

City of Tupelo, Mississippi

Financial Statements For the year ended September 30, 2021

**CITY OF TUPELO
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September 30, 2021**

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INDEPENDENT AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT

Honorable Mayor and City Council
City of Tupelo, Mississippi

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Tupelo, Mississippi, as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City of Tupelo's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Northeast Mississippi Regional Water Supply District, which represent approximately 32 percent and 4 percent, respectively of the assets and revenues of the Proprietary 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. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

The Electric Department's fiscal year ends on June 30th as required by regulatory bodies. Therefore, all statements and information relating to the Electric Department in this report are for the fiscal year beginning July 1, 2020 and ending June 30, 2021.

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Tupelo, Mississippi, as of September 30, 2021, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 11 through 19, the schedule of the City's proportionate share of the net pension liability on page 76, and the schedule of the City's contributions on page 77 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Tupelo, Mississippi's basic financial statements. The combining and individual fund financial statements and supplementary information, listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual fund financial statements, supplementary information and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 29, 2022 on our consideration of the City of Tupelo, Mississippi's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Tupelo's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Tupelo's internal control over financial reporting and compliance.

Jarrell Group, PLLC

Jarrell Group, PLLC
Tupelo, Mississippi
March 29, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

CITY OF TUPELO, MISSISSIPPI MANAGEMENT'S DISCUSSION AND ANALYSIS

Required Supplemental Information for the year ended September 30, 2021

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, 2021. 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 \$280,568,225. This compares to the previous year when assets and deferred outflows exceeded liabilities and deferred inflows by \$263,324,000.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$61,308,038, a decrease of \$2,102,781 in comparison to the prior year. Approximately 44% of the combined fund balances, \$27,032,599 is considered unassigned and is available for spending at the City's discretion.
- The City's total debt is \$128,481,819. Debt in the amount of \$951,276 was issued in the current fiscal year; all of which was used for capital acquisition or capital projects. Debt in the amount of \$8,468,268 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

	<u>Fund Statements</u>		
	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 \$280,568,225 at the close of the most recent fiscal year. This is a \$17,844,392 increase over last year's net position of \$263,324,000. Tables A-1 and A-2 provide a summary of the City's net position at September 30, 2021 and 2020.

CITY OF TUPELO, MISSISSIPPI MANAGEMENT'S DISCUSSION AND ANALYSIS

A large portion, 86.5% and 85.7%, 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, 2021 and 2020, 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>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Current & Other Assets	\$ 73,716,378	\$ 69,488,755	\$ 51,592,301	\$ 48,920,779	\$ 125,308,679	\$ 118,409,534
Capital Assets	199,085,270	189,156,088	175,070,601	177,502,720	374,155,871	366,658,808
Total Assets	<u>272,801,648</u>	<u>258,644,843</u>	<u>226,662,902</u>	<u>226,423,499</u>	<u>499,464,550</u>	<u>485,068,342</u>
Total Deferred Outflows	4,520,028	3,755,654	1,168,306	798,613	5,688,334	4,554,267
Current Liabilities	16,013,005	8,760,020	16,484,577	17,001,177	32,497,582	25,761,197
Noncurrent Liabilities	115,168,912	132,390,123	58,760,481	63,887,234	173,929,393	196,277,357
Total Liabilities	<u>131,181,917</u>	<u>141,150,143</u>	<u>75,245,058</u>	<u>80,888,411</u>	<u>206,426,975</u>	<u>222,038,554</u>
Total Deferred Inflows	15,892,395	3,349,066	2,265,289	910,989	18,157,684	4,260,055
Net Position:						
Net Investment in						
Capital Assets	120,337,937	106,363,428	122,221,600	119,390,247	242,559,537	225,753,675
Restricted	25,872,878	36,066,184	26,336,902	25,595,905	52,209,780	61,662,089
Unrestricted (Deficit)	(15,963,451)	(24,528,324)	1,762,359	436,560	(14,201,092)	(24,091,764)
Total Net Position	<u>\$ 130,247,364</u>	<u>\$ 117,901,288</u>	<u>\$ 150,320,861</u>	<u>\$ 145,422,712</u>	<u>\$ 280,568,225</u>	<u>\$ 263,324,000</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 \$1,762,359. These resources cannot be used to add to the net position surplus in governmental activities. The City generally can only use this net position to finance the continuing operations of the business type activities.

Changes in net position: Approximately 12.0% of the City's total revenues come from property taxes, with 40.4% of all revenue coming from some type of tax. (See Table A-2.) This compares to 12.4% and 39.1% for the fiscal year ended September 30, 2020. Another 51.0% comes from fees charged for services, and the balance is from operating and capital grants and contributions and investment earnings.

CITY OF TUPELO, MISSISSIPPI MANAGEMENT'S DISCUSSION AND ANALYSIS

Table A-2 and the narrative that follows consider the operations of governmental and business-type activities separately.

Table A-2

Changes in the City of Tupelo's Net Position

	Governmental Activities		Business-Type Activities		Total Primary Government	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Revenues						
Program Revenues:						
Charges for Services	\$ 2,994,930	\$ 3,831,423	\$ 71,937,838	\$ 72,139,824	\$ 74,932,768	\$ 75,971,247
Operating Grants & Contributions	1,876,935	1,466,495	-	-	1,876,935	1,466,495
Capital Grants & Contributions	1,770,567	268,302	4,203,859	4,017,028	5,974,426	4,285,330
General Revenues:						
Property Taxes	17,670,361	16,773,915	-	-	17,670,361	16,773,915
Other Taxes	41,718,213	36,336,362	-	-	41,718,213	36,336,362
Investment Income	777,185	839,780	254,991	440,018	1,032,176	1,279,798
Gain on (Loss) Disposal of Assets	(48,648)	(2,597,952)	1,494,000	(636,784)	1,445,352	(3,234,736)
Other	2,271,046	2,867,786	76	63,066	2,271,122	2,930,852
Total Revenues	69,030,589	59,786,111	77,890,764	76,023,152	146,921,353	135,809,263
Expenses						
General Government	5,569,836	6,158,102	-	-	5,569,836	6,158,102
Public Safety	18,382,957	20,494,100	-	-	18,382,957	20,494,100
Public Works	10,562,805	10,752,185	-	-	10,562,805	10,752,185
Culture & Recreation	7,963,541	8,955,903	-	-	7,963,541	8,955,903
Other Functions	5,025,322	4,646,019	-	-	5,025,322	4,646,019
Capital Projects	2,839,332	3,924,511	-	-	2,839,332	3,924,511
Interest on Long-Term Debt	2,430,105	2,188,740	-	-	2,430,105	2,188,740
Water & Sewer	-	-	12,135,872	12,750,155	12,135,872	12,750,155
Electric	-	-	51,438,354	52,559,858	51,438,354	52,559,858
Solid Waste Management	-	-	3,807,537	3,869,369	3,807,537	3,869,369
N. MS Reg. Water Supp. Dist.	-	-	4,488,102	4,103,895	4,488,102	4,103,895
Total Expenses	52,773,898	57,119,560	71,869,865	73,283,277	124,643,763	130,402,837
Excess of Revenue Over Exp.	16,256,691	2,666,551	6,020,899	2,739,875	22,277,590	5,406,426
Transfers	(3,310,448)	(3,649,326)	(1,122,750)	(1,191,203)	(4,433,198)	(4,840,529)
Change in Net Position	12,946,243	(982,775)	4,898,149	1,548,672	17,844,392	565,897
Net Position—Beginning, As Previously Stated	117,901,288	118,884,063	145,422,712	143,874,040	263,324,000	262,758,103
Prior Period Adjustment	(600,167)	-	-	-	(600,167)	-
Net Position—Beginning, As Restated	117,301,121	118,884,063	145,422,712	143,874,040	262,723,833	262,758,103
Net Position—Ending	\$130,247,364	\$117,901,288	\$150,320,861	\$145,422,712	\$280,568,225	\$263,324,000

CITY OF TUPELO, MISSISSIPPI MANAGEMENT'S DISCUSSION AND ANALYSIS

Governmental Activities

Governmental activities increased the City's net position by \$12,946,243. 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 48.3%, property taxes 25.6% and charges for services 4.3%.

The largest expense categories for the City's governmental activities are public safety 34.8% and public works 20.0%.

Business-type Activities

Business-type activities increased the City's net position by \$4,898,149.

Charges for services are the major revenue categories for the enterprise funds. Total business-type revenues are comprised of \$13,480,886 for water and sewer, \$51,256,622 for electric, \$4,112,172 for solid waste management and \$3,088,158 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 \$27,032,599, which comprised 94.3% 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 86.7% of total fund expenditures. The fund balance of the City's general fund increased by \$3,785,214 during the current fiscal year.

Debt Service Fund—The debt service fund has a total fund balance of \$6,864,751, all of which is restricted for the payment of debt service. The net decrease in fund balance during the current year was \$658,464.

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 \$16,602,643.

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 \$9,158,343, 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 \$150,320,861. Changes in net position, which totaled \$4,898,149, were as follows: the electric fund decreased by \$76,578, the water & sewer fund increased by \$1,923,113, the solid waste management fund increased by \$321,804 and Northeast Mississippi Regional Water Supply District increased by \$2,729,810.

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 2020 – 2021 general fund budget decreased by \$438,874 and an overall operating budget decreased by \$2,576,041.

CAPITAL ASSET AND DEBT ADMINISTRATION

The City anticipates spending \$30,033,000 in capital projects from fiscal years 2022 – 2025. The sources of revenues include federal grants, G.O. bonds, and general fund revenues. The City of Tupelo also anticipates spending an additional \$9.4 million of ARPA funds from fiscal year 2022-2024.

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, 2021, amounted to \$374,155,871, net of accumulated depreciation of \$271,231,450. 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>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Land	\$ 14,360,706	\$ 14,256,076	\$ 1,864,705	\$ 1,858,455	\$ 16,225,411	\$ 16,114,531
Infrastructure Plant, Buildings, Improvements	149,336,563	148,525,937	-	-	149,336,563	148,525,937
Sanitary & Sewer Lagoons	-	-	256,432,919	230,542,351	369,637,967	342,848,951
Machinery & Equipment	30,725,398	29,160,888	6,896,810	6,896,810	6,896,810	6,896,810
Construction in Progress	37,304,941	22,230,577	28,742,199	28,413,246	59,467,597	57,574,134
Accumulated Depreciation	(145,847,386)	(137,323,990)	6,518,032	27,301,875	43,822,973	49,532,452
Total	<u>\$ 199,085,270</u>	<u>\$ 189,156,088</u>	<u>\$ 175,070,601</u>	<u>\$ 177,502,720</u>	<u>\$ 374,155,871</u>	<u>\$ 366,658,808</u>

Long-term Debt—At year-end, the City had \$128,481,819 in bonds and notes outstanding. More detailed information about the City's long-term liabilities is presented in the notes to the financial statements.

CITY OF TUPELO, MISSISSIPPI MANAGEMENT'S DISCUSSION AND ANALYSIS

Table A-4

City of Tupelo's Outstanding Debt

	Governmental Activities		Business-Type Activities		Total Primary Government	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
General Obligation Bonds	\$ 41,560,529	\$ 45,337,465	\$ 164,471	\$ 322,535	\$ 41,725,000	\$ 45,660,000
Special Obligation Bonds	-	-	12,415,000	13,195,000	12,415,000	13,195,000
Tax Increment Bonds	786,000	220,000	-	-	786,000	220,000
State Revolving Loans	-	-	59,422	216,083	59,422	216,083
Special Obligation Bonds	25,000,000	25,000,000	-	-	25,000,000	25,000,000
Notes Payable	6,154,926	6,649,201	35,840,020	38,557,076	41,994,946	45,206,277
Bond Premium	5,245,878	5,585,994	1,255,573	1,378,401	6,501,451	6,964,395
Total	\$ 78,747,333	\$ 82,792,660	\$ 49,734,486	\$ 53,669,095	\$128,481,819	\$136,461,755

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Key assumptions for revenue forecasts for fiscal year 2022 are summarized as follows:

1. Sales tax revenues will remain flat
2. Property tax revenue will increase 1.7%
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 2022 fiscal year budget. This includes 11.73 mills for the General Fund, 10 mills for the Thoroughfare Fund, .93 mills for the Library fund, 1.61 mills for the Fire and Police Retirement Fund, and 8.2 mills for the City Bond and Interest Fund.
3. Personnel cost will increase due to an increase in health insurance. Due to the expected increase, a cost-of-living increase will be reviewed in December for a possible effective date of January 1, 2022.

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, 2021

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Tupelo Airport Authority
ASSETS:				
Current Assets:				
Cash	\$ 60,306,236	\$ 14,891,118	\$ 75,197,354	\$ 1,623,002
Cash - Restricted	-	3,020,501	3,020,501	-
Certificate of Deposit - Restricted	-	50,000	50,000	-
Investments	4,716,986	-	4,716,986	-
General Property Taxes Receivable	651,869	-	651,869	-
Other Receivables	384,550	504,345	888,895	-
Accounts Receivable, Net	1,719,432	6,551,120	8,270,552	10,679
Accounts Receivable - Restricted	-	257,101	257,101	-
Unbilled Revenue	-	1,587,315	1,587,315	-
Due from Other Funds	2,574,000	7,340	2,581,340	-
Due from Other Governmental Units	2,666,921	1,044,106	3,711,027	767,304
Due from Component Units	43,393	-	43,393	-
Inventories	97,220	978,087	1,075,307	-
Prepaid Items	484,957	124,481	609,438	16,577
Other Current Assets	-	130,285	130,285	-
TOTAL CURRENT ASSETS	73,645,564	29,145,799	102,791,363	2,417,562
Noncurrent Assets:				
Cash - Restricted	-	22,221,870	22,221,870	-
Notes Receivable	70,814	102,961	173,775	-
Other Receivables	-	69,540	69,540	-
Other Assets	-	52,131	52,131	-
Capital Assets:				
Land	14,360,706	1,864,705	16,225,411	6,099,049
Plant, Buildings and Improvements	113,205,048	256,432,919	369,637,967	51,354,826
Sanitary and Sewer Lagoons	-	6,896,810	6,896,810	-
Machinery and Equipment	30,725,398	28,742,199	59,467,597	2,261,418
Infrastructure	149,336,563	-	149,336,563	-
Construction in Progress	37,304,941	6,518,032	43,822,973	801,758
Accumulated Depreciation	(145,847,386)	(125,384,064)	(271,231,450)	(30,615,308)
TOTAL NONCURRENT ASSETS	199,156,084	197,517,103	396,673,187	29,901,743
TOTAL ASSETS	272,801,648	226,662,902	499,464,550	32,319,305
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Outflows Related to Pensions	4,520,028	1,168,306	5,688,334	88,170
TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$ 4,520,028	\$ 1,168,306	\$ 5,688,334	\$ 88,170

CITY OF TUPELO, MISSISSIPPI
STATEMENT OF NET POSITION

September 30, 2021

-Continued-

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Tupelo Airport Authority
LIABILITIES:				
Current Liabilities:				
Accounts Payable	\$ 1,430,187	\$ 5,154,353	\$ 6,584,540	\$ 464,131
Accrued Expenses	569,920	323,450	893,370	53,643
Accrued Interest Payable	757,511	191,566	949,077	-
Due to Other Funds	-	2,780,541	2,780,541	-
Due to Other Governmental Units and Entities	-	-	-	1,143,819
Unearned Revenues	8,648,448	-	8,648,448	8,657
Long-Term Debt: Due Within One Year	4,566,586	4,174,191	8,740,777	-
Customer and Event Deposits	40,353	3,860,476	3,900,829	-
TOTAL CURRENT LIABILITIES	16,013,005	16,484,577	32,497,582	1,670,250
Noncurrent Liabilities:				
Advances TVA - Home Insulation Loans	-	108,887	108,887	-
Accrued Compensated Absences	1,016,842	109,367	1,126,209	-
Due to Other Funds	-	2,827,917	2,827,917	-
Net Pension Liability	39,971,323	10,154,015	50,125,338	762,523
Long-Term Debt: Due in More Than One Year	74,180,747	45,560,295	119,741,042	-
TOTAL NONCURRENT LIABILITIES	115,168,912	58,760,481	173,929,393	762,523
TOTAL LIABILITIES	131,181,917	75,245,058	206,426,975	2,432,773
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows Related to Pensions	15,892,395	2,265,289	18,157,684	257,236
TOTAL DEFERRED INFLOWS OF RESOURCES	15,892,395	2,265,289	18,157,684	257,236
NET POSITION				
Net Investment in Capital Assets	120,337,937	122,221,600	242,559,537	29,811,135
Restricted for:				
Capital Projects	10,827,237	23,265,976	34,093,213	-
Debt Service	6,864,751	3,070,926	9,935,677	-
Special Revenue	7,030,129	-	7,030,129	-
Water Reserve	577,770	-	577,770	-
Home Grant	572,991	-	572,991	-
Unrestricted (Deficit)	(15,963,451)	1,762,359	(14,201,092)	(93,669)
TOTAL NET POSITION	\$ 130,247,364	\$ 150,320,861	\$ 280,568,225	\$ 29,717,466

See accompanying notes to financial statements.

CITY OF TUPELO, MISSISSIPPI
STATEMENT OF ACTIVITIES
For the year ended September 30, 2021

FUNCTIONS/ PROGRAMS	Net (Expense) Revenue and Changes in Net Position								COMPONENT UNIT Tupelo Airport Authority
	Expenses	PROGRAM REVENUES			Total	PRIMARY GOVERNMENT			
		Charge for Services	Operating Grants and Contributions	Capital Grants and Contributions		Governmental Activities	Business-Type Activities	Total	
PRIMARY GOVERNMENT									
Government Activities:									
General Government	\$ 5,569,836	\$ 660,803	\$ 1,110,622	\$ -	\$ 1,771,425	\$ (3,798,411)	\$ -	\$ (3,798,411)	\$ -
Public Safety	18,382,957	912,432	150,119	414,333	1,476,884	(16,906,073)	-	(16,906,073)	-
Public Works	10,562,805	-	-	-	-	(10,562,805)	-	(10,562,805)	-
Culture and Recreation	7,963,541	1,421,695	616,194	-	2,037,889	(5,925,652)	-	(5,925,652)	-
Other Functions	5,025,322	-	-	-	-	(5,025,322)	-	(5,025,322)	-
Capital Projects	2,839,332	-	-	1,356,234	1,356,234	(1,483,098)	-	(1,483,098)	-
Interest on Long-Term Debt	2,430,105	-	-	-	-	(2,430,105)	-	(2,430,105)	-
TOTAL GOVERNMENTAL ACTIVITIES	52,773,898	2,994,930	1,876,935	1,770,567	6,642,432	(46,131,466)	-	(46,131,466)	-
Business-Type Activities:									
Water and Sewer	12,135,872	13,480,886	-	132,144	13,613,030	-	1,477,158	1,477,158	-
Electric	51,438,354	51,256,622	-	-	51,256,622	-	(181,732)	(181,732)	-
Northeast MS Regional Water Supply Dist.	4,488,102	3,088,158	-	4,071,715	7,159,873	-	2,671,771	2,671,771	-
Solid Waste Management	3,807,537	4,112,172	-	-	4,112,172	-	304,635	304,635	-
TOTAL BUSINESS-TYPE ACTIVITIES	71,869,865	71,937,838	-	4,203,859	76,141,697	-	4,271,832	4,271,832	-
TOTAL PRIMARY GOVERNMENT	\$ 124,643,763	\$ 74,932,768	\$ 1,876,935	\$ 5,974,426	\$ 82,784,129	\$ (46,131,466)	\$ 4,271,832	\$ (41,859,634)	\$ -
COMPONENT UNITS									
Tupelo Airport Authority	\$ 2,616,561	\$ 823,011	\$ 861,874	\$ 1,340,867	\$ 3,025,752	\$ -	\$ -	\$ -	\$ 409,191
GENERAL REVENUES:									
Taxes:									
Property Taxes, Levied for General Purposes						\$ 6,937,560	\$ -	\$ 6,937,560	\$ -
Property Taxes, Levied for Capital Outlay						5,349,082	-	5,349,082	-
Property Taxes, Levied for Special Revenue						1,364,479	-	1,364,479	-
Property Taxes, Levied for Debt Service						4,019,240	-	4,019,240	-
Sales Taxes						33,303,848	-	33,303,848	-
County Pro Rata Taxes						1,325,177	-	1,325,177	-
Franchise Taxes						444,209	-	444,209	-
In Lieu Taxes						4,596,393	-	4,596,393	-
Other Taxes						2,048,586	-	2,048,586	-
Homestead Reimbursement						627,357	-	627,357	-
Investment Earnings						777,185	254,991	1,032,176	2,339
Gain (Loss) on Disposal of Assets						(48,648)	1,494,000	1,445,352	13,973
Miscellaneous						1,643,689	76	1,643,765	-
Transfers (to) from Component Units						(3,310,448)	(1,122,750)	(4,433,198)	-
Transfers						-	-	-	-
TOTAL GENERAL REVENUES AND TRANSFERS						59,077,709	626,317	59,704,026	16,312
CHANGE IN NET POSITION						12,946,243	4,898,149	17,844,392	425,503
NET POSITION--BEGINNING, as previously stated						117,901,288	145,422,712	263,324,000	29,291,963
PRIOR PERIOD ADJUSTMENT						(600,167)	-	(600,167)	-
NET POSITION--BEGINNING, as restated						117,301,121	145,422,712	262,723,833	29,291,963
NET POSITION--ENDING						\$ 130,247,364	\$ 150,320,861	\$ 280,568,225	\$ 29,717,466

See accompanying notes to financial statements.

CITY OF TUPELO, MISSISSIPPI
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2021

	General Fund	City Infrastructure Fund	Thoroughfare Fund Phase VI	Non-Major Governmental Funds	Total Governmental Funds
<u>ASSETS:</u>					
Cash	\$ 28,637,600	\$ 11,981,885	\$ 3,394,436	\$ 16,292,315	\$ 60,306,236
Investments	-	-	-	4,716,986	4,716,986
General Property Taxes Receivable	270,326	-	195,669	185,874	651,869
Other Receivable	200,981	-	-	183,569	384,550
Notes Receivable	-	-	-	70,814	70,814
Due from Other Funds	2,574,000	-	-	-	2,574,000
Due from Other Government Units	2,080,831	-	170,798	415,292	2,666,921
Due from Component Units	43,393	-	-	-	43,393
Prepaid Items	453,705	-	-	31,252	484,957
Inventories	45,236	-	-	51,984	97,220
TOTAL ASSETS	<u>\$ 34,306,072</u>	<u>\$ 11,981,885</u>	<u>\$ 3,760,903</u>	<u>\$ 21,948,086</u>	<u>\$ 71,996,946</u>
<u>LIABILITIES AND FUND BALANCES:</u>					
<u>LIABILITIES:</u>					
Accounts Payable	\$ 204,394	\$ 319,250	\$ 597,907	\$ 308,636	\$ 1,430,187
Accrued Expenses	549,345	-	-	20,575	569,920
Unearned Revenues	4,870,032	-	-	3,778,416	8,648,448
Event Deposits	-	-	-	40,353	40,353
TOTAL LIABILITIES	<u>5,623,771</u>	<u>319,250</u>	<u>597,907</u>	<u>4,147,980</u>	<u>10,688,908</u>
<u>FUND BALANCES:</u>					
Nonspendable					
Prepaid Items	453,705	-	-	31,252	484,957
Inventory	45,236	-	-	51,984	97,220
Restricted for					
Library	-	-	-	108,314	108,314
Tourism Promotion	-	-	-	5,581,185	5,581,185
Public Safety Retirement	-	-	-	31,504	31,504
Law Enforcement	-	-	-	1,309,126	1,309,126
Const. Acquisition of Capital Assets	-	6,463,101	3,162,996	582,986	10,209,083
Public Safety Equipment	-	-	-	618,154	618,154
Debt Service	-	-	-	6,864,751	6,864,751
Home Grant	572,991	-	-	-	572,991
Water Reserve	577,770	-	-	-	577,770
Committed to					
Rental Rehabilitation	-	-	-	72,747	72,747
Fairpark Infrastructure	-	-	-	453,942	453,942
Const. Acquisition of Capital Assets	-	5,199,534	-	121,930	5,321,464
Assigned to					
Coliseum Projects	-	-	-	1,614,948	1,614,948
Coliseum Operations	-	-	-	345,089	345,089
Transportation	-	-	-	12,194	12,194
Unassigned	27,032,599	-	-	-	27,032,599
TOTAL FUND BALANCES	<u>28,682,301</u>	<u>11,662,635</u>	<u>3,162,996</u>	<u>17,800,106</u>	<u>61,308,038</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 34,306,072</u>	<u>\$ 11,981,885</u>	<u>\$ 3,760,903</u>	<u>\$ 21,948,086</u>	<u>\$ 71,996,946</u>

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, 2021**

TOTAL FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 61,308,038
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.	199,085,270
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.	(79,504,844)
Accrued compensated absences are not due and payable in the current period and therefore they are not reported in the governmental funds balance sheet.	(1,016,842)
Net pension liability are not due and payable in the current period and therefore they are not reported in the governmental funds balance sheet.	(39,971,323)
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	4,520,028
Deferred inflows of resources related to defined benefit pension plan	(15,892,395)
Accrual of court fine revenues to qualify as financial resources.	<u>1,719,432</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ <u>130,247,364</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, 2021

	General Fund	City Infrastructure Fund	Thoroughfare Fund Phase VI	Non-Major Governmental Funds	Total Governmental Funds
REVENUES:					
Taxes	\$ 8,174,316	\$ -	\$ 5,349,082	\$ 5,383,719	\$ 18,907,117
Licenses and Permits	1,105,012	-	-	-	1,105,012
Intergovernmental Revenues	32,607,427	139,947	909,498	10,692,031	44,348,903
Charges for Services	560,897	-	-	1,090,368	1,651,265
Fines and Forfeitures	589,471	-	-	92,776	682,247
Miscellaneous Revenues	968,869	204,850	77,600	1,202,162	2,453,481
TOTAL REVENUES	<u>44,005,992</u>	<u>344,797</u>	<u>6,336,180</u>	<u>18,461,056</u>	<u>69,148,025</u>
EXPENDITURES:					
Current:					
General Government	5,472,429	-	-	-	5,472,429
Public Safety	16,975,047	-	-	1,166,749	18,141,796
Public Works	4,868,024	-	-	-	4,868,024
Culture and Recreation	4,018,343	-	-	2,617,186	6,635,529
Other Functions	1,093,852	-	-	3,173,330	4,267,182
Capital Projects	-	9,112,502	8,630,127	4,401,639	22,144,268
Debt Service	663,996	-	-	6,363,134	7,027,130
TOTAL EXPENDITURES	<u>33,091,691</u>	<u>9,112,502</u>	<u>8,630,127</u>	<u>17,722,038</u>	<u>68,556,358</u>
EXCESS (DEFICIT) OF REVENUES OVER (UNDER) EXPENDITURES	<u>10,914,301</u>	<u>(8,767,705)</u>	<u>(2,293,947)</u>	<u>739,018</u>	<u>591,667</u>
OTHER FINANCING SOURCES (USES)					
Transfers to Other Funds	(7,779,703)	(393,508)	-	(3,082,546)	(11,255,757)
Transfers from Other Funds	650,616	6,812,377	-	3,792,764	11,255,757
Transfers to Component Units	-	-	-	(3,606,320)	(3,606,320)
Transfers from Component Units	-	-	-	295,872	295,872
Proceeds from Debt Issued	-	616,000	-	-	616,000
TOTAL OTHER FINANCING SOURCES (USES)	<u>(7,129,087)</u>	<u>7,034,869</u>	<u>-</u>	<u>(2,600,230)</u>	<u>(2,694,448)</u>
NET CHANGE IN FUND BALANCES	<u>3,785,214</u>	<u>(1,732,836)</u>	<u>(2,293,947)</u>	<u>(1,861,212)</u>	<u>(2,102,781)</u>
FUND BALANCES - Beginning, as Previously Stated	24,897,087	13,395,471	5,456,943	20,261,485	64,010,986
Prior Period Adjustment	-	-	-	(600,167)	(600,167)
FUND BALANCES - Beginning, as Restated	<u>24,897,087</u>	<u>13,395,471</u>	<u>5,456,943</u>	<u>19,661,318</u>	<u>63,410,819</u>
FUND BALANCES - Ending	<u>\$ 28,682,301</u>	<u>\$ 11,662,635</u>	<u>\$ 3,162,996</u>	<u>\$ 17,800,106</u>	<u>\$ 61,308,038</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, 2021

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ (2,102,781)
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.	19,660,917
Depreciation expense on capital assets is reported in the statement of activities, but they do not require the use of current financial resources. Therefore, depreciation expense is not reported as expenditures in the governmental funds.	(9,613,684)
Revenues in the statement of activities that do not provide current financial resources and are not reported as revenues in the funds.	615
The amortization of the discount and premium 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.	(118,051)
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.	1,094,698
The change in accrued interest payable is reported as an expense on the statement of activities.	(64,302)
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.	4,321,211
The proceeds of debt are an other financing source on the governmental funds income statement but are not reported on the statement of activities:	
Proceeds from issuance of bonds and notes payable	(616,000)
Decrease in accrual of compensated absences.	<u>43,504</u>
 CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	 \$ <u><u>12,946,243</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, 2021

	Budget		Actual	Variance with Final Budget (Unfavorable)
	Original	Final		
REVENUES:				
Taxes	\$ 7,972,082	\$ 7,972,082	\$ 8,159,670	\$ 187,588
Licenses and Permits	955,000	997,500	1,105,012	107,512
Intergovernmental Revenues	26,614,285	28,365,058	32,762,491	4,397,433
Charges for Services	718,000	718,000	560,897	(157,103)
Fines and Forfeitures	728,000	728,000	589,471	(138,529)
Miscellaneous Revenues	802,860	852,860	959,738	106,878
TOTAL REVENUES	<u>37,790,227</u>	<u>39,633,500</u>	<u>44,137,279</u>	<u>4,503,779</u>
EXPENDITURES:				
Current:				
General Government	5,785,235	5,998,895	5,472,429	526,466
Public Safety	17,414,846	17,991,063	16,975,047	1,016,016
Public Works	5,538,576	5,614,716	4,868,024	746,692
Culture and Recreation	4,210,147	4,316,680	4,018,343	298,337
Other Functions	1,040,904	1,100,904	1,093,852	7,052
Debt Service	664,621	664,621	663,996	625
TOTAL EXPENDITURES	<u>34,654,329</u>	<u>35,686,879</u>	<u>33,091,691</u>	<u>2,595,188</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>3,135,898</u>	<u>3,946,621</u>	<u>11,045,588</u>	<u>7,098,967</u>
OTHER FINANCING SOURCES (USES):				
Transfers from Other Funds	176,471	176,471	650,616	474,145
Transfers to Other Funds	<u>(2,602,059)</u>	<u>(7,779,703)</u>	<u>(7,779,703)</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(2,425,588)</u>	<u>(7,603,232)</u>	<u>(7,129,087)</u>	<u>474,145</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER FINANCING AND OTHER USES	<u>\$ 710,310</u>	<u>\$ (3,656,611)</u>	<u>\$ 3,916,501</u>	<u>\$ 7,573,112</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, 2021

	Budget		Actual	Variance with Final Budget (Unfavorable)
	Original	Final		
REVENUES:				
Intergovernmental Revenues:				
Federal Grants	\$ 985,889	\$ 1,210,021	\$ 139,947	\$ (1,070,074)
Miscellaneous Revenues:				
Interest	-	-	172,632	172,632
Other	-	32,218	32,218	-
TOTAL REVENUES	<u>985,889</u>	<u>1,242,239</u>	<u>344,797</u>	<u>(897,442)</u>
EXPENDITURES:				
Bond Issue Costs	-	75,794	75,794	-
Other Services and Charges	4,317,753	4,859,102	1,206,884	3,652,218
Capital Outlay	13,703,820	15,567,687	7,829,824	7,737,863
TOTAL EXPENDITURES	<u>18,021,573</u>	<u>20,502,583</u>	<u>9,112,502</u>	<u>11,390,081</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(17,035,684)</u>	<u>(19,260,344)</u>	<u>(8,767,705)</u>	<u>10,492,639</u>
OTHER FINANCING SOURCES (USES):				
Proceeds from General Obligation Bonds or Debt Issued	-	616,000	616,000	-
Transfers from Other Funds	3,317,454	5,389,357	6,812,377	1,423,020
Transfers to Other Funds	-	(393,550)	(393,508)	42
TOTAL OTHER FINANCING SOURCES (USES)	<u>3,317,454</u>	<u>5,611,807</u>	<u>7,034,869</u>	<u>1,423,062</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER FINANCING AND OTHER USES	<u>\$ (13,718,230)</u>	<u>\$ (13,648,537)</u>	<u>\$ (1,732,836)</u>	<u>\$ 11,915,701</u>

See accompanying notes to financial statements.

CITY OF TUPELO, MISSISSIPPI
CITY THOROUGHFARE FUND PHASE VI STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -
BUDGETARY BASIS
For the year ended September 30, 2021

	Budget		Actual	Variance with Final Budget (Unfavorable)
	Original	Final		
REVENUES:				
Taxes:				
General Property Taxes	\$ 5,182,793	\$ 5,182,793	\$ 5,332,237	\$ 149,444
Intergovernmental Revenues:				
State Shared Revenues	169,387	169,387	193,211	23,824
State Grants	-	750,000	545,489	(204,511)
Miscellaneous Revenues:				
Interest	25,000	27,338	77,600	50,262
TOTAL REVENUES	<u>5,377,180</u>	<u>6,129,518</u>	<u>6,148,537</u>	<u>19,019</u>
EXPENDITURES:				
Personnel Services	106,100	108,438	103,436	5,002
Other Services and Charges	2,277,195	2,277,195	1,443,951	833,244
Capital Outlay	8,793,885	9,543,885	7,082,740	2,461,145
TOTAL EXPENDITURES	<u>11,177,180</u>	<u>11,929,518</u>	<u>8,630,127</u>	<u>3,299,391</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ (5,800,000)</u>	<u>\$ (5,800,000)</u>	<u>\$ (2,481,590)</u>	<u>\$ 3,318,410</u>

See accompanying notes to financial statements.

CITY OF TUPELO
STATEMENT OF NET POSITION -
PROPRIETARY FUND TYPES
September 30, 2021

	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	\$ 7,866,949	\$ 5,590,885	\$ 355	\$ 1,432,929	\$ 14,891,118
Receivables, Net					
Accounts Receivable	6,551,120	-	-	-	6,551,120
Unbilled Revenue	1,353,568	233,747	-	-	1,587,315
Other Receivables	340,770	163,575	-	-	504,345
Due from Other Funds	376	-	-	6,964	7,340
Inventories	855,659	52,556	69,872	-	978,087
Prepaid Expenses	60,836	33,601	30,044	-	124,481
Other Current Assets	130,285	-	-	-	130,285
Current Amount of Restricted Assets	-	-	4,371,708	-	4,371,708
Total Current Assets	17,159,563	6,074,364	4,471,979	1,439,893	29,145,799
Restricted Assets					
Cash	-	-	25,242,371	-	25,242,371
Certificate of Deposit	-	-	50,000	-	50,000
Accounts Receivable	-	-	257,101	-	257,101
Intergovernmental Receivable	-	-	1,044,106	-	1,044,106
Total Restricted Assets	-	-	26,593,578	-	26,593,578
Current Amounts Above	-	-	(4,371,708)	-	(4,371,708)
Total Non-Current Restricted Assets	-	-	22,221,870	-	22,221,870
Capital Assets					
Plant and Equipment	66,038,972	146,549,357	71,588,848	997,941	285,175,118
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	2,135,145	3,583,478	799,409	-	6,518,032
Total	68,507,130	157,804,754	73,144,840	997,941	300,454,665
Less: Accumulated Depreciation	35,387,934	62,700,452	26,764,125	531,553	125,384,064
Net Capital Assets	\$ 33,119,196	\$ 95,104,302	\$ 46,380,715	\$ 466,388	\$ 175,070,601

NOTE -- Amounts for the Electric Fund are at June 30, 2021.

CITY OF TUPELO
STATEMENT OF NET POSITION -
PROPRIETARY FUND TYPES
September 30, 2021

-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	\$ 43,231	\$ -	\$ 52,131
Receivable from Customers for Energy Conservation Loans	102,961	-	-	-	102,961
Receivable from CSA	69,540	-	-	-	69,540
Total Other Assets	172,501	8,900	43,231	-	224,632
Total Assets	50,451,260	101,187,566	73,117,795	1,906,281	226,662,902
DEFERRED OUTFLOWS OF RESOURCES					
	711,109	370,804	18,721	67,672	1,168,306
LIABILITIES					
CURRENT LIABILITIES					
Payable from Unrestricted					
Current Assets:					
Accounts Payable	4,321,693	444,145	-	216,810	4,982,648
Customer and Other Deposits	3,049,126	811,350	-	-	3,860,476
Accrued Interest	38,325	153,241	-	-	191,566
Accrued Expenses	321,388	-	-	-	321,388
Due to Other Funds	9,203	2,575,505	-	-	2,584,708
Total Payable from Unrestricted Current Assets	7,739,735	3,984,241	-	216,810	11,940,786
Payable from Restricted					
Current Assets:					
Due to City of Tupelo Water					
G.O. Bond Fund	-	-	195,833	-	195,833
Accounts Payable	-	-	80,939	-	80,939
Accrued Payroll and Payroll Taxes	-	-	2,062	-	2,062
Construction / Retainage Payable	-	-	90,766	-	90,766
Bonds, Notes, and Loans Payable	315,000	3,799,769	59,422	-	4,174,191
Total Payable from Restricted Current Assets	315,000	3,799,769	429,022	-	4,543,791
Total Current Liabilities	\$ 8,054,735	\$ 7,784,010	\$ 429,022	\$ 216,810	\$ 16,484,577

NOTE -- Amounts for the Electric Fund are at June 30, 2021.

CITY OF TUPELO
STATEMENT OF NET POSITION -
PROPRIETARY FUND TYPES
September 30, 2021

-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	\$ 6,158,132	\$ 3,248,876	\$ 147,804	\$ 599,203	\$ 10,154,015
Accrued Compensated Absences Due to City of Tupelo	59,940	49,427	-	-	109,367
Water G. O. Bond Fund	-	-	2,827,917	-	2,827,917
Advances from TVA	108,887	-	-	-	108,887
Bonds, Notes, and Loans Payable	<u>5,034,811</u>	<u>40,525,484</u>	<u>-</u>	<u>-</u>	<u>45,560,295</u>
Total Long-Term Liabilities	<u>11,361,770</u>	<u>43,823,787</u>	<u>2,975,721</u>	<u>599,203</u>	<u>58,760,481</u>
Total Liabilities	<u>19,416,505</u>	<u>51,607,797</u>	<u>3,404,743</u>	<u>816,013</u>	<u>75,245,058</u>
DEFERRED INFLOWS OF RESOURCES	<u>661,615</u>	<u>1,329,511</u>	<u>44,592</u>	<u>229,571</u>	<u>2,265,289</u>
Net Position					
Net Investment in Capital Assets	27,769,385	50,779,049	43,206,777	466,388	122,221,599
Restricted for:					
Capital Projects	-	-	23,265,976	-	23,265,976
Operations and Debt Service	-	-	3,070,926	-	3,070,926
Unrestricted (Deficit)	<u>3,314,864</u>	<u>(2,157,987)</u>	<u>143,502</u>	<u>461,981</u>	<u>1,762,360</u>
Total Net Position	<u>\$ 31,084,249</u>	<u>\$ 48,621,062</u>	<u>\$ 69,687,181</u>	<u>\$ 928,369</u>	<u>\$ 150,320,861</u>

NOTE -- Amounts for the Electric Fund are at June 30, 2021.

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, 2021

	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	\$ 50,242,890	\$ 13,220,705	\$ 3,088,158	\$ 3,768,422	\$ 70,320,175
Rents	394,335	122,705	-	-	517,040
Other Revenues	619,397	137,476	-	343,750	1,100,623
Total Operating Revenues	<u>51,256,622</u>	<u>13,480,886</u>	<u>3,088,158</u>	<u>4,112,172</u>	<u>71,937,838</u>
OPERATING EXPENSES					
General and Administrative	1,395,107	515,279	205,175	-	2,115,561
Power Purchased	41,420,466	-	-	-	41,420,466
Transmission Mains	-	992,583	-	-	992,583
Water Operations	-	1,447,776	2,690,869	-	4,138,645
Sewer Operations	-	3,306,484	-	-	3,306,484
Electric Operations	751,607	-	-	-	751,607
Sanitation Operations	-	-	-	3,746,176	3,746,176
Customer Accounting and Collecting	637,892	447,861	-	-	1,085,753
Customer Service and Information	35,356	-	-	-	35,356
Maintenance and Repair	1,051,389	-	-	-	1,051,389
Sales Expense	41,653	-	-	-	41,653
Taxes and Equivalents	3,535,376	-	-	-	3,535,376
Amortization and Depreciation	2,372,882	4,497,724	1,448,278	56,754	8,375,638
Total Operating Expenses	<u>51,241,728</u>	<u>11,207,707</u>	<u>4,344,322</u>	<u>3,802,930</u>	<u>70,596,687</u>
Net Operating Income	<u>14,894</u>	<u>2,273,179</u>	<u>(1,256,164)</u>	<u>309,242</u>	<u>1,341,151</u>
NON-OPERATING REVENUES (EXPENSES)					
Interest Income	105,154	74,705	57,963	17,169	254,991
Gain (Loss) on Disposal of Capital Assets	-	1,494,000	-	-	1,494,000
Bad Debts	-	(13,054)	-	(4,607)	(17,661)
Interest Expense	(196,626)	(915,111)	(143,780)	-	(1,255,517)
Miscellaneous Income	-	-	76	-	76
Total Non-operating Revenues (Expenses)	<u>(91,472)</u>	<u>640,540</u>	<u>(85,741)</u>	<u>12,562</u>	<u>475,889</u>
Income (Loss) before Operating Transfers	<u>\$ (76,578)</u>	<u>\$ 2,913,719</u>	<u>\$ (1,341,905)</u>	<u>\$ 321,804</u>	<u>\$ 1,817,040</u>

NOTE -- Amounts for the Electric Fund are for fiscal year ended June 30, 2021.

CITY OF TUPELO
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION -
PROPRIETARY FUNDS
For the year ended September 30, 2021
-Continued-

	Business-Type Activities--Enterprise Funds				Total
	Electric Fund	Water and Sewer Fund	Northeast Mississippi Regional Water Supply District	Solid Waste Fund (Non-Major)	
OPERATING TRANSFERS IN (OUT)					
Transfer (to) from Northeast MS Regional Water Supply District for Debt Service	\$ -	\$ (1,122,750)	\$ -	\$ -	\$ (1,122,750)
Total Operating Transfers In (Out)	-	(1,122,750)	-	-	(1,122,750)
Increase (Decrease) in Net Assets Before Capital Contributions	(76,578)	1,790,969	(1,341,905)	321,804	694,290
Capital Grants and Contributions	-	132,144	4,071,715	-	4,203,859
Change in Net Position	(76,578)	1,923,113	2,729,810	321,804	4,898,149
TOTAL NET POSITION -					
Beginning of Year	31,160,827	46,697,949	66,957,371	606,565	145,422,712
TOTAL NET POSITION -					
End of Year	\$ 31,084,249	\$ 48,621,062	\$ 69,687,181	\$ 928,369	\$ 150,320,861

NOTE -- Amounts for the Electric Fund are for fiscal year ended June 30, 2021.

See accompanying notes to financial statements.

CITY OF TUPELO
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
For the year ended September 30, 2021

	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	\$ 50,949,336	\$ 13,449,219	\$ 3,109,214	\$ 4,107,565	\$ 71,615,334
Payments to Suppliers	(41,856,547)	(5,514,419)	(2,841,983)	(3,310,158)	(53,523,107)
Payments to Employees	(2,062,941)	(1,334,054)	(81,465)	(385,972)	(3,864,432)
Payments for Other Services and Charges	(4,484,459)	-	-	-	(4,484,459)
Other Receipts (Payments)	21,786	(4,214)	-	-	17,572
Net Cash Provided by (Used in) Operating Activities	<u>2,567,175</u>	<u>6,596,532</u>	<u>185,766</u>	<u>411,435</u>	<u>9,760,908</u>
Cash Flows from Noncapital Financing Activities:					
Other Receipts	-	-	76	-	76
Due To (From) Municipality	(74,454)	324,377	-	(2,306)	247,617
Transfers In (Out)	-	(1,122,750)	-	-	(1,122,750)
Net Cash Provided by (Used In) Noncapital Financing Activities	<u>(74,454)</u>	<u>(798,373)</u>	<u>76</u>	<u>(2,306)</u>	<u>(875,057)</u>
Cash Flows from Capital and Related Financing Activities:					
Capital Contributions	-	132,144	3,636,355	-	3,768,499
Proceeds from Bonds and Notes Payable	-	335,276	-	-	335,276
Payments to City of Tupelo Water G. O. Bonds Fund	-	-	(186,250)	-	(186,250)
Payments for Debt	(305,000)	(3,685,396)	(156,661)	-	(4,147,057)
Purchase of Capital Assets	(2,146,947)	(1,616,231)	(3,091,712)	(159,000)	(7,013,890)
Cost of Removal of Fixed Assets, Net of Salvage	(73,552)	-	-	-	(73,552)
Proceeds from Sale of Capital Assets	-	1,494,000	-	-	1,494,000
Conservation Advances from TVA	(63,015)	-	-	-	(63,015)
Interest Paid	(246,069)	(1,074,381)	(143,780)	-	(1,464,230)
Net Cash Provided by (Used In) Capital and Related Financing Activities	<u>(2,834,583)</u>	<u>(4,414,588)</u>	<u>57,952</u>	<u>(159,000)</u>	<u>(7,350,219)</u>
Cash Flows from Investing Activities:					
Receivable from Customers for Energy Conservation Loans	63,617	-	-	-	63,617
(Increase) Decrease in Receivable from CSA	(9,226)	-	-	-	(9,226)
Purchase of Certificate of Deposit	-	-	(50,000)	-	(50,000)
Interest and Dividends	105,154	74,705	57,963	17,169	254,991
Net Cash Provided by (Used In) Investing Activities	<u>159,545</u>	<u>74,705</u>	<u>7,963</u>	<u>17,169</u>	<u>259,382</u>
Net Increase (Decrease) In Cash and Cash Equivalents	<u>(182,317)</u>	<u>1,458,276</u>	<u>251,757</u>	<u>267,298</u>	<u>1,795,014</u>
Cash and Cash Equivalents--Beginning	<u>8,049,266</u>	<u>4,132,609</u>	<u>24,990,969</u>	<u>1,165,631</u>	<u>38,338,475</u>
Cash and Cash Equivalents--Ending	<u>\$ 7,866,949</u>	<u>\$ 5,590,885</u>	<u>\$ 25,242,726</u>	<u>\$ 1,432,929</u>	<u>\$ 40,133,489</u>

NOTE -- Amounts for the Electric Fund are for fiscal year ended June 30, 2021.

CITY OF TUPELO
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
For the year ended September 30, 2021

	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)	\$ 14,894	\$ 2,273,179	\$ (1,256,164)	\$ 309,242	\$ 1,341,151
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:					
Depreciation Expense	2,372,882	4,497,724	1,448,278	56,754	8,375,638
Net Pension Expense	336,149	(199,764)	(5,536)	37,372	168,221
Provision for Uncollectible Accounts	19,389	(13,054)	-	(4,607)	1,728
Decrease (Increase) in Assets:					
Accounts Receivable	(277,878)	-	21,056	-	(256,822)
Unbilled Revenue	8,869	2,121	-	-	10,990
Other Receivables	(52,488)	(67,152)	-	-	(119,640)
Due from Other Governments	-	-	-	-	-
Inventory	(120,125)	10,253	13,119	-	(96,753)
Prepaid Expenses	3,444	(4,214)	(8,756)	-	(9,526)
Other Current Assets	16,608	-	(7,102)	-	9,506
Increase (Decrease) in Liabilities:					
Accounts Payable	(62,522)	55,886	(17,831)	12,674	(11,793)
Customer and Other Deposits	109,040	46,418	-	-	155,458
Accrued Expenses	198,913	(4,865)	(1,298)	-	192,750
Total Adjustments	<u>2,552,281</u>	<u>4,323,353</u>	<u>1,441,930</u>	<u>102,193</u>	<u>8,419,757</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ 2,567,175</u>	<u>\$ 6,596,532</u>	<u>\$ 185,766</u>	<u>\$ 411,435</u>	<u>\$ 9,760,908</u>

NOTE -- Amounts for the Electric Fund are for fiscal year ended June 30, 2021.

See accompanying notes to financial statements.

**CITY OF TUPELO
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
September 30, 2021**

	Agency Funds
	<u> </u>
ASSETS	
Cash	\$ 794,577
Investments	<u>500</u>
TOTAL ASSETS	<u>\$ 795,077</u>
LIABILITIES	
Accounts Payable	\$ 50,412
Due to Complainants	6,964
Due to Arts Committee	774
Due to Insured Employees	426,215
Seized Money Held	<u>310,712</u>
TOTAL LIABILITIES	<u>\$ 795,077</u>

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

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, 2021

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, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

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

Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of specific federal and state grants that are legally restricted to expenditures for specified purposes. These are non-major governmental funds.

Proprietary Funds

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues for the proprietary funds are as follows: sale of water for the Water Fund, refuse collection charges for the Solid Waste Fund, and sale of electricity for the Electric Fund. Operating expenses for the enterprise funds include the cost of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Electric Fund – This fund is used to account for the City's electric distribution system. This fund is responsible for electric power delivery to the residents of the City of Tupelo.

Combined Water and Sewer Fund – This fund is used to account for the City's water treatment and distribution system. This fund is responsible for water delivery to the residents of the City of Tupelo.

Solid Waste Management Fund – This fund is used to account for the cost of providing solid waste services to the City.

Northeast Mississippi Regional Water Supply District Fund (Water District) – This fund is used to account for the activities of the water supply district as a blended component unit.

Fiduciary Funds

Agency Funds - Agency Funds are used to account for assets held by the City as an agent for employees, other individuals, private organizations, other governments, and/or other funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, pension participants, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

**CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2021**

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, 2021

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 12 for further details.

LONG-TERM DEBT AND BOND DISCOUNTS / PREMIUMS

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

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

CAPITAL ASSETS

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

**CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2021**

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 INVESTMENTS

Cash consists of amounts on deposit with financial institutions in demand accounts, savings accounts and certificates of deposit with original maturities of three months or less from the date of acquisition. Cash is valued at cost. Investments consist of US Treasury notes and US government securities funds. The City deposits funds in the financial institutions selected by the City Council in accordance with state statutes. Deposits: custodial credit risk - the collateral for public entities' deposits in financial institutions is now held in the name of the State Treasurer under a program established by the Mississippi State Legislature and is governed by Section 27-105-5 Miss. Code Ann. (1972). Under this program, the entities are protected through a collateral pool administered by the State Treasurer. Financial institutions holding deposits of public funds must pledge securities as collateral against those deposits. In the event of failure of a financial institution, securities pledged by that institution would be liquidated by the State Treasurer to replace the public deposits not covered by the Federal Depository Insurance Corporation.

The carrying amount of the City's deposits with financial institutions was \$100,489,725, and the bank balance was \$102,716,810. The carrying amount for the Tupelo Airport Authority was \$1,644,688, and the bank balance was \$1,623,002.

Investments: *interest rate risk* - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City's policy is to hold all investments to maturity, thereby reducing any interest rate risk. *Credit risk* - State statutes, city bond ordinances and city resolutions authorize the City's investments. The City is authorized, by statute, to invest excess funds in any bonds or other direct obligations of the United States of America or the State of Mississippi, or of any county, municipality or school district of this state, when such county, municipal or school district bonds have been properly approved; or in interest-bearing time certificates of deposit with any financial institution approved for the deposit of funds. For reporting purposes, certificates of deposit are classified as investments. Investments are valued at cost or amortized cost except for investments in the Deferred Compensation Fund that are reported at market value.

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

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, 2021

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, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

RECLASSIFICATIONS

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

NOTE 2 - FIREMEN AND POLICEMEN RETIREMENT FUND

The City maintains the Firemen and Policemen Retirement Fund (a Special Revenue Fund) for the purpose of making payments to the Public Employee's Retirement System (PERS) of Mississippi for the funding of pensions of firemen and policemen employed prior to March 1, 1976. During the fiscal year ended September 30, 1987, the PERS assumed control of the Municipal Firemen's and Policemen's Retirement System, under which these employees are covered, and the fund's assets previously held by a bank trustee were transferred to PERS at that time.

Revenues of the fund for the year ended September 30, 2021, consist of allocations of general property ad valorem taxes of \$861,290 and homestead exemption reimbursement of \$31,107 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>\$ 4,806,507</u>
Assumed Rate of Return Used in Plan Evaluation	7.75%
Plan Evaluation Date	June 30, 2021
Plan Assets Available for Benefits as of June 30, 2021	<u>\$ 5,450,000</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, 2021

NOTE 3 - BUDGETARY BASIS

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

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

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

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

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

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

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE 3 - BUDGETARY BASIS – continued

The City budgets its Enterprise Funds as required by state law. However, the budgets were not on the "capital maintenance" measurement focus and were not in a format comparable to the actual reporting format used by the City to maintain its books and the format used to prepare the City's financial statements included in this report; consequently, comparison between budgeted amounts and actual results per the financial statements was not practicable.

NOTE 4 - GENERAL PROPERTY TAXES

General property taxes, other than motor vehicles and mobile homes, attach as an enforceable lien on property as of January 1 for the previous calendar year and are due by February 1 based on the levy set by the City Council the previous September. Taxes on motor vehicles and mobile homes attach as an enforceable lien at various dates throughout the year based on when the property was acquired by the owner and are due in the month of acquisition and annually thereafter based on the annual levy in effect at that time. All property taxes, including motor vehicle taxes, are collected by the Lee County Tax Collector and remitted to the City. The County Tax Collector also collects taxes for the Tupelo Public School District (TPSD), which includes property outside the City limits, but within the School District.

The adjusted assessed valuation of the taxable property of the City and the Tupelo Public School District for which current payment was due during the fiscal year ended September 30, 2021 is as follows:

	City	TPSD
Real Property	\$ 373,231,682	\$ 15,625,305
Personal Property - Other Than Motor Vehicles & Mobile Homes	103,051,321	13,341,489
Personal Property - Motor Vehicles & Mobile Homes	66,940,408	4,269,490
	\$ 543,223,411	\$ 33,236,284

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

	City	TPSD
General Fund	12.97	0.00
Library Fund	0.94	0.00
City Bond and Interest Fund	6.95	0.00
Firemen and Policemen Retirement Fund	1.61	0.00
City Thoroughfare Fund	10.00	0.00
School Bonds Payable	0.00	6.10
Short-Term Debt	0.00	3.00
School Maintenance Fund	0.00	55.00
	32.47	64.10

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE 4 - GENERAL PROPERTY TAXES – continued

Collections for the School Bonds Payable, School Maintenance Fund, and the Short-Term Debt are remitted by the County and/or the City to the Tupelo Public School District.

NOTE 5 - CAPITAL ASSETS

The following is a summary of capital asset activity as of September 30, 2021:

	<u>Balance</u> <u>Oct. 1, 2020</u>	<u>Acquisitions</u>	<u>Capitalized</u> <u>Construction,</u> <u>Sales, or</u> <u>Retirements</u>	<u>Balance</u> <u>Sept. 30, 2021</u>
Governmental Activities:				
Capital Assets, not being Depreciated:				
Land	\$ 14,256,076	\$ 104,483	\$ 147	\$ 14,360,706
Construction in Progress	<u>22,230,577</u>	<u>15,885,137</u>	<u>(810,773)</u>	<u>37,304,941</u>
Total Capital Assets, not being Depreciated:	36,486,653	15,989,620	(810,626)	51,665,647
Capital Assets being Depreciated:				
Buildings and Improvements	112,306,600	898,448	-	113,205,048
Machinery and Equipment	29,160,888	2,772,849	(1,208,339)	30,725,398
Infrastructure	<u>148,525,937</u>	<u>-</u>	<u>810,626</u>	<u>149,336,563</u>
Total Capital Assets, being Depreciated	289,993,425	3,671,297	(397,713)	293,267,009
Less Accumulated Depreciation for:				
Buildings and Improvements	(31,867,448)	(2,914,852)	-	(34,782,300)
Machinery and Equipment	(21,302,658)	(1,659,576)	1,090,288	(21,871,946)
Infrastructure	<u>(84,153,884)</u>	<u>(5,039,256)</u>	<u>-</u>	<u>(89,193,140)</u>
Total Accumulated Depreciation	<u>(137,323,990)</u>	<u>(9,613,684)</u>	<u>1,090,288</u>	<u>(145,847,386)</u>
Total Governmental Activities Capital Assets, net	\$ <u>189,156,088</u>	\$ <u>10,047,233</u>	\$ <u>(118,051)</u>	\$ <u>199,085,270</u>

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE 5 - CAPITAL ASSETS – continued

	Balance Oct. 1, 2020	Acquisitions	Capitalized Construction, Sales, or Retirements	Balance Sept. 30, 2021
Business-Type Activities:				
Capital Assets, not being Depreciated:				
Land	\$ 1,858,455	\$ 6,250	\$ -	\$ 1,864,705
Construction in Progress	27,301,875	3,659,074	(24,442,917)	6,518,032
Total Capital Assets, not being Depreciated:	29,160,330	3,665,324	(24,442,917)	8,382,737
Capital Assets being Depreciated:				
Buildings and Improvements	237,439,161	1,931,363	23,959,205	263,329,729
Machinery and Equipment	28,413,246	274,591	54,362	28,742,199
Total Capital Assets, being Depreciated	265,852,407	2,205,954	24,013,567	292,071,928
Less Accumulated Depreciation for:				
Buildings and Improvements	(102,380,942)	(6,699,258)	557,265	(108,522,935)
Machinery and Equipment	(15,129,075)	(1,676,380)	(55,674)	(16,861,129)
Total Accumulated Depreciation	(117,510,017)	(8,375,638)	501,591	(125,384,064)
Total Business-Type Activities				
Capital Assets, net	\$ 177,502,720	\$ (2,504,360)	\$ 72,241	\$ 175,070,601
Discretely Presented Component Unit:				
Capital Assets, not being Depreciated:				
Land	\$ 6,099,049	\$ -	\$ -	\$ 6,099,049
Construction in Progress	196,982	1,391,012	(786,236)	801,758
Total Capital Assets, not being Depreciated:	6,296,031	1,391,012	(786,236)	6,900,807
Capital Assets being Depreciated:				
Buildings and Improvements	51,193,691	161,135	-	51,354,826
Machinery and Equipment	1,434,974	46,458	779,986	2,261,418
Total Capital Assets, being Depreciated	52,628,665	207,593	779,986	53,616,244
Less Accumulated Depreciation for:				
Buildings and Improvements	(28,050,275)	(1,269,971)	-	(29,320,246)
Machinery and Equipment	(1,206,832)	(94,480)	6,250	(1,295,062)
Total Accumulated Depreciation	(29,257,107)	(1,364,451)	6,250	(30,615,308)
Total Component Unit				
Capital Assets, net	\$ 29,667,589	\$ 234,154	\$ -	\$ 29,901,743
Total Capital Assets	\$ 396,326,397	\$ 7,777,027	\$ (45,810)	\$ 404,057,614

**CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2021**

NOTE 5 - CAPITAL ASSETS – continued

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

Governmental Activities:

General Government	\$ 1,084,563
Public Safety	1,071,123
Public Works	5,809,683
Culture and Recreation	<u>1,648,315</u>

Total Depreciation Expense - Governmental Activities	\$ <u>9,613,684</u>
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Business-Type Activities:

Electric Department	\$ 2,372,882
Water and Sewer	4,497,724
Northeast Mississippi Regional Water Supply District	56,754
Solid Waste	<u>1,448,278</u>

Total Depreciation Expense - Business-Type Activities	\$ <u>8,375,638</u>
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Total Depreciation Expense - Discretely Presented Component Unit	\$ <u>1,364,451</u>
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NOTE 6 - LONG-TERM DEBT

BONDS PAYABLE

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the City. General obligation bonds include General City Bonds, G. O. Water Bonds, and Special Obligation, and School Bonds.

During 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, 2021

NOTE 6 - LONG-TERM DEBT – continued

NOTES PAYABLE AND STATE REVOLVING LOANS

Fifteen different capital improvement revolving loans make up the September 30, 2021 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 \$41,994,946.

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	\$45,337,465	\$ -	\$ 3,776,936	\$41,560,529	\$3,985,529
Limited Obligations						
Tax Increment	Debt Service	220,000	616,000	50,000	786,000	85,000
Special Obligation Bonds	Debt Service	25,000,000	-	-	25,000,000	-
Notes Payable	General	6,649,201	-	494,275	6,154,926	496,057
Bond Premiums		<u>5,585,994</u>	<u>-</u>	<u>340,116</u>	<u>5,245,878</u>	<u>-</u>
Total Governmental Activities		<u>\$82,792,660</u>	<u>\$ 616,000</u>	<u>\$ 4,661,327</u>	<u>\$78,747,333</u>	<u>\$4,566,586</u>

	Fund Debt Retired By	Balances Oct. 1,	Additions	Reductions	Balances Sept. 30	Current Portion
Business-Type Activities:						
General Obligation	Water/Sewer	\$ 322,535	\$ -	\$ 158,064	\$ 164,471	\$ 164,471
Special Obligation Bonds	Water/Sewer	8,035,000	-	475,000	7,560,000	490,000
Special Obligation Bonds	Electric*	5,160,000	-	305,000	4,855,000	315,000
Notes Payable	Water/Sewer	38,557,076	335,276	3,052,332	35,840,020	3,145,298
State Revolving Loan	NEMSRWSD	216,083	-	156,661	59,422	59,422
Bond Premiums		<u>1,378,401</u>	<u>-</u>	<u>122,828</u>	<u>1,255,573</u>	<u>-</u>
Total Business-Type Activities		<u>\$53,669,095</u>	<u>\$ 335,276</u>	<u>\$ 4,269,885</u>	<u>\$49,734,486</u>	<u>\$4,174,191</u>

*Amounts for Electric Fund are at June 30, 2021.

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE 6 - 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	
2022	\$ 3,985,529	\$ 85,000	\$ -	\$ 496,057	\$ 2,920,412	\$ 7,486,998
2023	2,605,000	97,000	-	508,944	2,792,777	6,003,721
2024	3,005,000	104,000	305,000	523,313	2,364,301	6,301,614
2025	3,120,000	46,000	620,000	660,080	2,580,596	7,026,676
2026	3,235,000	48,000	635,000	431,296	2,450,099	6,799,395
2027-2031	14,485,000	277,000	4,355,000	2,342,812	10,401,879	31,861,691
2032-2036	9,725,000	129,000	6,085,000	878,026	5,685,993	22,503,019
2037-2041	1,400,000	-	6,430,000	314,398	2,391,346	10,535,744
2042-2046	-	-	3,825,000	-	1,150,888	4,975,888
2047-2049	-	-	<u>2,745,000</u>	-	<u>241,850</u>	<u>2,986,850</u>
Total	<u>\$41,560,529</u>	<u>\$ 786,000</u>	<u>\$25,000,000</u>	<u>\$ 6,154,926</u>	<u>\$32,980,141</u>	<u>\$ 106,481,596</u>

Year Ending September 30,	Business-Type Activities					Total
	General Obligation	Special Obligation	Notes Payable	State Revolving Loans	Interest	
2022	\$ 164,471	\$ 805,000	\$ 3,145,298	\$ 59,422	\$ 1,218,730	\$ 5,392,921
2023	-	830,000	3,203,286	-	1,127,770	5,161,056
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
2027-2031	-	5,485,000	9,450,222	-	2,804,899	17,740,121
2032-2036	-	2,595,000	7,967,971	-	753,533	11,316,504
2037-2041	-	-	<u>2,311,963</u>	-	<u>57,878</u>	<u>2,369,841</u>
Total	<u>\$ 164,471</u>	<u>\$12,415,000</u>	<u>\$35,840,020</u>	<u>\$ 59,422</u>	<u>\$ 8,784,616</u>	<u>\$ 57,263,529</u>

**CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2021**

NOTE 6 - LONG-TERM DEBT – continued

DUE TO CITY OF TUPELO G.O. BONDS FUND

The Water District has pledged proceeds sufficient to pay the principal and interest of and redemption premium, if any, on the proportion of the bonds which are not paid with the proceeds of the Special Sales Tax. The District is required to make monthly deposits of interest and principal with a corporate trustee. The District reflects payments of interest as interest expense and the payment of principal on the refunding bonds as a reduction in Due to City of Tupelo Water G.O. Bonds Fund. One-half of the outstanding Series 2019 refunding bonds are shown as Due to City of Tupelo G.O. Bonds Fund, current and long-term portions.

Scheduled Payments are as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 195,833	\$ 123,481	\$ 319,314
2023	205,833	115,648	321,481
2024	207,500	107,415	314,915
2025	213,750	99,115	312,865
2026	225,417	90,564	315,981
2027 - 2031	1,295,417	308,773	1,604,190
2032 - 2034	<u>680,000</u>	<u>50,402</u>	<u>730,402</u>
	<u>\$ 3,023,750</u>	<u>\$ 895,398</u>	<u>\$ 3,919,148</u>

STATE REVOLVING LOANS

Northeast Mississippi Regional Water Supply District has incurred long-term debt with the Drinking Water Systems Improvements Revolving Loan Fund as administered by the Mississippi Department of Health and the Mississippi Department of Environmental Quality in conjunction with two construction projects. The loan balances increase when administrative fees (deferred charges to be amortized over the life of the loan) were charged and project costs were reimbursed. Interest began accruing on the original construction contract completion date at 3%. Interest accrued before the initiation of the repayment schedule will be added to the amount of the loan to be repaid. The loans are payable in 236/237 monthly installments.

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE 7 - RENTALS UNDER OPERATING LEASES

TUPELO AIRPORT AUTHORITY RENTALS UNDER OPERATING LEASES

The Authority has entered into agreements to lease airport land and facilities to an airline, car rental agencies, fixed base operators and individuals. The following is a schedule by years of minimum future rental payments receivable on non-cancellable operating leases as of September 30, 2021:

<u>Year Ending September 30,</u>	
2022	\$ 381,853
2023	380,742
2024	377,104
2025	378,642
2026	380,199
2027 - 2031	<u>1,029,368</u>
Total Minimum Future Rentals	<u>\$ 2,927,908</u>

NOTE 8 - TVA HOME INSULATION PROGRAM - ELECTRIC FUND

Other Assets of the Electric Fund include \$108,881 receivable from customers for energy conservation loans and represents unbilled amounts due from customers as a result of their participation in an energy conservation program sponsored by TVA in which customers install energy conservation measures approved by a TVA energy advisor. The installation charges are paid by the Electric Department and billed to the customer over a period of time on the customer's monthly utility bill. TVA reimburses the Electric Department for amounts paid out under the program. Repayments are made to TVA by the Electric Department as collections are made from the customers. Advances from TVA for energy conservation loans represent the amounts advanced by TVA, net of repayments, under this program.

NOTE 9 - DUE FROM/TO OTHER FUNDS AND ADVANCES TO/FROM OTHER FUNDS

Individual fund Due from Other Funds and Due to Other Funds balances as of September 30, 2021 were:

<u>Fund</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$ 2,574,000	\$ -
Proprietary Funds:		
Electric Fund	1,505	6,964
Water and Sewer Fund	-	2,575,505
Solid Waste Management Fund	<u>6,964</u>	<u>-</u>
Total	<u>\$ 2,582,469</u>	<u>\$ 2,582,469</u>

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE 10 - NONCURRENT ASSETS

The following receivable at September 30, 2021 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 11 - CONTRIBUTED CAPITAL

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

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

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE 12 - DEFINED BENEFIT PENSION PLAN

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

Benefits Provided - For the cost-sharing plan participating members who are vested and retire at or after age 60 or those who retire regardless of age with at least 30 years of creditable service (25 years of creditable service for employees who became members of PERS before July 1, 2011) are entitled, upon application, to an annual retirement allowance payable monthly for life in an amount equal to 2.0% of their average compensation for each year of creditable service up to and including 30 years (25 years for those who became members of PERS before July 1, 2011), plus 2.5% for each additional year of creditable service with an actuarial reduction in the benefit for each year of creditable service below 30 years or the number of years in age that the member is below 65, whichever is less (the actuarial reduction for less than 30 years or below age 65 apply only to those who became members on or after July 1, 2011). Average compensation is the average of the employee's earnings during the four highest compensated years of creditable service.

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

Employee membership data related to the Plan, as of June 30, 2020 was as follows:

Inactive Members or Beneficiaries Currently Receiving Benefits	109,881
Inactive Members Assumed Eligible for a Benefit at Retirement Date	16,436
Inactive Members Assumed Not to Receive Service Retirement Benefits	62,211
Active Members	149,855
Total	<u><u>338,383</u></u>

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE 12 - DEFINED BENEFIT PENSION PLAN – continued

Contributions - The contribution requirements of PERS members and employers are established and may be amended only by the State of Mississippi Legislature. PERS members are required to contribute 9.00% of their annual covered salary and the City of Tupelo is required to contribute at an actuarially determined rate. The current rate is 17.40% of annual covered payroll. The contributions are deducted from the employees' wages or salary and remitted by the City to PERS on a monthly basis. By law, employer contributions are required to be paid. The employer's actuarially determined contribution and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

The following detailed analysis of payroll, pension liability, liability percentage, pension expense, deferred outflows, and deferred inflows, will be divided among the City of Tupelo (all funds except the following), the Coliseum Project Fund, Northeast Mississippi Regional Water Supply District (Water District), the Tupelo Airport Authority, the Water and Sewer Fund, and the Electric Fund (as of June 30, 2021). 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, 2021, the City of Tupelo's total payroll for all employees was \$17,809,341. Total covered payroll was \$17,547,057.

For the year ended September 30, 2021, the Coliseum Project Fund's total payroll for all employees was \$737,779. Total covered payroll was \$665,764.

For the year ended September 30, 2021, the Water District's total payroll for all employees was \$63,884. Total covered payroll was also \$63,884.

For the year ended September 30, 2021, the Tupelo Airport Authority's total payroll for all employees was \$399,128. Total covered payroll was \$360,190.

For the year ended September 30, 2021, the Water and Sewer Fund's total payroll for all employees was \$1,331,929. Total covered payroll was \$1,314,874.

For the year ended June 30, 2021, the Electric Fund's total payroll for all employees was \$2,261,854. Total covered payroll was \$2,127,897.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions - At September 30, 2021, the City of Tupelo reported a liability of \$39,163,576 for its proportionate share of the net pension liability. The City of Tupelo share does include the Solid Waste Fund. The Coliseum Project Fund reported a liability of \$1,406,950 for its proportionate share. The Water District reported \$147,804, the Tupelo Airport Authority reported \$762,523, and the Water and Sewer Fund reported \$3,248,876. The Electric Fund as of June 30, 2021 reported a liability of \$6,158,132 for its proportionate share of the net pension liability.

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE 12 - DEFINED BENEFIT PENSION PLAN – continued

The net pension liability was measured as of June 30, 2021, 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, 2021, the City of Tupelo’s proportion was 0.26497 percent. At June 30, 2021, the proportionate share for the Coliseum Project Fund was 0.00952 percent. At June 30, 2021, the proportionate share for the Water District was 0.0010 percent. At June 30, 2021, the proportionate share for the Tupelo Airport Authority was 0.00516 percent. At June 30, 2021, the proportionate share for the Water and Sewer Fund was 0.02198 percent.

For the Electric Fund, the net pension liability was measured as of June 30, 2020, and the total pension liability percentage used to calculate the net pension liability was determined by an actuarial valuation as of that date. At June 30, 2020, the Electric Fund’s proportion was 0.03181 percent.

For the year ended September 30, 2021, the City of Tupelo (including the Solid Waste Fund) recognized pension expense of (\$865,251). At September 30, 2021, 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	\$ 626,225	\$ -
Net Difference Between Projected and Actual Investment Earnings	-	11,794,397
City Pension Contributions Subsequent to the Measurement Date	783,177	-
Changes of Assumptions	3,013,617	-
Changes in Proportion and Differences in Actual Earnings on Pension Plan Assets	-	<u>3,210,228</u>
Total	\$ <u>4,423,019</u>	\$ <u>15,004,625</u>

The \$783,177 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, 2022. 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>
2022	\$ (3,415,846)
2023	(2,206,652)
2024	(2,227,618)
2025	<u>(3,514,667)</u>
Total	\$ <u>(11,364,783)</u>

For the year ended September 30, 2021, the Coliseum Project Fund recognized pension expense of (\$192,076). At September 30, 2021, 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, 2021

NOTE 12 - DEFINED BENEFIT PENSION PLAN – continued

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 22,497	\$ -
Net Difference Between Projected and Actual Investment Earnings	-	423,713
Coliseum Pension Contributions Subsequent to the Measurement Date	33,920	-
Changes of Assumptions	108,264	-
Changes in Proportion and Differences in Actual Earnings on Pension Plan Assets	<u>-</u>	<u>693,628</u>
Total	<u>\$ 164,681</u>	<u>\$ 1,117,341</u>

The \$33,920 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, 2022. 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>
2022	\$ (331,481)
2023	(298,634)
2024	(230,200)
2025	<u>(126,265)</u>
Total	<u>\$ (986,580)</u>

For the year ended September 30, 2021, the Water District recognized pension expense of \$5,581. At September 30, 2021, 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	\$ 2,363	\$ -
Net Difference Between Projected and Actual Investment Earnings	-	44,514
Water District Pension Contributions Subsequent to the Measurement Date	2,001	-
Changes of Assumptions	8,563	-
Changes in Proportion and Differences in Actual Earnings on Pension Plan Assets	<u>5,794</u>	<u>78</u>
Total	<u>\$ 18,721</u>	<u>\$ 44,592</u>

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE 12 - DEFINED BENEFIT PENSION PLAN – continued

The \$2,001 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, 2022. 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>
2022	\$ (4,184)
2023	(4,170)
2024	(6,252)
2025	<u>(13,266)</u>
Total	\$ <u><u>(27,872)</u></u>

For the year ended September 30, 2021, the Tupelo Airport Authority recognized pension expense of (\$45,230). At September 30, 2021, 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	\$ 12,193	\$ -
Net Difference Between Projected and Actual Investment Earnings	-	229,640
TAA's Pension Contributions Subsequent to the Measurement Date	17,301	-
Changes of Assumptions	58,676	-
Changes in Proportion and Differences in Actual Earnings on Pension Plan Assets	<u>-</u>	<u>27,596</u>
Total	\$ <u><u>88,170</u></u>	\$ <u><u>257,236</u></u>

The \$17,301 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, 2022. 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>
2022	\$ (38,293)
2023	(36,874)
2024	(42,769)
2025	<u>(68,431)</u>
Total	\$ <u><u>(186,367)</u></u>

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE 12 - DEFINED BENEFIT PENSION PLAN – continued

For the year ended September 30, 2021, the Water and Sewer Fund recognized pension expense of (\$199,764). At September 30, 2021, the Water and Sewer Fund 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	\$ 51,949	\$ -
Net Difference Between Projected and Actual Investment Earnings	-	978,423
Water and Sewer Fund Pension Contributions Subsequent to the Measurement Date	68,855	-
Changes of Assumptions	250,000	-
Changes in Proportion and Differences in Actual Earnings on Pension Plan Assets	-	351,088
Total	\$ <u>370,804</u>	\$ <u>1,329,511</u>

The \$68,855 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, 2022. 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>
2021	\$ (344,620)
2022	(224,656)
2023	(166,721)
2024	<u>(291,565)</u>
Total	\$ <u>(1,027,562)</u>

For the year ended June 30, 2021, the Electric Fund recognized pension expense of \$336,149. At June 30, 2021, 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, 2021

NOTE 12 - DEFINED BENEFIT PENSION PLAN – continued

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 53,453	\$ -
Net Difference Between Projected and Actual Investment Earnings	252,953	-
Electric Fund's Pension Contributions Subsequent to the Measurement Date	370,254	-
Changes of Assumptions	34,449	-
Changes in Proportion and Differences in Actual Earnings on Pension Plan Assets	-	661,615
Total	\$ 711,109	\$ 661,615

The \$370,254 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, 2022. 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
2022	\$ (239,382)
2023	(138,806)
2024	(33,438)
2025	90,866
Total	\$ (320,760)

Actuarial Assumptions - The City of Tupelo total pension liability was determined by an actuarial valuation as of June 30, 2020, 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

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

Inflation	2.75%
Salary increases	3.00 - 18.25%, average, including inflation
Investment rate of return	7.75%, net of pension plan investment expense, including inflation

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE 12 - DEFINED BENEFIT PENSION PLAN – continued

Mortality rates were based on the PubS.H-2010(B) Retiree Table with the following adjustments: For males, 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 for disability retirees were based on the PubG.H-2010 Disabled Table adjusted 134% for males and 121% for females. Mortality rates for Contingent Annuitants were based on the PubS.H-2010(B) Contingent Annuitant Table, adjusted 97% for males and 110% for females. Mortality rates will be projected generationally using the MP-2020 projection scale to account for future improvements in life expectancy.

The actuarial assumptions used for the purposes of determining the TPL were based on the results of an actuarial experience study for the period July 1, 2016 to June 30, 2020. The experience report is dated April 20, 2021.

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 %	4.60 %
International Equity	22.00	4.50
Global Equity	12.00	4.80
Fixed Income	20.00	(0.25)
Real Estate	10.00	3.75
Private Equity	8.00	6.00
Cash	1.00	(1.00)
Total	100.00	

Discount Rate - The discount rate used to measure the total pension liability was 7.55 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate (9.00%) and that employer contributions will be made at the current contribution rate (17.40%). Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE 12 - DEFINED BENEFIT PENSION PLAN – continued

Sensitivity of the City of Tupelo's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following presents the City of Tupelo's and the additional September 30, 2021 funds proportionate share of the net pension liability using the discount rate of 7.55 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 (6.55 percent) or 1-percentage-point higher (8.55 percent) than the current rate:

	<u>Discount Rate</u>	<u>City of Tupelo's Proportionate Share of Net Pension Liability</u>
1% Decrease	6.55%	\$ 55,464,806
Current Discount Rate	7.55%	39,163,576
1% Increase	8.55%	25,730,067

	<u>Discount Rate</u>	<u>Coliseum Project Fund's Proportionate Share of Net Pension Liability</u>
1% Decrease	6.55%	\$ 1,992,571
Current Discount Rate	7.55%	1,406,950
1% Increase	8.55%	924,352

	<u>Discount Rate</u>	<u>Northeast MS Regional Water District's Proportionate Share of Net Pension Liability</u>
1% Decrease	6.55%	\$ 209,326
Current Discount Rate	7.55%	147,804
1% Increase	8.55%	97,106

	<u>Discount Rate</u>	<u>Tupelo Airport Authority's Proportionate Share of Net Pension Liability</u>
1% Decrease	6.55%	\$ 1,079,911
Current Discount Rate	7.55%	762,523
1% Increase	8.55%	500,970

	<u>Discount Rate</u>	<u>Water and Sewer Fund's Proportionate Share of Net Pension Liability</u>
1% Decrease	6.55%	\$ 4,601,170
Current Discount Rate	7.55%	3,248,876
1% Increase	8.55%	2,134,478

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE 12 - DEFINED BENEFIT PENSION PLAN – continued

Sensitivity of the Electric Fund's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following presents the Electric Fund's proportionate share of the net pension liability using the discount rate of 7.75%, as well as what the Electric Fund's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75%) or 1-percentage-point higher (8.75%) than the current rate:

	Discount Rate	Electric Fund's Proportionate Share of Net Pension Liability
1% Decrease	6.75%	\$ 7,970,945
Current Discount Rate	7.75%	6,158,132
1% Increase	8.75%	4,661,832

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

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

Fund	Transfers to Other Funds	Transfers from Other Funds
General Fund	\$ 7,779,703	\$ 650,616
Special Revenue Funds:		
CVB Fund	1,525,901	-
Coliseum Project Fund	1,324,330	2,215,120
Coliseum Operating Fund	-	425,830
Narcotics Fund	49,100	-
Transportation Fund	-	138,000
Debt Service Funds:		
City Bond and Interest Fund	-	1,013,814
Special Obligation Debt Service Fund	97,421	-
City Tax Increment Debt Fund	85,794	-
Capital Projects Funds:		
City Infrastructure Fund	393,508	6,812,377
Total	\$ 11,255,757	\$ 11,255,757
	Transfers to Blended Component Unit	Transfers from Blended Component Unit
Debt Service Fund:		
Water G.O. Bond Fund	\$ 3,606,320	\$ 295,872
Enterprise Fund:		
Water and Sewer Fund	1,122,750	-
Total	\$ 4,729,070	\$ 295,872

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

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

Transfers between the primary government and blended component unit do not balance because the Water District reports differently from the City. The following is a reconciliation of the difference:

Transfers to Water G.O. Bond Fund reported as a reduction in Due to City of Tupelo Water G.O. Bond Fund and Interest Expense by the Water District	\$ 295,872
Transfers to Water District reported as Water Sales by Water District	(1,122,750)
Transfer to Water District reported as Contributed Capital by Water District	<u>(3,606,320)</u>
Difference	<u>\$ (4,433,198)</u>

NOTE 14 - INVESTMENTS WITH FINANCIAL INSTITUTIONS

Investments held during the fiscal year consisted only of the types of investments held at the end of the fiscal year. Investments made by the City that are included on the combined balance sheet at September 30, 2021, are summarized below. The investments that are represented by specific identifiable investment securities are classified as to credit risk by the categories described below:

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

<u>Investment Type</u>	<u>Category</u>			<u>Carrying</u>	<u>Market</u>
	<u>1</u>	<u>2</u>	<u>3</u>	<u>Amount</u>	<u>Value</u>
U. S. Government Securities Funds*		X		\$ <u>4,717,486</u>	\$ <u>4,717,486</u>
Total Investments				\$ <u>4,717,486</u>	\$ <u>4,717,486</u>

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

NOTE 15 - LIABILITY FOR COMPENSATED ABSENCES

The General Fund did not have any liability at September 30, 2021, 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, 2021, for the General Long-Term Debt Account Group, the Combined Water and Sewer Fund, and the Tupelo Airport Authority, and at June 30, 2021, for the Electric Fund and has been reflected in these financial statements.

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE 15 - LIABILITY FOR COMPENSATED ABSENCES – continued

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 16 - ACCOUNTS RECEIVABLE

Receivables for accounts of the Electric Fund (an Enterprise Fund) have been reduced by \$88,505 to reflect the provision for uncollectible accounts. The accrual amount of court fine receivables on the Statement of Net Position – Government – Wide has been reduced by \$9,394,006 to reflect the provision for uncollectible fines.

NOTE 17 - SOLID WASTE DISPOSAL SERVICE AGREEMENT

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

NOTE 18 - SOLID WASTE MANAGEMENT FUND

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

NOTE 19 - GENERAL OBLIGATION WATER BONDS

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

Pursuant to this act, the City of Tupelo, on February 2, 1989, issued \$21,000,000 in general obligation bonds and transferred the proceeds to the Northeast Mississippi Regional Water Supply District. The full faith, credit and resources of the City of Tupelo are irrevocably pledged for the payment of the principal and interest on the bonds. On August 1, 1996, the City refunded a portion of the Series 1989 bonds as more fully explained in Note 6. On December 17, 2008 the Series 1989 bonds were refunded in their entirety and City of Tupelo issued \$9,995,000 in General Obligation Water Bonds Series 2008. On May 31, 2019, the City refunded the remaining portion of the 2008 Water Refunding Bonds with the 2019 \$6,385,000 General Obligation Water Refunding Bonds. Although refunded, the bond covenants and agreements from the Series 1989 issue remain in effect.

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE 19 - GENERAL OBLIGATION WATER BONDS – continued

In connection with the issuance of the above bonds, a trust indenture involving the City of Tupelo, the Northeast Mississippi Regional Water Supply District, and Hancock Bank was executed. As per the terms of this trust indenture, various agreements were reached and trust accounts were established as follows:

1. The bond proceeds were placed in the "Water Construction Fund" trust account and are an asset of the Water District, which shall own and manage the system.
2. The debt service on the bonds is to be handled through the "Water Supply Bond Fund" trust account. The assets in this trust account and its two subaccounts, the "Special Sales Tax Subaccount" trust account and the "Water Revenue Subaccount" trust account, are assets of the City of Tupelo and are reflected in its Water G. O. Bonds Fund (a Debt Service Fund).

The assets of the "Special Sales Tax Subaccount" can only be used to pay up to 50% of each debt service disbursement; the remainder must come from the other subaccount or other sources. The Water District, which owns the system, has pledged a sufficient portion of its revenues to the payment of the principal and interest on the bonds as they come due to the extent not paid with the proceeds of the special sales tax.

The Water District's billings for water include an amount to pay the remaining 50% of each debt service disbursement. The City of Tupelo treats this amount as a transfer to the Water District for debt service. The Water District reflects these payments as water revenues. Total water fees reported by the City as debt service transfers to the Water District for the year ended September 30, 2021 was \$1,122,750.

NOTE 20 - RISK MANAGEMENT

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

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

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE 21 - CONTINGENT LIABILITIES

Litigation

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

Federally Assisted Programs – Compliance Audits

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

NOTE 22 - ECONOMIC DEPENDENCY

The Electric Department of the City of Tupelo had sales to one major customer for the year ended June 30, 2021 (its year-end) of \$5,689,113 This represented approximately 10.8% of the Department's revenues for the year.

NOTE 23 - USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates used in preparing these financial statements include those assumed in computing the net pension liability and the provision for uncollectible court fines as mentioned in Note 12 and Note 16, respectively. It is as least reasonably possible that the significant estimate used will change within the next year.

NOTE 24 - BUDGET / GAAP RECONCILIATION

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

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

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE 24 - BUDGET / GAAP RECONCILIATION – continued

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

	Governmental Fund Types		
	General Fund	City Infrastructure Fund	Thoroughfare Fund Phase VI
Budget (Cash Basis)	\$ 3,916,501	\$ (1,732,836)	\$ (2,481,590)
Increase (Decrease) Net adjustments for revenue accruals	(131,287)	-	187,643
GAAP Basis	\$ 3,785,214	\$ (1,732,836)	\$ (2,293,947)

NOTE 25 - 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 Authorized</u>	<u>Expended through September 30, 2021</u>	<u>Remaining Commitment at September 30, 2021</u>
General City:	Underground Utilities	\$ 912,571	\$ 866,942	\$ 45,629
	Coliseum Site Improvements	2,099,656	1,994,673	104,983
	Coliseum General Works	1,807,682	1,717,298	90,384
Thoroughfare Fund:	Jackson Extension	4,047,754	3,559,420	488,334
	Jackson Street Widening	2,723,001	2,169,525	553,476
	Jackson St. Widening Utilities	5,857,028	5,337,490	519,538
		\$ 17,447,692	\$ 15,645,348	\$ 1,802,344

NOTE 26 - INTERFUND TRANSACTIONS

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

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE 27 - TAX ABATEMENTS

The City enters into property tax abatement agreements with local businesses for economic development purposes. The abatements may be granted to any business located within or promising to locate within the city limits. The abatements are negotiated on an individual basis. Each abatement is for 10 years. The City had fifty-nine tax abatement agreements with twenty-two entities as of September 30, 2021.

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

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

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

Category	Amount of taxes abated during the fiscal year
New and expanded industrial enterprises	\$411,724

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

NOTE 28 - PRIOR PERIOD ADJUSTMENT

The prior year Convention and Visitors Bureau Fund included \$600,167 as federal grant revenue instead of deferred revenues. The beginning fund balance and net position have been decreased and restated in the Statement of Revenues, Expenditures, and Changes in Fund Balance and the Statement of Activities, respectively, to correct this misclassification.

NOTE 29 - SUBSEQUENT EVENTS

Date of Management Evaluation

Management has evaluated subsequent events through March 29, 2022, the date on which the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF TUPELO, MISSISSIPPI
Schedule of the City's Proportionate
Share of the Net Pension Liability
For the seven years ended September 30, 2021*

	2021	2020	2019	2018	2017	2016	2015
City's proportion of net pension liability (%)	0.26497 %	0.26392 %	0.25816 %	0.26055 %	0.25163 %	0.24688 %	0.24395 %
City's proportionate share of net pension liability	\$ 39,163,576	\$ 51,091,459	\$ 45,415,438	\$ 43,336,374	\$ 41,829,447	\$ 44,099,290	\$ 37,934,001
City's covered payroll	\$ 17,547,057	\$ 17,694,218	\$ 16,740,741	\$ 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 (%)	223.19 %	288.75 %	271.29 %	260.46 %	259.13 %	273.57 %	246.52 %
Coliseum's proportion of net pension liability (%)	0.00952 %	0.01283 %	0.01410 %	0.01339 %	0.01201 %	0.01180 %	0.01220 %
Coliseum's proportionate share of net pension liability	\$ 1,406,950	\$ 2,484,126	\$ 2,480,116	\$ 2,225,540	\$ 1,996,802	\$ 2,114,562	\$ 1,885,789
Coliseum's covered payroll	\$ 665,764	\$ 801,408	\$ 890,265	\$ 854,965	\$ 770,559	\$ 789,663	\$ 753,435
Coliseum's proportionate share of net pension liability as a percentage of its covered payroll (%)	211.33 %	309.97 %	278.58 %	260.31 %	259.14 %	267.78 %	250.30 %
District's proportion of net pension liability (%)	0.00100 %	0.00100 %	0.00100 %	0.00100 %	0.00100 %	0.00100 %	0.00100 %
District's proportionate share of net pension liability	\$ 147,804	\$ 193,588	\$ 175,916	\$ 166,326	\$ 166,232	\$ 178,624	\$ 154,580
District's covered payroll	\$ 63,884	\$ 65,951	\$ 63,973	\$ 61,937	\$ 60,311	\$ 58,578	\$ 57,200
District's proportionate share of net pension liability as a percentage of its covered payroll (%)	231.36 %	293.53 %	274.99 %	268.54 %	275.62 %	304.94 %	270.25 %
TAA's proportion of net pension liability (%)	0.00516 %	0.00532 %	0.00557 %	0.00539 %	0.00565 %	0.00458 %	0.00528 %
TAA's proportionate share of net pension liability	\$ 762,523	\$ 1,030,084	\$ 979,345	\$ 895,685	\$ 938,557	\$ 818,460	\$ 815,566
TAA's covered payroll	\$ 360,190	\$ 357,046	\$ 359,150	\$ 348,787	\$ 343,048	\$ 309,149	\$ 314,616
TAA's proportionate share of net pension liability as a percentage of its covered payroll (%)	211.70 %	288.50 %	272.68 %	256.80 %	273.59 %	264.75 %	259.23 %
W&S's proportion of net pension liability (%)	0.02198 %	0.02211 %	0.02278 %	0.02268 %	0.02203 %	0.02119 %	0.02120 %
W&S's proportionate share of net pension liability	\$ 3,248,876	\$ 4,279,380	\$ 4,007,453	\$ 3,770,794	\$ 3,662,767	\$ 3,784,849	\$ 3,273,406
W&S's covered payroll	\$ 1,314,874	\$ 1,409,609	\$ 1,462,847	\$ 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 (%)	220.47 %	303.59 %	273.95 %	260.31 %	259.13 %	273.15 %	245.66 %
**Electric's proportion of net pension liability (%)	0.03181 %	0.03278 %	0.03264 %	0.03171 %	0.03049	0.03047 %	0.03201 %
Electric's proportionate share of net pension liability	\$ 6,158,132	\$ 5,766,823	\$ 5,429,391	\$ 5,270,811	\$ 5,446,490	\$ 4,560,118	\$ 3,580,761
Electric's covered payroll	\$ 2,127,897	\$ 2,118,167	\$ 2,104,997	\$ 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 (%)	289.40 %	272.26 %	257.93 %	255.22 %	262.60 %	231.74 %	188.09 %
Plan fiduciary net position as a % of total pension liability	70.44 %	58.97 %	61.59 %	62.54 %	61.49 %	57.47 %	61.70 %

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

* The amounts presented have a measurement date of June 30. ** Amounts for the Electric Fund are at June 30, 2021.

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 eight years ended September 30, 2021*

	2021	2020	2019	2018	2017	2016	2015	2014
City of Tupelo								
Statutorily required contributions	\$ 3,053,188	\$ 3,078,794	\$ 2,710,110	\$ 2,620,532	\$ 2,542,399	\$ 2,538,850	\$ 2,423,543	\$ 2,377,252
Actual contributions	\$ 3,053,188	\$ 3,078,794	\$ 2,710,110	\$ 2,620,532	\$ 2,542,399	\$ 2,538,850	\$ 2,423,543	\$ 2,377,252
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City of Tupelo's covered payroll	\$ 17,547,057	\$ 17,694,218	\$ 16,740,741	\$ 16,638,298	\$ 16,142,216	\$ 16,119,683	\$ 15,387,575	\$ 15,093,663
Contributions as a % of covered payroll	17.40 %	17.40 %	16.19 %	15.75 %	15.75 %	15.75 %	15.75 %	15.75 %
Coliseum Project Fund								
Statutorily required contributions	\$ 115,843	\$ 139,445	\$ 143,766	\$ 134,657	\$ 121,363	\$ 124,372	\$ 118,666	\$ 122,403
Actual contributions	\$ 115,843	\$ 139,445	\$ 143,766	\$ 134,657	\$ 121,363	\$ 124,372	\$ 118,666	\$ 122,403
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Coliseum's covered payroll	\$ 665,764	\$ 801,408	\$ 890,265	\$ 854,965	\$ 770,559	\$ 789,663	\$ 753,435	\$ 777,162
Contributions as a % of covered payroll	17.40 %	17.40 %	16.15 %	15.75 %	15.75 %	15.75 %	15.75 %	15.75 %
Water District								
Statutorily required contributions	\$ 11,116	\$ 11,475	\$ 10,342	\$ 9,755	\$ 9,499	\$ 9,226	\$ 9,009	\$ 8,947
Actual contributions	\$ 11,116	\$ 11,475	\$ 10,342	\$ 9,755	\$ 9,499	\$ 9,226	\$ 9,009	\$ 8,947
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Water District's covered payroll	\$ 63,884	\$ 65,951	\$ 63,973	\$ 61,937	\$ 60,311	\$ 58,578	\$ 57,200	\$ 56,610
Contributions as a % of covered payroll	17.40 %	17.40 %	16.17 %	15.75 %	15.75 %	15.75 %	15.75 %	15.75 %
Tupelo Airport Authority								
Statutorily required contributions	\$ 62,673	\$ 62,126	\$ 57,878	\$ 54,934	\$ 54,030	\$ 48,691	\$ 49,552	\$ 54,201
Actual contributions	\$ 62,673	\$ 62,126	\$ 57,878	\$ 54,934	\$ 54,030	\$ 48,691	\$ 49,552	\$ 54,201
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TAA's covered payroll	\$ 360,190	\$ 357,046	\$ 359,150	\$ 348,787	\$ 343,048	\$ 309,149	\$ 314,616	\$ 344,133
Contributions as a % of covered payroll	17.40 %	17.40 %	16.12 %	15.75 %	15.75 %	15.75 %	15.75 %	15.75 %
Water and Sewer Fund								
Statutorily required contributions	\$ 228,788	\$ 245,272	\$ 236,701	\$ 228,150	\$ 222,621	\$ 218,238	\$ 209,868	\$ 213,692
Actual contributions	\$ 228,788	\$ 245,272	\$ 236,701	\$ 228,150	\$ 222,621	\$ 218,238	\$ 209,868	\$ 213,692
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
W&S's covered payroll	\$ 1,314,874	\$ 1,409,609	\$ 1,462,847	\$ 1,448,571	\$ 1,413,467	\$ 1,385,638	\$ 1,332,493	\$ 1,356,775
Contributions as a % of covered payroll	17.40 %	17.40 %	16.18 %	15.75 %	15.75 %	15.75 %	15.75 %	15.75 %
Electric Fund*								
Statutorily required contributions	\$ 370,254	\$ 368,561	\$ 331,537	\$ 325,275	\$ 326,666	\$ 309,925	\$ 299,846	\$ 308,146
Actual contributions	\$ 370,254	\$ 368,561	\$ 331,537	\$ 325,275	\$ 326,666	\$ 309,925	\$ 299,846	\$ 308,146
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Electric Department's covered payroll	\$ 2,127,897	\$ 2,118,167	\$ 2,104,997	\$ 2,065,238	\$ 2,074,070	\$ 1,967,778	\$ 1,903,784	\$ 1,956,483
Contributions as a % of covered payroll	17.40 %	17.40 %	15.75 %	15.75 %	15.75 %	15.75 %	15.75 %	15.75 %

Schedule is intended to show information for 10 years. Additional years will be available as they become available.
Contribution rate changed to 17.40% on July 1, 2019. * Amounts for the Electric Fund are at June 30, 2021.
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, 2021

Changes of Assumptions

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 in the line of duty was decrease from 6% to 4%.

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.

CITY OF TUPELO, MISSISSIPPI
Notes to the Required Supplementary Information
For the Year Ended September 30, 2021

Changes of Assumptions 2019 (continued)

- 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.
- 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, 2021

	Non-Major Special Revenue	Non-Major Capital Projects	Non-Major Debt Service	Total Non-Major Governmental Funds
ASSETS:				
Cash	\$ 12,326,603	\$ 1,951,671	\$ 2,014,041	\$ 16,292,315
Investments	-	-	4,716,986	4,716,986
General Property Taxes Receivable	49,900	-	135,974	185,874
Other Receivable	183,569	-	-	183,569
Notes Receivable	70,814	-	-	70,814
Due from Other Government Units	415,292	-	-	415,292
Inventories	51,984	-	-	51,984
Prepaid Items	31,252	-	-	31,252
TOTAL ASSETS	\$ 13,129,414	\$ 1,951,671	\$ 6,867,001	\$ 21,948,086
LIABILITIES AND FUND BALANCES:				
Liabilities:				
Accounts Payable	\$ 131,727	\$ 174,659	\$ 2,250	\$ 308,636
Accrued Expenses	20,575	-	-	20,575
Unearned Revenues	3,778,416	-	-	3,778,416
Event Deposits	40,353	-	-	40,353
TOTAL LIABILITIES	3,971,071	174,659	2,250	4,147,980
FUND BALANCES:				
Nonspendable				
Prepaid Expenses	31,252	-	-	31,252
Inventory	51,984	-	-	51,984
Restricted for				
Library	108,314	-	-	108,314
Tourism Promotion	5,581,185	-	-	5,581,185
Public Safety Retirement	31,504	-	-	31,504
Law Enforcement	1,309,126	-	-	1,309,126
Construction Acquisition of Capital Assets	-	582,986	-	582,986
Public Safety Equipment	-	618,154	-	618,154
Debt Service	-	-	6,864,751	6,864,751
Committed to				
Rental Rehabilitation	72,747	-	-	72,747
Fairpark Infrastructure	-	453,942	-	453,942
Construction Acquisition of Capital Assets	-	121,930	-	121,930
Assigned to				
Coliseum Projects	1,614,948	-	-	1,614,948
Coliseum Operations	345,089	-	-	345,089
Transportation	12,194	-	-	12,194
TOTAL FUND BALANCES	9,158,343	1,777,012	6,864,751	17,800,106
TOTAL LIABILITIES AND FUND BALANCES	\$ 13,129,414	\$ 1,951,671	\$ 6,867,001	\$ 21,948,086

CITY OF TUPELO, MISSISSIPPI
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR GOVERNMENTAL FUNDS
Year Ended September 30, 2021

	Non-Major Special Revenue	Non-Major Capital Projects	Non-Major Debt Service	Total Non-Major Governmental Funds
REVENUES:				
Taxes	\$ 1,364,479	\$ -	\$ 4,019,240	\$ 5,383,719
Intergovernmental Revenues	5,687,041	864,334	4,140,656	10,692,031
Fines and Forfeitures	92,776	-	-	92,776
Charges for Services	1,090,368	-	-	1,090,368
Miscellaneous Revenues	1,004,800	172,739	24,623	1,202,162
TOTAL REVENUES	<u>9,239,464</u>	<u>1,037,073</u>	<u>8,184,519</u>	<u>18,461,056</u>
EXPENDITURES:				
Current:				
Public Safety	1,166,749	-	-	1,166,749
Culture and Recreation	2,617,186	-	-	2,617,186
Other Functions	3,173,330	-	-	3,173,330
Capital Projects	-	4,401,639	-	4,401,639
Debt Service	-	-	6,363,134	6,363,134
TOTAL EXPENDITURES	<u>6,957,265</u>	<u>4,401,639</u>	<u>6,363,134</u>	<u>17,722,038</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>2,282,199</u>	<u>(3,364,566)</u>	<u>1,821,385</u>	<u>739,018</u>
OTHER FINANCING SOURCES (USES)				
Transfers from Other Funds	2,778,950	-	1,013,814	3,792,764
Transfers to Other Funds	(2,899,331)	-	(183,215)	(3,082,546)
Transfer from Northeast MS Regional Water Supply District	-	-	295,872	295,872
Transfer to Northeast MS Regional Water Supply District	-	-	-	-
	-	-	(3,606,320)	(3,606,320)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(120,381)</u>	<u>-</u>	<u>(2,479,849)</u>	<u>(2,600,230)</u>
NET CHANGE IN FUND BALANCES	<u>2,161,818</u>	<u>(3,364,566)</u>	<u>(658,464)</u>	<u>(1,861,212)</u>
FUND BALANCES - Beginning, as Previously Stated	7,596,692	5,141,578	7,523,215	20,261,485
Prior Period Adjustment	<u>(600,167)</u>	<u>-</u>	<u>-</u>	<u>(600,167)</u>
FUND BALANCES - Beginning, as Restated	<u>6,996,525</u>	<u>5,141,578</u>	<u>7,523,215</u>	<u>19,661,318</u>
FUND BALANCES - Ending	<u>\$ 9,158,343</u>	<u>\$ 1,777,012</u>	<u>\$ 6,864,751</u>	<u>\$ 17,800,106</u>

CITY OF TUPELO
NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
September 30, 2021
With Comparative Totals for September 30, 2020

	Library Fund	Convention and Visitors Bureau Fund	Firemen & Policemen Retirement Fund	Coliseum Project Fund	Rental Rehabilitation Fund	Coliseum Operating Fund	Narcotics Fund	Transportation Fund	Totals	
									9/30/2021	9/30/2020
ASSETS										
Cash	\$ 89,918	\$ 5,189,472	\$ -	\$ 1,614,948	\$ 1,933	\$ 4,081,072	\$ 1,314,066	\$ 35,194	\$ 12,326,603	\$ 7,675,191
Receivables:										
Notes	-	-	-	-	70,814	-	-	-	70,814	71,421
Other	-	4,766	-	-	-	178,803	-	-	183,569	99,803
General Property Taxes	18,396	-	31,504	-	-	-	-	-	49,900	46,137
Due from Other										
Governmental Units	-	415,292	-	-	-	-	-	-	415,292	355,602
Inventories	-	-	-	-	-	51,984	-	-	51,984	57,746
Prepaid Items	-	-	-	-	-	31,252	-	-	31,252	109,090
TOTAL ASSETS	\$ 108,314	\$ 5,609,530	\$ 31,504	\$ 1,614,948	\$ 72,747	\$ 4,343,111	\$ 1,314,066	\$ 35,194	\$ 13,129,414	\$ 8,414,990
LIABILITIES AND FUND BALANCES										
Liabilities:										
Accounts Payable	\$ -	\$ 28,345	\$ -	\$ -	\$ -	\$ 75,442	\$ 4,940	\$ 23,000	\$ 131,727	\$ 228,714
Accrued Expenses	-	-	-	-	-	20,575	-	-	20,575	13,824
Unearned Revenues	-	-	-	-	-	3,778,416	-	-	3,778,416	532,068
Event Deposits	-	-	-	-	-	40,353	-	-	40,353	43,692
Total Liabilities	-	28,345	-	-	-	3,914,786	4,940	23,000	3,971,071	818,298
Fund Balances:										
Nonspendable										
Prepaid Expenses	-	-	-	-	-	31,252	-	-	31,252	109,090
Inventory	-	-	-	-	-	51,984	-	-	51,984	57,746
Restricted for										
Library	108,314	-	-	-	-	-	-	-	108,314	88,596
Tourism Promotion	-	5,581,185	-	-	-	-	-	-	5,581,185	4,543,828
Public Safety Retirement	-	-	31,504	-	-	-	-	-	31,504	28,844
Law Enforcement	-	-	-	-	-	-	1,309,126	-	1,309,126	1,431,932
Committed to										
Rental Rehabilitation	-	-	-	-	72,747	-	-	-	72,747	72,444
Assigned to										
Coliseum Projects	-	-	-	1,614,948	-	-	-	-	1,614,948	703,743
Coliseum Operations	-	-	-	-	-	345,089	-	-	345,089	548,596
Transportation	-	-	-	-	-	-	-	12,194	12,194	11,873
Total Fund Balances	108,314	5,581,185	31,504	1,614,948	72,747	428,325	1,309,126	12,194	9,158,343	7,596,692
TOTAL LIABILITIES AND FUND BALANCES	\$ 108,314	\$ 5,609,530	\$ 31,504	\$ 1,614,948	\$ 72,747	\$ 4,343,111	\$ 1,314,066	\$ 35,194	\$ 13,129,414	\$ 8,414,990

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

Year Ended September 30, 2021
 With Comparative Totals for Year Ended September 30, 2020

	Library Fund	Convention and Visitors Bureau Fund	Firemen & Policemen Retirement Fund	Coliseum Project Fund	Rental Rehabil- itation Fund	Coliseum Operating Fund	Narcotics Fund	Transportation Fund	Totals	
									9/30/2021	9/30/2020
REVENUES										
Taxes:										
General Property Taxes	\$ 503,189	\$ -	\$ 861,290	\$ -	\$ -	\$ -	\$ -	\$ -	1,364,479	1,314,162
Intergovernmental Revenues:										
State Shared Revenues	18,162	5,036,672	31,107	-	-	-	-	-	5,085,941	4,361,731
Federal Grants	-	600,167	-	-	-	-	-	-	600,167	699,229
Fines and Forfeitures	-	-	-	-	-	-	92,776	-	92,776	111,211
Charges for Sales and Services:										
Commissions	-	-	-	-	-	7,495	-	-	7,495	24,451
Concessions & Other Sales	-	-	-	-	-	237,746	-	-	237,746	426,262
Direct Show Revenue	-	-	-	-	-	40,109	-	-	40,109	28,946
Parking	-	-	-	-	-	1,080	-	-	1,080	-
Service Charge	-	-	-	-	-	205,626	-	-	205,626	275,533
Rental Revenue	-	-	-	-	-	524,677	-	-	524,677	1,041,325
Personnel Service Fees	-	-	-	-	-	73,635	-	-	73,635	209,072
Miscellaneous Revenues:										
Interest	1,271	57,543	1	20,415	303	20,433	22,359	321	122,646	105,432
Advertising Agency Fee	-	-	-	-	-	326,863	-	-	326,863	952,741
Other	-	1,469	-	-	-	466,585	87,237	-	555,291	438,382
TOTAL REVENUES	<u>522,622</u>	<u>5,695,851</u>	<u>892,398</u>	<u>20,415</u>	<u>303</u>	<u>1,904,249</u>	<u>203,305</u>	<u>321</u>	<u>9,239,464</u>	<u>9,988,477</u>

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

Year Ended September 30, 2021
 With Comparative Totals for Year Ended September 30, 2020
 -Continued-

	Library Fund	Convention and Visitors Bureau Fund	Firemen & Policemen Retirement Fund	Coliseum Project Fund	Rental Rehabil- itation Fund	Coliseum Operating Fund	Narcotics Fund	Transportation Fund	Totals	
									9/30/2021	9/30/2020
EXPENDITURES										
Public Safety:										
Police Department:										
Personnel Services	\$ -	\$ -	\$ 622,817	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 622,817	\$ 609,216
Supplies	-	-	-	-	-	-	30,002	-	30,002	13,791
Other Services and Charges	-	-	-	-	-	-	183,621	-	183,621	123,772
Capital Outlay	-	-	-	-	-	-	63,388	-	63,388	24,470
Fire Department:										
Personnel Services	-	-	266,921	-	-	-	-	-	266,921	261,093
Total Public Safety	-	-	889,738	-	-	-	277,011	-	1,166,749	1,032,342
Culture and Recreation:										
Tupelo Coliseum:										
Personnel Services	-	-	-	-	-	1,026,723	-	-	1,026,723	1,336,656
Supplies	-	-	-	-	-	196,483	-	-	196,483	329,986
Other Services and Charges	-	-	-	-	-	1,380,923	-	-	1,380,923	1,646,838
Capital Outlay	-	-	-	-	-	13,057	-	-	13,057	195,479
Total Culture and Recreation	-	-	-	-	-	2,617,186	-	-	2,617,186	3,508,959

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

Year Ended September 30, 2021
 With Comparative Totals for Year Ended September 30, 2020

-Continued-

	Library Fund	Convention and Visitors Bureau Fund	Firemen & Policemen Retirement Fund	Coliseum Project Fund	Rental Rehabil- itation Fund	Coliseum Operating Fund	Narcotics Fund	Transportation Fund	Totals	
									9/30/2021	9/30/2020
EXPENDITURES										
- Continued										
Other Functions:										
Community Services:										
Personnel Services	\$ -	\$ 650,270	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 650,270	\$ 623,245
Supplies	-	12,783	-	-	-	-	-	-	12,783	9,757
Other Services and Charges	502,904	1,864,737	-	-	-	-	-	138,000	2,505,641	2,045,630
Capital Outlay	-	4,636	-	-	-	-	-	-	4,636	10,586
Total Other Functions	502,904	2,532,426	-	-	-	-	-	138,000	3,173,330	2,689,218
TOTAL EXPENDITURES	502,904	2,532,426	889,738	-	-	2,617,186	277,011	138,000	6,957,265	7,230,519
EXCESS OF REVENUES REVENUES OVER (UNDER) EXPENDITURES	19,718	3,163,425	2,660	20,415	303	(712,937)	(73,706)	(137,679)	2,282,199	2,757,958

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

Year Ended September 30, 2021
 With Comparative Totals for Year Ended September 30, 2020

-Continued-

	Library Fund	Convention and Visitors Bureau Fund	Firemen & Policemen Retirement Fund	Coliseum Project Fund	Rental Rehabil- itation Fund	Coliseum Operating Fund	Narcotics Fund	Transportation Fund	Totals	
									9/30/2021	9/30/2020
OTHER FINANCING SOURCES (USES)										
Transfers from Other Funds	\$ -	\$ -	\$ -	\$ 2,215,120	\$ -	\$ 425,830	\$ -	\$ 138,000	\$ 2,778,950	\$ 2,769,096
Transfers to Other Funds	-	(1,525,901)	-	(1,324,330)	-	-	(49,100)	-	(2,899,331)	(3,434,470)
TOTAL OTHER FINANCING SOURCES (USES)	-	(1,525,901)	-	890,790	-	425,830	(49,100)	138,000	(120,381)	(665,374)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)										
	19,718	1,637,524	2,660	911,205	303	(287,107)	(122,806)	321	2,161,818	2,092,584
FUND BALANCES - Beginning of Year, as previously stated										
	88,596	4,543,828	28,844	703,743	72,444	715,432	1,431,932	11,873	7,596,692	5,504,108
Prior Period Adjustment										
	-	(600,167)	-	-	-	-	-	-	(600,167)	-
FUND BALANCES- Beginning of Year, as restated										
	88,596	3,943,661	28,844	703,743	72,444	715,432	1,431,932	11,873	6,996,525	5,504,108
FUND BALANCES - End of Year										
	\$ 108,314	\$ 5,581,185	\$ 31,504	\$ 1,614,948	\$ 72,747	\$ 428,325	\$ 1,309,126	\$ 12,194	\$ 9,158,343	\$ 7,596,692

CITY OF TUPELO
NON-MAJOR CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
September 30, 2021
With Comparative Totals for September 30, 2020

	City Capital Project Fund	Fairgrounds Construction Fund	Special Obligation Capital Fund	Totals	
				9/30/2021	9/30/2020
ASSETS					
Cash	\$ 740,084	\$ 466,846	\$ 744,741	\$ 1,951,671	\$ 6,348,339
TOTAL ASSETS	<u>\$ 740,084</u>	<u>\$ 466,846</u>	<u>744,741</u>	<u>1,951,671</u>	<u>6,348,339</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ -	\$ 12,904	\$ 161,755	\$ 174,659	\$ 1,206,761
Total Liabilities	<u>-</u>	<u>12,904</u>	<u>161,755</u>	<u>174,659</u>	<u>1,206,761</u>
Fund Balances:					
Restricted for					
Construction Acquisition of Capital Assets	-	-	582,986	582,986	4,125,490
Public Safety Equipment	618,154	-	-	618,154	254,470
Committed to					
Fairpark Infrastructure	-	453,942	-	453,942	604,932
Construction Acquisition of Capital Assets	<u>121,930</u>	<u>-</u>	<u>-</u>	<u>121,930</u>	<u>156,686</u>
Total Fund Balances	<u>740,084</u>	<u>453,942</u>	<u>582,986</u>	<u>1,777,012</u>	<u>5,141,578</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 740,084</u>	<u>\$ 466,846</u>	<u>\$ 744,741</u>	<u>\$ 1,951,671</u>	<u>\$ 6,348,339</u>

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

Year Ended September 30, 2021
With Comparative Totals for Year Ended September 30, 2020

	City Capital Project Fund	Fairgrounds Construction Fund	Special Obligation Capital Fund	Totals	
				9/30/2021	9/30/2020
REVENUES					
Intergovernmental Revenues:					
Federal Shared Revenues	\$ 364,334	\$ -	\$ -	\$ 364,334	\$ 57,292
State Shared Revenues	-	-	-	-	48,166
Federal Grants	-	-	-	-	18,296
State Grants	-	-	500,000	500,000	-
Miscellaneous Revenues:					
Interest	5,894	6,210	31,359	43,463	168,863
Other	-	129,276	-	129,276	707,743
TOTAL REVENUES	<u>370,228</u>	<u>135,486</u>	<u>531,359</u>	<u>1,037,073</u>	<u>1,000,360</u>
EXPENDITURES					
Other Services and Charges	-	9,267	-	9,267	50,000
Capital Outlay	41,300	277,209	4,073,863	4,392,372	10,859,182
TOTAL EXPENDITURES	<u>41,300</u>	<u>286,476</u>	<u>4,073,863</u>	<u>4,401,639</u>	<u>10,909,182</u>
EXCESS (DEFICIT) OF REVENUES OVER (UNDER) EXPENDITURES	<u>328,928</u>	<u>(150,990)</u>	<u>(3,542,504)</u>	<u>(3,364,566)</u>	<u>(9,908,822)</u>

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

Year Ended September 30, 2021
With Comparative Totals for Year Ended September 30, 2020
-Continued-

	City Capital Project Fund	Fairgrounds Construction Fund	Special Obligation Capital Fund	Totals	
				9/30/2021	9/30/2020
FUND BALANCE					
Beginning of Year, as previously stated	411,156	604,932	4,125,490	5,141,578	15,429,400
Prior Period Adjustment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(379,000)</u>
FUND BALANCE					
Beginning of Year, as restated	<u>411,156</u>	<u>604,932</u>	<u>4,125,490</u>	<u>5,141,578</u>	<u>15,050,400</u>
FUND BALANCE					
End of Year	\$ <u><u>740,084</u></u>	\$ <u><u>453,942</u></u>	\$ <u><u>582,986</u></u>	\$ <u><u>1,777,012</u></u>	\$ <u><u>5,141,578</u></u>

CITY OF TUPELO
NON-MAJOR DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
September 30, 2021
With Comparative Totals for September 30, 2020

	City Bond and Interest Fund	Water G. O. Bonds Fund	Special Assessments Bond and Interest Fund	City Tax Increment Debt Fund	Urban Renewal Bond Fund	Special Obligation Debt Service Fund	<u>Totals</u>	
							9/30/2021	9/30/2020
ASSETS								
Cash	\$ 671,708	\$ 370,019	\$ -	\$ 972,314	\$ -	\$ -	\$ 2,014,041	\$ 1,251,678
Investments	244,811	4,461,466	-	-	-	10,709	4,716,986	6,149,504
Receivables:								
General Property Taxes	<u>135,974</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>135,974</u>	<u>124,283</u>
TOTAL ASSETS	<u>\$ 1,052,493</u>	<u>\$ 4,831,485</u>	<u>\$ -</u>	<u>\$ 972,314</u>	<u>\$ -</u>	<u>\$ 10,709</u>	<u>\$ 6,867,001</u>	<u>\$ 7,525,465</u>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts Payable	\$ <u>2,250</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>2,250</u>	\$ <u>2,250</u>
Total Liabilities	<u>2,250</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,250</u>	<u>2,250</u>
Fund Balances:								
Restricted for Debt Service	<u>1,050,243</u>	<u>4,831,485</u>	<u>-</u>	<u>972,314</u>	<u>-</u>	<u>10,709</u>	<u>6,864,751</u>	<u>7,523,215</u>
Total Fund Balances	<u>1,050,243</u>	<u>4,831,485</u>	<u>-</u>	<u>972,314</u>	<u>-</u>	<u>10,709</u>	<u>6,864,751</u>	<u>7,523,215</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,052,493</u>	<u>\$ 4,831,485</u>	<u>\$ -</u>	<u>\$ 972,314</u>	<u>\$ -</u>	<u>\$ 10,709</u>	<u>\$ 6,867,001</u>	<u>\$ 7,525,465</u>

CITY OF TUPELO
NON-MAJOR DEBT SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
Year Ended September 30, 2021
With Comparative Totals for Year Ended September 30, 2020

	City Bond and Interest Fund	Water G. O. Bonds Fund	Special Assessments Bond and Interest Fund	City Tax Increment Debt Fund	Urban Renewal Bond Fund	Special Obligation Debt Service Fund	<u>Totals</u>	
							9/30/2021	9/30/2020
REVENUES								
Taxes:								
General Property Taxes	\$ 3,717,347	\$ -	\$ 31,587	\$ 270,306	\$ -	\$ -	\$ 4,019,240	\$ 3,775,405
Intergovernmental Revenues:								
State Shared Revenues	134,282	4,006,374	-	-	-	-	4,140,656	3,772,303
Miscellaneous Revenues:								
Interest	10,836	822	645	12,280	-	40	24,623	70,246
Other	-	-	-	-	-	-	-	500
TOTAL REVENUES	<u>3,862,465</u>	<u>4,007,196</u>	<u>32,232</u>	<u>282,586</u>	<u>-</u>	<u>40</u>	<u>8,184,519</u>	<u>7,618,454</u>
EXPENDITURES								
Debt Service:								
General Obligations:								
Bonds Redeemed	3,416,936	360,000	-	50,000	-	-	3,826,936	5,931,613
Interest	1,538,880	266,663	-	9,900	-	-	1,815,443	1,531,666
Paying Agent Fees	17,647	11,420	-	850	-	-	29,917	31,985
Special Assessment General Obligations:								
Bonds Redeemed	-	-	-	-	-	-	-	35,000
Interest	-	-	-	-	-	-	-	1,890
Paying Agent Fees	-	-	-	-	-	-	-	750
Special Obligations:								
Interest	-	-	-	-	-	688,838	688,838	656,309
Paying Agent Fees	-	-	-	-	-	2,000	2,000	2,000
TOTAL EXPENDITURES	<u>4,973,463</u>	<u>638,083</u>	<u>-</u>	<u>60,750</u>	<u>-</u>	<u>690,838</u>	<u>6,363,134</u>	<u>8,191,213</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,110,998)</u>	<u>3,369,113</u>	<u>32,232</u>	<u>221,836</u>	<u>-</u>	<u>(690,798)</u>	<u>1,821,385</u>	<u>(572,759)</u>

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

Year Ended September 30, 2021

With Comparative Totals for Year Ended September 30, 2020

-Continued-

	City Bond and Interest Fund	Water G. O. Bonds Fund	Special Assessments Bond and Interest Fund	City Tax Increment Debt Fund	Urban Renewal Bond Fund	Special Obligation Debt Service Fund	Totals	
							9/30/2021	9/30/2020
OTHER FINANCING SOURCES (USES):								
Transfers from Other Funds	\$ 1,013,814	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,013,814	\$ 2,086,216
Transfers to Other Funds	-	-	(97,421)	(85,794)	-	-	(183,215)	-
Transfer from Northeast MS Regional Water Supply District	-	295,872	-	-	-	-	295,872	293,245
Transfer to Northeast MS Regional Water Supply District	-	(3,606,320)	-	-	-	-	(3,606,320)	(3,942,571)
TOTAL OTHER FINANCING SOURCES (USES)	<u>1,013,814</u>	<u>(3,310,448)</u>	<u>(97,421)</u>	<u>(85,794)</u>	<u>-</u>	<u>-</u>	<u>(2,479,849)</u>	<u>(1,563,110)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)	<u>(97,184)</u>	<u>58,665</u>	<u>(65,189)</u>	<u>136,042</u>	<u>-</u>	<u>(690,798)</u>	<u>(658,464)</u>	<u>(2,135,869)</u>
FUND BALANCES-								
Beginning of Year, as previously stated	1,147,427	4,772,820	65,189	836,272	-	701,507	7,523,215	9,879,109
Prior Period Adjustment	-	-	-	-	-	-	-	(220,025)
FUND BALANCES-								
Beginning of Year, as restated	<u>1,147,427</u>	<u>4,772,820</u>	<u>65,189</u>	<u>836,272</u>	<u>-</u>	<u>701,507</u>	<u>7,523,215</u>	<u>9,659,084</u>
FUND BALANCES-								
End of Year	<u>\$ 1,050,243</u>	<u>\$ 4,831,485</u>	<u>\$ -</u>	<u>\$ 972,314</u>	<u>\$ -</u>	<u>\$ 10,709</u>	<u>\$ 6,864,751</u>	<u>\$ 7,523,215</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, 2021 and 2020

	9/30/21	9/30/20
ASSETS		
Cash	\$ 28,637,600	\$ 20,678,109
Receivables:		
General Property Taxes	270,326	255,680
Other	200,981	191,850
Due from Other Government Units	2,080,831	2,236,232
Due from Component Unit	43,393	43,056
Due from Other Funds	2,574,000	2,250,000
Prepaid Items	453,705	381,013
Inventories	<u>45,236</u>	<u>27,945</u>
TOTAL ASSETS	\$ <u>34,306,072</u>	\$ <u>26,063,885</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts Payable	\$ 204,394	\$ 316,812
Unearned Revenues	4,870,032	150,914
Accrued Expenses	<u>549,345</u>	<u>699,072</u>
Total Liabilities	<u>5,623,771</u>	<u>1,166,798</u>
Fund Balance:		
Nonspendable		
Prepaid Items	453,705	381,013
Inventory	45,236	27,945
Restricted for		
Home Grant	572,991	572,991
Water Reserve	577,770	570,141
Unassigned	<u>27,032,599</u>	<u>23,344,997</u>
Total Fund Balance	<u>28,682,301</u>	<u>24,897,087</u>
TOTAL LIABILITIES AND FUND BALANCE	\$ <u>34,306,072</u>	\$ <u>26,063,885</u>

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

For the Years Ended September 30, 2021 and 2020

	F.Y.E. 9/30/21	F.Y.E. 9/30/20
REVENUES		
Taxes:		
General Property Taxes	\$ 6,937,560	\$ 6,591,001
Payments in Lieu of Taxes	1,196,393	1,165,980
Penalties and Interest on Delinquent Taxes	40,363	72,525
Total Taxes	<u>8,174,316</u>	<u>7,829,506</u>
Licenses and Permits:		
Privilege License	308,444	321,864
Building Permits	338,904	403,534
Other Permits	13,455	13,346
Franchise Fees	444,209	390,178
Total Licenses and Permits	<u>1,105,012</u>	<u>1,128,922</u>
Intergovernmental Revenues:		
Federal Grants	1,009,254	368,376
State Grants	33,254	18,940
Other Grants	279,759	309,759
State Shared Revenues	26,559,983	22,633,578
Municipality Shared Revenues	3,400,000	3,400,000
County Shared Revenues	1,325,177	1,252,177
Total Intergovernmental Revenues	<u>32,607,427</u>	<u>27,982,830</u>
Charges for Services:		
Public Safety	175,320	114,908
Highways and Streets	13,447	19,978
Crime Lab Fees	40,803	39,944
Culture and Recreation Fees	331,327	205,934
Total Charges for Services	<u>560,897</u>	<u>380,764</u>
Fines and Forfeitures:		
Police Fines and Fees	586,711	588,531
Parking Fines and Fees	2,760	4,705
Total Fines and Forfeitures	<u>589,471</u>	<u>593,236</u>

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

For the Years Ended September 30, 2021 and 2020

-Continued-

	F.Y.E. 9/30/21	F.Y.E. 9/30/20
REVENUES-Continued		
Miscellaneous Revenues:		
Interest	\$ 336,221	\$ 281,211
Donations	4,500	70,191
Rents	199,008	159,489
Billings to Other Departments	260,303	246,272
Other	168,837	246,276
	<u>968,869</u>	<u>1,003,439</u>
Total Miscellaneous Revenues	<u>968,869</u>	<u>1,003,439</u>
TOTAL REVENUES	<u>44,005,992</u>	<u>38,918,697</u>
EXPENDITURES		
General Government:		
Legislative Department:		
Personnel Services	261,964	267,920
Supplies	2,610	3,961
Other Services and Charges	297,318	180,063
	<u>561,892</u>	<u>451,944</u>
Total Legislative Department	<u>561,892</u>	<u>451,944</u>
Executive Department:		
Personnel Services	757,798	721,923
Supplies	18,465	15,104
Other Services and Charges	276,721	276,318
	<u>1,052,984</u>	<u>1,013,345</u>
Total Executive Department	<u>1,052,984</u>	<u>1,013,345</u>
City Court:		
Personnel Services	824,621	827,585
Supplies	24,580	19,570
Other Services and Charges	75,569	86,808
Capital Outlay	1,213	2,725
	<u>925,983</u>	<u>936,688</u>
Total City Court	<u>925,983</u>	<u>936,688</u>
Convention and Visitors Bureau Director:		
Personnel Services	143,422	141,431
	<u>143,422</u>	<u>141,431</u>
Total Convention and Visitors Bureau Director	<u>143,422</u>	<u>141,431</u>

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

For the Years Ended September 30, 2021 and 2020

-Continued-

	F.Y.E. 9/30/21	F.Y.E. 9/30/20
EXPENDITURES-Continued		
Budget and Accounting Department:		
Personnel Services	\$ 745,934	\$ 795,388
Supplies	67,398	54,464
Other Services and Charges	427,207	381,115
Capital Outlay	36,873	25,237
Total Budget and Accounting Department	<u>1,277,412</u>	<u>1,256,204</u>
Personnel Department:		
Personnel Services	153,980	165,047
Supplies	2,411	1,803
Other Services and Charges	80,487	21,838
Total Personnel Department	<u>236,878</u>	<u>188,688</u>
Planning Department:		
Personnel Services	1,180,998	1,206,281
Supplies	31,618	23,388
Other Services and Charges	60,925	61,595
Capital Outlay	317	-
Total Community Development Department	<u>1,273,858</u>	<u>1,291,264</u>
Total General Government	<u>5,472,429</u>	<u>5,279,564</u>
Public Safety:		
Police Department:		
Personnel Services	8,350,642	8,609,209
Supplies	542,939	520,881
Other Services and Charges	1,492,654	1,409,812
Capital Outlay	192,283	287,958
Total Police Department	<u>10,578,518</u>	<u>10,827,860</u>
Fire Department:		
Personnel Services	5,826,533	5,823,509
Supplies	288,479	225,967
Other Services and Charges	281,517	295,747
Capital Outlay	-	9,500
Total Fire Department	<u>6,396,529</u>	<u>6,354,723</u>
Total Public Safety	<u>16,975,047</u>	<u>17,182,583</u>

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

For the Years Ended September 30, 2021 and 2020

-Continued-

	F.Y.E. 9/30/21	F.Y.E. 9/30/20
EXPENDITURES-Continued		
Public Services:		
Public Works Department:		
Personnel Services	\$ 2,458,259	\$ 2,645,559
Supplies	331,906	298,369
Other Services and Charges	2,063,030	2,058,216
Capital Outlay	<u>14,829</u>	<u>7,631</u>
Total Public Works Department	<u>4,868,024</u>	<u>5,009,775</u>
Culture and Recreation:		
Park and Recreation Department:		
Personnel Services	1,752,006	1,735,526
Supplies	338,532	298,733
Other Services and Charges	896,639	885,090
Capital Outlay	<u>23,886</u>	<u>25,082</u>
Total Park and Recreation Department	<u>3,011,063</u>	<u>2,944,431</u>
Aquatic Center:		
Personnel Services	366,901	335,256
Supplies	95,088	76,488
Other Services and Charges	386,503	323,184
Capital Outlay	<u>5,499</u>	<u>2,050</u>
Total Aquatic Center	<u>853,991</u>	<u>736,978</u>
Museum Department:		
Personnel Services	123,593	119,886
Supplies	5,006	3,574
Other Services and Charges	<u>24,690</u>	<u>17,670</u>
Total Museum Department	<u>153,289</u>	<u>141,130</u>
Total Culture and Recreation	<u>4,018,343</u>	<u>3,822,539</u>
Other Functions:		
Community Services:		
Other Services and Charges	<u>1,093,852</u>	<u>1,094,256</u>
Total Community Services	<u>1,093,852</u>	<u>1,094,256</u>

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

For the Years Ended September 30, 2021 and 2020

-Continued-

	F.Y.E. 9/30/21	F.Y.E. 9/30/20
EXPENDITURES-Continued		
Debt Service:		
Principal on Long Term Debt	\$ 494,275	\$ 441,300
Interest	<u>169,721</u>	<u>174,657</u>
Total Debt Service	<u>663,996</u>	<u>615,957</u>
TOTAL EXPENDITURES	<u>33,091,691</u>	<u>33,004,674</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>10,914,301</u>	<u>5,914,023</u>
OTHER FINANCING SOURCES (USES):		
Transfers Out	(7,779,703)	(3,942,294)
Transfers In	<u>650,616</u>	<u>179,195</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(7,129,087)</u>	<u>(3,763,099)</u>
EXCESS (DEFICIT) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER (USES)	<u>3,785,214</u>	<u>2,150,924</u>
FUND BALANCE - Beginning of year	<u>24,897,087</u>	<u>22,746,163</u>
FUND BALANCE - End of year	<u>\$ 28,682,301</u>	<u>\$ 24,897,087</u>

SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

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

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

CITY OF TUPELO
LIBRARY FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL
Year Ended September 30, 2021
With Comparative Totals for Year Ended September 30, 2020

	<u>F.Y.E. 9/30/2021</u>		Variance Favorable (Unfavorable)	F.Y.E. 9/30/2020 Actual
	Budget	Actual		
REVENUES				
Taxes:				
General Property Taxes	\$ 487,183	\$ 502,139	\$ 14,956	\$ 496,738
Intergovernmental:				
State Shared Revenues	15,721	18,162	2,441	18,613
Miscellaneous Revenues:				
Interest	-	1,271	1,271	1,462
TOTAL REVENUES	<u>502,904</u>	<u>521,572</u>	<u>18,668</u>	<u>516,813</u>
EXPENDITURES				
Community Services:				
Other Services and Charges	<u>502,904</u>	<u>502,904</u>	-	<u>502,904</u>
Total Community Services	<u>502,904</u>	<u>502,904</u>	-	<u>502,904</u>
TOTAL EXPENDITURES	<u>502,904</u>	<u>502,904</u>	<u>-</u>	<u>502,904</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	18,668	18,668	13,909
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -				
Beginning of Year	<u>88,596</u>	<u>88,596</u>	-	<u>77,340</u>
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -				
End of Year	\$ <u>88,596</u>	107,264	\$ <u>18,668</u>	91,249
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		<u>1,050</u>		<u>(2,653)</u>
FUND BALANCE (GAAP BASIS) -				
End of Year		\$ <u>108,314</u>		\$ <u>88,596</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, 2021
With Comparative Totals for Year Ended September 30, 2020

	F.Y.E. 9/30/2021		Variance Favorable (Unfavorable)	F.Y.E. 9/30/2020 Actual
	Budget	Actual		
REVENUES				
Intergovernmental:				
State Shared Revenues	\$ 3,883,688	\$ 4,976,982	\$ 1,093,294	\$ 4,365,234
Federal Grants	-	600,167	600,167	699,229
Miscellaneous Revenues:				
Interest	40,785	57,543	16,758	42,383
Other	-	1,469	1,469	7,469
TOTAL REVENUES	<u>3,924,473</u>	<u>5,636,161</u>	<u>1,711,688</u>	<u>5,114,315</u>
EXPENDITURES				
Other Functions:				
Community Services:				
Personnel Services	731,341	650,270	81,071	623,245
Supplies	19,500	12,783	6,717	9,757
Other Services and Charges	2,406,172	1,864,737	541,435	1,376,720
Capital Expenditures	10,000	4,636	5,364	10,586
Total Community Services	<u>3,167,013</u>	<u>2,532,426</u>	<u>634,587</u>	<u>2,020,308</u>
Total Other Functions	<u>3,167,013</u>	<u>2,532,426</u>	<u>634,587</u>	<u>2,020,308</u>
TOTAL EXPENDITURES	<u>3,167,013</u>	<u>2,532,426</u>	<u>634,587</u>	<u>2,020,308</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>757,460</u>	<u>3,103,735</u>	<u>2,346,275</u>	<u>3,094,007</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, 2021

With Comparative Totals for Year Ended September 30, 2020

-Continued-

	<u>F.Y.E. 9/30/2021</u>		Variance Favorable (Unfavorable)	F.Y.E. 9/30/2020 Actual
	Budget	Actual		
OTHER FINANCING SOURCES				
(USES):				
Transfers Out	\$ (1,525,901)	\$ (1,525,901)	\$ -	\$ (1,673,844)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,525,901)</u>	<u>(1,525,901)</u>	<u>-</u>	<u>(1,673,844)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)	(768,441)	1,577,834	2,346,275	1,420,163
FUND BALANCE (NON-GAAP BUDGETARY BASIS)-				
Beginning of Year, as previously stated	4,543,828	4,543,828	-	3,176,675
PRIOR PERIOD ADJUSTMENT	<u>(600,167)</u>	<u>(600,167)</u>	<u>-</u>	<u>-</u>
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -				
Beginning of Year, as restated	<u>3,943,661</u>	<u>3,943,661</u>	<u>-</u>	<u>3,176,675</u>
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -				
End of Year	<u>\$ 3,175,220</u>	5,521,495	<u>\$ 2,346,275</u>	4,596,838
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		<u>59,690</u>		<u>(53,010)</u>
FUND BALANCE (GAAP BASIS) -				
End of Year		<u>\$ 5,581,185</u>		<u>\$ 4,543,828</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, 2021
With Comparative Totals for Year Ended September 30, 2020

	<u>F.Y.E. 9/30/2021</u>		Variance Favorable (Unfavorable)	F.Y.E. 9/30/2020 Actual
	Budget	Actual		
REVENUES				
Taxes:				
General Property Taxes	\$ 834,430	\$ 858,577	\$ 24,147	\$ 824,481
Intergovernmental Revenues:				
State Shared Revenues	27,271	31,107	3,836	30,894
Miscellaneous Revenues:				
Interest Income	-	1	1	2,814
TOTAL REVENUES	<u>861,701</u>	<u>889,685</u>	<u>27,984</u>	<u>858,189</u>
EXPENDITURES				
Public Safety:				
Police Department:				
Personnel Services	<u>625,000</u>	<u>622,817</u>	<u>2,183</u>	<u>609,216</u>
Total Police Department	<u>625,000</u>	<u>622,817</u>	<u>2,183</u>	<u>609,216</u>
Fire Department:				
Personnel Services	<u>275,000</u>	<u>266,921</u>	<u>8,079</u>	<u>261,093</u>
Total Fire Department	<u>275,000</u>	<u>266,921</u>	<u>8,079</u>	<u>261,093</u>
Total Public Safety	<u>900,000</u>	<u>889,738</u>	<u>10,262</u>	<u>870,309</u>
TOTAL EXPENDITURES	<u>900,000</u>	<u>889,738</u>	<u>10,262</u>	<u>870,309</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(38,299)	(53)	38,246	(12,120)
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -				
Beginning of Year	<u>28,844</u>	<u>28,844</u>	<u>-</u>	<u>45,368</u>
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -				
End of Year	\$ <u>(9,455)</u>	28,791	\$ <u>38,246</u>	33,248
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		<u>2,713</u>		<u>(4,404)</u>
FUND BALANCE (GAAP BASIS) -				
End of Year		\$ <u>31,504</u>		\$ <u>28,844</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, 2021
With Comparative Totals for Year Ended September 30, 2020

	<u>F.Y.E. 9/30/2021</u>			F.Y.E. 9/30/2020 Actual
	Budget	Actual	Variance Favorable (Unfavorable)	
REVENUES				
Miscellaneous Revenues:				
Interest	\$ 15,000	\$ 20,415	\$ 5,415	\$ 13,617
TOTAL REVENUES	<u>15,000</u>	<u>20,415</u>	<u>5,415</u>	<u>13,617</u>
EXPENDITURES				
Culture and Recreation:				
Tupelo Coliseum:				
Other Services and Charges	-	-	-	-
Total Tupelo Coliseum	-	-	-	-
Total Culture and Recreation	-	-	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>15,000</u>	<u>20,415</u>	<u>5,415</u>	<u>13,617</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, 2021

With Comparative Totals for Year Ended September 30, 2020

-Continued-

	<u>F.Y.E. 9/30/2021</u>			F.Y.E. 9/30/2020 Actual
	Budget	Actual	Variance Favorable (Unfavorable)	
OTHER FINANCING SOURCES				
(USES):				
Transfers In	\$ 2,215,120	\$ 2,215,120	\$ -	\$ 2,215,120
Transfers Out	<u>(2,238,780)</u>	<u>(1,324,330)</u>	<u>914,450</u>	<u>(1,711,526)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(23,660)</u>	<u>890,790</u>	<u>914,450</u>	<u>503,594</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)	(8,660)	911,205	919,865	517,211
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -				
Beginning of Year	<u>703,743</u>	<u>703,743</u>	<u>-</u>	<u>186,532</u>
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -				
End of Year	<u>\$ 695,083</u>	1,614,948	<u>\$ 919,865</u>	703,743
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		<u>-</u>		<u>-</u>
FUND BALANCE (GAAP BASIS)				
End of Year		<u>\$ 1,614,948</u>		<u>\$ 703,743</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, 2021
With Comparative Totals for Year Ended September 30, 2020

	F.Y.E. 9/30/2021		Variance Favorable (Unfavorable)	F.Y.E. 9/30/2020 Actual
	Budget	Actual		
REVENUES				
Miscellaneous:				
Interest	\$ -	\$ 303	\$ 303	\$ 14
TOTAL REVENUES	<u>-</u>	<u>303</u>	<u>303</u>	<u>14</u>
EXPENDITURES				
Other Services and Charges	<u>12,535</u>	<u>-</u>	<u>12,535</u>	<u>10,050</u>
TOTAL EXPENDITURES	<u>12,535</u>	<u>-</u>	<u>12,535</u>	<u>10,050</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(12,535)</u>	<u>303</u>	<u>12,838</u>	<u>(10,036)</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>(12,535)</u>	<u>303</u>	<u>12,838</u>	<u>(10,036)</u>
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -				
Beginning of Year	<u>72,444</u>	<u>72,444</u>	<u>-</u>	<u>82,480</u>
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -				
End of Year	\$ <u><u>59,909</u></u>	72,747	\$ <u><u>12,838</u></u>	72,444
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		<u>-</u>		<u>-</u>
FUND BALANCE (GAAP BASIS)				
End of Year		\$ <u><u>72,747</u></u>		\$ <u><u>72,444</u></u>

CITY OF TUPELO
COLISEUM OPERATING FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL
Year Ended September 30, 2021
With Comparative Totals for Year Ended September 30, 2020

	<u>F.Y.E. 9/30/2021</u>			
	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>F.Y.E. 9/30/2020 Actual</u>
REVENUES				
Charges for Sales & Services:				
Commissions	\$ 32,500	\$ 7,495	\$ (25,005)	\$ 24,451
Concessions & Other Sales	460,000	237,746	(222,254)	426,262
Direct Show Revenue	45,000	40,109	(4,891)	28,946
Parking	1,200	1,080	(120)	-
Service Charge	205,750	205,626	(124)	275,533
Rental Revenue	1,421,500	441,528	(979,972)	1,274,929
Personnel Service Fees	200,000	73,635	(126,365)	209,072
Miscellaneous Revenues:				
Advertising Agency Fee	365,000	326,863	(38,137)	952,741
Other	257,570	466,585	209,015	311,489
Interest	9,500	20,433	10,933	22,930
TOTAL REVENUES	<u>2,998,020</u>	<u>1,821,100</u>	<u>(1,176,920)</u>	<u>3,526,353</u>
EXPENDITURES				
Culture and Recreation:				
Coliseum Operations:				
Personnel Services	1,448,330	1,026,723	421,607	1,336,656
Supplies	450,500	196,483	254,017	329,986
Other Services and Charges	1,887,000	1,380,923	506,077	1,646,838
Capital Outlay	300,000	13,057	286,943	195,479
Total Coliseum Operations	<u>4,085,830</u>	<u>2,617,186</u>	<u>1,468,644</u>	<u>3,508,959</u>
TOTAL EXPENDITURES	<u>4,085,830</u>	<u>2,617,186</u>	<u>1,468,644</u>	<u>3,508,959</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,087,810)</u>	<u>(796,086)</u>	<u>291,724</u>	<u>17,394</u>

CITY OF TUPELO
COLISEUM OPERATING FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL
Year Ended September 30, 2021
With Comparative Totals for Year Ended September 30, 2020
-Continued-

	<u>F.Y.E. 9/30/2021</u>			
	Budget	Actual	Variance Favorable (Unfavorable)	F.Y.E. 9/30/2020 Actual
OTHER FINANCING SOURCES (USES):				
Transfer from Coliseum Project	\$ 1,175,944	\$ 425,830	\$ (750,114)	\$ 393,976
TOTAL OTHER FINANCING SOURCES (USES)	<u>1,175,944</u>	<u>425,830</u>	<u>(750,114)</u>	<u>393,976</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)	88,134	(370,256)	(458,390)	411,370
FUND BALANCE (DEFICIT) (NON-GAAP BUDGETARY BASIS) -				
Beginning of Year	<u>715,432</u>	<u>715,432</u>	<u>-</u>	<u>537,666</u>
FUND BALANCE (DEFICIT) (NON-GAAP BUDGETARY BASIS) -				
End of Year	<u>\$ 803,566</u>	345,176	<u>\$ (458,390)</u>	949,036
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		<u>83,149</u>		<u>(233,604)</u>
FUND BALANCE (DEFICIT) (GAAP BASIS)				
End of Year		<u>\$ 428,325</u>		<u>\$ 715,432</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, 2021
With Comparative Totals for Year Ended September 30, 2020

	F.Y.E. 9/30/2021			F.Y.E.
	Budget	Actual	Variance Favorable (Unfavorable)	9/30/2020 Actual
REVENUES				
Intergovernmental Revenues:				
Federal Shared Revenue	\$ 10,000	\$ 933	\$ (9,067)	\$ -
Fines and Forfeitures	100,000	92,776	(7,224)	111,211
Miscellaneous Revenues:				
Interest	20,000	22,359	2,359	21,894
Other	125,000	87,237	(37,763)	119,424
TOTAL REVENUES	<u>255,000</u>	<u>203,305</u>	<u>(51,695)</u>	<u>252,529</u>
EXPENDITURES				
Public Safety:				
Police Department:				
Supplies	68,500	30,002	38,498	13,791
Other Services and Charges	368,419	183,621	184,798	123,772
Capital Outlay	164,581	63,388	101,193	24,470
Total Police Department	<u>601,500</u>	<u>277,011</u>	<u>324,489</u>	<u>162,033</u>
TOTAL EXPENDITURES	<u>601,500</u>	<u>277,011</u>	<u>324,489</u>	<u>162,033</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(346,500)	(73,706)	272,794	90,496
OTHER FINANCING SOURCES (USES):				
Transfer to General Fund	<u>(49,100)</u>	<u>(49,100)</u>	<u>-</u>	<u>(49,100)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(49,100)</u>	<u>(49,100)</u>	<u>-</u>	<u>(49,100)</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, 2021

With Comparative Totals for Year Ended September 30, 2020

-Continued-

	<u>F.Y.E. 9/30/2021</u>			F.Y.E. 9/30/2020
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)	\$ (395,600)	\$ (122,806)	\$ 272,794	\$ 41,396
FUND BALANCE (DEFICIT) (NON-GAAP BUDGETARY BASIS) -				
Beginning of Year	<u>1,431,932</u>	<u>1,431,932</u>	<u>-</u>	<u>1,390,536</u>
FUND BALANCE (DEFICIT) (NON-GAAP BUDGETARY BASIS) -				
End of Year	<u>\$ 1,036,332</u>	1,309,126	<u>\$ 272,794</u>	1,431,932
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		<u>-</u>		<u>-</u>
FUND BALANCE (GAAP BASIS) -				
End of Year		<u>\$ 1,309,126</u>		<u>\$ 1,431,932</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, 2021
With Comparative Totals for Year Ended September 30, 2020

	<u>F.Y.E. 9/30/2021</u>		Variance Favorable (Unfavorable)	F.Y.E. 9/30/2020 Actual
	Budget	Actual		
REVENUES				
Miscellaneous Revenues:				
Interest	\$ -	\$ 321	\$ 321	\$ 318
TOTAL REVENUES	<u>-</u>	<u>321</u>	<u>321</u>	<u>318</u>
EXPENDITURES				
Other Functions:				
Community Services:				
Other Services and Charges	<u>138,000</u>	<u>138,000</u>	<u>-</u>	<u>155,956</u>
TOTAL EXPENDITURES	<u>138,000</u>	<u>138,000</u>	<u>-</u>	<u>155,956</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(138,000)</u>	<u>(137,679)</u>	<u>321</u>	<u>(155,638)</u>
OTHER FINANCING SOURCES (USES):				
Transfer from General Fund	<u>138,000</u>	<u>138,000</u>	<u>-</u>	<u>160,000</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>138,000</u>	<u>-</u>	<u>160,000</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)	<u>(138,000)</u>	<u>321</u>	<u>321</u>	<u>4,362</u>
FUND BALANCE (DEFICIT) (NON-GAAP BUDGETARY BASIS) -				
Beginning of Year	<u>11,873</u>	<u>11,873</u>	<u>-</u>	<u>7,511</u>
FUND BALANCE (DEFICIT) (NON-GAAP BUDGETARY BASIS) -				
End of Year	\$ <u><u>(126,127)</u></u>	12,194	\$ <u><u>321</u></u>	11,873
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		<u>-</u>		<u>-</u>
FUND BALANCE (GAAP BASIS) -				
End of Year		\$ <u><u>12,194</u></u>		\$ <u><u>11,873</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. A 10.00 mill special property tax will be levied for the next five years to finance this project. This is a major fund.

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

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, 2021
With Comparative Actual Amounts for Year Ended September 30, 2020

	<u>F.Y.E. 9/30/2021</u>			F.Y.E. 9/30/2020 Actual
	Budget	Actual	Variance Favorable (Unfavorable)	
REVENUES				
Intergovernmental Revenues:				
Federal Shared Revenues	\$ -	\$ 364,334	\$ 364,334	\$ 57,292
State Shared Revenues	-	-	-	48,166
Miscellaneous Revenues:				
Interest	-	5,894	5,894	5,408
TOTAL REVENUES	<u>-</u>	<u>370,228</u>	<u>370,228</u>	<u>110,866</u>
EXPENDITURES				
Supplies	-	-	-	-
Capital Outlay	250,000	41,300	208,700	46,595
TOTAL EXPENDITURES	<u>250,000</u>	<u>41,300</u>	<u>208,700</u>	<u>46,595</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(250,000)	328,928	578,928	64,271
FUND BALANCE (NON-GAAP BUDGETARY BASIS)-				
Beginning of Year	411,156	411,156	-	346,885
FUND BALANCE (NON-GAAP BUDGETARY BASIS)-				
End of Year	\$ <u>161,156</u>	740,084	\$ <u>578,928</u>	411,156
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		-		-
FUND BALANCE (GAAP BASIS)				
End of Year		\$ <u>740,084</u>		\$ <u>411,156</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, 2021
With Comparative Actual Amounts for Year Ended September 30, 2020

	<u>F.Y.E. 9/30/2021</u>			F.Y.E. 9/30/2020 Actual
	Budget	Actual	Variance Favorable (Unfavorable)	
REVENUES				
Intergovernmental Revenues:				
Federal Grants	\$ -	\$ -	\$ -	\$ 18,296
Miscellaneous Revenues:				
Interest	-	6,210	6,210	4,234
Other	-	129,276	129,276	707,743
TOTAL REVENUES	<u>-</u>	<u>135,486</u>	<u>135,486</u>	<u>730,273</u>
EXPENDITURES				
Other Services and Charges	50,000	9,267	40,733	50,000
Capital Outlay	543,181	277,209	265,972	150,858
TOTAL EXPENDITURES	<u>593,181</u>	<u>286,476</u>	<u>306,705</u>	<u>200,858</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(593,181)	(150,990)	442,191	529,415
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -				
Beginning of Year	<u>604,932</u>	<u>604,932</u>	<u>-</u>	<u>75,517</u>
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -				
End of Year	\$ <u>11,751</u>	453,942	\$ <u>442,191</u>	604,932
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		<u>-</u>		<u>-</u>
FUND BALANCE (GAAP BASIS)				
End of Year		\$ <u>453,942</u>		\$ <u>604,932</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, 2021
With Comparative Actual Amounts for Year Ended September 30, 2020

	F.Y.E. 9/30/2021			F.Y.E. 9/30/2020 Actual
	Budget	Actual	Variance Favorable (Unfavorable)	
REVENUES				
Intergovernmental Revenues:				
State Grants	\$ -	\$ 500,000	\$ 500,000	\$ -
Miscellaneous Revenues:				
Interest	-	31,359	31,359	159,221
TOTAL REVENUES	-	531,359	531,359	159,221
EXPENDITURES				
Capital Outlay	6,208,379	4,073,863	2,134,516	10,661,729
TOTAL EXPENDITURES	6,208,379	4,073,863	2,134,516	10,661,729
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(6,208,379)	(3,542,504)	2,665,875	(10,502,508)
FUND BALANCE (NON-GAAP BUDGETARY BASIS)-				
Beginning of Year, as previously stated	4,125,490	4,125,490	-	15,006,998
PRIOR PERIOD ADJUSTMENT	-	-	-	(379,000)
FUND BALANCE (NON-GAAP BUDGETARY BASIS)-				
Beginning of Year, as restated	4,125,490	4,125,490	-	14,627,998
FUND BALANCE (NON-GAAP BUDGETARY BASIS)-				
End of Year	\$ <u>(2,082,889)</u>	582,986	\$ <u>2,665,875</u>	4,125,490
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		-		-
FUND BALANCE (GAAP BASIS)				
End of Year		\$ <u>582,986</u>		\$ <u>4,125,490</u>

DEBT SERVICE FUNDS

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

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

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

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

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

Urban Renewal Bond Fund – This fund is used to account for the accumulation of resources for, and payment of, principal, interest and related costs of the Fairgrounds Special Obligation Bonds.

Special Obligation Debt Service Fund – This fund is used to account for the accumulation of resources for, and payment of principal, interest and related costs of Special Obligation Bonds.

CITY OF TUPELO
CITY BOND AND INTEREST FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL
Year Ended September 30, 2021
With Comparative Actual Amounts for Year Ended September 30, 2020

	<u>F.Y.E. 9/30/2021</u>		Variance Favorable (Unfavorable)	F.Y.E. 9/30/2020 Actual
	Budget	Actual		
REVENUES				
Taxes:				
General Property Taxes	\$ 3,602,041	\$ 3,705,656	\$ 103,615	\$ 3,558,597
Intergovernmental Revenues:				
State Shared Revenues	117,724	134,282	16,558	133,363
Miscellaneous Revenues:				
Interest	-	10,836	10,836	11,490
Other	-	-	-	500
TOTAL REVENUES	<u>3,719,765</u>	<u>3,850,774</u>	<u>131,009</u>	<u>3,703,950</u>
EXPENDITURES				
Debt Service:				
General Obligations:				
Bonds Redeemed	3,575,000	3,416,936	158,064	5,541,613
Interest	1,557,132	1,538,880	18,252	1,238,144
Paying Agent Fees	25,000	17,647	7,353	18,702
Bond Issue Costs	145,583	-	145,583	-
Total General Obligations	<u>5,302,715</u>	<u>4,973,463</u>	<u>329,252</u>	<u>6,798,459</u>
Total Debt Service	<u>5,302,715</u>	<u>4,973,463</u>	<u>329,252</u>	<u>6,798,459</u>
TOTAL EXPENDITURES	<u>5,302,715</u>	<u>4,973,463</u>	<u>329,252</u>	<u>6,798,459</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,582,950)	(1,122,689)	460,261	(3,094,509)
OTHER FINANCING SOURCES (USES):				
Transfers from Other Funds	<u>1,582,950</u>	<u>1,013,814</u>	<u>(569,136)</u>	<u>2,086,216</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>1,582,950</u>	<u>1,013,814</u>	<u>(569,136)</u>	<u>2,086,216</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, 2021
With Comparative Actual Amounts for Year Ended September 30, 2020
-Continued-

	<u>F.Y.E. 9/30/2021</u>		Variance Favorable (Unfavorable)	F.Y.E. 9/30/2020 Actual
	Budget	Actual		
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)	\$ -	\$ (108,875)	\$ (108,875)	\$ (1,008,293)
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -				
Beginning of Year	<u>1,147,427</u>	<u>1,147,427</u>	<u>-</u>	<u>2,174,734</u>
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -				
End of Year	<u>\$ 1,147,427</u>	1,038,552	<u>\$ (108,875)</u>	1,166,441
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		<u>11,691</u>		<u>(19,014)</u>
FUND BALANCE (GAAP-BASIS) -				
End of Year		<u>\$ 1,050,243</u>		<u>\$ 1,147,427</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, 2021
With Comparative Actual Amounts for Year Ended September 30, 2020

	<u>F.Y.E. 9/30/2021</u>			F.Y.E. 9/30/2020 Actual
	Budget	Actual	Variance Favorable (Unfavorable)	
REVENUES				
Intergovernmental Revenues:				
State Shared Revenues	\$ 4,100,000	\$ 4,006,374	\$ (93,626)	\$ 3,638,940
Miscellaneous Revenues:				
Interest	<u>-</u>	<u>822</u>	<u>822</u>	<u>35,836</u>
TOTAL REVENUES	<u>4,100,000</u>	<u>4,007,196</u>	<u>(92,804)</u>	<u>3,674,776</u>
EXPENDITURES				
Debt Service:				
General Obligations:				
Bonds Redeemed	360,000	360,000	-	340,000
Interest	266,663	266,663	-	281,372
Paying Agent Fees	<u>15,000</u>	<u>11,420</u>	<u>3,580</u>	<u>12,433</u>
Total Debt Service	<u>641,663</u>	<u>638,083</u>	<u>3,580</u>	<u>633,805</u>
TOTAL EXPENDITURES	<u>641,663</u>	<u>638,083</u>	<u>3,580</u>	<u>633,805</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>3,458,337</u>	<u>3,369,113</u>	<u>(89,224)</u>	<u>3,040,971</u>
OTHER FINANCING SOURCES (USES):				
Transfer (to) from Northeast MS Regional Water Supply District to Water G.O. Bonds Fund	<u>(3,779,169)</u>	<u>(3,310,448)</u>	<u>468,721</u>	<u>(3,649,326)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(3,779,169)</u>	<u>(3,310,448)</u>	<u>468,721</u>	<u>(3,649,326)</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, 2021
 With Comparative Actual Amounts for Year Ended September 30, 2020
 -Continued-

	<u>F.Y.E. 9/30/2021</u>		Variance Favorable (Unfavorable)	F.Y.E. 9/30/2020 Actual
	Budget	Actual		
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)	\$ (320,832)	\$ 58,665	\$ 379,497	\$ (608,355)
FUND BALANCE (NON-GAAP BUDGETARY BASIS) - Beginning of Year	<u>4,772,820</u>	<u>4,772,820</u>	<u>-</u>	<u>5,381,175</u>
FUND BALANCE (NON-GAAP BUDGETARY BASIS) - End of Year	<u>\$ 4,451,988</u>	4,831,485	<u>\$ 379,497</u>	4,772,820
Adjustments to Generally Accepted Accounting Principles: Revenue Accruals		<u>-</u>		<u>-</u>
FUND BALANCE (GAAP-BASIS) - End of Year		<u>\$ 4,831,485</u>		<u>\$ 4,772,820</u>

CITY OF TUPELO
SPECIAL ASSESSMENTS BOND AND INTEREST FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL
Year Ended September 30, 2021
With Comparative Actual Amounts for Year Ended September 30, 2020

	F.Y.E. 9/30/2021			F.Y.E. 9/30/2020 Actual
	Budget	Actual	Variance Favorable (Unfavorable)	
REVENUES				
Taxes:				
General Property Taxes	\$ 31,588	\$ 31,587	\$ (1)	\$ 31,587
Miscellaneous Revenues:				
Interest	-	645	645	1,087
TOTAL REVENUES	<u>31,588</u>	<u>32,232</u>	<u>644</u>	<u>32,674</u>
EXPENDITURES				
Debt Service:				
Special Assessment General Obligations:				
Bonds Redeemed	-	-	-	35,000
Interest	-	-	-	1,890
Paying Agent Fees	-	-	-	750
Total Debt Service	<u>-</u>	<u>-</u>	<u>-</u>	<u>37,640</u>
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>37,640</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	31,588	32,232	644	(4,966)
OTHER FINANCING SOURCES (USES):				
Transfer to Other Funds	<u>(99,088)</u>	<u>(97,421)</u>	<u>1,667</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(99,088)</u>	<u>(97,421)</u>	<u>1,667</u>	<u>-</u>

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

Year Ended September 30, 2021

With Comparative Actual Amounts for Year Ended September 30, 2020

-Continued-

	<u>F.Y.E. 9/30/2021</u>			F.Y.E. 9/30/2020 Actual
	Budget	Actual	Variance Favorable (Unfavorable)	
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)	\$ (67,500)	\$ (65,189)	\$ 2,311	\$ (4,966)
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -				
Beginning of Year	<u>65,189</u>	<u>65,189</u>	<u>-</u>	<u>70,155</u>
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -				
End of Year	<u><u>\$ (2,311)</u></u>	-	<u><u>\$ 2,311</u></u>	65,189
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		<u>-</u>		<u>-</u>
FUND BALANCE (GAAP-BASIS) -				
End of Year		<u><u>\$ -</u></u>		<u><u>\$ 65,189</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, 2021
With Comparative Actual Amounts for Year Ended September 30, 2020

	F.Y.E. 9/30/2021			F.Y.E. 9/30/2020 Actual
	Budget	Actual	Variance Favorable (Unfavorable)	
REVENUES				
Taxes:				
General Property Taxes	\$ 61,900	\$ 270,306	\$ 208,406	\$ 204,235
Miscellaneous Revenues:				
Interest	-	12,280	12,280	10,305
TOTAL REVENUES	61,900	282,586	220,686	214,540
EXPENDITURES				
Debt Service:				
General Obligations:				
Bonds Redeemed	50,000	50,000	-	50,000
Interest	9,900	9,900	-	12,150
Paying Agent Fees	2,000	850	1,150	850
Total Debt Service	61,900	60,750	1,150	63,000
TOTAL EXPENDITURES	61,900	60,750	1,150	63,000
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	221,836	221,836	151,540
OTHER FINANCING SOURCES (USES):				
Transfer to Other Funds	(85,794)	(85,794)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(85,794)	(85,794)	-	-

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, 2021
With Comparative Actual Amounts for Year Ended September 30, 2020
-Continued-

	<u>F.Y.E. 9/30/2021</u>			F.Y.E. 9/30/2020 Actual
	Budget	Actual	Variance Favorable (Unfavorable)	
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)	\$ (85,794)	\$ 136,042	\$ 50,248	\$ 151,540
FUND BALANCE (NON-GAAP BUDGETARY BASIS) - Beginning of Year	<u>836,272</u>	<u>836,272</u>	<u>-</u>	<u>684,732</u>
FUND BALANCE (NON-GAAP BUDGETARY BASIS) - End of Year	\$ <u><u>836,272</u></u>	972,314	\$ <u><u>136,042</u></u>	836,272
Adjustments to Generally Accepted Accounting Principles: Revenue Accruals		<u>-</u>		<u>-</u>
FUND BALANCE (GAAP-BASIS) - End of Year		\$ <u><u>972,314</u></u>		\$ <u><u>836,272</u></u>

CITY OF TUPELO
URBAN RENEWAL BOND FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL
 Year Ended September 30, 2021
 With Comparative Actual Amounts for Year Ended September 30, 2020

	<u>F.Y.E. 9/30/2021</u>			F.Y.E. 9/30/2020 Actual
	Budget	Actual	Variance Favorable (Unfavorable)	
REVENUES				
Miscellaneous Revenues:				
Interest	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Debt Service:				
Special Obligations:				
Bonds Redeemed	-	-	-	-
Interest	-	-	-	-
Paying Agent Fees	-	-	-	-
Total Debt Service	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-	-
OTHER FINANCING SOURCES (USES):				
Transfers Out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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

Year Ended September 30, 2021

With Comparative Actual Amounts for Year Ended September 30, 2020

-Continued-

	<u>F.Y.E. 9/30/2021</u>			F.Y.E. 9/30/2020 Actual
	Budget	Actual	Variance Favorable (Unfavorable)	
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)	\$ -	\$ -	\$ -	\$ -
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -				
Beginning of Year, as previously stated	-	-	-	220,025
Prior Period Adjustment	-	-	-	(220,025)
FUND BALANCE (NON-GAAP BUDGETARY BASIS)-				
Beginning of Year, as restated	-	-	-	-
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -				
End of Year	\$ -	-	\$ -	-
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		-		-
FUND BALANCE (GAAP-BASIS) -				
End of Year		\$ -		\$ -

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, 2021
With Comparative Actual Amounts for Year Ended September 30, 2020

	<u>F.Y.E. 9/30/2021</u>			<u>F.Y.E. 9/30/2020 Actual</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	
REVENUES				
Miscellaneous Revenues:				
Interest	\$ -	\$ 40	\$ 40	\$ 11,528
TOTAL REVENUES	<u>-</u>	<u>40</u>	<u>40</u>	<u>11,528</u>
EXPENDITURES				
Debt Service:				
Special Obligations:				
Interest	688,838	688,838	-	656,309
Paying Agent Fees	<u>12,000</u>	<u>2,000</u>	<u>10,000</u>	<u>2,000</u>
Total Debt Service	<u>700,838</u>	<u>690,838</u>	<u>10,000</u>	<u>658,309</u>
TOTAL EXPENDITURES	<u>700,838</u>	<u>690,838</u>	<u>10,000</u>	<u>658,309</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(700,838)	(690,798)	10,040	(646,781)
OTHER FINANCING SOURCES (USES):				
Transfers from Other Funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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

Year Ended September 30, 2021

With Comparative Actual Amounts for Year Ended September 30, 2020

-Continued-

	F.Y.E. 9/30/2021			F.Y.E. 9/30/2020 Actual
	Budget	Actual	Variance Favorable (Unfavorable)	
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)	\$ (700,838)	\$ (690,798)	\$ 10,040	\$ (646,781)
FUND BALANCE (NON-GAAP BUDGETARY BASIS) - Beginning of Year	<u>701,507</u>	<u>701,507</u>	<u>-</u>	<u>1,348,288</u>
FUND BALANCE (NON-GAAP BUDGETARY BASIS) - End of Year	\$ <u><u>669</u></u>	10,709	\$ <u><u>10,040</u></u>	701,507
Adjustments to Generally Accepted Accounting Principles: Revenue Accruals		<u>-</u>		<u>-</u>
FUND BALANCE (GAAP-BASIS) - End of Year		\$ <u><u>10,709</u></u>		\$ <u><u>701,507</u></u>

AGENCY FUNDS

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

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

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

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

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

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

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

September 30, 2021

With Comparative Totals for September 30, 2020

	Metro Vice Seized Fund	City Court Restitution Fund	Self Insurance Fund	Arts Committee Fund	Totals	
					9/30/21	9/30/20
ASSETS						
Cash	\$ 310,712	\$ 6,964	\$ 476,127	774	\$ 794,577	711,543
Investments	<u>-</u>	<u>-</u>	<u>500</u>	<u>-</u>	<u>500</u>	<u>500</u>
TOTAL ASSETS	\$ <u>310,712</u>	\$ <u>6,964</u>	\$ <u>476,627</u>	\$ <u>774</u>	\$ <u>795,077</u>	\$ <u>712,043</u>
LIABILITIES						
Accounts Payable	\$ -	\$ -	\$ 50,412	\$ -	\$ 50,412	\$ 50,234
Due to Complainants	-	6,964	-	-	6,964	6,964
Due to Arts Committee	-	-	-	774	774	764
Due to Insured Employees	-	-	426,215	-	426,215	430,127
Seized Money Held	<u>310,712</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>310,712</u>	<u>223,954</u>
TOTAL LIABILITIES	\$ <u>310,712</u>	\$ <u>6,964</u>	\$ <u>476,627</u>	\$ <u>774</u>	\$ <u>795,077</u>	\$ <u>712,043</u>

CITY OF TUPELO
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
Year Ended September 30, 2021

	Balance September 30, 2020	Debits	Credits	Balance September 30, 2021
METRO VICE SEIZED FUND				
<u>ASSETS</u>				
Cash	\$ 223,954	\$ 232,287	\$ 145,529	\$ 310,712
<u>LIABILITIES</u>				
Accounts Payable	\$ -	\$ 26,008	\$ 26,008	\$ -
Seized Money Held	223,954	124,406	211,164	310,712
Total Liabilities	\$ 223,954	\$ 150,414	\$ 237,172	\$ 310,712
CITY COURT RESTITUTION FUND				
<u>ASSETS</u>				
Cash	\$ 6,964	\$ 283	\$ 283	\$ 6,964
<u>LIABILITIES</u>				
Due to Complainants	\$ 6,964	\$ -	\$ -	\$ 6,964
TUPELO ARTS COMMITTEE				
<u>ASSETS</u>				
Cash	\$ 764	\$ 10	\$ -	\$ 774
<u>LIABILITIES</u>				
Deposits - Arts Committee	\$ 764	\$ -	\$ 10	\$ 774
Total Liabilities	\$ 764	\$ -	\$ 10	\$ 774

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

Year Ended September 30, 2021

-Continued-

	Balance September 30, 2020	Debits	Credits	Balance September 30, 2021
SELF INSURANCE FUND				
<u>ASSETS</u>				
Cash	\$ 479,861	\$ 17,484	\$ 21,218	\$ 476,127
Investments	500	-	-	500
Total Assets	\$ 480,361	\$ 17,484	\$ 21,218	\$ 476,627
<u>LIABILITIES</u>				
Accounts Payable	\$ 50,234	\$ 5,607	\$ 5,785	\$ 50,412
Due to Insured Employees	430,127	25,140	21,228	426,215
Total Liabilities	\$ 480,361	\$ 30,747	\$ 27,013	\$ 476,627
TOTAL ALL AGENCY FUNDS				
<u>ASSETS</u>				
Cash	\$ 711,543	\$ 250,064	\$ 167,030	\$ 794,577
Investments	500	-	-	500
Total Assets	\$ 712,043	\$ 250,064	\$ 167,030	\$ 795,077
<u>LIABILITIES</u>				
Accounts Payable	\$ 50,234	\$ 31,615	\$ 31,793	\$ 50,412
Seized Money Held	223,954	124,406	211,164	310,712
Deposits - Arts Committee	764	-	10	774
Due to Complainants	6,964	-	-	6,964
Due to Insured Employees	430,127	25,140	21,228	426,215
Total Liabilities	\$ 712,043	\$ 181,161	\$ 264,195	\$ 795,077

SUPPLEMENTARY INFORMATION

CITY OF TUPELO
SCHEDULE OF INVESTMENTS
Year Ended September 30, 2021

INVESTMENT OWNED BY	TYPE OF INVESTMENT	DATE ACQ'D	MATURITY DATE	INTEREST RATE	CARRYING VALUE
GOVERNMENTAL FUNDS:					
Debt Service Funds:					
Water G. O. Bonds Fund	U.S. Government Securities Fund	Var	N/A	Var	\$ 4,461,466
City Bond and Interest Fund	U.S. Government Securities Fund	Var	N/A	Var	244,811
Special Obligation Debt Service Fund	U.S. Government Securities Fund	Var	N/A	Var	<u>10,709</u>
Total Investments - Debt Service Funds					<u>4,716,986</u>
Total Investments - Governmental Funds					<u>4,716,986</u>
FIDUCIARY FUNDS:					
Agency Funds:					
Deferred Comp. Fund	Self-Insurance Trust Fund	Var	N/A	N/A	<u>500</u>
Total Investments - Agency Funds					<u>500</u>
Total Investments - Fiduciary Funds					<u>500</u>
Total Investments - All Funds					<u>\$ 4,717,486</u>

CITY OF TUPELO
SCHEDULE OF LONG-TERM DEBT
Year Ended September 30, 2021

	INTEREST RATE	ISSUE DATE	FINAL MATURITY DATE	BALANCE OUTSTANDING SEPTEMBER 30, 2020	ISSUED	(REDEEMED)	BALANCE OUTSTANDING SEPTEMBER 30, 2021	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	\$ 4,920,000	\$ -	\$ (250,000)	\$ 4,670,000	\$ 260,000	\$ 96,763
G.O. - Series 2013	2.10% - 3.00%	4/10/13	9/30/33	4,920,000	-	(250,000)	4,670,000	260,000	105,776
G.O. - Series 2013	2.50% - 3.25%	9/1/13	9/30/28	1,775,000	-	(200,000)	1,575,000	205,000	45,800
G.O. - Series 2011	2.10% - 2.875%	12/1/11	12/1/30	3,015,000	-	(165,000)	2,850,000	165,000	67,520
G.O. - Series 2015	1.31% - 3.28%	7/28/15	7/1/29	3,100,000	-	(400,000)	2,700,000	400,000	79,290
G.O. Refunding - Series 2016	1.10% - 1.97%	1/28/16	2/1/22	1,525,000	-	(810,000)	715,000	715,000	7,043
G.O. - Series 2016	2.313% - 2.685%	5/12/16	4/1/36	5,600,000	-	(100,000)	5,500,000	100,000	142,368
G.O. Combined Refunding-Series 2016	3.00% - 5.00%	8/4/16	7/1/26	4,085,000	-	(1,400,000)	2,685,000	1,470,000	112,950
G.O. - Series 2017	2.00% - 5.00%	11/14/17	11/1/37	10,000,000	-	-	10,000,000	200,000	327,200
G.O. Refunding - Series 2019	4.00%	5/31/19	12/1/32	6,045,000	-	(360,000)	5,685,000	375,000	594,900
Total General City Bonds				44,985,000	-	(3,935,000)	41,050,000	4,150,000	1,579,610
Water Bonds									
Series 2008- Refunding Bonds	3.91% - 5.51%	12/17/08	12/1/33	675,000	-	-	675,000	-	-
Total Water Bonds				675,000	-	-	675,000	-	-
TOTAL GENERAL OBLIGATION BONDS				45,660,000	-	(3,935,000)	41,725,000	4,150,000	1,579,610
OTHER LONG-TERM DEBT:									
General City Notes Payable									
Capital Improvements Revolving Loan	3.00%	8/24/09	2/1/33	1,023,405	-	(73,147)	950,258	71,745	27,632
Tupelo Airport Authority Capital Acquisitor	3.00%	6/22/11	7/1/25	680,670	-	(105,231)	575,439	108,387	17,263
Bank of America ESCO	2.62%	10/9/15	4/9/32	3,472,712	-	(249,781)	3,222,931	256,369	82,772
Capital Improvements Revolving Loan	3.00%	4/1/20	4/1/40	1,472,414	-	(66,116)	1,406,298	59,556	40,271
Total General City Notes Payable				6,649,201	-	(494,275)	6,154,926	496,057	167,938

CITY OF TUPELO
SCHEDULE OF LONG-TERM DEBT - Continued
Year Ended September 30, 2021

	INTEREST RATE	ISSUE DATE	FINAL MATURITY DATE	BALANCE OUTSTANDING SEPTEMBER 30, 2020	ISSUED	(REDEEMED)	BALANCE OUTSTANDING SEPTEMBER 30, 2021	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	\$ 331,929	\$ -	\$ (66,016)	\$ 265,913	\$ 68,704	\$ 9,386
Drinking Water Loan	1.95%	6/14/06	12/1/27	208,495	-	(27,037)	181,458	27,569	3,293
Capital Improvements Revolving Loan	1.75%	11/19/04	6/1/26	2,203,262	-	(367,438)	1,835,824	373,920	29,137
Capital Improvements Revolving Loan	1.75%	9/30/04	11/1/27	9,757,751	-	(1,289,250)	8,468,501	1,311,994	137,709
SRF - MDA Revolving Loan	1.95%	6/1/16	12/1/35	3,081,383	-	(175,225)	2,906,158	178,672	55,079
SRF - Annexed Sewer Loan 2014	1.75%	8/1/16	12/1/35	3,633,788	-	(209,747)	3,424,041	213,448	58,214
SRF - Chemical Addition	1.75%	6/1/16	2/1/36	2,845,202	-	(162,207)	2,682,995	165,068	45,633
SRF - Annexed Water	1.95%	9/30/14	2/1/37	3,697,744	-	(193,011)	3,504,733	196,808	66,590
SRF - 2015 Water	1.95%	9/30/15	11/1/37	919,924	-	(45,565)	874,359	46,464	16,636
SRF - Annex Sewer 2014	1.75%	12/1/19	5/1/39	9,717,076	-	(444,081)	9,272,995	451,915	158,664
SRF - Life Station 2020	1.75%	1/1/21	5/1/40	2,160,522	335,276	(72,755)	2,423,043	110,736	41,518
Total Water and Sewer Notes Payable				<u>38,557,076</u>	<u>335,276</u>	<u>(3,052,332)</u>	<u>35,840,020</u>	<u>3,145,298</u>	<u>621,859</u>
Special Obligation Bonds									
Series 2018 - Water and Sewer Dept.	2.00% - 5.00%	4/12/18	5/1/33	8,035,000	-	(475,000)	7,560,000	490,000	358,100
Series 2018 - Electric Department	2.00% - 5.00%	4/12/18	5/1/33	5,160,000	-	(305,000)	4,855,000	315,000	229,950
Series 2019 - General	4.00% - 5.00%	7/18/19	7/1/49	15,000,000	-	-	15,000,000	-	688,838
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				<u>38,195,000</u>	<u>-</u>	<u>(780,000)</u>	<u>37,415,000</u>	<u>805,000</u>	<u>1,731,888</u>
Tax Increment Limited Obligation Bonds									
Series 2009	4.50%	5/13/09	5/1/24	220,000	-	(50,000)	170,000	55,000	7,650
Series 2021	5.00%	6/15/21	6/1/33	-	616,000	-	616,000	30,000	29,602
Total Special Obligation Bonds				<u>220,000</u>	<u>616,000</u>	<u>(50,000)</u>	<u>786,000</u>	<u>85,000</u>	<u>37,252</u>
Northeast MS Regional Water Supply District									
State Revolving Loan	3.00%	9/1/98	8/1/22	216,083	-	(156,661)	59,422	59,422	596
TOTAL OTHER LONG-TERM DEBT				<u>77,188,159</u>	<u>951,276</u>	<u>(4,038,993)</u>	<u>74,100,442</u>	<u>4,094,720</u>	<u>2,391,595</u>
Bond Premiums				<u>6,964,395</u>	<u>-</u>	<u>(462,944)</u>	<u>6,501,451</u>	<u>-</u>	<u>-</u>
TOTAL LONG-TERM DEBT				<u>\$ 136,461,755</u>	<u>\$ 951,276</u>	<u>\$ (8,931,212)</u>	<u>\$ 128,481,819</u>	<u>\$ 8,740,777</u>	<u>\$ 4,139,143</u>

CITY OF TUPELO
RECONCILIATION OF ORIGINAL AD VALOREM TAX
ROLLS TO FUND COLLECTIONS
Year Ended September 30, 2021

	<u>MUNICIPAL</u>	<u>SCHOOL</u>	<u>TAX</u>
Adjusted Assessed Valuation:			
Realty	\$ 373,231,682	\$ 15,625,305	
Personal	103,051,321	13,341,489	
Personal - Auto (From County)	<u>66,940,408</u>	<u>4,269,490</u>	
 Total Municipal at 96.57 Mills	 \$ <u><u>543,223,411</u></u>		 \$ 52,459,085
 Total School at 64.10 Mills		 \$ <u><u>33,236,284</u></u>	 2,130,446
Collections Adjustments:			
Add:			
Municipal Homestead Reimbursement		\$ 627,357	
School Homestead Reimbursement		415,133	
Prior Year Tax Collections		404,696	
Penalties and Interest		40,363	
In-Lieu Taxes		1,196,392	
Special Assessments		31,587	
County Portion of TIF		<u>21,589</u>	2,737,117
 Less:			
Cost of Collections		348,061	
School Homestead Loss		<u>789,677</u>	<u>1,137,738</u>
 TOTAL TO BE ACCOUNTED FOR			 \$ <u><u>56,188,910</u></u>

CITY OF TUPELO
RECONCILIATION OF ORIGINAL AD VALOREM TAX
ROLLS TO FUND COLLECTIONS
Year Ended September 30, 2021
-Continued-

	<u>TAXES</u>	<u>HOMESTEAD REIMBURSEMENT</u>	<u>TOTALS</u>
Collection Credits to Funds:			
Municipal General Fund	\$ 8,174,316	\$ 250,595	\$ 8,424,911
Special Assessments Fund	31,587	-	31,587
Tax Increment Bond Fund	270,306	-	270,306
City Bond & Interest Fund	3,717,347	134,282	3,851,629
Library Fund	503,189	18,162	521,351
Firemen & Policemen Retirement Fund	861,290	31,107	892,397
City Special Levy Street Improvements Fund	5,349,082	193,211	5,542,293
School Maintenance Fund	30,868,647	415,133	31,283,780
School Bond and Interest Fund	3,511,222	-	3,511,222
Tupelo/Lee County Vo-Tech	344	-	344
School Notes - Shortfall Note	1,727,064	-	1,727,064
Total Collections	\$ <u>55,014,394</u>	\$ <u>1,042,490</u>	56,056,884
Balance Represented By:			
Unpaid Property Taxes		\$ 132,027	
Unaccounted For (Over)		<u>(1)</u>	<u>132,026</u>
TOTAL ACCOUNTED FOR			\$ <u>56,188,910</u>

CITY OF TUPELO
SCHEDULE OF SURETY BONDS FOR MUNICIPAL OFFICIALS
September 30, 2021

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
Jackie Clayton	Chief of Police	75,000	Western Surety Company
City of Tupelo	Blanket Policy	50,000	Western Surety Company
City of Tupelo	Per Councilman	100,000	Travelers Casualty & Surety Co. of America
Rhonda Cole	Deputy Clerk	50,000	Travelers Casualty & Surety Co. of America
Traci Carlock Dillard	Deputy Clerk	50,000	Western Surety Company
Kizzy L. Guy	Deputy Clerk	50,000	Travelers Casualty & Surety Co. of America
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, 2021

Federal Grantor/ Pass Through Grantor/ Program Title	Grantor Agency ID Number	Federal CFDA Number	Federal Expenditures
PRIMARY GOVERNMENT:			
U.S. Department of Agriculture			
Natural Resources Conservation Service Grant	NR194423XXXC091	10.932	\$ 91,466
Natural Resources Conservation Service Grant	NR204423XXXC040	10.932	<u>48,481</u>
Total U.S. Department of Agriculture			\$ <u>139,947</u>
U. S. Department of Justice			
Passed through State Office of: Mississippi Emergency Management Agency: Hot Spot Award			
	17HS2322	16.738	\$ 19,245
Federal Equitable Sharing Agreement	MS0410100	16.000	364,334
U.S. Treasury	21-NOR-406-AFF/22-NOR-406-AFF	16.738	2,811
OCDETF	SE-MSN-0103H	16.738	6,771
U.S. Marshall Service	JLEO-20-0410/MS041053N	16.Ukn	<u>14,452</u>
Total U.S. Department of Justice			\$ <u>407,613</u>
U. S. Department of the Treasury			
Coronavirus Relief Fund*	TR-Tupelo	21.019	\$ 600,167
CARES Act*	SB3047-CARES-MERP	21.019	<u>809,136</u>
Total U. S. Department of the Treasury			\$ <u>1,409,303</u>
Appalachian Regional Commission			
Passed through State Office of: Mississippi Development Authority: Appalachian Regional Commission			
	MS-19526	23.001	\$ <u>132,144</u>
Total Appalachian Regional Commission			\$ <u>132,144</u>
Executive Office of the President			
DEA State and Local Task Force Agreement	667265901D3D	95.001	\$ <u>4,646</u>
Total Executive Office of the President			\$ <u>4,646</u>

CITY OF TUPELO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended September 30, 2021

Federal Grantor/ Pass Through Grantor/ Program Title	Grantor Agency ID Number	Federal CFDA Number	Federal Expenditures
U. S. Department of Homeland Security			
Passed through State Office of:			
Mississippi Emergency Management Agency:			
Emergency Management Assistance	FEMA-4470-DR-MS	97.039	\$ 51,496
Homeland Security Grant	19HS366T	97.067	12,500
Homeland Security Grant	Salary for Task Force	97.067	29,166
Homeland Security Grant	A19HS366T	97.067	9,032
Homeland Security Grant	EOD BOM Suit	97.067	49,999
Total U. S. Department of Homeland Security			\$ 152,193
TOTAL FEDERAL EXPENDITURES			\$ 2,245,846

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, 2021. 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, 2021, and the related notes to the financial statements, which collectively comprise the City of Tupelo, Mississippi's basic financial statements, and have issued our report thereon dated March 29, 2022.

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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Tupelo, Mississippi's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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
March 29, 2022

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

Honorable Mayor and City Council
City of Tupelo, Mississippi

Report on Compliance for Each Major Federal Program

We have audited the City of Tupelo, Mississippi's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City of Tupelo, Mississippi's major federal programs for the year ended September 30, 2021. The City of Tupelo, Mississippi's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Tupelo, Mississippi's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Tupelo, Mississippi's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City of Tupelo, Mississippi's compliance.

Opinion on Each Major Federal Program

In our opinion, the City of Tupelo, Mississippi, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2021.

Report on Internal Control Over Compliance

Management of the City of Tupelo, Mississippi, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Tupelo, Mississippi's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Tupelo, Mississippi's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited.

Jarrell Group, PLLC

Jarrell Group, PLLC
Tupelo, Mississippi
March 29, 2022

**CITY OF TUPELO, MISSISSIPPI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
September 30, 2021**

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>
21.019	U.S. Department of the Treasury – Coronavirus Relief Fund
21.019	U.S. Department of the Treasury – CARES Act

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, 2021, and have issued our report thereon dated March 29, 2022. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the *Government Auditing Standards*.

As required by the State legal compliance audit program prescribed by the Office of the State Auditor, we have also performed procedures to test compliance with certain state laws and regulations. However, providing an opinion on compliance with state laws and regulations was not an objective of our audit and, accordingly, we do not express such an opinion.

The results of those procedures and our audit of the general purpose financial statements disclosed no material instances of noncompliance with state laws and regulations.

This report is intended for the information and use of management, federal awarding agencies, the Office of the State Auditor, and pass-through entities and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Jarrell Group, PLLC

Jarrell Group, PLLC
Tupelo, Mississippi
March 29, 2022