES	155,162,610	69,119,126	224,281,736	3,682,170
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Inflows Related to Pensions	3,154,048	1,120,749	4,274,797	6,869
TOTAL DEFERRED INFLOWS OF RESOURCES	3,154,048	1,120,749	4,274,797	6,869
<u>NET POSITION</u>				
Net Investment in Capital Assets	135,113,855	127,573,557	262,687,412	28,233,069
Restricted for:				
Capital Projects	6,149,640	27,708,394	33,858,034	-
Debt Service	7,648,489	2,822,701	10,471,190	-
Special Revenue	7,523,971	-	7,523,971	-
Water Reserve	580,921	-	580,921	-
Home Grant	540,450	-	540,450	-
Unrestricted (Deficit)	(19,282,971)	1,120,905	(18,162,066)	(614,304)
TOTAL NET POSITION	\$ 138,274,355	\$ 159,225,557	\$ 297,499,912	\$ 27,618,765

See accompanying notes to financial statements.

CITY OF TUPELO, MISSISSIPPI
STATEMENT OF ACTIVITIES
For the year ended September 30, 2023

FUNCTIONS/ PROGRAMS	PROGRAM REVENUES					Net (Expense) Revenue and Changes in Net Position			COMPONENT UNIT Tupelo Airport Authority
	Expenses	Charge for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total	PRIMARY GOVERNMENT			
						Governmental Activities	Business-Type Activities	Total	
PRIMARY GOVERNMENT									
Government Activities:									
General Government	\$ 7,735,641	\$ 682,036	\$ 696,380	\$ -	\$ 1,378,416	\$ (6,357,225)	\$ -	\$ (6,357,225)	\$ -
Public Safety	26,283,025	1,371,072	186,145	235,344	1,792,561	(24,490,464)	-	(24,490,464)	-
Public Works	12,686,177	-	-	291,593	291,593	(12,394,584)	-	(12,394,584)	-
Culture and Recreation	14,261,720	4,586,715	936,814	-	5,523,529	(8,738,191)	-	(8,738,191)	-
Other Functions	4,637,327	-	-	-	-	(4,637,327)	-	(4,637,327)	-
Capital Projects	6,165,255	-	-	486,550	486,550	(5,678,705)	-	(5,678,705)	-
Interest on Long-Term Debt	2,018,274	-	-	-	-	(2,018,274)	-	(2,018,274)	-
TOTAL GOVERNMENTAL ACTIVITIES	73,787,419	6,639,823	1,819,339	1,013,487	9,472,649	(64,314,770)	-	(64,314,770)	-
Business-Type Activities:									
Water and Sewer	14,261,559	14,444,211	-	1,125,322	15,569,533	-	1,307,974	1,307,974	-
Electric	59,265,625	59,946,871	-	-	59,946,871	-	681,246	681,246	-
Northeast MS Regional Water Supply Dist.	4,794,390	3,271,054	-	4,659,271	7,930,325	-	3,135,935	3,135,935	-
Solid Waste Management	4,082,842	4,088,469	-	-	4,088,469	-	5,627	5,627	-
TOTAL BUSINESS-TYPE ACTIVITIES	82,404,416	81,750,605	-	5,784,593	87,535,198	-	5,130,782	5,130,782	-
TOTAL PRIMARY GOVERNMENT	\$ 156,191,835	\$ 88,390,428	\$ 1,819,339	\$ 6,798,080	\$ 97,007,847	\$ (64,314,770)	\$ 5,130,782	\$ (59,183,988)	\$ -
COMPONENT UNITS									
Tupelo Airport Authority	\$ 3,342,645	\$ 883,552	\$ 812,652	\$ 520,157	\$ 2,216,361	\$ -	\$ -	\$ -	\$ (1,126,284)
GENERAL REVENUES:									
Taxes:									
Property Taxes, Levied for General Purposes						\$ 6,581,333	\$ -	\$ 6,581,333	\$ -
Property Taxes, Levied for Capital Outlay						5,582,129	-	5,582,129	-
Property Taxes, Levied for Special Revenue						1,384,545	-	1,384,545	-
Property Taxes, Levied for Debt Service						4,715,182	-	4,715,182	-
Sales Taxes						36,455,438	-	36,455,438	-
County Pro Rata Taxes						1,372,499	-	1,372,499	-
Franchise Taxes						407,924	-	407,924	-
In Lieu Taxes						4,538,414	-	4,538,414	-
Other Taxes						4,844,558	-	4,844,558	-
Homestead Reimbursement						726,877	-	726,877	-
Fire Protection Allocation						245,010	-	245,010	-
Interest Income and Unrealized Gain (Loss) on Investments						1,598,003	(28,849)	1,569,154	73,220
Gain (Loss) on Disposal of Assets						130,762	97,500	228,262	-
Miscellaneous						2,511,991	-	2,511,991	-
Transfers (to) from Component Units						(4,326,121)	(1,162,054)	(5,488,175)	-
Transfers						-	-	-	-
TOTAL GENERAL REVENUES AND TRANSFERS						66,768,544	(1,093,403)	65,675,141	73,220
CHANGE IN NET POSITION						2,453,774	4,037,379	6,491,153	(1,053,064)
NET POSITION--BEGINNING						135,820,581	155,188,178	291,008,759	28,671,829
NET POSITION--ENDING						\$ 138,274,355	\$ 159,225,557	\$ 297,499,912	\$ 27,618,765

See accompanying notes to financial statements.

**CITY OF TUPELO, MISSISSIPPI
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2023**

	General Fund	Coliseum Operating Fund	City Infrastructure Fund	Non-Major Governmental Funds	Total Governmental Funds
<u>ASSETS:</u>					
Cash	\$ 27,755,208	\$ 1,974,989	\$ 16,785,948	\$ 20,286,990	\$ 66,803,135
Investments	-	-	-	4,006,469	4,006,469
General Property Taxes Receivable	311,617	-	-	507,930	819,547
Other Receivable	161,808	306,394	-	2,706	470,908
Notes Receivable	-	-	-	70,814	70,814
Due from Other Funds	2,104,000	-	-	74,604	2,178,604
Due from Other Government Units	2,725,208	-	83,531	558,451	3,367,190
Due from Component Units	44,057	-	-	-	44,057
Prepaid Items	357,235	25,752	-	-	382,987
Inventories	38,398	39,128	-	-	77,526
TOTAL ASSETS	\$ 33,497,531	\$ 2,346,263	\$ 16,869,479	\$ 25,507,964	\$ 78,221,237
<u>LIABILITIES AND FUND BALANCES:</u>					
<u>LIABILITIES:</u>					
Accounts Payable	\$ 535,046	\$ 69,002	\$ 1,471,086	\$ 1,049,394	\$ 3,124,528
Equity in Pooled Cash Deficit	-	-	-	75,147	75,147
Accrued Expenses	748,993	75,636	-	-	824,629
Unearned Revenues	8,697,358	697,805	-	1,627,091	11,022,254
Event Deposits	-	25,750	-	-	25,750
TOTAL LIABILITIES	10,056,001	868,193	1,471,086	2,751,632	15,146,912
<u>FUND BALANCES:</u>					
Nonspendable					
Prepaid Items	357,235	25,752	-	-	382,987
Inventory	38,398	39,128	-	-	77,526
Restricted for					
Library	-	-	-	91,826	91,826
Tourism Promotion	-	-	-	6,223,667	6,223,667
Public Safety Retirement	-	-	-	42,537	42,537
Law Enforcement	-	-	-	1,165,941	1,165,941
Const. Acquisition of Capital Assets	-	-	1,584,509	4,398,590	5,983,099
Public Safety Equipment	-	-	-	166,541	166,541
Debt Service	-	-	-	7,648,489	7,648,489
Home Grant	540,450	-	-	-	540,450
Water Reserve	580,921	-	-	-	580,921
Committed to					
Rental Rehabilitation	-	-	-	72,757	72,757
Fairpark Infrastructure	-	-	-	680,503	680,503
Const. Acquisition of Capital Assets	-	-	13,813,884	43,552	13,857,436
Assigned to					
Coliseum Projects	-	-	-	2,221,929	2,221,929
Coliseum Operations	-	1,413,190	-	-	1,413,190
Unassigned	21,924,526	-	-	-	21,924,526
TOTAL FUND BALANCES	23,441,530	1,478,070	15,398,393	22,756,332	63,074,325
TOTAL LIABILITIES AND FUND BALANCES	\$ 33,497,531	\$ 2,346,263	\$ 16,869,479	\$ 25,507,964	\$ 78,221,237

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, 2023**

TOTAL FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 63,074,325
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.	202,702,253
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.	(68,249,437)
Accrued compensated absences are not due and payable in the current period and therefore they are not reported in the governmental funds balance sheet.	(1,109,673)
Net pension liability are not due and payable in the current period and therefore they are not reported in the governmental funds balance sheet.	(70,656,588)
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	13,708,989
Deferred inflows of resources related to defined benefit pension plan	(3,154,048)
Accrual of court fine revenues to qualify as financial resources.	<u>1,958,534</u>
 NET POSITION OF GOVERNMENTAL ACTIVITIES	 <u>\$ 138,274,355</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, 2023

	General Fund	Coliseum Operating Fund	City Infrastructure Fund	Non-Major Governmental Funds	Total Governmental Funds
REVENUES:					
Taxes	\$ 7,759,594	\$ -	\$ -	\$ 11,681,856	\$ 19,441,450
Licenses and Permits	1,089,960	-	-	-	1,089,960
Intergovernmental Revenues	37,114,583	801,937	293,998	11,348,907	49,559,425
Charges for Services	710,283	4,174,249	-	-	4,884,532
Fines and Forfeitures	474,648	-	-	311,732	786,380
Miscellaneous Revenues	<u>2,133,684</u>	<u>1,741,886</u>	<u>550,730</u>	<u>697,897</u>	<u>5,124,197</u>
TOTAL REVENUES	<u>49,282,752</u>	<u>6,718,072</u>	<u>844,728</u>	<u>24,040,392</u>	<u>80,885,944</u>
EXPENDITURES:					
Current:					
General Government	6,144,830	-	-	-	6,144,830
Public Safety	19,870,086	-	-	1,244,682	21,114,768
Public Works	5,375,810	-	-	-	5,375,810
Culture and Recreation	4,993,976	7,804,206	-	-	12,798,182
Other Functions	1,051,466	-	-	2,820,148	3,871,614
Capital Projects	-	-	11,935,237	6,931,506	18,866,743
Debt Service	<u>324,854</u>	<u>-</u>	<u>-</u>	<u>5,003,893</u>	<u>5,328,747</u>
TOTAL EXPENDITURES	<u>37,761,022</u>	<u>7,804,206</u>	<u>11,935,237</u>	<u>16,000,229</u>	<u>73,500,694</u>
EXCESS (DEFICIT) OF REVENUES OVER (UNDER) EXPENDITURES	<u>11,521,730</u>	<u>(1,086,134)</u>	<u>(11,090,509)</u>	<u>8,040,163</u>	<u>7,385,250</u>
OTHER FINANCING SOURCES (USES)					
Transfers to Other Funds	(13,470,115)	-	-	(7,094,009)	(20,564,124)
Transfers from Other Funds	143,075	1,487,390	16,028,327	2,905,332	20,564,124
Transfers to Component Units	-	-	-	(4,654,152)	(4,654,152)
Transfers from Component Units	<u>-</u>	<u>-</u>	<u>-</u>	<u>328,031</u>	<u>328,031</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(13,327,040)</u>	<u>1,487,390</u>	<u>16,028,327</u>	<u>(8,514,798)</u>	<u>(4,326,121)</u>
NET CHANGE IN FUND BALANCES	(1,805,310)	401,256	4,937,818	(474,635)	3,059,129
FUND BALANCES - Beginning	<u>25,246,840</u>	<u>1,076,814</u>	<u>10,460,575</u>	<u>23,230,967</u>	<u>60,015,196</u>
FUND BALANCES - Ending	<u>\$ 23,441,530</u>	<u>\$ 1,478,070</u>	<u>\$ 15,398,393</u>	<u>\$ 22,756,332</u>	<u>\$ 63,074,325</u>

See accompanying notes to financial statements.

CITY OF TUPELO, MISSISSIPPI
RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
For the year ended September 30, 2023

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 3,059,129
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.	14,929,077
Donations of capital assets increase net assets in the statement of activities, but do not appear in the governmental funds because they are not financial resources.	116,985
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.	(11,234,931)
Revenues in the statement of activities that do not provide current financial resources and are not reported as revenues in the funds.	286,875
The amortization of the discounts and premiums are reported as a reduction to expense on the statement of activities.	340,116
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.	(689,990)
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.	(7,123,319)
The change in accrued interest payable is reported as an expense on the statement of activities.	22,881
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.	2,947,476
Decrease in accrual of compensated absences.	<u>(200,525)</u>
 CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	 \$ <u><u>2,453,774</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, 2023

	Budget		Actual	Variance with Final Budget (Unfavorable)
	Original	Final		
REVENUES:				
Taxes	\$ 7,614,566	\$ 7,614,566	\$ 7,704,670	\$ 90,104
Licenses and Permits	1,140,500	1,140,500	1,089,960	(50,540)
Intergovernmental Revenues	30,725,493	36,706,326	36,709,718	3,392
Charges for Services	599,000	619,000	710,283	91,283
Fines and Forfeitures	621,000	621,000	474,648	(146,352)
Miscellaneous Revenues	758,260	983,610	2,356,239	1,372,629
TOTAL REVENUES	<u>41,458,819</u>	<u>47,685,002</u>	<u>49,045,518</u>	<u>1,360,516</u>
EXPENDITURES:				
Current:				
General Government	6,868,478	7,139,465	6,144,830	994,635
Public Safety	19,783,356	20,958,056	19,870,086	1,087,970
Public Works	5,780,944	5,892,011	5,375,810	516,201
Culture and Recreation	4,963,225	5,238,987	4,993,976	245,011
Other Functions	1,069,672	1,078,172	1,051,466	26,706
Debt Service	325,480	325,480	324,854	626
TOTAL EXPENDITURES	<u>38,791,155</u>	<u>40,632,171</u>	<u>37,761,022</u>	<u>2,871,149</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>2,667,664</u>	<u>7,052,831</u>	<u>11,284,496</u>	<u>4,231,665</u>
OTHER FINANCING SOURCES (USES):				
Transfers from Other Funds	180,322	180,322	143,075	(37,247)
Transfers to Other Funds	(2,693,219)	(13,470,116)	(13,470,115)	1
TOTAL OTHER FINANCING SOURCES (USES)	<u>(2,512,897)</u>	<u>(13,289,794)</u>	<u>(13,327,040)</u>	<u>(37,246)</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER FINANCING AND OTHER USES	<u>\$ 154,767</u>	<u>\$ (6,236,963)</u>	<u>\$ (2,042,544)</u>	<u>\$ 4,194,419</u>

See accompanying notes to financial statements.

CITY OF TUPELO, MISSISSIPPI
COLISEUM OPERATING FUND STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -
BUDGETARY BASIS
For the year ended September 30, 2023

	Budget		Actual	Variance with Final Budget (Unfavorable)
	Original	Final		
REVENUES:				
Intergovernmental Revenues:				
Federal Grants	\$ -	\$ 801,926	\$ 801,937	\$ 11
Charges for Sales & Services:				
Commissions	37,500	37,500	27,401	(10,099)
Concessions & Other Sales	675,000	675,000	934,285	259,285
Direct Show Revenue	60,000	60,000	30,686	(29,314)
Parking	1,200	1,200	1,750	550
Service Charge	520,000	670,000	649,983	(20,017)
Rental Revenue	1,827,000	2,002,000	2,044,975	42,975
Personnel Service Fees	410,000	410,000	406,390	(3,610)
Miscellaneous Revenues:				
Advertising Agency Fee	500,000	550,000	483,146	(66,854)
Other	470,000	1,220,000	1,257,278	37,278
Interest	11,470	11,470	1,462	(10,008)
TOTAL REVENUES	<u>4,512,170</u>	<u>6,439,096</u>	<u>6,639,293</u>	<u>200,197</u>
EXPENDITURES:				
Culture and Recreation:				
Personnel Services	1,451,750	1,451,750	1,289,843	161,907
Supplies	589,500	589,500	482,120	107,380
Other Services and Charges	3,671,750	4,773,676	4,648,323	125,353
Capital Outlay	2,050,000	2,050,000	1,383,920	666,080
TOTAL EXPENDITURES	<u>7,763,000</u>	<u>8,864,926</u>	<u>7,804,206</u>	<u>1,060,720</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ (3,250,830)</u>	<u>\$ (2,425,830)</u>	<u>\$ (1,164,913)</u>	<u>\$ 1,260,917</u>
OTHER FINANCING SOURCES (USES):				
Transfers from Other Funds	2,425,830	2,425,830	1,487,390	(938,440)
TOTAL OTHER FINANCING SOURCES (USES)	<u>2,425,830</u>	<u>2,425,830</u>	<u>1,487,390</u>	<u>(938,440)</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER FINANCING AND OTHER USES	<u>\$ (825,000)</u>	<u>\$ -</u>	<u>\$ 322,477</u>	<u>\$ 322,477</u>

See accompanying notes to financial statements.

CITY OF TUPELO, MISSISSIPPI
CITY INFRASTRUCTURE FUND STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -
BUDGETARY BASIS
For the year ended September 30, 2023

	Budget		Actual	Variance with Final Budget (Unfavorable)
	Original	Final		
REVENUES:				
Intergovernmental Revenues:				
Federal Grants	\$ 1,352,972	\$ 1,352,972	\$ 210,467	\$ (1,142,505)
Miscellaneous Revenues:				
Interest	-	-	5,674	5,674
Donations	200,000	218,500	42,258	(176,242)
Other	-	-	502,798	502,798
TOTAL REVENUES	<u>1,552,972</u>	<u>1,571,472</u>	<u>761,197</u>	<u>(810,275)</u>
EXPENDITURES:				
Other Services and Charges	4,141,595	7,933,081	4,958,775	2,974,306
Capital Outlay	<u>13,296,184</u>	<u>20,135,653</u>	<u>6,976,462</u>	<u>13,159,191</u>
TOTAL EXPENDITURES	<u>17,437,779</u>	<u>28,068,734</u>	<u>11,935,237</u>	<u>16,133,497</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(15,884,807)</u>	<u>(26,497,262)</u>	<u>(11,174,040)</u>	<u>15,323,222</u>
OTHER FINANCING SOURCES (USES):				
Transfers from Other Funds	<u>5,328,099</u>	<u>16,215,574</u>	<u>16,028,327</u>	<u>(187,247)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>5,328,099</u>	<u>16,215,574</u>	<u>16,028,327</u>	<u>(187,247)</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER FINANCING AND OTHER USES	<u>\$ (10,556,708)</u>	<u>\$ (10,281,688)</u>	<u>\$ 4,854,287</u>	<u>\$ 15,135,975</u>

See accompanying notes to financial statements.

CITY OF TUPELO
STATEMENT OF NET POSITION -
PROPRIETARY FUND TYPES
September 30, 2023

	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	\$ 7,448,162	\$ 3,555,104	\$ 550	\$ 1,750,895	\$ 12,754,711
Receivables, Net					
Accounts Receivable	6,896,957	-	-	-	6,896,957
Unbilled Revenue	1,520,067	348,244	-	-	1,868,311
Other Receivables	459,088	84,716	-	-	543,804
Due from Other Governments	-	562,661	-	-	562,661
Due from Other Funds	-	7,272	-	1,804	9,076
Inventories	1,412,373	105,948	87,512	-	1,605,833
Prepaid Expenses	67,692	22,037	39,461	-	129,190
Other Current Assets	193,143	-	-	-	193,143
Current Amount of Restricted Assets	-	-	4,222,264	-	4,222,264
Total Current Assets	<u>17,997,482</u>	<u>4,685,982</u>	<u>4,349,787</u>	<u>1,752,699</u>	<u>28,785,950</u>
Restricted Assets					
Cash	-	-	9,381,542	-	9,381,542
Certificate of Deposit	-	-	50,199	-	50,199
Investments	-	-	19,835,152	-	19,835,152
Interest Receivable on Investments	-	-	24,784	-	24,784
Accrued Interest Purchased	-	-	72,243	-	72,243
Accounts Receivable	-	-	314,616	-	314,616
Intergovernmental Receivable	-	-	1,126,061	-	1,126,061
Total Restricted Assets	-	-	30,804,597	-	30,804,597
Current Amounts Above	-	-	(4,222,264)	-	(4,222,264)
Total Non-Current Restricted Asset	<u>-</u>	<u>-</u>	<u>26,582,333</u>	<u>-</u>	<u>26,582,333</u>
Capital Assets					
Plant and Equipment	70,788,672	152,184,106	71,861,545	1,067,739	295,902,062
Land and Land Rights	333,013	775,109	756,583	-	1,864,705
Sanitary and Sewer Lagoons	-	6,896,810	-	-	6,896,810
Construction in Progress	1,447,405	1,453,282	5,309,803	-	8,210,490
Total	<u>72,569,090</u>	<u>161,309,307</u>	<u>77,927,931</u>	<u>1,067,739</u>	<u>312,874,067</u>
Less: Accumulated Depreciation	<u>38,777,409</u>	<u>72,237,534</u>	<u>29,659,088</u>	<u>539,796</u>	<u>141,213,827</u>
Net Capital Assets	<u>\$ 33,791,681</u>	<u>\$ 89,071,773</u>	<u>\$ 48,268,843</u>	<u>\$ 527,943</u>	<u>\$ 171,660,240</u>

NOTE -- Amounts for the Electric Fund are at June 30, 2023.

CITY OF TUPELO
STATEMENT OF NET POSITION -
PROPRIETARY FUND TYPES
September 30, 2023

-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	\$ 40,467	\$ -	\$ 49,367
Receivable from Customers for Energy Conservation Loans	25,542	-	-	-	25,542
Receivable from CSA	121,320	-	-	-	121,320
Total Other Assets	146,862	8,900	40,467	-	196,229
Total Assets	51,936,025	93,766,655	79,241,430	2,280,642	227,224,752
DEFERRED OUTFLOWS OF RESOURCES					
	1,019,691	1,050,750	52,745	117,494	2,240,680
LIABILITIES					
CURRENT LIABILITIES					
Payable from Unrestricted Current Assets:					
Accounts Payable	4,571,767	477,821	-	234,349	5,283,937
Customer and Other Deposits	3,314,466	858,015	-	-	4,172,481
Accrued Interest	35,125	136,771	-	-	171,896
Accrued Expenses	311,642	-	-	-	311,642
Due to Other Funds	138,209	2,104,376	-	-	2,242,585
Total Payable from Unrestricted Current Assets	8,371,209	3,576,983	-	234,349	12,182,541
Payable from Restricted Current Assets:					
Due to City of Tupelo Water G.O. Bond Fund	-	-	207,500	-	207,500
Accounts Payable	-	-	70,656	-	70,656
Accrued Payroll and Payroll Taxes	-	-	2,235	-	2,235
Construction / Retainage Payable	-	-	196,174	-	196,174
Bonds, Notes, and Loans Payable	335,000	3,782,380	-	-	4,117,380
Total Payable from Restricted Current Assets	335,000	3,782,380	476,565	-	4,593,945
Total Current Liabilities	\$ 8,706,209	\$ 7,359,363	\$ 476,565	\$ 234,349	\$ 16,776,486

NOTE -- Amounts for the Electric Fund are at June 30, 2023.

CITY OF TUPELO
STATEMENT OF NET POSITION -
PROPRIETARY FUND TYPES
September 30, 2023

-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	\$ 6,331,820	\$ 5,442,180	\$ 251,512	\$ 607,916	\$ 12,633,428
Accrued Compensated Absences Due to City of Tupelo	71,458	44,295	-	-	115,753
Water G. O. Bond Fund	-	-	2,414,584	-	2,414,584
Advances from TVA	27,829	-	-	-	27,829
Bonds, Notes, and Loans Payable	<u>4,291,181</u>	<u>32,859,865</u>	<u>-</u>	<u>-</u>	<u>37,151,046</u>
Total Long-Term Liabilities	<u>10,722,288</u>	<u>38,346,340</u>	<u>2,666,096</u>	<u>607,916</u>	<u>52,342,640</u>
Total Liabilities	<u>19,428,497</u>	<u>45,705,703</u>	<u>3,142,661</u>	<u>842,265</u>	<u>69,119,126</u>
DEFERRED INFLOWS OF RESOURCES	<u>744,191</u>	<u>347,796</u>	<u>1,843</u>	<u>26,919</u>	<u>1,120,749</u>
Net Position					
Net Investment in Capital Assets	29,165,500	52,429,528	45,450,586	527,943	127,573,557
Restricted for:					
Capital Projects	-	-	27,708,394	-	27,708,394
Operations and Debt Service	-	-	2,822,701	-	2,822,701
Unrestricted (Deficit)	<u>3,617,528</u>	<u>(3,665,622)</u>	<u>167,990</u>	<u>1,001,009</u>	<u>1,120,905</u>
Total Net Position	<u>\$ 32,783,028</u>	<u>\$ 48,763,906</u>	<u>\$ 76,149,671</u>	<u>\$ 1,528,952</u>	<u>\$ 159,225,557</u>

NOTE -- Amounts for the Electric Fund are at June 30, 2023.

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, 2023

	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	\$ 58,719,926	\$ 14,137,393	\$ 3,271,054	\$ 3,842,219	\$ 79,970,592
Rents	440,332	141,570	-	-	581,902
Other Revenues	786,613	165,248	-	246,250	1,198,111
Total Operating Revenues	<u>59,946,871</u>	<u>14,444,211</u>	<u>3,271,054</u>	<u>4,088,469</u>	<u>81,750,605</u>
OPERATING EXPENSES					
General and Administrative	1,160,057	795,859	282,180	-	2,238,096
Power Purchased	49,138,519	-	-	-	49,138,519
Transmission Mains	-	1,405,564	-	-	1,405,564
Water Operations	-	1,467,576	2,942,700	-	4,410,276
Sewer Operations	-	3,470,813	-	-	3,470,813
Electric Operations	791,226	-	-	-	791,226
Sanitation Operations	-	-	-	4,017,112	4,017,112
Customer Accounting and Collecting	500,583	823,826	-	-	1,324,409
Customer Service and Information	40,107	-	-	-	40,107
Maintenance and Repair	1,271,594	-	-	-	1,271,594
Sales Expense	43,912	-	-	-	43,912
Taxes and Equivalents	3,531,163	-	-	-	3,531,163
Amortization and Depreciation	2,611,406	5,469,628	1,447,312	61,906	9,590,252
Total Operating Expenses	<u>59,088,567</u>	<u>13,433,266</u>	<u>4,672,192</u>	<u>4,079,018</u>	<u>81,273,043</u>
Net Operating Income	<u>858,304</u>	<u>1,010,945</u>	<u>(1,401,138)</u>	<u>9,451</u>	<u>477,562</u>
NON-OPERATING REVENUES (EXPENSES)					
Interest Income	4,353	2,905	63,751	1,061	72,070
Gain (Loss) on Disposal of Capital Assets	97,500	-	-	-	97,500
Bad Debts	-	(11,382)	-	(3,824)	(15,206)
Interest Expense	(177,058)	(816,911)	(122,198)	-	(1,116,167)
Unrealized Gain (Loss) on Investments	-	-	(100,919)	-	(100,919)
Total Non-operating Revenues (Expenses)	<u>(75,205)</u>	<u>(825,388)</u>	<u>(159,366)</u>	<u>(2,763)</u>	<u>(1,062,722)</u>
Income (Loss) before Operating Transfers	<u>\$ 783,099</u>	<u>\$ 185,557</u>	<u>\$ (1,560,504)</u>	<u>\$ 6,688</u>	<u>\$ (585,160)</u>

NOTE -- Amounts for the Electric Fund are for fiscal year ended June 30, 2023.

CITY OF TUPELO
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION -
PROPRIETARY FUNDS
For the year ended September 30, 2023
-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	\$ -	\$ (1,162,054)	\$ -	\$ -	\$ (1,162,054)
Total Operating Transfers In (Out)	-	(1,162,054)	-	-	(1,162,054)
Increase (Decrease) in Net Assets Before Capital Contributions	783,099	(976,497)	(1,560,504)	6,688	(1,747,214)
Capital Grants and Contributions	-	1,125,322	4,659,271	-	5,784,593
Change in Net Position	783,099	148,825	3,098,767	6,688	4,037,379
TOTAL NET POSITION -					
Beginning of Year	31,999,929	48,615,081	73,050,904	1,522,264	155,188,178
TOTAL NET POSITION -					
End of Year	\$ 32,783,028	\$ 48,763,906	\$ 76,149,671	\$ 1,528,952	\$ 159,225,557

NOTE -- Amounts for the Electric Fund are for fiscal year ended June 30, 2023.

See accompanying notes to financial statements.

CITY OF TUPELO
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
For the year ended September 30, 2023

	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	\$ 60,828,783	\$ 14,397,154	\$ 3,296,721	\$ 4,084,645	\$ 82,607,303
Payments to Suppliers	(53,390,615)	(5,814,715)	(3,107,026)	(3,739,744)	(66,052,100)
Payments to Employees	(2,261,008)	(1,637,607)	(62,385)	(256,507)	(4,217,507)
Payments for Other Services and Charges	(1,943,122)	-	-	-	(1,943,122)
Other Receipts (Payments)	26,440	7,909	-	-	34,349
Net Cash Provided by (Used in) Operating Activities	<u>3,260,478</u>	<u>6,952,741</u>	<u>127,310</u>	<u>88,394</u>	<u>10,428,923</u>
Cash Flows from Noncapital Financing Activities:					
Other Receipts	-	-	-	-	-
Due To (From) Municipality	47,803	(223,024)	-	21,494	(153,727)
Transfers In (Out)	-	(1,162,054)	-	-	(1,162,054)
Net Cash Provided by (Used In) Noncapital Financing Activities	<u>47,803</u>	<u>(1,385,078)</u>	<u>-</u>	<u>21,494</u>	<u>(1,315,781)</u>
Cash Flows from Capital and Related Financing Activities:					
Capital Contributions	-	562,661	4,654,151	-	5,216,812
Payments to City of Tupelo Water G. O. Bonds Fund	-	-	(205,833)	-	(205,833)
Payments for Debt	(325,000)	(3,708,285)	-	-	(4,033,285)
Purchase of Capital Assets	(2,959,119)	(2,109,005)	(4,177,250)	(205,500)	(9,450,874)
Cost of Removal of Fixed Assets, Net of Salvage	(100,383)	-	-	-	(100,383)
Proceeds from Sale of Capital Assets	97,500	-	-	-	97,500
Conservation Advances from TVA	(35,361)	-	-	-	(35,361)
Budget Billing Advances	(6)	-	-	-	(6)
Interest Paid	(220,500)	(911,521)	(122,198)	-	(1,254,219)
Net Cash Provided by (Used In) Capital and Related Financing Activities	<u>(3,542,869)</u>	<u>(6,166,150)</u>	<u>148,870</u>	<u>(205,500)</u>	<u>(9,765,649)</u>
Cash Flows from Investing Activities:					
Receivable from Customers for Energy Conservation Loans	34,093	-	-	-	34,093
(Increase) Decrease in Receivable from CSA	(24,438)	-	-	-	(24,438)
Purchase of U.S. Treasury Notes	-	-	(20,000,000)	-	(20,000,000)
Interest and Dividends	4,353	2,905	30,453	1,061	38,772
Net Cash Provided by (Used In) Investing Activities	<u>14,008</u>	<u>2,905</u>	<u>(19,969,547)</u>	<u>1,061</u>	<u>(19,951,573)</u>
Net Increase (Decrease) In Cash and Cash Equivalents	<u>(220,580)</u>	<u>(595,582)</u>	<u>(19,693,367)</u>	<u>(94,551)</u>	<u>(20,604,080)</u>
Cash and Cash Equivalents--Beginning	<u>7,668,742</u>	<u>4,150,686</u>	<u>29,075,459</u>	<u>1,845,446</u>	<u>42,740,333</u>
Cash and Cash Equivalents--Ending	<u>\$ 7,448,162</u>	<u>\$ 3,555,104</u>	<u>\$ 9,382,092</u>	<u>\$ 1,750,895</u>	<u>\$ 22,136,253</u>

NOTE -- Amounts for the Electric Fund are for fiscal year ended June 30, 2023.

CITY OF TUPELO
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
For the year ended September 30, 2023

	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)	\$ 858,304	\$ 1,010,945	\$ (1,401,138)	\$ 9,451	\$ 477,562
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:					
Depreciation Expense	2,611,406	5,469,628	1,447,312	61,906	9,590,252
Net Pension Expense	73,811	462,092	16,590	5,530	558,023
Provision for Uncollectible Accounts	7,048	(11,382)	-	(3,824)	(8,158)
Decrease (Increase) in Assets:					
Accounts Receivable	362,369	-	25,667	-	388,036
Unbilled Revenue	394,226	(84,962)	-	-	309,264
Other Receivables	206,411	27,077	-	-	233,488
Due from Other Governments	-	-	-	-	-
Inventory	(419,491)	(39,949)	52,351	-	(407,089)
Prepaid Expenses	(958)	7,909	1,681	-	8,632
Other Current Assets	(61,702)	-	9,866	-	(51,836)
Increase (Decrease) in Liabilities:					
Accounts Payable	(720,274)	85,174	(25,111)	15,331	(644,880)
Customer and Other Deposits	(17,513)	22,210	-	-	4,697
Accrued Expenses	(33,159)	3,999	92	-	(29,068)
Total Adjustments	<u>2,402,174</u>	<u>5,941,796</u>	<u>1,528,448</u>	<u>78,943</u>	<u>9,951,361</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ 3,260,478</u>	<u>\$ 6,952,741</u>	<u>\$ 127,310</u>	<u>\$ 88,394</u>	<u>\$ 10,428,923</u>

NOTE -- Amounts for the Electric Fund are for fiscal year ended June 30, 2023.

See accompanying notes to financial statements.

CITY OF TUPELO
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
September 30, 2023

	Agency Funds
ASSETS	
Cash	\$ 863,509
Investments	500
TOTAL ASSETS	\$ 864,009
 LIABILITIES	
Accounts Payable	\$ 50,820
Due to Complainants	406,129
Due to Insured Employees	6,964
Seized Money Held	400,096
TOTAL LIABILITIES	\$ 864,009

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2023

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, 2023

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, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

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

Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of specific federal and state grants that are legally restricted to expenditures for specified purposes. These are non-major governmental funds except for the Coliseum Operating Fund, which is considered major.

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, 2023**

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, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

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

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

DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets and liabilities, the statement of financial position will sometimes report a separate section for deferred outflows and deferred inflows of resources. These separate financial statement elements, deferred inflows and deferred outflows, represent a consumption of net position that 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 14 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, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

The estimated useful lives are as follows:

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

CASH AND CASH EQUIVALENTS

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. The City deposits funds in the financial institutions selected by the City Council in accordance with state statutes. State statutes specify how these depositories are to be selected. For purposes of the proprietary funds statement of cash flows, the City considers all highly liquid investments with an original maturity of three months or less when acquired to be cash equivalents.

INVESTMENTS

Investments in governmental securities are stated 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.

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2023

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, 2023

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.

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.

**CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2023**

NOTE 2 - CASH, CERTIFICATE OF DEPOSIT, AND INVESTMENTS

CASH AND CERTIFICATE OF DEPOSIT

The collateral for public entities' deposits in financial institutions is 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 entity's funds 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 \$88,989,587, and the bank balance was \$92,283,530. The carrying amount for the Tupelo Airport Authority was \$1,526,138, and the bank balance was \$1,528,480.

Custodial credit risk is the risk that in the event of the failure of a financial institution, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. The City does not have a formal policy for custodial credit risk. However, the Mississippi State Treasurer manages that risk on behalf of the City. Deposits above FDIC coverage are collateralized by pledging financial institution's trust department or agent in the name of the Mississippi State Treasurer on behalf of the City.

The certificate of deposit of \$50,199 is held at a local bank as collateral for an irrevocable letter of credit to a utility company to cover a required utility deposit.

INVESTMENTS

Governmental and Fiduciary fund investments held with financial institutions during the fiscal year consisted only of those types of investments held at the end of the fiscal year. Investments made by the City that are included on the balance sheets at September 30, 2023, 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 Amount</u>	<u>Fair Value</u>
	<u>1</u>	<u>2</u>	<u>3</u>		
U. S. Government Securities Funds*		X		\$ <u>4,006,969</u>	\$ <u>4,006,969</u>
Total				\$ <u>4,006,969</u>	\$ <u>4,006,969</u>

*These funds invest only in U.S. Government securities and are level 1 inputs (see fair value below).

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2023

NOTE 2 - CASH, CERTIFICATE OF DEPOSIT, AND INVESTMENTS – continued

During fiscal year 2023, the Northeast Mississippi Regional Water Supply District agreed to invest cash restricted for capital activities in short-term U.S. Treasury securities in order to maximize interest earning potential while maintaining sufficient reserves to cover expected drawdowns for capital projects.

Balances of investments at September 30, 2023, recorded in the proprietary fund, are as follows:

<u>Investment Type</u>	<u>Fair Value Level</u>	<u>Carrying Amount</u>	<u>Fair Value</u>
U.S. Treasury Securities	1	\$ 18,609,372	\$ 18,609,372
Money Market	1	<u>1,225,780</u>	<u>1,225,780</u>
Total		\$ <u>19,835,152</u>	\$ <u>19,835,152</u>

Fair Value - The fair value hierarchy prioritizes the inputs used to measure fair value into three broad Levels (Levels 1, 2 and 3), moving from quoted prices in active markets in Level 1 to unobservable inputs in Level 3.

- Level 1: Quoted prices in active markets for identical assets or liabilities;
- Level 2: These are quoted market prices for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other than quoted prices that are not observable;
- Level 3: Unobservable inputs for an asset or liability.

Interest Rate Risk - Interest Rate Risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Custodial Credit Risk - This is the risk that in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The City does not have a formal policy for custodial credit risk.

Credit Risk - Generally, credit risk is the risk that an issuer of a debt type investment will not fulfill its obligation to the holder of the investment. This is measured by assignment of a rating by a nationally recognized rating organization. U.S. Government securities or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk exposure.

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2023

NOTE 3 - 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, 2023, consist of allocations of general property ad valorem taxes of \$898,724 and homestead exemption reimbursement of \$36,042 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>\$ 4,451,378</u>
Assumed Rate of Return Used in Plan Evaluation	7.55%
Plan Evaluation Date	June 30, 2023
Plan Assets Available for Benefits as of June 30, 2023	<u>\$ 4,080,000</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, 2023

NOTE 4 - 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, 2023

NOTE 4 - 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 5 - 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, 2023 is as follows:

	City	TPSD
Real Property	\$ 381,912,202	\$ 17,457,539
Personal Property - Other Than Motor Vehicles & Mobile Homes	115,996,651	7,353,351
Personal Property - Motor Vehicles & Mobile Homes	<u>67,257,187</u>	<u>4,639,410</u>
	<u>\$ 565,166,040</u>	<u>\$ 29,450,300</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:

	City	TPSD
General Fund	11.79	0.00
Library Fund	0.87	0.00
City Bond and Interest Fund	8.20	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, 2023

NOTE 5 - 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 6 - CAPITAL ASSETS

The following is a summary of capital asset activity as of September 30, 2023:

	<u>Balance</u> <u>Oct. 1, 2022</u>	<u>Acquisitions</u>	<u>Capitalized</u> <u>Construction,</u> <u>Sales, or</u> <u>Retirements</u>	<u>Balance</u> <u>Sept. 30, 2023</u>
Governmental Activities:				
Capital Assets, not being Depreciated:				
Land	\$ 14,492,172	\$ 1,144,920	\$ (369,595)	\$ 15,267,497
Construction in Progress	<u>10,539,669</u>	<u>9,667,703</u>	<u>(6,322,627)</u>	<u>13,884,745</u>
Total Capital Assets, not being Depreciated:	25,031,841	10,812,623	(6,692,222)	29,152,242
Capital Assets being Depreciated:				
Buildings and Improvements	134,259,953	1,444,771	190,115	135,894,839
Machinery and Equipment	31,574,558	2,788,668	(2,707,636)	31,655,590
Infrastructure	<u>163,929,503</u>	<u>-</u>	<u>6,170,277</u>	<u>170,099,780</u>
Total Capital Assets, being Depreciated	329,764,014	4,233,439	3,652,756	337,650,209
Less Accumulated Depreciation for:				
Buildings and Improvements	(37,930,815)	(3,549,787)	-	(41,480,602)
Machinery and Equipment	(23,017,412)	(1,907,238)	2,349,476	(22,575,174)
Infrastructure	<u>(94,266,516)</u>	<u>(5,777,906)</u>	<u>-</u>	<u>(100,044,422)</u>
Total Accumulated Depreciation	<u>(155,214,743)</u>	<u>(11,234,931)</u>	<u>2,349,476</u>	<u>(164,100,198)</u>
Total Governmental Activities Capital Assets, net	\$ <u>199,581,112</u>	\$ <u>3,811,131</u>	\$ <u>(689,990)</u>	\$ <u>202,702,253</u>

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2023

NOTE 6 - CAPITAL ASSETS – continued

	Balance Oct. 1, 2022	Acquisitions	Capitalized Construction, Sales, or Retirements	Balance Sept. 30, 2023
Business-Type Activities:				
Capital Assets, not being Depreciated:				
Land	\$ 1,864,705	\$ -	\$ -	\$ 1,864,705
Construction in Progress	3,611,064	5,666,901	(1,067,475)	8,210,490
Total Capital Assets, not being Depreciated:	5,475,769	5,666,901	(1,067,475)	10,075,195
Capital Assets being Depreciated:				
Buildings and Improvements	269,278,685	4,186,789	(577,063)	272,888,411
Machinery and Equipment	29,551,606	870,054	(511,199)	29,910,461
Total Capital Assets, being Depreciated	298,830,291	5,056,843	(1,088,262)	302,798,872
Less Accumulated Depreciation for:				
Buildings and Improvements	(114,407,522)	(7,806,501)	618,473	(121,595,550)
Machinery and Equipment	(18,333,117)	(1,783,751)	498,591	(19,618,277)
Total Accumulated Depreciation	(132,740,639)	(9,590,252)	1,117,064	(141,213,827)
Total Business-Type Activities				
Capital Assets, net	\$ 171,565,421	\$ 1,133,492	\$ (1,038,673)	\$ 171,660,240
Discretely Presented Component Unit:				
Capital Assets, not being Depreciated:				
Land	\$ 6,099,049	\$ -	\$ -	\$ 6,099,049
Construction in Progress	916,195	497,589	-	1,413,784
Total Capital Assets, not being Depreciated:	7,015,244	497,589	-	7,512,833
Capital Assets being Depreciated:				
Buildings and Improvements	51,437,759	46,500	-	51,484,259
Machinery and Equipment	2,530,493	79,148	(12,699)	2,596,942
Total Capital Assets, being Depreciated	53,968,252	125,648	(12,699)	54,081,201
Less Accumulated Depreciation for:				
Buildings and Improvements	(30,583,500)	(1,260,558)	-	(31,844,058)
Machinery and Equipment	(1,331,972)	(164,875)	12,699	(1,484,148)
Total Accumulated Depreciation	(31,915,472)	(1,425,433)	12,699	(33,328,206)
Total Component Unit				
Capital Assets, net	\$ 29,068,024	\$ (802,196)	\$ -	\$ 28,265,828
Total Capital Assets	\$ 400,214,557	\$ 4,142,427	\$ (1,728,663)	\$ 402,628,321

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2023

NOTE 6 - CAPITAL ASSETS – continued

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

Governmental Activities:

General Government	\$ 1,193,181
Public Safety	1,286,221
Public Works	6,598,894
Culture and Recreation	<u>2,156,635</u>

Total Depreciation Expense - Governmental Activities	\$ <u>11,234,931</u>
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Business-Type Activities:

Electric Department	\$ 2,611,406
Water and Sewer	5,469,628
Northeast Mississippi Regional Water Supply District	61,906
Solid Waste	<u>1,447,312</u>

Total Depreciation Expense - Business-Type Activities	\$ <u>9,590,252</u>
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Total Depreciation Expense - Discretely Presented Component Unit	\$ <u>1,425,433</u>
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NOTE 7 - 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 2021, the City issued tax increment limited obligation bonds, series 2021, in the amount of \$616,000. The purpose of this bond issue is to provide funds for Fairpark District development projects.

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, 2023

NOTE 7 - LONG-TERM DEBT – continued

NOTES PAYABLE AND STATE REVOLVING LOANS

Fifteen different capital improvement revolving loans make up the September 30, 2023 notes payable balance and are included in both governmental activities and business-type activities. All of the loans are in repayment status with a total outstanding balance of \$31,940,185.

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	\$37,575,000	\$ -	\$ 2,605,000	\$34,970,000	\$3,005,000
Limited Obligations						
Tax Increment	Debt Service	701,000	-	97,000	604,000	104,000
Special Obligation Bonds	Debt Service	25,000,000	-	-	25,000,000	305,000
Notes Payable	General	2,694,227	-	245,476	2,448,751	253,245
Bond Premiums		<u>4,905,763</u>	<u>-</u>	<u>340,116</u>	<u>4,565,647</u>	<u>-</u>
Total Governmental Activities		<u>\$70,875,990</u>	<u>\$ -</u>	<u>\$ 3,287,592</u>	<u>\$67,588,398</u>	<u>\$3,667,245</u>

	Fund Debt Retired By	Balances Oct. 1,	Additions	Reductions	Balances Sept. 30	Current Portion
Business-Type Activities:						
Special Obligation Bonds	Water/Sewer	\$ 7,070,000	\$ -	\$ 505,000	\$ 6,565,000	\$ 520,000
Special Obligation Bonds	Electric*	4,540,000	-	325,000	4,215,000	335,000
Notes Payable	Water/Sewer	32,694,719	-	3,203,285	29,491,434	3,262,380
State Revolving Loan	NEMSRWSD	-	-	-	-	-
Bond Premiums		<u>1,139,714</u>	<u>-</u>	<u>142,722</u>	<u>996,992</u>	<u>-</u>
Total Business-Type Activities		<u>\$45,444,433</u>	<u>\$ -</u>	<u>\$ 4,176,007</u>	<u>\$41,268,426</u>	<u>\$4,117,380</u>

*Amounts for Electric Fund are at June 30, 2023.

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2023

NOTE 7 - LONG-TERM DEBT – continued

DEBT SERVICE REQUIREMENTS TO MATURITY

Annual debt service requirements to maturity are as follows:

Year Ending September 30,	Governmental Activities					Total
	General Obligation	Limited Obligations Tax Increment	Special Obligation	Notes Payable	Interest	
2024	\$ 3,005,000	\$ 104,000	\$ 305,000	\$ 253,245	\$ 1,912,365	\$ 5,579,610
2025	3,120,000	46,000	620,000	382,890	2,135,708	6,304,598
2026	3,235,000	48,000	635,000	146,796	1,997,521	6,062,317
2027	3,000,000	50,000	655,000	151,261	1,861,251	5,717,512
2028	3,035,000	53,000	770,000	155,861	1,729,913	5,743,774
2029-2033	13,700,000	303,000	5,255,000	783,013	6,514,275	26,555,288
2034-2038	5,875,000	-	6,500,000	445,116	3,549,439	16,369,555
2039-2043	-	-	5,105,000	130,569	1,804,477	7,040,046
2044-2048	-	-	4,200,000	-	777,412	4,977,412
2049	-	-	955,000	-	41,450	996,450
Total	\$ 34,970,000	\$ 604,000	\$25,000,000	\$ 2,448,751	\$ 22,323,811	\$ 85,346,562

Year Ending September 30,	Business-Type Activities				Total
	Special Obligation	Notes Payable	Interest		
2024	\$ 855,000	\$ 3,262,380	\$ 1,043,777	\$ 5,161,157	
2025	900,000	3,296,442	940,935	5,137,377	
2026	945,000	3,202,458	837,094	4,984,552	
2027	995,000	2,954,549	735,461	4,685,010	
2028	1,040,000	1,768,334	640,692	3,449,026	
2029-2033	6,045,000	8,024,665	1,938,109	16,007,774	
2034-2038	-	6,328,300	295,095	6,623,395	
2039-2040	-	654,306	6,502	660,808	
Total	\$ 10,780,000	\$ 29,491,434	\$ 6,437,665	\$ 46,709,099	

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2023

NOTE 7 - 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:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 207,500	\$ 107,415	\$ 314,915
2025	213,750	99,115	312,865
2026	225,417	90,564	315,981
2027	235,833	81,548	317,381
2028	247,917	72,115	320,032
2029 - 2033	1,435,417	202,840	1,638,257
2034	<u>56,250</u>	<u>2,672</u>	<u>58,922</u>
	<u>\$ 2,622,084</u>	<u>\$ 656,269</u>	<u>\$ 3,278,353</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 were paid off in fiscal year 2022.

**CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2023**

NOTE 8 - 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, 2023:

<u>Year Ending September 30,</u>	
2024	\$ 435,933
2025	399,428
2026	396,234
2027	389,245
2028	390,841
2029 - 2033	1,101,924
2034 - 2038	<u>563,447</u>
Total Minimum Future Rentals	<u>\$ 3,677,052</u>

NOTE 9 - TVA HOME INSULATION PROGRAM - ELECTRIC FUND

Other Assets of the Electric Fund include \$27,829 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 10 - 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, 2023 were:

Fund	Due from Other Funds	Due to Other Funds
General Fund	\$ 2,104,000	\$ 74,604
Special Revenue Funds:		
Convention and Visitor's Bureau Fund	37,302	-
Capital Project Funds:		
Thoroughfare Fund Phase VII	37,302	-
Proprietary Funds:		
Electric Fund	376	9,076
Water and Sewer Fund	7,272	2,104,376
Solid Waste Management Fund	<u>1,804</u>	<u>-</u>
Total	<u>\$ 2,188,056</u>	<u>\$ 2,188,056</u>

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2023

NOTE 11 - NONCURRENT ASSETS

The following receivable at September 30, 2023 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>70,814</u>

NOTE 12 - CONTRIBUTED CAPITAL

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

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

NOTE 13 - ADOPTION OF NEW ACCOUNTING STANDARDS

The GASB has issued several statements implemented by the City. The Standards which could potentially impact the City in subsequent years are as follows:

GASB Statement No. 87, *Leases*, was adopted by the City beginning with its fiscal year ending September 30, 2023. Statement No. 87 establishes a single approach to accounting for and reporting leases by local governments. Under this statement, a governmental entity that is a lessee must recognize (1) a lease liability and (2) an intangible asset representing the lessee's right to use the leased asset. In addition, the City must recognize (1) amortization expense for using the asset over the shorter of the term of the lease or the useful life of the underlying asset, (2) interest expense on the lease liability and (3) note disclosures about the lease. For the year ended September 30, 2023, the City did not have any leases that were required to be recorded under Statement No. 87.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, was adopted by the City beginning with its fiscal year ending September 30, 2023. Statement No. 96 provides guidance on the accounting and financial reporting for subscription based information technology arrangements for government end users. Under this Statement, a government should recognize a right-to-use subscription asset-an intangible asset-and a corresponding subscription liability. For the year ended September 30, 2023, the City only had short-term contracts of 12 months or less and are excluded from the recognition requirements.

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2023

NOTE 14 - 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.

Employee membership data related to the Plan, as of June 30, 2022 was as follows:

Inactive Members or Beneficiaries Currently Receiving Benefits	114,462
Inactive Members Assumed Eligible for a Benefit at Retirement Date	16,856
Inactive Members Assumed Not to Receive Service Retirement Benefits	74,034
Active Members	<u>144,416</u>
Total	<u>349,768</u>

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2023

NOTE 14 - 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, 2023). 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, 2023, the City of Tupelo's total payroll for all employees was \$19,969,237. Total covered payroll was \$19,435,506.

For the year ended September 30, 2023, the Coliseum Project Fund's total payroll for all employees was \$950,556. Total covered payroll was \$881,253.

For the year ended September 30, 2023, the Water District's total payroll for all employees was \$49,850. Total covered payroll was also \$49,850.

For the year ended September 30, 2023, the Tupelo Airport Authority's total payroll for all employees was \$582,675. Total covered payroll was \$522,267.

For the year ended September 30, 2023, the Water and Sewer Fund's total payroll for all employees was \$1,624,736. Total covered payroll was \$1,623,667.

For the year ended June 30, 2023, the Electric Fund's total payroll for all employees was \$2,227,849. Total covered payroll was \$2,227,849.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions - At September 30, 2023, the City of Tupelo reported a liability of \$68,305,200 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 \$2,959,304 for its proportionate share. The Water District reported \$251,512, the Tupelo Airport Authority reported \$1,773,921, and the Water and Sewer Fund reported \$5,442,180. The Electric Fund as of June 30, 2023, reported a liability of \$6,331,820 for its proportionate share of the net pension liability.

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2023

NOTE 14 - DEFINED BENEFIT PENSION PLAN – continued

The net pension liability was measured as of June 30, 2023, 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, 2023, the City of Tupelo’s proportion was 0.271577 percent. At June 30, 2023, the proportionate share for the Coliseum Project Fund was 0.01177 percent. At June 30, 2023, the proportionate share for the Water District was 0.0010 percent. At June 30, 2023, the proportionate share for the Tupelo Airport Authority was 0.007053 percent. At June 30, 2023, the proportionate share for the Water and Sewer Fund was 0.021638 percent.

For the Electric Fund, the net pension liability was measured as of June 30, 2022, 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, 2022, the Electric Fund’s proportion was 0.030761 percent.

For the year ended September 30, 2023, the City of Tupelo (including the Solid Waste Fund) recognized pension expense of \$6,947,164. At September 30, 2023, the City of Tupelo reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 1,710,262	\$ -
Net Difference Between Projected and Actual Investment Earnings	2,672,410	-
City Pension Contributions Subsequent to the Measurement Date	798,534	-
Changes of Assumptions	8,020,313	-
Changes in Proportion and Differences in Actual Earnings on Pension Plan Assets	-	3,024,639
Total	\$ <u>13,201,519</u>	\$ <u>3,024,639</u>

The \$798,534 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, 2024. 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,	<u>Amount</u>
2024	\$ 2,817,455
2025	1,738,684
2026	4,801,897
2027	20,310
Total	\$ <u>9,378,346</u>

For the year ended September 30, 2023, the Coliseum Project Fund recognized pension expense of \$181,685. At September 30, 2023, 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, 2023

NOTE 14 - DEFINED BENEFIT PENSION PLAN – continued

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 74,097	\$ -
Net Difference Between Projected and Actual Investment Earnings	115,781	-
Coliseum Pension Contributions Subsequent to the Measurement Date	37,571	-
Changes of Assumptions	347,478	-
Changes in Proportion and Differences in Actual Earnings on Pension Plan Assets	<u>50,038</u>	<u>156,328</u>
Total	<u>\$ 624,964</u>	<u>\$ 156,328</u>

The \$37,571 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, 2024. 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,	<u>Amount</u>
2024	\$ 66,279
2025	146,338
2026	217,568
2027	<u>880</u>
Total	<u>\$ 431,065</u>

For the year ended September 30, 2023, the Water District recognized pension expense of \$25,264. At September 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 6,298	\$ -
Net Difference Between Projected and Actual Investment Earnings	12,313	-
Water District Pension Contributions Subsequent to the Measurement Date	2,217	-
Changes of Assumptions	26,200	-
Changes in Proportion and Differences in Actual Earnings on Pension Plan Assets	<u>5,717</u>	<u>1,843</u>
Total	<u>\$ 52,745</u>	<u>\$ 1,843</u>

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2023

NOTE 14 - DEFINED BENEFIT PENSION PLAN – continued

The \$2,217 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, 2024. 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,	<u>Amount</u>
2024	\$ 18,117
2025	11,230
2026	19,263
2027	<u>75</u>
Total	<u>\$ 48,685</u>

For the year ended September 30, 2023, the Tupelo Airport Authority recognized pension expense of \$227,222. At September 30, 2023, the Tupelo Airport Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 44,416	\$ -
Net Difference Between Projected and Actual Investment Earnings	69,404	-
TAA’s Pension Contributions Subsequent to the Measurement Date	23,511	-
Changes of Assumptions	208,292	-
Changes in Proportion and Differences in Actual Earnings on Pension Plan Assets	<u>166,850</u>	<u>6,869</u>
Total	<u>\$ 512,473</u>	<u>\$ 6,869</u>

The \$23,511 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, 2024. 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,	<u>Amount</u>
2024	\$ 203,101
2025	142,770
2026	135,694
2027	<u>528</u>
Total	<u>\$ 482,093</u>

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2023

NOTE 14 - DEFINED BENEFIT PENSION PLAN – continued

For the year ended September 30, 2023, the Water and Sewer Fund recognized pension expense of \$462,092. At September 30, 2023, 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	\$ 136,264	\$ -
Net Difference Between Projected and Actual Investment Earnings	212,923	-
Water and Sewer Fund Pension Contributions Subsequent to the Measurement Date	62,549	-
Changes of Assumptions	639,014	-
Changes in Proportion and Differences in Actual Earnings on Pension Plan Assets	-	347,796
Total	\$ 1,050,750	\$ 347,796

The \$62,549 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, 2023. 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
2024	\$ 189,634
2025	90,063
2026	359,089
2027	1,618
Total	\$ 640,405

For the year ended June 30, 2023, the Electric Fund recognized pension expense of \$73,811. At June 30, 2023, 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, 2023

NOTE 14 - DEFINED BENEFIT PENSION PLAN – continued

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 89,654	\$ -
Net Difference Between Projected and Actual Investment Earnings	332,578	-
Electric Fund's Pension Contributions Subsequent to the Measurement Date	378,466	-
Changes of Assumptions	218,993	-
Changes in Proportion and Differences in Actual Earnings on Pension Plan Assets	-	744,191
Total	<u>\$ 1,019,691</u>	<u>\$ 744,191</u>

The \$378,466 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, 2024. 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,	<u>Amount</u>
2024	\$ (210,600)
2025	(85,909)
2026	(150,039)
2027	<u>343,582</u>
Total	<u>\$ (102,966)</u>

Actuarial Assumptions - The City of Tupelo total pension liability was determined by an actuarial valuation as of June 30, 2022, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40%
Salary increases	2.65 - 17.90%, average, including inflation
Investment rate of return	7.00%, 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, 2021, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40%
Salary increases	2.65 - 17.90%, average, including inflation
Investment rate of return	7.55%, net of pension plan investment expense, including inflation

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2023

NOTE 14 - DEFINED BENEFIT PENSION PLAN – continued

Mortality rates were based on the PubS.H-2010(B) Retiree Table with the following adjustments. For males, 95% of male rates up to age 60, 110% for ages 61 to 75 and 101% for ages above 77. For females, 84% of female rates up to age 72 and 100% for ages above 76. Mortality rates will be projected generationally using the MP-2020 projection scale to account for future improvements in life expectancy.

The actuarial assumptions are based on the experience investigation for the four-year period ending June 30, 2022 for the City and June 30, for the Electric Department.

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 %	4.75 %
International Equity	22.00	4.75
Global Equity	12.00	4.95
Fixed Income	20.00	1.75
Real Estate	10.00	3.25
Private Equity	8.00	6.00
Cash Equivalents	1.00	0.25
Total	100.00	

Discount Rate - The discount rate used to measure the total pension liability was 7.00%. 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 phased in to 22.40% over three fiscal years (17.40% for FYE 2024, 19.40% for FYE 2025, 21.40% for FYE 2026, and 22.40% for FYE 2027). 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, 2023

NOTE 14 - 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, 2023 funds proportionate share of the net pension liability using the discount rate of 7.00 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 (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	<u>Discount Rate</u>	<u>City of Tupelo's Proportionate Share of Net Pension Liability</u>
1% Decrease	6.00%	\$ 88,081,288
Current Discount Rate	7.00%	68,305,200
1% Increase	8.00%	52,076,723

	<u>Discount Rate</u>	<u>Coliseum Project Fund's Proportionate Share of Net Pension Liability</u>
1% Decrease	6.00%	\$ 3,816,098
Current Discount Rate	7.00%	2,959,304
1% Increase	8.00%	2,256,210

	<u>Discount Rate</u>	<u>Northeast MS Regional Water District's Proportionate Share of Net Pension Liability</u>
1% Decrease	6.00%	\$ 324,333
Current Discount Rate	7.00%	251,512
1% Increase	8.00%	191,757

	<u>Discount Rate</u>	<u>Tupelo Airport Authority's Proportionate Share of Net Pension Liability</u>
1% Decrease	6.00%	\$ 2,287,518
Current Discount Rate	7.00%	1,773,921
1% Increase	8.00%	1,352,460

	<u>Discount Rate</u>	<u>Water and Sewer Fund's Proportionate Share of Net Pension Liability</u>
1% Decrease	6.00%	\$ 7,017,829
Current Discount Rate	7.00%	5,442,180
1% Increase	8.00%	4,149,185

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2023

NOTE 14 - 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 7.55%, 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 (6.55%) or 1-percentage-point higher (8.55%) than the current rate:

	Discount Rate	Electric Fund's Proportionate Share of Net Pension Liability
1% Decrease	6.55%	\$ 8,263,671
Current Discount Rate	7.55%	6,331,820
1% Increase	8.55%	4,739,106

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

Fund	Transfers to Other Funds	Transfers from Other Funds
General Fund	\$ 13,470,115	\$ 143,075
Special Revenue Funds:		
CVB Fund	4,893,743	-
Coliseum Project Fund	2,177,602	2,215,120
Coliseum Operating Fund	-	1,487,390
Narcotics Fund	22,664	-
Debt Service Funds:		
Special Obligation Debt Service Fund	-	690,212
Capital Projects Funds:		
City Infrastructure Fund	-	16,028,327
Total	\$ 20,564,124	\$ 20,564,124
	Transfers to Blended Component Unit	Transfers from Blended Component Unit
Debt Service Fund:		
Water G.O. Bond Fund	\$ 4,654,152	\$ 328,031
Enterprise Fund:		
Water and Sewer Fund	1,162,054	-
Total	\$ 5,816,206	\$ 328,031

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2023

NOTE 15 - 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	\$ 328,031
Transfers to Water District reported as Water Sales by Water District	(1,162,054)
Transfer to Water District reported as Contributed Capital by Water District	<u>(4,654,152)</u>
Difference	<u>\$ (5,488,175)</u>

NOTE 16 - LIABILITY FOR COMPENSATED ABSENCES

The General Fund did not have any liability at September 30, 2023, 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, 2023, for the Government-Wide Financial Statements, the Combined Water and Sewer Fund, and the Tupelo Airport Authority, and at June 30, 2023, for the Electric Fund and has been reflected in these financial statements.

As provided by Statement No. 16 of the Governmental Accounting Standards Board, *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 17 - ACCOUNTS RECEIVABLE

Receivables for accounts of the Electric Fund (an Enterprise Fund) have been reduced by \$102,508 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 \$24,354,110 to reflect the provision for uncollectible fines.

NOTE 18 - 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.

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2023

NOTE 19 - 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 20 - 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.

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, 2023 was \$1,162,054.

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2023

NOTE 21 - RISK MANAGEMENT

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

Risk of loss related to workers compensation for injuries to City employees is covered through the Mississippi Municipal Workers Compensation Group, a public entity risk pool. The pool was formed on March 28, 1989, by the Mississippi Nonprofit Corporation Act, pursuant to Section 71-3-75, Mississippi Code Annotated (1972), to provide public entities within the State of Mississippi workers compensation and employers liability coverage. The City pays premiums to the pool for its workers' compensation insurance coverage based on total payroll. The participation agreement provides that the pool will be self-sustaining through member premiums. The risk of loss is remote for claims exceeding the pool's retention liability. Expenditures and claims are recognized when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. In determining claims, events that might create claims, but for which none have been reported, are considered. For insured programs there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

NOTE 22 - CONTINGENT LIABILITIES

Litigation

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

Federally Assisted Programs – Compliance Audits

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

NOTE 23 - ECONOMIC DEPENDENCY

The Electric Department of the City of Tupelo had sales to one major customer for the year ended June 30, 2023 (its year-end) of \$6,787,681 This represented approximately 11.1% of the Department's revenues for the year.

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2023

NOTE 24 - USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates used in preparing these financial statements include those assumed in computing the net pension liability and the provision for uncollectible court fines as mentioned in Note 14 and Note 17, respectively. It is as least reasonably possible that the significant estimate used will change within the next year.

NOTE 25 - BUDGET / GAAP RECONCILIATION

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

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

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	Coliseum Operating Fund	City Infrastructure Fund
Budget (Cash Basis)	\$ (2,042,544)	\$ 322,477	\$ 4,854,287
Increase (Decrease) Net adjustments for revenue accruals	237,234	78,779	83,531
GAAP Basis	\$ (1,805,310)	\$ 401,256	\$ 4,937,818

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2023

NOTE 26 - CONSTRUCTION AND OTHER COMMITMENTS

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

<u>To Be Paid By</u>	<u>Description</u>	<u>Amount</u> <u>Authorized</u>	<u>Expended</u> <u>through</u> <u>September</u> <u>30, 2023</u>	<u>Remaining</u> <u>Commitment</u> <u>at September</u> <u>30, 2023</u>
Thoroughfare Fund	N. Veterans Blvd. Imp.	\$ 1,814,124	\$ 1,661,570	\$ 162,571
Infrastructure Fund:	Gun Club Road Imp.	1,255,417	794,340	461,077
	Lee Acres Pickleball Complex	1,293,087	1,260,760	32,327
	Fairpark Restroom Pavilion	316,648	-	316,648
	Council Chambers	<u>338,600</u>	<u>223,525</u>	<u>115,075</u>
		<u>\$ 5,027,893</u>	<u>\$ 3,940,195</u>	<u>\$ 1,087,698</u>

NOTE 27 - INTERFUND TRANSACTIONS

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

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2023

NOTE 28 - TAX ABATEMENTS

The City enters into property tax abatement agreements with local businesses for economic development purposes. The abatements may be granted to any business located within or promising to locate within the city limits. The abatements are negotiated on an individual basis. Each abatement is for 10 years. The City had fifty-four tax abatement agreements with twenty-three entities as of September 30, 2023.

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

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

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

Category	Amount of taxes abated during the fiscal year
New and expanded industrial enterprises	\$260,168

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

NOTE 29 - SUBSEQUENT EVENTS

Events that occur after the statement of net position date, but before the financial statements are available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the statement of net position date require recognition in the financial statements. Subsequent events that provide evidence about conditions that existed after the statement of net position date require disclosure in the notes to the financial statements. Management evaluated the activity of the City through April 8, 2024, (the date the financial statements were available to be issued) and noted the following items which require disclosure in the notes to the financial statements.

- In October 2023, the City approved a bid for Central Pumping Station modifications in the amount of \$12,347,000.
- In March 2024, the City issued General Obligation Bonds Series 2024 debt in the amount of \$13,159,070.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF TUPELO, MISSISSIPPI
Schedule of the City's Proportionate
Share of the Net Pension Liability
For the nine years ended September 30, 2023*

	<u>2023</u>		<u>2022</u>		<u>2021</u>		<u>2020</u>		<u>2019</u>	
City's proportion of net pension liability (%)	0.27158	%	0.25909	%	0.26497	%	0.26392	%	0.25816	%
City's proportionate share of net pension liability	\$ 68,305,200	\$	\$ 53,329,121	\$	\$ 39,163,576	\$	\$ 51,091,459	\$	\$ 45,415,438	\$
City's covered payroll	\$ 19,435,506	\$	\$ 18,620,328	\$	\$ 17,547,057	\$	\$ 17,694,218	\$	\$ 16,740,741	\$
City's proportionate share of net pension liability as a percentage of its covered payroll (%)	351.45	%	286.40	%	223.19	%	288.75	%	271.29	%
Coliseum's proportion of net pension liability (%)	0.01177	%	0.01087	%	0.00952	%	0.01283	%	0.01410	%
Coliseum's proportionate share of net pension liability	\$ 2,959,304	\$	\$ 2,237,853	\$	\$ 1,406,950	\$	\$ 2,484,126	\$	\$ 2,480,116	\$
Coliseum's covered payroll	\$ 881,253	\$	\$ 760,385	\$	\$ 665,764	\$	\$ 801,408	\$	\$ 890,265	\$
Coliseum's proportionate share of net pension liability as a percentage of its covered payroll (%)	335.81	%	294.31	%	211.33	%	309.97	%	278.58	%
District's proportion of net pension liability (%)	0.00100	%	0.00100	%	0.00100	%	0.00100	%	0.00100	%
District's proportionate share of net pension liability	\$ 251,512	\$	\$ 205,835	\$	\$ 147,804	\$	\$ 193,588	\$	\$ 175,916	\$
District's covered payroll	\$ 49,850	\$	\$ 47,342	\$	\$ 63,884	\$	\$ 65,951	\$	\$ 63,973	\$
District's proportionate share of net pension liability as a percentage of its covered payroll (%)	504.54	%	434.78	%	231.36	%	293.53	%	274.99	%
TAA's proportion of net pension liability (%)	0.00705	%	0.00683	%	0.00516	%	0.00532	%	0.00557	%
TAA's proportionate share of net pension liability	\$ 1,773,921	\$	\$ 1,406,687	\$	\$ 762,523	\$	\$ 1,030,084	\$	\$ 979,345	\$
TAA's covered payroll	\$ 522,267	\$	\$ 515,167	\$	\$ 360,190	\$	\$ 357,046	\$	\$ 359,150	\$
TAA's proportionate share of net pension liability as a percentage of its covered payroll (%)	339.66	%	273.05	%	211.70	%	288.50	%	272.68	%
W&S's proportion of net pension liability (%)	0.02164	%	0.02138	%	0.02198	%	0.02211	%	0.02278	%
W&S's proportionate share of net pension liability	\$ 5,442,180	\$	\$ 4,400,078	\$	\$ 3,248,876	\$	\$ 4,279,380	\$	\$ 4,007,453	\$
W&S's covered payroll	\$ 1,623,667	\$	\$ 1,425,431	\$	\$ 1,314,874	\$	\$ 1,409,609	\$	\$ 1,462,847	\$
W&S's proportionate share of net pension liability as a percentage of its covered payroll (%)	335.18	%	308.68	%	220.47	%	303.59	%	273.95	%
**Electric's proportion of net pension liability (%)	0.03076	%	0.03163	%	0.03181	%	0.03278	%	0.03264	%
Electric's proportionate share of net pension liability	\$ 6,331,820	\$	\$ 4,675,212	\$	\$ 6,158,132	\$	\$ 5,766,823	\$	\$ 5,429,391	\$
Electric's covered payroll	\$ 2,227,849	\$	\$ 2,187,126	\$	\$ 2,127,897	\$	\$ 2,118,167	\$	\$ 2,104,997	\$
Electric's proportionate share of net pension liability as a percentage of its covered payroll (%)	284.21	%	213.76	%	289.40	%	272.26	%	257.93	%
Plan fiduciary net position as a % of total pension liability	55.70	%	59.93	%	70.44	%	58.97	%	61.59	%

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, 2023.

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

CITY OF TUPELO, MISSISSIPPI
Schedule of the City's Proportionate
Share of the Net Pension Liability
For the nine years ended September 30, 2023*

-Continued-

		2018		2017		2016		2015	
City's proportion of net pension liability (%)	%	0.26055	%	0.25163	%	0.24688	%	0.24395	%
City's proportionate share of net pension liability	\$	43,336,374	\$	41,829,447	\$	44,099,290	\$	37,934,001	
City's covered payroll	\$	16,638,298	\$	16,142,216	\$	16,119,683	\$	15,387,575	
City's proportionate share of net pension liability as a percentage of its covered payroll (%)	%	260.46	%	259.13	%	273.57	%	246.52	%
Coliseum's proportion of net pension liability (%)	%	0.01339	%	0.01201	%	0.01180	%	0.01220	%
Coliseum's proportionate share of net pension liability	\$	2,225,540	\$	1,996,802	\$	2,114,562	\$	1,885,789	
Coliseum's covered payroll	\$	854,965	\$	770,559	\$	789,663	\$	753,435	
Coliseum's proportionate share of net pension liability as a percentage of its covered payroll (%)	%	260.31	%	259.14	%	267.78	%	250.30	%
District's proportion of net pension liability (%)	%	0.00100	%	0.00100	%	0.00100	%	0.00100	%
District's proportionate share of net pension liability	\$	166,326	\$	166,232	\$	178,624	\$	154,580	
District's covered payroll	\$	61,937	\$	60,311	\$	58,578	\$	57,200	
District's proportionate share of net pension liability as a percentage of its covered payroll (%)	%	268.54	%	275.62	%	304.94	%	270.25	%
TAA's proportion of net pension liability (%)	%	0.00539	%	0.00565	%	0.00458	%	0.00528	%
TAA's proportionate share of net pension liability	\$	895,685	\$	938,557	\$	818,460	\$	815,566	
TAA's covered payroll	\$	348,787	\$	343,048	\$	309,149	\$	314,616	
TAA's proportionate share of net pension liability as a percentage of its covered payroll (%)	%	256.80	%	273.59	%	264.75	%	259.23	%
W&S's proportion of net pension liability (%)	%	0.02268	%	0.02203	%	0.02119	%	0.02120	%
W&S's proportionate share of net pension liability	\$	3,770,794	\$	3,662,767	\$	3,784,849	\$	3,273,406	
W&S's covered payroll	\$	1,448,571	\$	1,413,467	\$	1,385,638	\$	1,332,497	
W&S's proportionate share of net pension liability as a percentage of its covered payroll (%)	%	260.31	%	259.13	%	273.15	%	245.66	%
**Electric's proportion of net pension liability (%)	%	0.03171	%	0.03049	%	0.03047	%	0.03201	%
Electric's proportionate share of net pension liability	\$	5,270,811	\$	5,446,490	\$	4,560,118	\$	3,580,761	
Electric's covered payroll	\$	2,065,238	\$	2,074,070	\$	1,967,778	\$	1,903,784	
Electric's proportionate share of net pension liability as a percentage of its covered payroll (%)	%	255.22	%	262.60	%	231.74	%	188.09	%
Plan fiduciary net position as a % of total pension liability	%	62.54	%	61.49	%	57.47	%	61.70	%

Schedule is intended to show information for 10 years. Additional years will be available as they become available.

* The amounts presented have a measurement date of June 30. ** Amounts for the Electric Fund are at June 30, 2023.

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 ten years ended September 30, 2023*

	2023	2022	2021	2020	2019
City of Tupelo					
Statutorily required contributions	\$ 3,381,778	\$ 3,239,937	\$ 3,053,188	\$ 3,078,794	\$ 2,710,110
Actual contributions	\$ 3,381,778	\$ 3,239,937	\$ 3,053,188	\$ 3,078,794	\$ 2,710,110
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
City of Tupelo's covered payroll	\$ 19,435,506	\$ 18,620,328	\$ 17,547,057	\$ 17,694,218	\$ 16,740,741
Contributions as a % of covered payroll	17.40 %	17.40 %	17.40 %	17.40 %	16.19 %
Coliseum Project Fund					
Statutorily required contributions	\$ 153,338	\$ 132,307	\$ 115,843	\$ 139,445	\$ 143,766
Actual contributions	\$ 153,338	\$ 132,307	\$ 115,843	\$ 139,445	\$ 143,766
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Coliseum's covered payroll	\$ 881,253	\$ 760,385	\$ 665,764	\$ 801,408	\$ 890,265
Contributions as a % of covered payroll	17.40 %	17.40 %	17.40 %	17.40 %	16.15 %
Water District					
Statutorily required contributions	\$ 8,674	\$ 8,237	\$ 11,116	\$ 11,475	\$ 10,342
Actual contributions	\$ 8,674	\$ 8,237	\$ 11,116	\$ 11,475	\$ 10,342
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Water District's covered payroll	\$ 49,850	\$ 47,342	\$ 63,884	\$ 65,951	\$ 63,973
Contributions as a % of covered payroll	17.40 %	17.40 %	17.40 %	17.40 %	16.17 %
Tupelo Airport Authority					
Statutorily required contributions	\$ 90,874	\$ 89,639	\$ 62,673	\$ 62,126	\$ 57,878
Actual contributions	\$ 90,874	\$ 88,174	\$ 62,673	\$ 62,126	\$ 57,878
Contribution deficiency (excess)	\$ -	\$ 1,465	\$ -	\$ -	\$ -
TAA's covered payroll	\$ 522,267	\$ 515,167	\$ 360,190	\$ 357,046	\$ 359,150
Contributions as a % of covered payroll	17.40 %	17.40 %	17.40 %	17.40 %	16.12 %
Water and Sewer Fund					
Statutorily required contributions	\$ 282,518	\$ 248,025	\$ 228,788	\$ 245,272	\$ 236,701
Actual contributions	\$ 282,518	\$ 248,025	\$ 228,788	\$ 245,272	\$ 236,701
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
W&S's covered payroll	\$ 1,623,667	\$ 1,425,431	\$ 1,314,874	\$ 1,409,609	\$ 1,462,847
Contributions as a % of covered payroll	17.40 %	17.40 %	17.40 %	17.40 %	16.18 %
Electric Fund*					
Statutorily required contributions	\$ 387,645	\$ 380,560	\$ 370,254	\$ 368,561	\$ 331,537
Actual contributions	\$ 387,645	\$ 380,560	\$ 370,254	\$ 368,561	\$ 331,537
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Electric Department's covered payroll	\$ 2,227,849	\$ 2,187,126	\$ 2,127,897	\$ 2,118,167	\$ 2,104,997
Contributions as a % of covered payroll	17.40 %	17.40 %	17.40 %	17.40 %	15.75 %

Contribution rate changed to 17.40% on July 1, 2019. * Amounts for the Electric Fund are at June 30, 2023.
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 ten years ended September 30, 2023*

-Continued-

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

Contribution rate changed to 17.40% on July 1, 2019. * Amounts for the Electric Fund are at June 30, 2023.

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, 2023

Changes of Assumptions

2023:

- The investment rate of return assumption was changed from 7.55% to 7.00%.
- The assumed load for administrative expenses was decreased from 0.28% to 0.26% of payroll.
- Withdrawal rates, disability rates and service retirement rates were adjusted to reflect actual experience more closely.
- The percentage of participants assumed to receive a deferred benefit upon attaining the eligibility requirements for retirement was increased from 60% to 65%.
- For married members, the number of years that a male is assumed to be older than his spouse was changed from 3 years to 2 years.
- The assumed amount of unused sick leave at retirement was increased from 0.50 years to 0.55 years.
- The assumed average number of years of military service that participants will have at retirement was decreased from 0.25 years to 0.20 years.

2021:

- The expectation of retired life mortality was changed to the PubS.H-2010(B) Retiree Table with the following adjustments:
 - For males, 134% of male rates at all ages.
 - For females, 121% of female rates at all ages.
 - Projection scale MP-2020 will be used to project future improvements in life expectancy generationally.
- The expectation of disabled mortality was changed to PubG.H-2010 Disabled Table for disabled retirees with the following adjustments:
 - For males, 134% of male rates at all ages.
 - For females, 121% of female rates at all ages.
 - Projection scale MP-2020 will be used to project future improvements in life expectancy generationally.
- The expectation of contingent annuitant mortality was based on the PubS.H-2010(B) Contingent Annuitant Table with the following adjustments:
 - For males, 97% of male rates at all ages.
 - For females, 110% of female rates at all ages.
 - Projection scale MP-2020 will be used to project future improvements in life expectancy generationally.
- The price inflation assumption was reduced from 2.75% to 2.40%.
- The wage inflation assumption was reduced from 3.00% to 2.65%.
- The investment rate of return assumption was changed from 7.75% to 7.55%.
- The assumed load for administrative expenses was increased from 0.25% to 0.28% of payroll.
- Withdrawal rates, pre-retirement mortality rates, disability rates and service retirement rates were also adjusted to reflect actual experience more closely.
- The percentage of active member disabilities assumed to be in the line of duty was increased from 9% to 12%.
- The percentage of active member deaths assumed to be in the line of duty was decreased from 6% to 4%.

CITY OF TUPELO, MISSISSIPPI
Notes to the Required Supplementary Information
For the Year Ended September 30, 2023

Changes of Assumptions (continued)

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.
- 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.

CITY OF TUPELO, MISSISSIPPI
Notes to the Required Supplementary Information
For the Year Ended September 30, 2023

Changes of Assumptions 2015 (continued)

- 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, 2023

	Non-Major Special Revenue	Non-Major Capital Projects	Non-Major Debt Service	Total Non-Major Governmental Funds
<u>ASSETS:</u>				
Cash	\$ 10,867,184	\$ 5,975,375	\$ 3,444,431	\$ 20,286,990
Investments	-	-	4,006,469	4,006,469
General Property Taxes Receivable	60,933	245,658	201,339	507,930
Other Receivable	2,706	-	-	2,706
Notes Receivable	70,814	-	-	70,814
Due from Other Funds	37,302	37,302	-	74,604
Due from Other Government Units	483,304	75,147	-	558,451
TOTAL ASSETS	\$ 11,522,243	\$ 6,333,482	\$ 7,652,239	\$ 25,507,964
<u>LIABILITIES AND FUND BALANCES:</u>				
<u>Liabilities:</u>				
Accounts Payable	\$ 76,495	\$ 969,149	\$ 3,750	\$ 1,049,394
Equity in Pooled Cash Deficit	-	75,147	-	75,147
Unearned Revenues	1,627,091	-	-	1,627,091
TOTAL LIABILITIES	1,703,586	1,044,296	3,750	2,751,632
<u>FUND BALANCES:</u>				
Restricted for				
Library	91,826	-	-	91,826
Tourism Promotion	6,223,667	-	-	6,223,667
Public Safety Retirement	42,537	-	-	42,537
Law Enforcement	1,165,941	-	-	1,165,941
Construction Acquisition of Capital Assets	-	4,398,590	-	4,398,590
Public Safety Equipment	-	166,541	-	166,541
Debt Service	-	-	7,648,489	7,648,489
Committed to				
Rental Rehabilitation	72,757	-	-	72,757
Fairpark Infrastructure	-	680,503	-	680,503
Construction Acquisition of Capital Assets	-	43,552	-	43,552
Assigned to				
Coliseum Projects	2,221,929	-	-	2,221,929
TOTAL FUND BALANCES	9,818,657	5,289,186	7,648,489	22,756,332
TOTAL LIABILITIES AND FUND BALANCE	\$ 11,522,243	\$ 6,333,482	\$ 7,652,239	\$ 25,507,964

CITY OF TUPELO, MISSISSIPPI
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR GOVERNMENTAL FUNDS
Year Ended September 30, 2023

	Non-Major Special Revenue	Non-Major Capital Projects	Non-Major Debt Service	Total Non-Major Governmental Funds
REVENUES:				
Taxes	\$ 1,384,545	\$ 5,582,129	\$ 4,715,182	\$ 11,681,856
Intergovernmental Revenues	6,466,402	374,155	4,508,350	11,348,907
Fines and Forfeitures	311,732	-	-	311,732
Miscellaneous Revenues	183,483	354,032	160,382	697,897
TOTAL REVENUES	<u>8,346,162</u>	<u>6,310,316</u>	<u>9,383,914</u>	<u>24,040,392</u>
EXPENDITURES:				
Current:				
Public Safety	1,244,682	-	-	1,244,682
Other Functions	2,820,148	-	-	2,820,148
Capital Projects	-	6,931,506	-	6,931,506
Debt Service	-	-	5,003,893	5,003,893
TOTAL EXPENDITURES	<u>4,064,830</u>	<u>6,931,506</u>	<u>5,003,893</u>	<u>16,000,229</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>4,281,332</u>	<u>(621,190)</u>	<u>4,380,021</u>	<u>8,040,163</u>
OTHER FINANCING SOURCES (USES)				
Transfers from Other Funds	2,215,120	-	690,212	2,905,332
Transfers to Other Funds	(7,094,009)	-	-	(7,094,009)
Transfer from Northeast MS Regional Water Supply District	-	-	328,031	328,031
Transfer to Northeast MS Regional Water Supply District	-	-	(4,654,152)	(4,654,152)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(4,878,889)</u>	<u>-</u>	<u>(3,635,909)</u>	<u>(8,514,798)</u>
NET CHANGE IN FUND BALANCES	(597,557)	(621,190)	744,112	(474,635)
FUND BALANCES - Beginning	<u>10,416,214</u>	<u>5,910,376</u>	<u>6,904,377</u>	<u>23,230,967</u>
FUND BALANCES - Ending	<u>\$ 9,818,657</u>	<u>\$ 5,289,186</u>	<u>\$ 7,648,489</u>	<u>\$ 22,756,332</u>

CITY OF TUPELO
NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
September 30, 2023
With Comparative Totals for September 30, 2022

	Library Fund	Convention and Visitors Bureau Fund	Firemen & Policemen Retirement Fund	Coliseum Project Fund	Rental Rehabilitation Fund	Narcotics Fund	Transportation Fund	Totals	
								9/30/2023	9/30/2022
ASSETS									
Cash	\$ 70,444	\$ 7,397,188	\$ 2,986	\$ 2,221,929	\$ 1,943	\$ 1,172,694	\$ -	\$ 10,867,184	\$ 9,860,738
Receivables:									
Notes	-	-	-	-	70,814	-	-	70,814	70,814
Other	-	2,706	-	-	-	-	-	2,706	2,575
General Property Taxes	21,382	-	39,551	-	-	-	-	60,933	51,715
Due from Other									
Governmental Units	-	483,304	-	-	-	-	-	483,304	479,960
Due from Other Funds	-	37,302	-	-	-	-	-	37,302	-
TOTAL ASSETS	\$ 91,826	\$ 7,920,500	\$ 42,537	\$ 2,221,929	\$ 72,757	\$ 1,172,694	\$ -	\$ 11,522,243	\$ 10,465,802
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts Payable	\$ -	\$ 69,742	\$ -	\$ -	\$ -	\$ 6,753	\$ -	\$ 76,495	\$ 49,588
Unearned Revenues	-	1,627,091	-	-	-	-	-	1,627,091	-
Total Liabilities	-	1,696,833	-	-	-	6,753	-	1,703,586	49,588
Fund Balances:									
Restricted for									
Library	91,826	-	-	-	-	-	-	91,826	129,933
Tourism Promotion	-	6,223,667	-	-	-	-	-	6,223,667	6,852,548
Public Safety Retirement	-	-	42,537	-	-	-	-	42,537	32,771
Law Enforcement	-	-	-	-	-	1,165,941	-	1,165,941	1,145,211
Committed to									
Rental Rehabilitation	-	-	-	-	72,757	-	-	72,757	72,756
Assigned to									
Coliseum Projects	-	-	-	2,221,929	-	-	-	2,221,929	2,182,995
Total Fund Balances	91,826	6,223,667	42,537	2,221,929	72,757	1,165,941	-	9,818,657	10,416,214
TOTAL LIABILITIES AND FUND BALANCES	\$ 91,826	\$ 7,920,500	\$ 42,537	\$ 2,221,929	\$ 72,757	\$ 1,172,694	\$ -	\$ 11,522,243	\$ 10,465,802

CITY OF TUPELO
NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
Year Ended September 30, 2023
With Comparative Totals for Year Ended September 30, 2022

	Library Fund	Convention and Visitors Bureau Fund	Firemen & Policemen Retirement Fund	Coliseum Project Fund	Rental Rehabil- itation Fund	Narcotics Fund	Transportation Fund	<u>Totals</u>	
								9/30/2023	9/30/2022
REVENUES									
Taxes:									
General Property Taxes	\$ 485,821	\$ -	\$ 898,724	\$ -	\$ -	\$ -	\$ -	\$ 1,384,545	\$ 1,369,930
Intergovernmental Revenues:									
Federal Shared Revenues	-	-	-	-	-	5,460	-	5,460	-
State Shared Revenues	19,476	6,344,537	36,042	-	-	-	-	6,400,055	5,732,281
Federal Grants	-	60,887	-	-	-	-	-	60,887	-
Fines and Forfeitures	-	-	-	-	-	311,732	-	311,732	56,607
Miscellaneous Revenues:									
Interest	-	121,363	-	1,416	1	1,132	-	123,912	43,490
Advertising Agency Fee	-	1,500	-	-	-	-	-	1,500	-
Other	-	13,319	-	-	-	44,752	-	58,071	71,116
TOTAL REVENUES	<u>505,297</u>	<u>6,541,606</u>	<u>934,766</u>	<u>1,416</u>	<u>1</u>	<u>363,076</u>	<u>-</u>	<u>8,346,162</u>	<u>7,273,424</u>
EXPENDITURES									
Public Safety:									
Police Department:									
Personnel Services	\$ -	\$ -	\$ 647,500	\$ -	\$ -	\$ -	\$ -	\$ 647,500	\$ 629,056
Supplies	-	-	-	-	-	29,728	-	29,728	36,137
Other Services and Charges	-	-	-	-	-	261,419	-	261,419	177,369
Capital Outlay	-	-	-	-	-	28,535	-	28,535	32,340
Fire Department:									
Personnel Services	-	-	277,500	-	-	-	-	277,500	269,595
Total Public Safety	<u>-</u>	<u>-</u>	<u>925,000</u>	<u>-</u>	<u>-</u>	<u>319,682</u>	<u>-</u>	<u>1,244,682</u>	<u>1,144,497</u>

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

Year Ended September 30, 2023
With Comparative Totals for Year Ended September 30, 2022

-Continued-

	Library Fund	Convention and Visitors Bureau Fund	Firemen & Policemen Retirement Fund	Coliseum Project Fund	Rental Rehabil- itation Fund	Narcotics Fund	Transportation Fund	<u>Totals</u>	
								9/30/2023	9/30/2022
EXPENDITURES									
- Continued									
Other Functions:									
Community Services:									
Personnel Services	\$ -	\$ 692,260	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 692,260	\$ 667,456
Supplies	-	14,549	-	-	-	-	-	14,549	14,307
Other Services and Charges	543,404	1,518,421	-	-	-	-	-	2,061,825	2,457,309
Capital Outlay	-	51,514	-	-	-	-	-	51,514	5,040
	<u>543,404</u>	<u>2,276,744</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,820,148</u>	<u>3,144,112</u>
Total Other Functions	<u>543,404</u>	<u>2,276,744</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,820,148</u>	<u>3,144,112</u>
TOTAL EXPENDITURES	<u>543,404</u>	<u>2,276,744</u>	<u>925,000</u>	<u>-</u>	<u>-</u>	<u>319,682</u>	<u>-</u>	<u>4,064,830</u>	<u>4,288,609</u>
EXCESS OF REVENUES REVENUES OVER (UNDER) EXPENDITURES	<u>(38,107)</u>	<u>4,264,862</u>	<u>9,766</u>	<u>1,416</u>	<u>1</u>	<u>43,394</u>	<u>-</u>	<u>4,281,332</u>	<u>2,984,815</u>

-06-

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

Year Ended September 30, 2023
With Comparative Totals for Year Ended September 30, 2022

-Continued-

	Library Fund	Convention and Visitors Bureau Fund	Firemen & Policemen Retirement Fund	Coliseum Project Fund	Rental Rehabil- itation Fund	Narcotics Fund	Transportation Fund	<u>Totals</u>	
								9/30/2023	9/30/2022
OTHER FINANCING SOURCES (USES)									
Transfers from Other Funds	\$ -	\$ -	\$ -	\$ 2,215,120	\$ -	\$ -	\$ -	\$ 2,215,120	\$ 2,360,326
Transfers to Other Funds	<u>-</u>	<u>(4,893,743)</u>	<u>-</u>	<u>(2,177,602)</u>	<u>-</u>	<u>(22,664)</u>	<u>-</u>	<u>(7,094,009)</u>	<u>(3,658,945)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>(4,893,743)</u>	<u>-</u>	<u>37,518</u>	<u>-</u>	<u>(22,664)</u>	<u>-</u>	<u>(4,878,889)</u>	<u>(1,298,619)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)	(38,107)	(628,881)	9,766	38,934	1	20,730	-	(597,557)	1,686,196
FUND BALANCES - Beginning of Year	<u>129,933</u>	<u>6,852,548</u>	<u>32,771</u>	<u>2,182,995</u>	<u>72,756</u>	<u>1,145,211</u>	<u>-</u>	<u>10,416,214</u>	<u>8,730,018</u>
FUND BALANCES - End of Year	<u>\$ 91,826</u>	<u>\$ 6,223,667</u>	<u>\$ 42,537</u>	<u>\$ 2,221,929</u>	<u>\$ 72,757</u>	<u>\$ 1,165,941</u>	<u>\$ -</u>	<u>\$ 9,818,657</u>	<u>\$ 10,416,214</u>

CITY OF TUPELO
NON-MAJOR CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
September 30, 2023
With Comparative Totals for September 30, 2022

	City Capital Project Fund	Fairgrounds Construction Fund	ARPA Project Fund	Thoroughfare Fund Phase VII	Totals	
					9/30/2023	9/30/2022
ASSETS						
Cash	\$ 210,093	\$ 681,516	\$ -	\$ 5,083,766	\$ 5,975,375	\$ 5,962,267
General Property Taxes Receivable	-	-	-	245,658	245,658	203,546
Due from Other Governmental Entities	-	-	75,147	-	75,147	-
Due from Other Funds	-	-	-	37,302	37,302	-
TOTAL ASSETS	\$ 210,093	\$ 681,516	\$ 75,147	\$ 5,366,726	\$ 6,333,482	\$ 6,165,813
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts Payable	\$ -	\$ 1,013	\$ -	\$ 968,136	\$ 969,149	\$ 255,437
Equity in Pooled Cash Deficit	-	-	75,147	-	75,147	-
Total Liabilities	-	1,013	75,147	968,136	1,044,296	255,437
Fund Balances:						
Restricted for						
Construction Acquisition of Capital Assets	-	-	-	4,398,590	4,398,590	4,507,508
Public Safety Equipment	166,541	-	-	-	166,541	580,891
Committed to						
Fairpark Infrastructure	-	680,503	-	-	680,503	778,425
Construction Acquisition of Capital Assets	43,552	-	-	-	43,552	43,552
Total Fund Balances	210,093	680,503	-	4,398,590	5,289,186	5,910,376
TOTAL LIABILITIES AND FUND BALANCES	\$ 210,093	\$ 681,516	\$ 75,147	\$ 5,366,726	\$ 6,333,482	\$ 6,165,813

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

Year Ended September 30, 2023
With Comparative Totals for Year Ended September 30, 2022

	City Capital Project Fund	Fairgrounds Construction Fund	ARPA Project Fund	Thoroughfare Fund Phase VII	Totals	
					9/30/2023	9/30/2022
REVENUES						
Taxes:						
General Property Taxes	\$ -	\$ -	\$ -	\$ 5,582,129	\$ 5,582,129	\$ 5,393,144
Intergovernmental Revenues:						
State Shared Revenues	-	-	-	223,861	223,861	196,372
Federal Grants	-	-	150,294	-	150,294	-
State Grants	-	-	-	-	-	33,713
Miscellaneous Revenues:						
Interest	323	493	-	120,022	120,838	21,757
Other	-	233,194	-	-	233,194	395,600
TOTAL REVENUES	323	233,687	150,294	5,926,012	6,310,316	6,040,586
EXPENDITURES						
Personnel Services	-	-	-	110,741	110,741	106,710
Other Services and Charges	-	57,271	-	1,034,968	1,092,239	1,851,043
Capital Outlay	414,673	274,338	150,294	4,889,221	5,728,526	2,789,825
TOTAL EXPENDITURES	414,673	331,609	150,294	6,034,930	6,931,506	4,747,578
EXCESS (DEFICIT) OF REVENUES OVER (UNDER) EXPENDITURES	(414,350)	(97,922)	-	(108,918)	(621,190)	1,293,008

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

Year Ended September 30, 2023
 With Comparative Totals for Year Ended September 30, 2022
 -Continued-

		City Capital Project Fund	Fairgrounds Construction Fund	ARPA Project Fund	Thoroughfare Fund Phase VII	Totals	
						9/30/2023	9/30/2022
OTHER FINANCING SOURCES (USES)							
Transfers from Other Funds	\$	-	-	-	-	-	743,171
Transfers to Other Funds		-	-	-	-	-	(1,065,811)
TOTAL OTHER FINANCING SOURCES (USES)		-	-	-	-	-	(322,640)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)							
		(414,350)	(97,922)	-	(108,918)	(621,190)	970,368
FUND BALANCES- Beginning of Year		624,443	778,425	-	4,507,508	5,910,376	4,940,008
FUND BALANCES- End of Year	\$	210,093	680,503	-	4,398,590	5,289,186	5,910,376

CITY OF TUPELO
NON-MAJOR DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
September 30, 2023
With Comparative Totals for September 30, 2022

	City Bond and Interest Fund	Water G. O. Bonds Fund	Special Assessments Bond and Interest Fund	City Tax Increment Debt Fund	Special Obligation Debt Service Fund	Totals	
						9/30/2023	9/30/2022
ASSETS							
Cash	\$ 2,323,218	\$ -	\$ -	\$ 1,121,213	\$ -	\$ 3,444,431	\$ 2,563,254
Investments	3	4,005,751	-	-	715	4,006,469	4,176,922
Receivables:							
General Property Taxes	<u>201,339</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>201,339</u>	<u>166,451</u>
TOTAL ASSETS	<u>\$ 2,524,560</u>	<u>\$ 4,005,751</u>	<u>\$ -</u>	<u>\$ 1,121,213</u>	<u>\$ 715</u>	<u>\$ 7,652,239</u>	<u>\$ 6,906,627</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts Payable	<u>\$ 3,750</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,750</u>	<u>\$ 2,250</u>
Total Liabilities	<u>3,750</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,750</u>	<u>2,250</u>
Fund Balances:							
Restricted for Debt Service	<u>2,520,810</u>	<u>4,005,751</u>	<u>-</u>	<u>1,121,213</u>	<u>715</u>	<u>7,648,489</u>	<u>6,904,377</u>
Total Fund Balances	<u>2,520,810</u>	<u>4,005,751</u>	<u>-</u>	<u>1,121,213</u>	<u>715</u>	<u>7,648,489</u>	<u>6,904,377</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 2,524,560</u>	<u>\$ 4,005,751</u>	<u>\$ -</u>	<u>\$ 1,121,213</u>	<u>\$ 715</u>	<u>\$ 7,652,239</u>	<u>\$ 6,906,627</u>

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

Year Ended September 30, 2023
With Comparative Totals for Year Ended September 30, 2022

	City Bond and Interest Fund	Water G. O. Bonds Fund	Special Assessments Bond and Interest Fund	City Tax Increment Debt Fund	Special Obligation Debt Service Fund	<u>Totals</u>	
						9/30/2023	9/30/2022
REVENUES							
Taxes:							
General Property Taxes	\$ 4,577,167	\$ -	\$ -	\$ 138,015	\$ -	\$ 4,715,182	\$ 4,678,572
Intergovernmental Revenues:							
State Shared Revenues	183,566	4,324,784	-	-	-	4,508,350	4,567,520
Miscellaneous Revenues:							
Interest	2,187	156,446	-	690	1,059	160,382	22,369
TOTAL REVENUES	<u>4,762,920</u>	<u>4,481,230</u>	<u>-</u>	<u>138,705</u>	<u>1,059</u>	<u>9,383,914</u>	<u>9,268,461</u>
EXPENDITURES							
Debt Service:							
General Obligations:							
Bonds Redeemed	2,210,000	395,000	-	97,000	-	2,702,000	4,070,529
Interest	1,310,338	236,562	-	34,475	-	1,581,375	1,719,465
Paying Agent Fees	17,410	11,420	-	850	-	29,680	33,680
Special Obligations:							
Interest	-	-	-	-	688,838	688,838	688,838
Paying Agent Fees	-	-	-	-	2,000	2,000	3,000
TOTAL EXPENDITURES	<u>3,537,748</u>	<u>642,982</u>	<u>-</u>	<u>132,325</u>	<u>690,838</u>	<u>5,003,893</u>	<u>6,515,512</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>1,225,172</u>	<u>3,838,248</u>	<u>-</u>	<u>6,380</u>	<u>(689,779)</u>	<u>4,380,021</u>	<u>2,752,949</u>

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

Year Ended September 30, 2023
 With Comparative Totals for Year Ended September 30, 2022
 -Continued-

	City Bond and Interest Fund	Water G. O. Bonds Fund	Special Assessments Bond and Interest Fund	City Tax Increment Debt Fund	Special Obligation Debt Service Fund	<u>Totals</u>	
						9/30/2023	9/30/2022
OTHER FINANCING SOURCES (USES):							
Transfers from Other Funds	\$ -	\$ -	\$ -	\$ -	\$ 690,212	\$ 690,212	\$ 1,407,958
Transfer from Northeast MS							
Regional Water Supply District	-	328,031	-	-		328,031	325,865
Transfer to Northeast MS							
Regional Water Supply District	-	(4,654,152)	-	-	-	(4,654,152)	(4,447,146)
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>(4,326,121)</u>	<u>-</u>	<u>-</u>	<u>690,212</u>	<u>(3,635,909)</u>	<u>(2,713,323)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)	1,225,172	(487,873)	-	6,380	433	744,112	39,626
FUND BALANCES-							
Beginning of Year	<u>1,295,638</u>	<u>4,493,624</u>	<u>-</u>	<u>1,114,833</u>	<u>282</u>	<u>6,904,377</u>	<u>6,864,751</u>
FUND BALANCES-							
End of Year	<u>\$ 2,520,810</u>	<u>\$ 4,005,751</u>	<u>\$ -</u>	<u>\$ 1,121,213</u>	<u>\$ 715</u>	<u>\$ 7,648,489</u>	<u>\$ 6,904,377</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, 2023 and 2022

	9/30/23	9/30/22
ASSETS		
Cash	\$ 27,755,208	\$ 30,021,142
Receivables:		
General Property Taxes	311,617	256,693
Other	161,808	222,555
Due from Other Government Units	2,725,208	2,315,937
Due from Component Unit	44,057	43,721
Due from Other Funds	2,104,000	2,319,000
Prepaid Items	357,235	355,245
Inventories	<u>38,398</u>	<u>40,665</u>
TOTAL ASSETS	\$ <u>33,497,531</u>	\$ <u>35,574,958</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts Payable	\$ 535,046	\$ 433,247
Unearned Revenues	8,697,358	9,592,611
Due to Other Funds	74,604	-
Accrued Expenses	<u>748,993</u>	<u>302,260</u>
Total Liabilities	<u>10,056,001</u>	<u>10,328,118</u>
Fund Balance:		
Nonspendable		
Prepaid Items	357,235	355,245
Inventory	38,398	40,665
Restricted for		
Home Grant	540,450	572,991
Water Reserve	580,921	580,573
Unassigned	<u>21,924,526</u>	<u>23,697,366</u>
Total Fund Balance	<u>23,441,530</u>	<u>25,246,840</u>
TOTAL LIABILITIES AND FUND BALANCE	\$ <u>33,497,531</u>	\$ <u>35,574,958</u>

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

For the Years Ended September 30, 2023 and 2022

	F.Y.E. 9/30/23	F.Y.E. 9/30/22
REVENUES		
Taxes:		
General Property Taxes	\$ 6,581,333	\$ 6,330,746
Payments in Lieu of Taxes	1,138,414	1,126,171
Penalties and Interest on Delinquent Taxes	39,847	44,078
Total Taxes	<u>7,759,594</u>	<u>7,500,995</u>
Licenses and Permits:		
Privilege License	315,564	308,163
Building Permits	358,727	259,762
Other Permits	7,745	12,851
Franchise Fees	407,924	472,370
Total Licenses and Permits	<u>1,089,960</u>	<u>1,053,146</u>
Intergovernmental Revenues:		
Federal Grants	596,097	236,035
State Grants	239,468	19,932
Other Grants	366,902	232,843
State Shared Revenues	31,139,617	29,194,502
Municipality Shared Revenues	3,400,000	3,400,000
County Shared Revenues	1,372,499	1,331,208
Total Intergovernmental Revenues	<u>37,114,583</u>	<u>34,414,520</u>
Charges for Services:		
Public Safety	217,512	159,880
Highways and Streets	51,687	73,575
Crime Lab Fees	28,618	29,424
Culture and Recreation Fees	412,466	430,104
Total Charges for Services	<u>710,283</u>	<u>692,983</u>
Fines and Forfeitures:		
Police Fines and Fees	462,018	538,429
Parking Fines and Fees	12,630	14,230
Total Fines and Forfeitures	<u>474,648</u>	<u>552,659</u>

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

For the Years Ended September 30, 2023 and 2022

-Continued-

	F.Y.E. 9/30/23	F.Y.E. 9/30/22
REVENUES-Continued		
Miscellaneous Revenues:		
Interest	\$ 1,185,735	\$ 231,823
Donations	162,500	27,950
Rents	197,148	210,942
Billings to Other Departments	312,310	323,706
Other	275,991	192,749
	<u>2,133,684</u>	<u>987,170</u>
Total Miscellaneous Revenues	<u>2,133,684</u>	<u>987,170</u>
TOTAL REVENUES	<u>49,282,752</u>	<u>45,201,473</u>
EXPENDITURES		
General Government:		
Legislative Department:		
Personnel Services	283,114	275,501
Supplies	4,513	4,046
Other Services and Charges	203,999	193,243
	<u>491,626</u>	<u>472,790</u>
Total Legislative Department	<u>491,626</u>	<u>472,790</u>
Executive Department:		
Personnel Services	935,994	857,241
Supplies	22,844	20,856
Other Services and Charges	267,106	270,823
	<u>1,225,944</u>	<u>1,148,920</u>
Total Executive Department	<u>1,225,944</u>	<u>1,148,920</u>
City Court:		
Personnel Services	903,168	861,614
Supplies	24,768	24,957
Other Services and Charges	88,823	97,808
	<u>1,016,759</u>	<u>984,379</u>
Total City Court	<u>1,016,759</u>	<u>984,379</u>
Convention and Visitors Bureau Director:		
Personnel Services	135,502	147,784
	<u>135,502</u>	<u>147,784</u>
Total Convention and Visitors Bureau Director	<u>135,502</u>	<u>147,784</u>

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

For the Years Ended September 30, 2023 and 2022

-Continued-

	F.Y.E. 9/30/23	F.Y.E. 9/30/22
EXPENDITURES-Continued		
Budget and Accounting Department:		
Personnel Services	\$ 767,498	\$ 729,735
Supplies	15,784	15,067
Other Services and Charges	540,561	542,074
Capital Outlay	173,005	127,930
Total Budget and Accounting Department	<u>1,496,848</u>	<u>1,414,806</u>
Personnel Department:		
Personnel Services	237,929	212,163
Supplies	2,067	1,561
Other Services and Charges	123,931	106,324
Total Personnel Department	<u>363,927</u>	<u>320,048</u>
Planning Department:		
Personnel Services	1,256,601	1,210,994
Supplies	40,754	37,613
Other Services and Charges	114,867	91,480
Capital Outlay	2,002	-
Total Community Development Department	<u>1,414,224</u>	<u>1,340,087</u>
Total General Government	<u>6,144,830</u>	<u>5,828,814</u>
Public Safety:		
Police Department:		
Personnel Services	9,157,614	8,807,918
Supplies	743,471	620,058
Other Services and Charges	1,953,920	1,503,521
Capital Outlay	417,065	157,364
Total Police Department	<u>12,272,070</u>	<u>11,088,861</u>
Fire Department:		
Personnel Services	6,864,515	6,547,054
Supplies	385,916	367,042
Other Services and Charges	347,585	279,517
Capital Outlay	-	10,321
Total Fire Department	<u>7,598,016</u>	<u>7,203,934</u>
Total Public Safety	<u>19,870,086</u>	<u>18,292,795</u>

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

For the Years Ended September 30, 2023 and 2022

-Continued-

	F.Y.E. 9/30/23	F.Y.E. 9/30/22
EXPENDITURES-Continued		
Public Services:		
Public Works Department:		
Personnel Services	\$ 2,754,720	\$ 2,611,282
Supplies	351,228	356,890
Other Services and Charges	2,235,875	2,330,805
Capital Outlay	<u>33,987</u>	<u>7,465</u>
Total Public Works Department	<u>5,375,810</u>	<u>5,306,442</u>
Culture and Recreation:		
Park and Recreation Department:		
Personnel Services	2,082,488	1,883,195
Supplies	462,361	411,189
Other Services and Charges	1,144,997	1,111,343
Capital Outlay	<u>126,920</u>	<u>21,353</u>
Total Park and Recreation Department	<u>3,816,766</u>	<u>3,427,080</u>
Aquatic Center:		
Personnel Services	455,477	456,596
Supplies	104,625	100,967
Other Services and Charges	461,443	435,359
Capital Outlay	<u>7,565</u>	<u>6,144</u>
Total Aquatic Center	<u>1,029,110</u>	<u>999,066</u>
Museum Department:		
Personnel Services	121,841	128,087
Supplies	7,829	6,477
Other Services and Charges	15,354	19,956
Capital Outlay	<u>3,076</u>	<u>6,697</u>
Total Museum Department	<u>148,100</u>	<u>161,217</u>
Total Culture and Recreation	<u>4,993,976</u>	<u>4,587,363</u>
Other Functions:		
Community Services:		
Other Services and Charges	<u>1,051,466</u>	<u>1,038,297</u>
Total Community Services	<u>1,051,466</u>	<u>1,038,297</u>

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

For the Years Ended September 30, 2023 and 2022

-Continued-

	F.Y.E. 9/30/23	F.Y.E. 9/30/22
EXPENDITURES-Continued		
Debt Service:		
Principal on Long Term Debt	\$ 245,476	\$ 3,460,700
Interest	<u>79,378</u>	<u>207,162</u>
Total Debt Service	<u>324,854</u>	<u>3,667,862</u>
TOTAL EXPENDITURES	<u>37,761,022</u>	<u>38,721,573</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>11,521,730</u>	<u>6,479,900</u>
OTHER FINANCING SOURCES (USES):		
Transfers Out	(13,470,115)	(10,097,702)
Transfers In	<u>143,075</u>	<u>182,341</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(13,327,040)</u>	<u>(9,915,361)</u>
EXCESS (DEFICIT) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER (USES)	<u>(1,805,310)</u>	<u>(3,435,461)</u>
FUND BALANCE - Beginning of year	<u>25,246,840</u>	<u>28,682,301</u>
FUND BALANCE - End of year	<u>\$ 23,441,530</u>	<u>\$ 25,246,840</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. This is a major fund.

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, 2023
With Comparative Totals for Year Ended September 30, 2022

	F.Y.E. 9/30/2023			F.Y.E. 9/30/2022 Actual
	Budget	Actual	Variance Favorable (Unfavorable)	
REVENUES				
Taxes:				
General Property Taxes	\$ 475,627	\$ 483,383	\$ 7,756	\$ 501,080
Intergovernmental:				
State Shared Revenues	16,800	19,476	2,676	18,263
Miscellaneous Revenues:				
Interest	-	-	-	132
TOTAL REVENUES	<u>492,427</u>	<u>502,859</u>	<u>10,432</u>	<u>519,475</u>
EXPENDITURES				
Community Services:				
Other Services and Charges	543,404	543,404	-	510,904
TOTAL EXPENDITURES	<u>543,404</u>	<u>543,404</u>	<u>-</u>	<u>510,904</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(50,977)</u>	<u>(40,545)</u>	<u>10,432</u>	<u>8,571</u>
OTHER FINANCING SOURCES				
Transfers In	-	-	-	12,500
TOTAL OTHER FINANCING SOURCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,500</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)	<u>(50,977)</u>	<u>(40,545)</u>	<u>10,432</u>	<u>21,071</u>
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -				
Beginning of Year	<u>129,933</u>	<u>129,933</u>	<u>-</u>	<u>108,314</u>
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -				
End of Year	<u>\$ 78,956</u>	89,388	<u>\$ 10,432</u>	129,385
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		<u>2,438</u>		<u>548</u>
FUND BALANCE (GAAP BASIS) -				
End of Year		<u>\$ 91,826</u>		<u>\$ 129,933</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, 2023
With Comparative Totals for Year Ended September 30, 2022

	F.Y.E. 9/30/2023			F.Y.E. 9/30/2022 Actual
	Budget	Actual	Variance Favorable (Unfavorable)	
REVENUES				
Intergovernmental:				
State Shared Revenues	\$ 5,488,352	\$ 6,341,193	\$ 852,841	\$ 5,617,734
Federal Grants	1,700,000	60,887	(1,639,113)	-
Miscellaneous Revenues:				
Interest	20,000	121,363	101,363	25,940
Other	1,500	13,319	11,819	1,432
TOTAL REVENUES	<u>7,209,852</u>	<u>6,538,262</u>	<u>(671,590)</u>	<u>5,645,106</u>
EXPENDITURES				
Other Functions:				
Community Services:				
Personnel Services	743,588	692,260	51,328	667,456
Supplies	16,000	14,549	1,451	14,307
Other Services and Charges	3,689,495	1,518,421	2,171,074	1,801,505
Capital Expenditures	52,500	51,514	986	5,040
Total Community Services	<u>4,501,583</u>	<u>2,276,744</u>	<u>2,224,839</u>	<u>2,488,308</u>
Total Other Functions	<u>4,501,583</u>	<u>2,276,744</u>	<u>2,224,839</u>	<u>2,488,308</u>
TOTAL EXPENDITURES	<u>4,501,583</u>	<u>2,276,744</u>	<u>2,224,839</u>	<u>2,488,308</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>2,708,269</u>	<u>4,261,518</u>	<u>1,553,249</u>	<u>3,156,798</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, 2023

With Comparative Totals for Year Ended September 30, 2022

-Continued-

	<u>F.Y.E. 9/30/2023</u>		Variance Favorable (Unfavorable)	F.Y.E. 9/30/2022 Actual
	Budget	Actual		
OTHER FINANCING SOURCES				
(USES):				
Transfers Out	\$ <u>(5,180,095)</u>	\$ <u>(4,893,743)</u>	\$ <u>286,352</u>	\$ <u>(1,950,103)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(5,180,095)</u>	<u>(4,893,743)</u>	<u>286,352</u>	<u>(1,950,103)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)	(2,471,826)	(632,225)	1,839,601	1,206,695
FUND BALANCE (NON-GAAP BUDGETARY BASIS)-				
Beginning of Year, as previously stated	6,852,548	6,852,548	-	4,543,828
PRIOR PERIOD ADJUSTMENT	<u>-</u>	<u>-</u>	<u>-</u>	<u>(600,167)</u>
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -				
Beginning of Year, as restated	<u>6,852,548</u>	<u>6,852,548</u>	<u>-</u>	<u>5,581,185</u>
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -				
End of Year	\$ <u><u>4,380,722</u></u>	6,220,323	\$ <u><u>1,839,601</u></u>	6,787,880
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		<u>3,344</u>		<u>64,668</u>
FUND BALANCE (GAAP BASIS) -				
End of Year		\$ <u><u>6,223,667</u></u>		\$ <u><u>6,852,548</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, 2023
With Comparative Totals for Year Ended September 30, 2022

	<u>F.Y.E. 9/30/2023</u>			<u>F.Y.E. 9/30/2022 Actual</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	
REVENUES				
Taxes:				
General Property Taxes	\$ 880,183	\$ 891,944	\$ 11,761	\$ 867,035
Intergovernmental Revenues:				
State Shared Revenues	<u>31,089</u>	<u>36,042</u>	<u>4,953</u>	<u>31,616</u>
TOTAL REVENUES	<u>911,272</u>	<u>927,986</u>	<u>16,714</u>	<u>898,651</u>
EXPENDITURES				
Public Safety:				
Police Department:				
Personnel Services	<u>647,500</u>	<u>647,500</u>	<u>-</u>	<u>629,056</u>
Total Police Department	<u>647,500</u>	<u>647,500</u>	<u>-</u>	<u>629,056</u>
Fire Department:				
Personnel Services	<u>277,500</u>	<u>277,500</u>	<u>-</u>	<u>269,595</u>
Total Fire Department	<u>277,500</u>	<u>277,500</u>	<u>-</u>	<u>269,595</u>
Total Public Safety	<u>925,000</u>	<u>925,000</u>	<u>-</u>	<u>898,651</u>
TOTAL EXPENDITURES	<u>925,000</u>	<u>925,000</u>	<u>-</u>	<u>898,651</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(13,728)	2,986	16,714	-
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -				
Beginning of Year	<u>32,771</u>	<u>32,771</u>	<u>-</u>	<u>31,504</u>
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -				
End of Year	\$ <u>19,043</u>	35,757	\$ <u>16,714</u>	31,504
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		<u>6,780</u>		<u>1,267</u>
FUND BALANCE (GAAP BASIS) -				
End of Year		\$ <u>42,537</u>		\$ <u>32,771</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, 2023
With Comparative Totals for Year Ended September 30, 2022

	<u>F.Y.E. 9/30/2023</u>			F.Y.E. 9/30/2022 Actual
	Budget	Actual	Variance Favorable (Unfavorable)	
REVENUES				
Miscellaneous Revenues:				
Interest	\$ -	\$ 1,416	\$ 1,416	\$ 9,523
TOTAL REVENUES	<u>-</u>	<u>1,416</u>	<u>1,416</u>	<u>9,523</u>
EXPENDITURES				
Culture and Recreation:				
Tupelo Coliseum:				
Other Services and Charges	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Tupelo Coliseum	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Culture and Recreation	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>1,416</u>	<u>1,416</u>	<u>9,523</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, 2023

With Comparative Totals for Year Ended September 30, 2022

-Continued-

	<u>F.Y.E. 9/30/2023</u>			F.Y.E. 9/30/2022 Actual
	Budget	Actual	Variance Favorable (Unfavorable)	
OTHER FINANCING SOURCES				
(USES):				
Transfers In	\$ 2,215,120	\$ 2,215,120	\$ -	\$ 2,215,120
Transfers Out	<u>(3,124,668)</u>	<u>(2,177,602)</u>	<u>947,066</u>	<u>(1,656,596)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(909,548)</u>	<u>37,518</u>	<u>947,066</u>	<u>558,524</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)	(909,548)	38,934	948,482	568,047
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -				
Beginning of Year	<u>2,182,995</u>	<u>2,182,995</u>	<u>-</u>	<u>1,614,948</u>
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -				
End of Year	\$ <u><u>1,273,447</u></u>	2,221,929	\$ <u><u>948,482</u></u>	2,182,995
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		<u>-</u>		<u>-</u>
FUND BALANCE (GAAP BASIS)				
End of Year		\$ <u><u>2,221,929</u></u>		\$ <u><u>2,182,995</u></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, 2023
With Comparative Totals for Year Ended September 30, 2022

	F.Y.E. 9/30/2023		Variance Favorable (Unfavorable)	F.Y.E. 9/30/2022 Actual
	Budget	Actual		
REVENUES				
Miscellaneous:				
Interest	\$ -	\$ 1	\$ 1	\$ 9
TOTAL REVENUES	<u>-</u>	<u>1</u>	<u>1</u>	<u>9</u>
EXPENDITURES				
Other Services and Charges	<u>12,883</u>	<u>-</u>	<u>12,883</u>	<u>-</u>
TOTAL EXPENDITURES	<u>12,883</u>	<u>-</u>	<u>12,883</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(12,883)</u>	<u>1</u>	<u>12,884</u>	<u>9</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>(12,883)</u>	<u>1</u>	<u>12,884</u>	<u>9</u>
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -				
Beginning of Year	<u>72,756</u>	<u>72,756</u>	<u>-</u>	<u>72,747</u>
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -				
End of Year	\$ <u><u>59,873</u></u>	72,757	\$ <u><u>12,884</u></u>	72,756
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		<u>-</u>		<u>-</u>
FUND BALANCE (GAAP BASIS)				
End of Year		\$ <u><u>72,757</u></u>		\$ <u><u>72,756</u></u>

CITY OF TUPELO
NARCOTICS FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL
Year Ended September 30, 2023
With Comparative Totals for Year Ended September 30, 2022

	F.Y.E. 9/30/2023			F.Y.E.
	Budget	Actual	Variance Favorable (Unfavorable)	9/30/2022 Actual
REVENUES				
Intergovernmental Revenues:				
Federal Shared Revenue	\$ 10,000	\$ 5,460	\$ (4,540)	\$ -
Fines and Forfeitures	100,000	311,732	211,732	56,607
Miscellaneous Revenues:				
Interest	5,000	1,132	(3,868)	7,886
Other	70,000	44,752	(25,248)	69,684
TOTAL REVENUES	<u>185,000</u>	<u>363,076</u>	<u>178,076</u>	<u>134,177</u>
EXPENDITURES				
Public Safety:				
Police Department:				
Supplies	69,773	29,728	40,045	36,137
Other Services and Charges	315,000	261,419	53,581	177,369
Capital Outlay	172,000	28,535	143,465	32,340
Total Police Department	<u>556,773</u>	<u>319,682</u>	<u>237,091</u>	<u>245,846</u>
TOTAL EXPENDITURES	<u>556,773</u>	<u>319,682</u>	<u>237,091</u>	<u>245,846</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(371,773)	43,394	415,167	(111,669)
OTHER FINANCING SOURCES (USES):				
Transfer to General Fund	<u>(50,227)</u>	<u>(22,664)</u>	<u>27,563</u>	<u>(52,246)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(50,227)</u>	<u>(22,664)</u>	<u>27,563</u>	<u>(52,246)</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, 2023

With Comparative Totals for Year Ended September 30, 2022

-Continued-

	<u>F.Y.E. 9/30/2023</u>			F.Y.E. 9/30/2022
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)	\$ (422,000)	\$ 20,730	\$ 442,730	\$ (163,915)
FUND BALANCE (DEFICIT) (NON-GAAP BUDGETARY BASIS) -				
Beginning of Year	<u>1,145,211</u>	<u>1,145,211</u>	<u>-</u>	<u>1,309,126</u>
FUND BALANCE (DEFICIT) (NON-GAAP BUDGETARY BASIS) -				
End of Year	<u>\$ 723,211</u>	1,165,941	<u>\$ 442,730</u>	1,145,211
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		<u>-</u>		<u>-</u>
FUND BALANCE (GAAP BASIS) -				
End of Year		<u>\$ 1,165,941</u>		<u>\$ 1,145,211</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, 2023
With Comparative Totals for Year Ended September 30, 2022

	<u>F.Y.E. 9/30/2023</u>		Variance Favorable (Unfavorable)	F.Y.E. 9/30/2022 Actual
	Budget	Actual		
REVENUES				
Miscellaneous Revenues:				
Interest	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Other Functions:				
Community Services:				
Other Services and Charges	-	-	-	144,900
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>144,900</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>(144,900)</u>
OTHER FINANCING SOURCES (USES):				
Transfer from General Fund	-	-	-	132,706
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>132,706</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(12,194)</u>
FUND BALANCE (DEFICIT) (NON-GAAP BUDGETARY BASIS) -				
Beginning of Year	-	-	-	12,194
FUND BALANCE (DEFICIT) (NON-GAAP BUDGETARY BASIS) -				
End of Year	\$ <u>-</u>	-	\$ <u>-</u>	-
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		-		-
FUND BALANCE (GAAP BASIS) -				
End of Year		\$ <u>-</u>		\$ <u>-</u>

CAPITAL PROJECTS FUND

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

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.

Thoroughfare Fund Phase VII – 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.

American Rescue Plan Act Project Fund – This fund accounts for all construction costs for American Rescue Plan Act (ARPA) projects and the State ARPA Matching Program (MWC1).

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, 2023
With Comparative Actual Amounts for Year Ended September 30, 2022

	<u>F.Y.E. 9/30/2023</u>			F.Y.E. 9/30/2022 Actual
	Budget	Actual	Variance Favorable (Unfavorable)	
REVENUES				
Miscellaneous Revenues:				
Interest	\$ -	\$ 323	\$ 323	\$ 3,545
TOTAL REVENUES	<u>-</u>	<u>323</u>	<u>323</u>	<u>3,545</u>
EXPENDITURES				
Capital Outlay	<u>525,000</u>	<u>414,673</u>	<u>110,327</u>	<u>119,186</u>
TOTAL EXPENDITURES	<u>525,000</u>	<u>414,673</u>	<u>110,327</u>	<u>119,186</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(525,000)	(414,350)	110,650	(115,641)
FUND BALANCE (NON-GAAP BUDGETARY BASIS)-				
Beginning of Year	<u>624,443</u>	<u>624,443</u>	<u>-</u>	<u>740,084</u>
FUND BALANCE (NON-GAAP BUDGETARY BASIS)-				
End of Year	\$ <u><u>99,443</u></u>	210,093	\$ <u><u>110,650</u></u>	624,443
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		<u>-</u>		<u>-</u>
FUND BALANCE (GAAP BASIS)				
End of Year		\$ <u><u>210,093</u></u>		\$ <u><u>624,443</u></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, 2023
With Comparative Actual Amounts for Year Ended September 30, 2022

	<u>F.Y.E. 9/30/2023</u>			F.Y.E. 9/30/2022 Actual
	Budget	Actual	Variance Favorable (Unfavorable)	
REVENUES				
Miscellaneous Revenues:				
Interest	\$ -	\$ 493	\$ 493	\$ 2,271
Other	500,000	233,194	(266,806)	395,600
TOTAL REVENUES	<u>500,000</u>	<u>233,687</u>	<u>(266,313)</u>	<u>397,871</u>
EXPENDITURES				
Other Services and Charges	350,000	57,271	292,729	39,112
Capital Outlay	950,000	274,338	675,662	34,276
TOTAL EXPENDITURES	<u>1,300,000</u>	<u>331,609</u>	<u>968,391</u>	<u>73,388</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(800,000)	(97,922)	702,078	324,483
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -				
Beginning of Year	<u>778,425</u>	<u>778,425</u>	-	<u>453,942</u>
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -				
End of Year	\$ <u>(21,575)</u>	680,503	\$ <u>702,078</u>	778,425
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		-		-
FUND BALANCE (GAAP BASIS)				
End of Year		\$ <u>680,503</u>		\$ <u>778,425</u>

CITY OF TUPELO
THOROUGHFARE FUND PHASE VI
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL
Year Ended September 30, 2023
With Comparative Actual Amounts for Year Ended September 30, 2022

	F.Y.E. 9/30/2023			F.Y.E. 9/30/2022 Actual
	Budget	Actual	Variance Favorable (Unfavorable)	
REVENUES				
Taxes:				
General Property Taxes	\$ -	\$ -	\$ -	195,669
Intergovernmental Revenues:				
State Grants	-	-	-	204,511
Miscellaneous Revenues:				
Interest	-	-	-	11,452
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>-</u>	<u>411,632</u>
EXPENDITURES				
Other Services and Charges	-	-	-	1,222,982
Capital Outlay	-	-	-	1,242,008
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,464,990</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,053,358)</u>
OTHER FINANCING SOURCES (USES):				
Transfers Out	-	-	-	(743,171)
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(743,171)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,796,529)</u>
FUND BALANCE (NON-GAAP BUDGETARY BASIS)-				
Beginning of Year	-	-	-	3,162,996
FUND BALANCE (NON-GAAP BUDGETARY BASIS)-				
End of Year	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	366,467
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		-		(366,467)
FUND BALANCE (GAAP BASIS)				
End of Year		\$ <u>-</u>		\$ <u>-</u>

CITY OF TUPELO
THOROUGHFARE FUND PHASE VII
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL
Year Ended September 30, 2023
With Comparative Actual Amounts for Year Ended September 30, 2022

	<u>F.Y.E. 9/30/2023</u>			F.Y.E. 9/30/2022 Actual
	Budget	Actual	Variance Favorable (Unfavorable)	
REVENUES				
Taxes:				
General Property Taxes	\$ 5,466,904	\$ 5,540,017	\$ 73,113	\$ 5,189,598
Intergovernmental Revenues:				
State Shared Revenues	193,101	223,861	30,760	196,372
Miscellaneous Revenues:				
Interest	<u>3,978</u>	<u>120,022</u>	<u>116,044</u>	<u>1,648</u>
TOTAL REVENUES	<u>5,663,983</u>	<u>5,883,900</u>	<u>219,917</u>	<u>5,387,618</u>
EXPENDITURES				
Personnel Services	116,627	110,741	5,886	106,710
Other Services and Charges	2,780,653	1,034,968	1,745,685	588,949
Capital Outlay	<u>8,981,815</u>	<u>4,889,221</u>	<u>4,092,594</u>	<u>1,131,168</u>
TOTAL EXPENDITURES	<u>11,879,095</u>	<u>6,034,930</u>	<u>5,844,165</u>	<u>1,826,827</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(6,215,112)</u>	<u>(151,030)</u>	<u>6,064,082</u>	<u>3,560,791</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	<u>-</u>	<u>-</u>	<u>-</u>	<u>743,171</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>743,171</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)	(6,215,112)	(151,030)	6,064,082	4,303,962
FUND BALANCE (NON-GAAP BUDGETARY BASIS)-				
Beginning of Year	<u>4,507,508</u>	<u>4,507,508</u>	<u>-</u>	<u>-</u>
FUND BALANCE (NON-GAAP BUDGETARY BASIS)-				
End of Year	\$ <u>(1,707,604)</u>	4,356,478	\$ <u>6,064,082</u>	4,303,962
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		<u>42,112</u>		<u>203,546</u>
FUND BALANCE (GAAP BASIS)				
End of Year		\$ <u>4,398,590</u>		\$ <u>4,507,508</u>

CITY OF TUPELO
SPECIAL OBLIGATION CAPITAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL
Year Ended September 30, 2023
With Comparative Actual Amounts for Year Ended September 30, 2022

	F.Y.E. 9/30/2023			F.Y.E. 9/30/2022 Actual
	Budget	Actual	Variance Favorable (Unfavorable)	
REVENUES				
Miscellaneous Revenues:				
Interest	\$ -	\$ -	\$ -	\$ 2,841
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,841</u>
EXPENDITURES				
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>263,187</u>
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>263,187</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-	(260,346)
OTHER FINANCING SOURCES (USES):				
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>(322,640)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(322,640)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(582,986)</u>
FUND BALANCE (NON-GAAP BUDGETARY BASIS)-				
Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>582,986</u>
FUND BALANCE (NON-GAAP BUDGETARY BASIS)-				
End of Year	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		<u>-</u>		<u>-</u>
FUND BALANCE (GAAP BASIS)				
End of Year		<u>\$ -</u>		<u>\$ -</u>

CITY OF TUPELO
AMERICAN RESCUE PLAN ACT PROJECT FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL
Year Ended September 30, 2023
With Comparative Actual Amounts for Year Ended September 30, 2022

	<u>F.Y.E. 9/30/2023</u>			<u>F.Y.E. 9/30/2022 Actual</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	
REVENUES				
Intergovernmental Revenues:				
Federal Grants	\$ 10,654,545	\$ 75,147	\$ (10,579,398)	\$ -
TOTAL REVENUES	<u>10,654,545</u>	<u>75,147</u>	<u>(10,579,398)</u>	<u>-</u>
EXPENDITURES				
Capital Outlay	<u>10,654,545</u>	<u>150,294</u>	<u>10,504,251</u>	<u>-</u>
TOTAL EXPENDITURES	<u>10,654,545</u>	<u>150,294</u>	<u>10,504,251</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	(75,147)	(75,147)	-
OTHER FINANCING SOURCES (USES):				
Transfers Out	<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>-</u>	<u>(75,147)</u>	<u>(75,147)</u>	<u>-</u>
FUND BALANCE (NON-GAAP BUDGETARY BASIS)-				
Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE (NON-GAAP BUDGETARY BASIS)-				
End of Year	\$ <u>-</u>	(75,147) \$	<u>(75,147)</u>	-
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		<u>75,147</u>		<u>-</u>
FUND BALANCE (GAAP BASIS)				
End of Year		\$ <u>-</u>		\$ <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.

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.

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, 2023
With Comparative Actual Amounts for Year Ended September 30, 2022

	<u>F.Y.E. 9/30/2023</u>			<u>F.Y.E. 9/30/2022 Actual</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	
REVENUES				
Taxes:				
General Property Taxes	\$ 4,482,921	\$ 4,542,279	\$ 59,358	\$ 4,387,239
Intergovernmental Revenues:				
State Shared Revenues	158,353	183,566	25,213	161,025
Miscellaneous Revenues:				
Interest	<u>-</u>	<u>2,187</u>	<u>2,187</u>	<u>1,965</u>
TOTAL REVENUES	<u>4,641,274</u>	<u>4,728,032</u>	<u>86,758</u>	<u>4,550,229</u>
EXPENDITURES				
Debt Service:				
General Obligations:				
Bonds Redeemed	2,210,000	2,210,000	-	3,610,529
Interest	1,318,626	1,310,338	8,288	1,430,250
Paying Agent Fees	<u>25,000</u>	<u>17,410</u>	<u>7,590</u>	<u>21,410</u>
Total General Obligations	<u>3,553,626</u>	<u>3,537,748</u>	<u>15,878</u>	<u>5,062,189</u>
Total Debt Service	<u>3,553,626</u>	<u>3,537,748</u>	<u>15,878</u>	<u>5,062,189</u>
TOTAL EXPENDITURES	<u>3,553,626</u>	<u>3,537,748</u>	<u>15,878</u>	<u>5,062,189</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,087,648	1,190,284	102,636	(511,960)
OTHER FINANCING SOURCES (USES):				
Transfers from Other Funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>726,878</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>726,878</u>

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, 2023
With Comparative Actual Amounts for Year Ended September 30, 2022
-Continued-

	<u>F.Y.E. 9/30/2023</u>		Variance Favorable (Unfavorable)	F.Y.E. 9/30/2022 Actual
	Budget	Actual		
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)	\$ 1,087,648	\$ 1,190,284	\$ 102,636	\$ 214,918
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -				
Beginning of Year	<u>1,295,638</u>	<u>1,295,638</u>	-	<u>1,050,243</u>
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -				
End of Year	\$ <u>2,383,286</u>	2,485,922	\$ <u>102,636</u>	1,265,161
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		<u>34,888</u>		<u>30,477</u>
FUND BALANCE (GAAP-BASIS) -				
End of Year		\$ <u>2,520,810</u>		\$ <u>1,295,638</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, 2023
With Comparative Actual Amounts for Year Ended September 30, 2022

	<u>F.Y.E. 9/30/2023</u>			F.Y.E. 9/30/2022 Actual
	Budget	Actual	Variance Favorable (Unfavorable)	
REVENUES				
Intergovernmental Revenues:				
State Shared Revenues	\$ 4,600,000	\$ 4,324,784	\$ (275,216)	\$ 4,406,495
Miscellaneous Revenues:				
Interest	<u>-</u>	<u>156,446</u>	<u>156,446</u>	<u>15,308</u>
TOTAL REVENUES	<u>4,600,000</u>	<u>4,481,230</u>	<u>(118,770)</u>	<u>4,421,803</u>
EXPENDITURES				
Debt Service:				
General Obligations:				
Bonds Redeemed	395,000	395,000	-	375,000
Interest	236,563	236,562	1	251,963
Paying Agent Fees	<u>15,000</u>	<u>11,420</u>	<u>3,580</u>	<u>11,420</u>
Total Debt Service	<u>646,563</u>	<u>642,982</u>	<u>3,581</u>	<u>638,383</u>
TOTAL EXPENDITURES	<u>646,563</u>	<u>642,982</u>	<u>3,581</u>	<u>638,383</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>3,953,437</u>	<u>3,838,248</u>	<u>(115,189)</u>	<u>3,783,420</u>
OTHER FINANCING SOURCES (USES):				
Transfer (to) from Northeast MS Regional Water Supply District to Water G.O. Bonds Fund	<u>(4,326,121)</u>	<u>(4,326,121)</u>	<u>-</u>	<u>(4,121,281)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(4,326,121)</u>	<u>(4,326,121)</u>	<u>-</u>	<u>(4,121,281)</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, 2023

With Comparative Actual Amounts for Year Ended September 30, 2022

-Continued-

	<u>F.Y.E. 9/30/2023</u>		Variance Favorable (Unfavorable)	F.Y.E. 9/30/2022 Actual
	Budget	Actual		
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)	\$ (372,684)	\$ (487,873)	\$ (115,189)	\$ (337,861)
FUND BALANCE (NON-GAAP BUDGETARY BASIS) - Beginning of Year	<u>4,493,624</u>	<u>4,493,624</u>	<u>-</u>	<u>4,831,485</u>
FUND BALANCE (NON-GAAP BUDGETARY BASIS) - End of Year	<u>\$ 4,120,940</u>	4,005,751	<u>\$ (115,189)</u>	4,493,624
Adjustments to Generally Accepted Accounting Principles: Revenue Accruals		<u>-</u>		<u>-</u>
FUND BALANCE (GAAP-BASIS) - End of Year		<u>\$ 4,005,751</u>		<u>\$ 4,493,624</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, 2023
With Comparative Actual Amounts for Year Ended September 30, 2022

	<u>F.Y.E. 9/30/2023</u>			<u>F.Y.E. 9/30/2022 Actual</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	
REVENUES				
Taxes:				
General Property Taxes	\$ 73,800	\$ 138,015	\$ 64,215	\$ 260,856
Miscellaneous Revenues:				
Interest	-	690	690	4,765
TOTAL REVENUES	<u>73,800</u>	<u>138,705</u>	<u>64,905</u>	<u>265,621</u>
EXPENDITURES				
Debt Service:				
General Obligations:				
Bonds Redeemed	97,000	97,000	-	85,000
Interest	34,475	34,475	-	37,252
Paying Agent Fees	5,000	850	4,150	850
Total Debt Service	<u>136,475</u>	<u>132,325</u>	<u>4,150</u>	<u>123,102</u>
TOTAL EXPENDITURES	<u>136,475</u>	<u>132,325</u>	<u>4,150</u>	<u>123,102</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(62,675)	6,380	69,055	142,519
OTHER FINANCING SOURCES (USES):				
Transfer to Other Funds	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<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, 2023
 With Comparative Actual Amounts for Year Ended September 30, 2022
 -Continued-

	<u>F.Y.E. 9/30/2023</u>			F.Y.E. 9/30/2022 Actual
	Budget	Actual	Variance Favorable (Unfavorable)	
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)	\$ (62,675)	\$ 6,380	\$ (56,295)	\$ 142,519
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -				
Beginning of Year	<u>1,114,833</u>	<u>1,114,833</u>	<u>-</u>	<u>972,314</u>
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -				
End of Year	<u>\$ 1,052,158</u>	1,121,213	<u>\$ 69,055</u>	1,114,833
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		<u>-</u>		<u>-</u>
FUND BALANCE (GAAP-BASIS) -				
End of Year		<u>\$ 1,121,213</u>		<u>\$ 1,114,833</u>

CITY OF TUPELO
SPECIAL OBLIGATION DEBT SERVICE FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL
Year Ended September 30, 2023
With Comparative Actual Amounts for Year Ended September 30, 2022

	F.Y.E. 9/30/2023			F.Y.E. 9/30/2022 Actual
	Budget	Actual	Variance Favorable (Unfavorable)	
REVENUES				
Miscellaneous Revenues:				
Interest	\$ -	\$ 1,059	\$ 1,059	\$ 331
TOTAL REVENUES	<u>-</u>	<u>1,059</u>	<u>1,059</u>	<u>331</u>
EXPENDITURES				
Debt Service:				
Special Obligations:				
Interest	688,838	688,838	-	688,838
Paying Agent Fees	<u>10,000</u>	<u>2,000</u>	<u>8,000</u>	<u>3,000</u>
Total Debt Service	<u>698,838</u>	<u>690,838</u>	<u>8,000</u>	<u>691,838</u>
TOTAL EXPENDITURES	<u>698,838</u>	<u>690,838</u>	<u>8,000</u>	<u>691,838</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(698,838)	(689,779)	9,059	(691,507)
OTHER FINANCING SOURCES (USES):				
Transfers from Other Funds	<u>698,838</u>	<u>690,212</u>	<u>(8,626)</u>	<u>681,080</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>698,838</u>	<u>690,212</u>	<u>(8,626)</u>	<u>681,080</u>

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

Year Ended September 30, 2023

With Comparative Actual Amounts for Year Ended September 30, 2022

-Continued-

	F.Y.E. 9/30/2023			F.Y.E. 9/30/2022 Actual
	Budget	Actual	Variance Favorable (Unfavorable)	
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)	\$ -	\$ 433	\$ 433	\$ (10,427)
FUND BALANCE (NON-GAAP BUDGETARY BASIS) - Beginning of Year	282	282	-	10,709
FUND BALANCE (NON-GAAP BUDGETARY BASIS) - End of Year	\$ 282	715	\$ 433	282
Adjustments to Generally Accepted Accounting Principles: Revenue Accruals		-		-
FUND BALANCE (GAAP-BASIS) - End of Year		\$ 715		\$ 282

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, 2023

With Comparative Totals for September 30, 2022

	Metro Vice Seized Fund	City Court Restitution Fund	Self Insurance Fund	Totals	
				9/30/23	9/30/22
ASSETS					
Cash	\$ 406,129	\$ 6,964	\$ 450,416	\$ 863,509	1,304,152
Investments	-	-	500	500	500
TOTAL ASSETS	\$ 406,129	\$ 6,964	\$ 450,916	\$ 864,009	\$ 1,304,652
LIABILITIES					
Accounts Payable	\$ -	\$ -	\$ 50,820	\$ 50,820	\$ 61,848
Due to Complainants	-	6,964	-	6,964	6,964
Due to Insured Employees	-	-	400,096	400,096	381,969
Seized Money Held	406,129	-	-	406,129	853,871
TOTAL LIABILITIES	\$ 406,129	\$ 6,964	\$ 450,916	\$ 864,009	\$ 1,304,652

CITY OF TUPELO
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
Year Ended September 30, 2023

	Balance September 30, 2022	Debits	Credits	Balance September 30, 2023
METRO VICE SEIZED FUND				
<u>ASSETS</u>				
Cash	\$ 853,871	\$ 418,421	\$ 866,163	\$ 406,129
<u>LIABILITIES</u>				
Accounts Payable	\$ -	\$ 279,219	\$ 279,219	\$ -
Seized Money Held	853,871	586,152	138,410	406,129
Total Liabilities	\$ 853,871	\$ 865,371	\$ 417,629	\$ 406,129
CITY COURT RESTITUTION FUND				
<u>ASSETS</u>				
Cash	\$ 6,964	\$ 8	\$ 8	\$ 6,964
<u>LIABILITIES</u>				
Due to Complainants	\$ 6,964	\$ -	\$ -	\$ 6,964

CITY OF TUPELO
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

Year Ended September 30, 2023

-Continued-

	Balance September 30, 2022	Debits	Credits	Balance September 30, 2023
SELF INSURANCE FUND				
<u>ASSETS</u>				
Cash	\$ 443,317	\$ 339,924	\$ 332,825	\$ 450,416
Investments	500	-	-	500
Total Assets	<u>\$ 443,817</u>	<u>\$ 339,924</u>	<u>\$ 332,825</u>	<u>\$ 450,916</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 61,848	\$ 113,621	\$ 102,593	\$ 50,820
Due to Insured Employees	381,969	-	18,127	400,096
Total Liabilities	<u>\$ 443,817</u>	<u>\$ 113,621</u>	<u>\$ 120,720</u>	<u>\$ 450,916</u>
TOTAL ALL AGENCY FUNDS				
<u>ASSETS</u>				
Cash	\$ 1,304,152	\$ 758,353	\$ 1,198,996	\$ 863,509
Investments	500	-	-	500
Total Assets	<u>\$ 1,304,652</u>	<u>\$ 758,353</u>	<u>\$ 1,198,996</u>	<u>\$ 864,009</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 61,848	\$ 392,840	\$ 381,812	\$ 50,820
Seized Money Held	853,871	586,152	138,410	406,129
Due to Complainants	6,964	-	-	6,964
Due to Insured Employees	381,969	-	18,127	400,096
Total Liabilities	<u>\$ 1,304,652</u>	<u>\$ 978,992</u>	<u>\$ 538,349</u>	<u>\$ 864,009</u>

SUPPLEMENTARY INFORMATION

CITY OF TUPELO
SCHEDULE OF INVESTMENTS
Year Ended September 30, 2023

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	Var	Var	\$ 4,005,751
City Bond and Interest Fund	U.S. Government Securities Fund	Var	Var	Var	3
Special Obligation Debt Service Fund	U.S. Government Securities Fund	Var	Var	Var	<u>715</u>
Total Investments - Governmental Funds					<u>4,006,469</u>
PROPRIETARY FUNDS:					
Northeast Mississippi Regional Water Supply District					
	U.S. Treasury Securities	Var	Var	Var	18,609,372
	Money Market	Var	N/A	Var	<u>1,225,780</u>
Total Investments - Proprietary Funds					<u>19,835,152</u>
FIDUCIARY FUNDS:					
Agency Funds:					
Deferred Comp. Fund	Self-Insurance Trust Fund	Var	Var	N/A	<u>500</u>
Total Investments - Fiduciary Funds					<u>500</u>
Total Investments - All Funds					<u>\$ 23,842,121</u>

CITY OF TUPELO
SCHEDULE OF LONG-TERM DEBT
Year Ended September 30, 2023

	INTEREST RATE	ISSUE DATE	FINAL MATURITY DATE	BALANCE OUTSTANDING SEPTEMBER 30, 2022	ISSUED	(REDEEMED)	BALANCE OUTSTANDING SEPTEMBER 30, 2023	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	\$ 4,410,000	\$ -	\$ (270,000)	\$ 4,140,000	\$ 400,000	\$ 84,763
G.O. - Series 2013	2.10% - 3.00%	4/10/13	9/30/33	4,410,000	-	(270,000)	4,140,000	400,000	90,026
G.O. - Series 2013	2.50% - 3.25%	9/1/13	9/30/28	1,370,000	-	(210,000)	1,160,000	220,000	35,163
G.O. - Series 2011	2.10% - 2.875%	12/1/11	12/1/30	2,685,000	-	(260,000)	2,425,000	265,000	57,421
G.O. - Series 2015	1.31% - 3.28%	7/28/15	7/1/29	2,300,000	-	(400,000)	1,900,000	400,000	58,410
G.O. Refunding - Series 2016	1.10% - 1.97%	1/28/16	2/1/22	-	-	-	-	-	-
G.O. - Series 2016	2.313% - 2.685%	5/12/16	4/1/36	5,400,000	-	(300,000)	5,100,000	300,000	132,643
G.O. Combined Refunding-Series 2016	3.00% - 5.00%	8/4/16	7/1/26	1,215,000	-	(300,000)	915,000	305,000	27,450
G.O. - Series 2017	2.00% - 5.00%	11/14/17	11/1/37	9,800,000	-	(200,000)	9,600,000	300,000	305,200
G.O. Refunding - Series 2019	4.00%	5/31/19	12/1/32	5,310,000	-	(395,000)	4,915,000	415,000	188,300
Total General City Bonds				36,900,000	-	(2,605,000)	34,295,000	3,005,000	979,376
Water Bonds									
Series 2008- Refunding Bonds	3.91% - 5.51%	12/17/08	12/1/33	675,000	-	-	675,000	-	32,062
Total Water Bonds				675,000	-	-	675,000	-	32,062
TOTAL GENERAL OBLIGATION BONDS				37,575,000	-	(2,605,000)	34,970,000	3,005,000	1,011,438
OTHER LONG-TERM DEBT:									
General City Notes Payable									
Capital Improvements Revolving Loan	3.00%	8/24/09	2/1/33	878,513	-	(73,926)	804,587	76,176	23,201
Tupelo Airport Authority Capital Acquisition	3.00%	6/22/11	7/1/25	467,053	-	(111,638)	355,415	114,987	10,662
Bank of America ESCO	2.62%	10/9/15	4/9/32	-	-	-	-	-	-
Capital Improvements Revolving Loan	3.00%	4/1/20	4/1/40	1,348,661	-	(59,912)	1,288,749	62,082	37,746
Total General City Notes Payable				2,694,227	-	(245,476)	2,448,751	253,245	71,609

CITY OF TUPELO
SCHEDULE OF LONG-TERM DEBT - Continued
Year Ended September 30, 2023

	INTEREST RATE	ISSUE DATE	FINAL MATURITY DATE	BALANCE OUTSTANDING SEPTEMBER 30, 2022	ISSUED	(REDEEMED)	BALANCE OUTSTANDING SEPTEMBER 30, 2023	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	\$ 197,208	\$ -	\$ (71,503)	\$ 125,705	\$ 74,417	\$ 3,674
Drinking Water Loan	1.95%	6/14/06	12/1/27	153,888	-	(28,111)	125,777	28,665	2,197
Capital Improvements Revolving Loan	1.75%	11/19/04	6/1/26	1,461,904	-	(380,516)	1,081,388	387,229	15,828
Capital Improvements Revolving Loan	1.75%	9/30/04	11/1/27	7,156,507	-	(1,335,138)	5,821,369	1,358,692	91,011
SRF - MDA Revolving Loan	1.95%	6/1/16	12/1/35	2,727,486	-	(182,188)	2,545,298	185,772	47,979
SRF - Annexed Sewer Loan 2014	1.75%	8/1/16	12/1/35	3,210,593	-	(217,214)	2,993,379	221,045	50,617
SRF - Chemical Addition	1.75%	6/1/16	2/1/36	2,517,927	-	(167,980)	2,349,947	170,944	39,757
SRF - Annexed Water	1.95%	9/30/14	2/1/37	3,307,924	-	(200,680)	3,107,244	204,629	58,769
SRF - 2015 Water	1.95%	9/30/15	11/1/37	827,895	-	(47,378)	780,517	48,310	14,790
SRF - Annex Sewer 2014	1.75%	12/1/19	5/1/39	8,821,080	-	(459,888)	8,361,192	468,000	142,579
SRF - Life Station 2020	1.75%	1/1/21	5/1/40	2,312,307	-	(112,689)	2,199,618	114,677	37,576
Total Water and Sewer Notes Payable				32,694,719	-	(3,203,285)	29,491,434	3,262,380	504,777
Special Obligation Bonds									
Series 2018 - Water and Sewer Dept.	2.00% - 5.00%	4/12/18	5/1/33	7,070,000	-	(505,000)	6,565,000	520,000	328,250
Series 2018 - Electric Department	2.00% - 5.00%	4/12/18	5/1/33	4,540,000	-	(325,000)	4,215,000	335,000	210,750
Series 2019 - General	4.00% - 5.00%	7/18/19	7/1/49	15,000,000	-	-	15,000,000	305,000	344,419
Series 2020 - General	3.00% - 5.00%	5/7/20	5/1/40	10,000,000	-	-	10,000,000	-	455,000
Total Special Obligation Bonds				36,610,000	-	(830,000)	35,780,000	1,160,000	1,338,419
Tax Increment Limited Obligation Bonds									
Series 2009	4.50%	5/13/09	5/1/24	115,000	-	(55,000)	60,000	60,000	2,875
Series 2021	5.00%	6/15/21	6/1/33	586,000	-	(42,000)	544,000	44,000	27,200
Total Special Obligation Bonds				701,000	-	(97,000)	604,000	104,000	30,075
Northeast MS Regional Water Supply District									
State Revolving Loan	3.00%	9/1/98	8/1/22	-	-	-	-	-	-
TOTAL OTHER LONG-TERM DEBT				70,005,719	-	(4,130,285)	65,875,434	4,526,380	1,873,271
Bond Premiums				6,045,477	-	(482,838)	5,562,639	-	-
TOTAL LONG-TERM DEBT				\$ 116,320,423	\$ -	\$ (7,463,599)	\$ 108,856,824	\$ 7,784,625	\$ 2,956,318

CITY OF TUPELO
RECONCILIATION OF ORIGINAL AD VALOREM TAX
ROLLS TO FUND COLLECTIONS
Year Ended September 30, 2023

	MUNICIPAL	SCHOOL	TAX
Adjusted Assessed Valuation:			
Realty	\$ 381,912,202	\$ 17,457,539	
Personal	115,996,651	7,353,351	
Personal - Auto (From County)	67,257,187	4,639,410	
 Total Municipal at 96.57 Mills	 \$ 565,166,040		\$ 54,578,084
 Total School at 64.10 Mills		 \$ 29,450,300	1,887,764
Collections Adjustments:			
Add:			
Municipal Homestead Reimbursement		\$ 726,876	
School Homestead Reimbursement		470,000	
Prior Year Tax Collections		285,742	
Penalties and Interest		39,847	
In-Lieu Taxes		1,138,414	
County Portion of TIF		29,271	2,690,150
Less:			
Cost of Collections		350,785	
School Homestead Loss		795,952	1,146,737
 TOTAL TO BE ACCOUNTED FOR			 \$ 58,009,262

CITY OF TUPELO
RECONCILIATION OF ORIGINAL AD VALOREM TAX
ROLLS TO FUND COLLECTIONS

Year Ended September 30, 2023

-Continued-

	<u>TAXES</u>		<u>HOMESTEAD REIMBURSEMENT</u>	<u>TOTALS</u>
Collection Credits to Funds:				
Municipal General Fund	\$ 7,759,594	\$	263,932	\$ 8,023,526
Tax Increment Bond Fund	138,015		-	138,015
City Bond & Interest Fund	4,577,167		183,566	4,760,733
Library Fund	485,821		19,476	505,297
Firemen & Policemen Retirement Fund	898,724		36,042	934,766
City Special Levy Street Improvements Fund	5,582,129		223,861	5,805,990
School Maintenance Fund	31,697,810		470,000	32,167,810
School Bond and Interest Fund	3,603,857		-	3,603,857
Tupelo/Lee County Vo-Tech	5		-	5
School Notes - Shortfall Note	1,772,393		-	1,772,393
	<u>56,515,515</u>		<u>1,196,877</u>	
Total Collections	\$ <u>56,515,515</u>	\$	<u>1,196,877</u>	57,712,392
Balance Represented By:				
Unpaid Property Taxes		\$	296,892	
Unaccounted For (Over)			<u>(22)</u>	<u>296,870</u>
TOTAL ACCOUNTED FOR				\$ <u>58,009,262</u>

CITY OF TUPELO
SCHEDULE OF SURETY BONDS FOR MUNICIPAL OFFICIALS

September 30, 2023

NAME	POSITION	BOND	INSURANCE COMPANY
Todd Jordan	Mayor	\$ 100,000	Travelers Casualty & Surety Co. of America
Kim Hanna	City Clerk	50,000	Travelers Casualty & Surety Co. of America
John Quaka	Chief of Police	75,000	Western Surety Company
City of Tupelo	Blanket Policy	50,000	Western Surety Company
City of Tupelo	Per Councilman	100,000	Travelers Casualty & Surety Co. of America
Rosiland Barr	Assistant Chief Financial Officer	50,000	Travelers Casualty & Surety Co. of America
Rhonda Cole	Deputy Clerk	50,000	Travelers Casualty & Surety Co. of America
Traci Dillard	Deputy Clerk	50,000	Western Surety Company
Carol Botts	Office Manager TW&L	50,000	Travelers Casualty & Surety Co. of America

CITY OF TUPELO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended September 30, 2023

Federal Grantor/ Pass Through Grantor/ Program Title	Grantor Agency ID Number	Federal Assistance Listing Number	Federal Expenditures
PRIMARY GOVERNMENT:			
U. S. Department of Justice			
Justice Assistance	15040001	16.738	\$ 7,631
U.S. Treasury	21-NOR-406-AFF/22-NOR-406-AFF	16.738	8,673
U.S. Marshall Service	JLEO-20-0410/MS041053N	16.Ukn	15,000
Total U.S. Department of Justice			\$ 31,304
U. S. Department of Transportation			
Passed through State Office of:			
Mississippi Department of Transportation			
Highway Planning and Construction Grant	CMKLXEA2MNDA	20.205	\$ 293,998
Total U. S. Department of Transportation			\$ 293,998
U. S. Department of the Treasury			
Passed through State Office of:			
Mississippi Department of Finance and Administration:			
American Rescue Plan Act*	RIN1505-AC81	21.027	\$ 60,887
American Rescue Plan Act*	179-2-CW-5.5	21.027	562,661
American Rescue Plan Act*	202-2-SW-5.6	21.027	75,147
American Rescue Plan Act*	RIN1505-AC81	21.027	929,401
Total U. S. Department of the Treasury			\$ 1,628,096
U. S. Small Business Administration			
Shuttered Venue Operations Grant	SBAHQ21SV008148	59.075	\$ 801,937
Total U. S. Small Business Administration			\$ 801,937
Executive Office of the President			
DEA State and Local Task Force Agreement	667265901D3D	95.001	\$ 16,948
Total Executive Office of the President			\$ 16,948

CITY OF TUPELO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended September 30, 2023

Federal Grantor/ Pass Through Grantor/ Program Title	Grantor Agency ID Number	Federal Assistance Listing Number	Federal Expenditures
U. S. Department of Homeland Security			
Passed through State Office of: Mississippi Department of Public Safety:			
Homeland Security Grant	19LE366R	97.067	69,470
Homeland Security Grant	21HS366	97.067	68,423
Homeland Security Grant	21LE366B	97.067	100,000
Homeland Security Grant	20LE366B	97.067	18,359
Total U. S. Department of Homeland Security			\$ 256,252
TOTAL FEDERAL EXPENDITURES			\$ 3,028,535

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, 2023. 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, 2023, 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 April 8, 2024.

Report on 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 (internal control) as a basis for designing 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.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Tupelo, Mississippi's financial statements are free from 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 financial statements. 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
April 8, 2024

**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

Opinion on 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, 2023. 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.

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, 2023.

Basis for Opinion on Each Major Federal Program

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City of Tupelo, Mississippi and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City of Tupelo, Mississippi's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City of Tupelo, Mississippi's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City of Tupelo, Mississippi's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City of Tupelo, Mississippi's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City of Tupelo, Mississippi's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City of Tupelo, Mississippi's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the City of Tupelo, Mississippi's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

Jarrell Group, PLLC

Jarrell Group, PLLC
Tupelo, Mississippi
April 8, 2024

**CITY OF TUPELO, MISSISSIPPI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
September 30, 2023**

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>21.027</u>	<u>U.S. Department of the Treasury – American Rescue Pal Act</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, 2023, and have issued our report thereon dated April 8, 2024. 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
April 8, 2024