

**CITY OF TUPELO,
MISSISSIPPI**

FINANCIAL STATEMENTS

September 30, 2014

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

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INDEPENDENT AUDITORS' REPORT

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INDEPENDENT AUDITORS' REPORT

Mayor and City Council
City of Tupelo, Mississippi

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City of Tupelo, Mississippi, as of and for the year ended September 30, 2014, 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 33 percent and 4 percent, respectively of the assets and revenues of the Proprietary Fund. Those financial 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.

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, 2013 and ending June 30, 2014.

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City of Tupelo, Mississippi, as of September 30, 2014, 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 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Tupelo, Mississippi's basic financial statements. The combining and individual fund financial statements and other supplemental information, listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The combining and individual non-major fund financial statements 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 non-major 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 9, 2015 on our consideration of the City of Tupelo, Mississippi's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Tupelo's internal control over financial reporting and compliance.

Franks, Franks, Jarrell + Wilemon, P.A.

FRANKS, FRANKS, JARRELL & WILEMON, P.A.
March 9, 2015

MANAGEMENT'S DISCUSSION AND ANALYSIS

CITY OF TUPELO, MISSISSIPPI MANAGEMENT'S DISCUSSION AND ANALYSIS

Required Supplemental Information for the year ended September 30, 2014

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, 2014. Please read it in conjunction with the City of Tupelo financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$278,989,795. Of this amount, \$41,531,512 may be used to meet the City's ongoing obligations to citizens and creditors. This compares to the previous year when assets exceeded liabilities by \$270,698,984, of which \$45,261,935 was available to meet the City's ongoing obligations.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$56,054,727, a decrease of \$3,340,381 in comparison to the prior year. Approximately 28% of the combined fund balances, \$15,831,987 is considered unassigned and is available for spending at the City's discretion.
- The City's total debt is \$81,921,016. No new debt was issued during the current fiscal year. Debt in the amount of \$6,313,149 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 and parks and recreation	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.
- *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 funds—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 Balance Sheet, Statement of Revenues, Expenses and Changes in Retained Earnings, 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 exceeded liabilities by \$278,989,795 at the close of the most recent fiscal year. Tables A-1 and A-2 provide a summary of the City's net position at September 30, 2014 and 2013.

CITY OF TUPELO, MISSISSIPPI MANAGEMENT'S DISCUSSION AND ANALYSIS

A large portion, 63.5% and 61.3%, 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, 2014 and 2013, 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>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Current & Other Assets	\$ 61,924,591	\$ 64,228,092	\$ 36,222,062	\$ 36,722,293	\$ 98,146,653	\$ 100,950,385
Noncurrent Assets	147,319,096	142,032,101	138,104,589	135,605,810	285,423,685	277,637,911
Total Assets	209,243,687	206,260,193	174,326,651	172,328,103	383,570,338	378,588,296
Total Deferred Outflows	0	1,176,690	0	69,606	0	1,246,246
Other Liabilities	8,466,188	7,592,642	14,692,632	13,919,591	23,158,820	21,512,233
Noncurrent Liabilities	53,438,543	57,266,321	27,790,511	30,153,292	81,229,054	87,419,613
Total Liabilities	61,904,731	64,858,963	42,483,143	44,072,883	104,387,874	108,931,846
Total Deferred Inflows	192,669	203,762	0	0	192,669	203,762
Net Position:						
Net Investment in						
Capital Assets	88,498,076	78,985,076	88,746,912	86,910,164	177,244,988	165,895,240
Restricted	31,558,309	33,770,475	28,654,986	25,771,334	60,213,295	59,541,809
Unrestricted	27,089,902	29,618,607	14,441,610	15,643,328	41,531,512	45,261,935
Total Net Position	\$ 147,146,287	\$ 142,374,158	\$ 131,843,508	\$ 128,324,826	\$ 278,989,795	\$ 270,698,984

An additional portion of the City's net position represents resources that are subject to external restrictions on how they may be used. The \$41,531,512 of unrestricted net position provides excess resources to meet the government's ongoing obligations to citizens and creditors. The unrestricted net position of our business-type activities is \$14,441,610. These resources cannot be used to add to the net position surplus in governmental activities. The City generally can only use this net position to finance the continuing operations of the business type activities.

Changes in net position: Approximately 10.5% of the City's total revenues come from property taxes, with 33.4% of all revenue coming from some type of tax. (See Table A-2.) This compares to 10.2% and 33.1% for the fiscal year ended September 30, 2013. Another 58.0% 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>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Revenues						
Program Revenues:						
Charges for Services	\$ 5,467,968	\$ 4,183,774	\$ 74,491,456	\$ 73,271,592	\$ 79,959,424	\$ 77,455,366
Operating Grants & Contributions	4,204,024	808,531	0	0	4,204,024	808,531
Capital Grants & Contributions	2,137,792	4,912,438	3,374,949	4,647,768	5,512,741	9,560,206
General Revenues:						
Property Taxes	14,523,306	13,787,662	0	0	14,523,306	13,787,662
Other Taxes	31,547,402	30,957,309	0	0	31,547,402	30,957,309
Investment Income	360,459	359,982	25,446	78,812	385,905	438,794
Other	1,754,472	2,529,587	106	(278,596)	1,754,578	2,250,991
Total Revenues	59,995,423	57,539,283	77,891,957	77,719,576	137,887,380	135,258,859
Expenses						
General Government	4,849,484	4,694,591	0	0	4,849,484	4,694,591
Public Safety	16,551,286	16,112,103	0	0	16,551,286	16,112,103
Public Works	9,631,454	9,206,713	0	0	9,631,454	9,206,713
Culture & Recreation	7,877,718	6,887,054	0	0	7,877,718	6,887,054
Other Functions	8,405,960	4,273,387	0	0	8,405,960	4,273,387
Capital Projects	1,609,630	726,449	0	0	1,609,630	726,449
Debt Service	2,288,383	2,503,858	0	0	2,288,383	2,503,858
Water & Sewer	0	0	9,272,978	9,127,124	9,272,978	9,127,124
Electric	0	0	56,860,790	56,155,448	56,860,790	56,155,448
Solid Waste Management	0	0	3,240,761	3,281,844	3,240,761	3,281,844
N. MS Reg. Water Supp. Dist.	0	0	3,604,997	3,551,643	3,604,997	3,551,643
Total Expenses	51,213,915	44,404,155	72,979,526	72,116,059	124,193,441	116,520,214
Excess of Revenue Over Exp.	8,781,508	13,135,128	4,912,431	5,603,517	13,693,939	18,738,645
Transfers	(2,832,689)	(3,956,046)	(1,172,275)	(1,073,873)	(4,004,964)	(5,029,919)
Change in Net Position	5,948,819	9,179,082	3,740,156	4,529,644	9,688,975	13,708,726
Net Position—Beginning, as Previously Stated	142,374,158	133,195,076	128,324,826	123,795,182	270,698,984	256,990,258
Prior Period Adjustment	(1,176,690)	0	(221,474)	0	(1,398,164)	0
Net Position—Beginning, as Restated	141,197,468	133,195,076	128,103,352	123,795,182	269,300,820	256,990,258
Net Position—Ending	\$147,146,287	\$142,374,158	\$131,843,508	\$128,324,826	\$278,989,795	\$270,698,984

CITY OF TUPELO, MISSISSIPPI MANAGEMENT'S DISCUSSION AND ANALYSIS

Governmental Activities

Governmental activities increased the City's net position by \$5,948,819, thereby accounting for 61.4% of the total growth in the net position of the City. Key elements of this increase are as follows:

The largest funding sources for the City's governmental activities, as a percent of total revenues, are sales tax 42%, property taxes 24% and charges for services 9%.

The largest expense categories for the City's governmental activities are public safety 32.3% and public works 18.8%.

Business-type Activities

Business-type activities increased the City's net position by \$3,740,156 accounting for 39% of the growth in the City's net position.

Charges for services are the major revenue categories for the enterprise funds. Total business-type revenues are comprised of \$10,749,383 for water and sewer, \$57,482,640 for electric, \$3,313,851 for solid waste management and \$2,945,073 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 \$15,831,987, which comprised 87.3% 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 52.6% of total fund expenditures. The fund balance of the City's general fund decreased by \$444,818 during the current fiscal year.

Debt Service Fund—The debt service fund has a total fund balance of \$18,189,843, all of which is restricted for the payment of debt service. The net decrease in fund balance during the current year was \$1,563,500.

Capital Projects Fund—The capital projects fund accounts for the construction and reconstruction of general public improvements, excluding projects related to business-type activities, which are accounted for elsewhere. At the end of the current fiscal year, the fund balance was \$11,987,233.

CITY OF TUPELO, MISSISSIPPI MANAGEMENT'S DISCUSSION AND ANALYSIS

Special Revenue Fund—The special revenue fund is used to account for the programs and projects primarily funded by grants or taxes from the federal and state governments. At the end of the current fiscal year, the fund balance was \$7,747,985, 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 \$131,843,508. Changes in net position, which totaled \$3,740,156, were as follows: the electric fund increased by \$633,509, the water & sewer fund increased by \$309,930, the solid waste management fund increased by \$73,939 and Northeast Mississippi Regional Water Supply District increased by \$2,722,778.

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 2014-15 operating budget increased by \$656,495.

CAPITAL ASSET AND DEBT ADMINISTRATION

The City anticipates spending \$40,000,000 in capital projects from FY 2014 – 2019. The source of revenue includes federal grants, G.O. bonds issued in prior years, general fund tax revenue, and new G.O. bonds.

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, 2014, amounted to \$261,840,751, net of accumulated depreciation of \$176,948,224. 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	
	2014	2013	2014	2013	2014	2013
Land	\$ 11,586,188	\$ 11,939,494	\$ 1,764,752	\$ 1,661,340	\$ 13,350,940	\$ 13,600,834
Infrastructure Plant, Buildings, Improvements	104,275,422	102,922,128	0	0	104,275,422	102,922,128
Sanitary & Sewer Lagoons	82,037,717	64,870,832	171,639,321	166,858,777	253,677,038	231,729,609
Machinery & Equipment	0	0	6,896,810	6,896,810	6,896,810	6,896,810
Construction in Progress	22,523,908	21,979,099	15,370,130	15,243,586	37,894,038	37,222,685
Accumulated Depreciation	16,522,234	24,786,329	6,172,493	7,308,387	22,694,727	32,094,716
Total	(91,957,854)	(87,017,711)	(84,990,370)	(80,752,898)	(176,948,224)	(167,770,609)
	\$144,987,615	\$139,480,171	\$ 116,853,136	\$117,216,002	\$261,840,751	\$ 256,696,173

Long-term Debt—At year-end, the City had \$81,921,016 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	
	2014	2013	2014	2013	2014	2013
General Obligation Bonds	\$ 41,537,975	\$ 44,258,210	\$ 567,025	\$ 1,066,790	\$ 42,105,000	\$ 45,325,000
Special Assessment Bonds	265,000	340,000	0	0	265,000	340,000
Special Obligation Bonds	11,044,515	12,003,710	1,235,485	1,361,290	12,280,000	13,365,000
Tax Increment Bonds	680,000	760,000	0	0	680,000	760,000
State Grants Repayment	0	0	1,168,233	1,310,939	1,168,233	1,310,939
Notes Payable	2,962,049	3,133,175	22,460,734	24,000,051	25,422,783	27,133,226
Total	\$ 56,489,539	\$ 60,495,095	\$ 25,431,477	\$ 27,739,070	\$ 81,921,016	\$ 88,234,165

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Key assumptions for revenue forecasts for fiscal year 2015 are summarized as follows:

1. Sales tax revenues will remain flat.
2. Assessed value increased more than 2.5% which will increase property taxes.
3. Aquatics Facility revenue will increase in FY 2015 primarily since 2015 will be the first full year of operation.
4. Unemployment in Lee County dropped to 7% in 2014.
5. Interest rates are fixed until FY 2016.

This contributed to the following projections:

1. Real and personal taxes will increase 2.5% due to growth in assessed values.
2. Millage rates remained the same at 32.47 for the City's 2015 FY budget. This includes a decrease from 14.09 to 12.83 mills for the General Fund, 10 mills for the Thoroughfare Fund, an increase in the City Bond and Interest fund from 5.7 to 6.95 mills, an increase from 1 to 1.01 mills for the Library Fund, and 1.68 mills for the Fire and Police Retirement Fund.
3. No increases in personnel costs are anticipated for FY 2015.

**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, 2014

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Tupelo Airport Authority
ASSETS:				
Current Assets:				
Cash	\$ 36,731,596	\$ 13,250,682	\$ 49,982,278	\$ 143,936
Investments	16,329,972	-	16,329,972	-
General Property Taxes Receivable	132,138	-	132,138	-
Other Receivables	364,962	1,082,664	1,447,626	-
Lease Receivable	185,000	-	185,000	-
Accounts Receivable, Net	1,714,080	7,260,026	8,974,106	135,482
Unbilled Revenue	-	1,696,520	1,696,520	-
Due from Other Funds	818,022	34,896	852,918	-
Due from Other Governmental Units	4,267,639	2,455,405	6,723,044	43,040
Due from Custodian	-	-	-	203,713
Due from Trustee - Reserved	-	9,018,479	9,018,479	-
Due from Component Units	928,783	-	928,783	-
Inventories	37,522	1,221,395	1,258,917	60,970
Prepaid Expenses	414,877	118,211	533,088	26,644
Other Current Assets	-	83,784	83,784	-
TOTAL CURRENT ASSETS	61,924,591	36,222,062	98,146,653	613,785
Noncurrent Assets:				
Cash - Reserved	-	20,659,215	20,659,215	-
Accrued Interest Receivable - Reserved	-	4,963	4,963	-
Notes Receivable	121,481	544,492	665,973	-
Home Grant Receivable	465,000	-	465,000	-
Other Receivables	-	42,483	42,483	-
Lease Receivable	1,745,000	-	1,745,000	-
Intangible Asset - Goodwill	-	-	-	586,930
Other Assets	-	300	300	-
Capital Assets:	-	-	-	-
Land	11,586,188	1,764,752	13,350,940	6,099,049
Plant, Buildings and Improvements	82,037,717	171,639,321	253,677,038	40,408,266
Sanitary and Sewer Lagoons	-	6,896,810	6,896,810	-
Machinery and Equipment	22,523,908	15,370,130	37,894,038	1,798,353
Infrastructure	104,275,422	-	104,275,422	-
Construction in Progress	16,522,234	6,172,493	22,694,727	6,882,732
Accumulated Depreciation	(91,957,854)	(84,990,370)	(176,948,224)	(22,082,694)
TOTAL NONCURRENT ASSETS	147,319,096	138,104,589	285,423,685	33,692,636
TOTAL ASSETS	209,243,687	174,326,651	383,570,338	34,306,421

CITY OF TUPELO, MISSISSIPPI
STATEMENT OF NET POSITION
September 30, 2014
-Continued-

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Tupelo Airport Authority
<u>LIABILITIES:</u>				
Current Liabilities:				
Accounts Payable	\$ 1,402,505	\$ 8,896,859	\$ 10,299,364	\$ 205,802
Accrued Expenses	703,220	276,491	979,711	22,384
Due to Other Funds	937,999	146,151	1,084,150	-
Due to Other Governmental Units and Entities	875,325	-	875,325	245,826
Unearned Revenues	618,792	-	618,792	12,437
Current Portion of Capital Lease	-	-	-	4,492
Long-Term Debt: Due Within One Year	3,908,923	2,366,743	6,275,666	117,485
Customer and Event Deposits	19,424	3,006,388	3,025,812	-
TOTAL CURRENT LIABILITIES	8,466,188	14,692,632	23,158,820	608,426
Noncurrent Liabilities:				
Advances TVA - Home Insulation Loans	-	554,944	554,944	-
Unearned Revenues	-	-	-	-
Accrued Compensated Absences	857,927	-	857,927	-
Due to Other Funds	-	4,170,833	4,170,833	-
Long-Term Obligation under Capital Lease	-	-	-	2,366
Long-Term Debt: Due in More Than One Year	52,580,616	23,064,734	75,645,350	951,057
TOTAL NONCURRENT LIABILITIES	53,438,543	27,790,511	81,229,054	953,423
TOTAL LIABILITIES	61,904,731	42,483,143	104,387,874	1,561,849
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Amount of Bond Premium	192,669	-	192,669	-
TOTAL DEFERRED INFLOWS OF RESOURCES	192,669	-	192,669	-
<u>NET POSITION</u>				
Net Investment in Capital Assets	88,498,076	88,746,912	177,244,988	31,993,083
Restricted for:				
Capital Projects	7,705,834	25,935,518	33,641,352	71,373
Debt Service	18,189,843	2,719,468	20,909,311	-
Special Revenue	5,115,414	-	5,115,414	-
Water Reserve	547,218	-	547,218	-
Unrestricted	27,089,902	14,441,610	41,531,512	680,116
TOTAL NET POSITION	147,146,287	131,843,508	278,989,795	32,744,572

See accompanying notes to financial statements.

CITY OF TUPELO, MISSISSIPPI
STATEMENT OF ACTIVITIES
For the year ended September 30, 2014

FUNCTIONS/ PROGRAMS	PROGRAM REVENUES					Net (Expense) Revenue and Changes in Net Position			COMPONENT UNIT Tupelo Airport Authority
	Expenses	Charge for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total	PRIMARY GOVERNMENT			
						Governmental Activities	Business-Type Activities	Total	
PRIMARY GOVERNMENT									
Government Activities:									
General Government	\$ 4,849,484	\$ 474,944	4,165,441	557,651	\$ 5,198,036	\$ 348,552	\$ -	\$ 348,552	\$ -
Public Safety	16,551,286	1,619,797	38,583	10,000	1,668,380	(14,882,906)	-	(14,882,906)	-
Public Works	9,631,454	-	-	24,568	24,568	(9,606,886)	-	(9,606,886)	-
Culture and Recreation	7,877,718	3,373,227	-	84,000	3,457,227	(4,420,491)	-	(4,420,491)	-
Other Functions	8,405,960	-	-	1,232	1,232	(8,404,728)	-	(8,404,728)	-
Capital Projects	1,609,630	-	-	1,460,341	1,460,341	(149,289)	-	(149,289)	-
Debt Service	2,288,383	-	-	-	-	(2,288,383)	-	(2,288,383)	-
TOTAL GOVERNMENTAL ACTIVITIES	51,213,915	5,467,968	4,204,024	2,137,792	11,809,784	(39,404,131)	-	(39,404,131)	-
Business-Type Activities:									
Water and Sewer	9,272,469	10,749,383	-	-	10,749,383	-	1,476,914	1,476,914	-
Electric	56,860,790	57,482,640	-	-	57,482,640	-	621,850	621,850	-
Northeast MS Regional Water Supply Dist.	3,604,997	2,945,073	-	3,374,949	6,320,022	-	2,715,025	2,715,025	-
Solid Waste Management	3,240,761	3,313,851	-	-	3,313,851	-	73,090	73,090	-
TOTAL BUSINESS-TYPE ACTIVITIES	72,979,017	74,490,947	-	3,374,949	77,865,896	-	4,886,879	4,886,879	-
TOTAL PRIMARY GOVERNMENT	\$ 124,192,932	\$ 79,958,915	\$ 4,204,024	\$ 5,512,741	\$ 89,675,680	\$ (39,404,131)	\$ 4,886,879	\$ (34,517,252)	\$ -
COMPONENT UNITS									
Tupelo Airport Authority	\$ 2,928,024	\$ 1,744,179	\$ 13,357	\$ 553,006	\$ 2,310,542	\$ -	\$ -	\$ -	\$ (617,482)
GENERAL REVENUES:									
Taxes:									
Property Taxes, Levied for General Purposes						\$ 6,235,275	\$ -	\$ 6,235,275	\$ -
Property Taxes, Levied for Capital Outlay						4,428,575	-	4,428,575	-
Property Taxes, Levied for Special Revenue						1,186,902	-	1,186,902	-
Property Taxes, Levied for Debt Service						2,672,554	-	2,672,554	-
Sales Taxes						25,194,426	-	25,194,426	-
County Pro Rata Taxes						1,080,716	-	1,080,716	-
Franchise Taxes						402,183	-	402,183	-
In Lieu Taxes						4,630,578	-	4,630,578	-
Gasoline Taxes & Other Taxes						239,499	-	239,499	-
Homestead Reimbursement						453,396	-	453,396	-
Fire Protection Allocation						188,266	-	188,266	-
Investment Earnings						360,459	25,446	385,905	114
Gain (Loss) on Disposal of Assets						(542,375)	-	(542,375)	453
Miscellaneous						1,655,185	106	1,655,291	25,929
Transfers (to) from Component Units						(2,832,689)	(1,172,275)	(4,004,964)	-
Transfers						-	-	-	-
TOTAL GENERAL REVENUES AND TRANSFERS						45,352,950	(1,146,723)	44,206,227	26,496
CHANGE IN NET POSITION						5,948,819	3,740,156	9,688,975	(590,986)
NET POSITION--BEGINNING, as previously stated						142,374,158	128,324,826	270,698,984	33,434,036
PRIOR PERIOD ADJUSTMENT						(1,176,690)	(221,474)	(1,398,164)	(98,478)
NET POSITION--BEGINNING, as restated						141,197,468	128,103,352	269,300,820	33,335,558
NET POSITION--ENDING						\$ 147,146,287	\$ 131,843,508	\$ 278,989,795	\$ 32,744,572

See accompanying notes to financial statements.

CITY OF TUPELO, MISSISSIPPI
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2014

	General Fund	Water G. O. Bonds Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS:				
Cash	\$ 15,560,786	\$ 251,823	\$ 20,918,987	\$ 36,731,596
Investments	-	16,047,745	282,227	16,329,972
General Property Taxes Receivable	57,463	-	74,675	132,138
Other Receivable	28,129	-	336,833	364,962
Home Grant Receivable	465,000	-	-	465,000
Notes Receivable	-	-	121,481	121,481
Due from Other Funds	23,442	-	794,580	818,022
Due from Other Government Units	3,915,801	-	351,838	4,267,639
Due from Component Units	928,783	-	-	928,783
Prepaid Expenses	385,794	-	29,083	414,877
Inventories	13,658	-	23,864	37,522
TOTAL ASSETS	\$ 21,378,856	\$ 16,299,568	\$ 22,933,568	\$ 60,611,992
LIABILITIES AND FUND BALANCES:				
Liabilities:				
Accounts Payable	\$ 1,096,822	\$ -	\$ 305,683	\$ 1,402,505
Accrued Expenses	675,087	-	28,133	703,220
Due to Other Entities	875,325	-	-	875,325
Due to Other Funds	518,750	-	419,249	937,999
Unearned Revenues	83,206	-	535,586	618,792
Event Deposits	-	-	19,424	19,424
TOTAL LIABILITIES	3,249,190	-	1,308,075	4,557,265
FUND BALANCES:				
Nonspendable				
Prepaid Expenses	385,794	-	-	385,794
Inventory	13,658	-	19,040	32,698
Long-Term Receivables	1,351,009	-	-	1,351,009
Restricted for				
Library	-	-	11,354	11,354
Tourism Promotion	-	-	3,341,981	3,341,981
Public Safety Retirement	-	-	6,824	6,824
Law Enforcement	-	-	1,755,255	1,755,255
Construction Acquisition of Capital Assets	-	-	6,452,851	6,452,851
Public Safety Equipment	-	-	1,252,983	1,252,983
Debt Service	-	16,299,568	1,890,275	18,189,843
Water Reserve	547,218	-	-	547,218
Committed to				
Rental Rehabilitation	-	-	127,948	127,948
Fairpark Infrastructure	-	-	277,043	277,043
Construction Acquisition of Capital Assets	-	-	4,004,356	4,004,356
Assigned to				
Aquatics Facility	-	-	-	-
Coliseum Projects	-	-	1,733,716	1,733,716
Coliseum Operations	-	-	751,867	751,867
Unassigned	15,831,987	-	-	15,831,987
TOTAL FUND BALANCES	18,129,666	16,299,568	21,625,493	56,054,727
TOTAL LIABILITIES AND FUND BALANCES	\$ 21,378,856	\$ 16,299,568	\$ 22,933,568	\$ 60,611,992

See accompanying notes to financial statements.

**CITY OF TUPELO, MISSISSIPPI
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO THE
GOVERNMENT-WIDE STATEMENT OF NET POSITION
September 30, 2014**

TOTAL FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$	56,054,727
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.		144,987,615
Long-term liabilities are not due and payable in the current period and therefore they are not reported in the governmental funds balance sheet.		(56,489,539)
Accrued compensated absences are not due and payable in the current period and therefore they are not reported in the governmental funds balance sheet.		(857,927)
Deferred revenues for capital lease receivables deferred in the governmental funds because they will not be received within sixty days of the Consolidated Government's year end.		1,930,000
Accrual of court fine revenues to qualify as financial resources.		1,714,080
Bond premiums are not current financial resources and therefore are not reported in the governmental funds balance sheet.		<u>(192,669)</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	\$	<u><u>147,146,287</u></u>

See accompanying notes to financial statements.

CITY OF TUPELO, MISSISSIPPI
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
GOVERNMENTAL FUNDS
For the year ended September 30, 2014

	General Fund	Water G. O. Bonds Fund	Non-Major Governmental Funds	Total Governmental Funds
REVENUES:				
Taxes	\$ 7,548,992	\$ -	\$ 8,480,794	\$ 16,029,786
Licenses and Permits	877,127	-	-	877,127
Intergovernmental Revenues	27,323,977	3,079,709	6,418,874	36,822,560
Charges for Services	762,452	-	2,850,378	3,612,830
Fines and Forfeitures	1,133,988	-	234,696	1,368,684
Miscellaneous Revenues	454,177	1,557	1,429,767	1,885,501
TOTAL REVENUES	<u>38,100,713</u>	<u>3,081,266</u>	<u>19,414,509</u>	<u>60,596,488</u>
EXPENDITURES:				
Current:				
General Government	4,606,833	-	-	4,606,833
Public Safety	15,032,777	-	945,725	15,978,502
Public Works	5,919,565	-	-	5,919,565
Culture and Recreation	3,689,185	-	3,953,868	7,643,053
Other Functions	4,931,643	-	2,944,331	7,875,974
Capital Projects	-	-	12,786,314	12,786,314
Debt Service	258,330	676,930	5,358,679	6,293,939
TOTAL EXPENDITURES	<u>34,438,333</u>	<u>676,930</u>	<u>25,988,917</u>	<u>61,104,180</u>
EXCESS (DEFICIT) OF REVENUES OVER (UNDER) EXPENDITURES	<u>3,662,380</u>	<u>2,404,336</u>	<u>(6,574,408)</u>	<u>(507,692)</u>
OTHER FINANCING SOURCES (USES)				
Transfers to Other Funds	(4,283,870)	-	(2,892,462)	(7,176,332)
Transfers from Other Funds	176,672	-	6,999,660	7,176,332
Transfers to Component Units	-	(3,172,959)	-	(3,172,959)
Transfers from Component Units	-	340,270	-	340,270
TOTAL OTHER FINANCING SOURCES (USES)	<u>(4,107,198)</u>	<u>(2,832,689)</u>	<u>4,107,198</u>	<u>(2,832,689)</u>
NET CHANGE IN FUND BALANCES	(444,818)	(428,353)	(2,467,210)	(3,340,381)
FUND BALANCES - Beginning	<u>18,574,484</u>	<u>16,727,921</u>	<u>24,092,703</u>	<u>59,395,108</u>
FUND BALANCES - Ending	<u>\$ 18,129,666</u>	<u>\$ 16,299,568</u>	<u>\$ 21,625,493</u>	<u>\$ 56,054,727</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 GOVERNMENT-WIDE STATEMENT
OF ACTIVITIES AND CHANGES IN NET POSITION
For the year ended September 30, 2014

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$	(3,340,381)
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.		11,818,601
Donations of capital assets increase net position in the statement of activities, but do not appear in the governmental funds because they are not financial resources.		109,800
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.		(5,878,581)
Revenues in the statement of activities that do not provide current financial resources and are not reported as revenues in the funds.		11,510
Proceeds for lease of building to nonprofit organization reported as lease income on the governmental funds financial statements.		(180,000)
Governmental funds report bond premiums and discounts as other financing sources or uses. However, in the statement of activities bond premimuns or discounts are reported as deferred inflows or deferred outflows amortized over the term of the bonds.		11,093
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.		(542,375)
Repayment of bond principal is an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		4,005,556
Increase in accrual of compensated absences.		<u>(66,404)</u>
 CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	 \$	 <u><u>5,948,819</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, 2014

	Budget		Actual	Variance with Final Budget (Over) Under
	Original	Final		
REVENUES:				
Taxes	\$ 7,438,461	\$ 7,438,461	\$ 7,530,204	\$ 91,743
Licenses and Permits	982,000	982,000	996,717	14,717
Intergovernmental Revenues	22,756,045	27,152,002	25,108,503	(2,043,499)
Charges for Services	775,775	775,775	762,452	(13,323)
Fines and Forfeitures	1,092,000	1,092,000	1,133,988	41,988
Miscellaneous Revenues	416,838	479,572	424,350	(55,222)
TOTAL REVENUES	33,461,119	37,919,810	35,956,214	(1,963,596)
EXPENDITURES:				
Current:				
General Government	4,999,751	4,901,955	4,606,833	295,122
Public Safety	15,184,128	15,418,224	15,032,777	385,447
Public Works	6,392,130	6,363,735	5,919,565	444,170
Culture and Recreation	3,768,370	3,879,107	3,689,185	189,922
Other Functions	866,425	5,031,573	4,931,643	99,930
Debt Service	262,315	262,315	258,330	3,985
TOTAL EXPENDITURES	31,473,119	35,856,909	34,438,333	1,418,576
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,988,000	2,062,901	1,517,881	(545,020)
OTHER FINANCING SOURCES (USES):				
Transfers from Other Funds	145,870	145,870	176,672	30,802
Transfers to Other Funds	(5,633,870)	(5,633,870)	(4,283,870)	1,350,000
TOTAL OTHER FINANCING SOURCES (USES)	(5,488,000)	(5,488,000)	(4,107,198)	1,380,802
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER FINANCING AND OTHER USES	\$ (3,500,000)	\$ (3,425,099)	\$ (2,589,317)	\$ 835,782

See accompanying notes to financial statements.

CITY OF TUPELO, MISSISSIPPI
WATER G.O. BONDS FUND STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -
BUDGETARY BASIS
For the year ended September 30, 2014

	Budget		Actual	Variance with Final Budget (Over) Under
	Original	Final		
REVENUES:				
Intergovernmental Revenues:				
State Shared Revenues	\$ 3,100,000	\$ 3,100,000	\$ 3,079,709	\$ (20,291)
Miscellaneous Revenues:				
Interest	-	-	1,694	1,694
TOTAL REVENUES	<u>3,100,000</u>	<u>3,100,000</u>	<u>3,081,403</u>	<u>(18,597)</u>
EXPENDITURES:				
Debt Service:				
General Obligations:				
Bonds Redeemed	255,000	255,000	255,000	-
Interest	411,980	411,980	411,980	-
Paying Agent Fees	6,500	9,950	9,950	-
TOTAL EXPENDITURES	<u>673,480</u>	<u>676,930</u>	<u>676,930</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>2,426,520</u>	<u>2,423,070</u>	<u>2,404,473</u>	<u>(18,597)</u>
OTHER FINANCING SOURCES (USES):				
Transfer (to) From Northeast MS Regional Water Supply District to Water G.O. Bonds Fund	<u>(11,766,510)</u>	<u>(11,766,510)</u>	<u>(2,832,689)</u>	<u>8,933,821</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(11,766,510)</u>	<u>(11,766,510)</u>	<u>(2,832,689)</u>	<u>8,933,821</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER FINANCING AND OTHER USES	<u>\$ (9,339,990)</u>	<u>\$ (9,343,440)</u>	<u>\$ (428,216)</u>	<u>\$ 8,915,224</u>

See accompanying notes to financial statements.

CITY OF TUPELO
STATEMENT OF NET POSITION -
PROPRIETARY FUND TYPES
September 30, 2014

	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	\$ 7,177,763	\$ 3,061,839	\$ 397	\$ 471,590	\$ 10,711,589
Receivables, Net					
Accounts Receivable	6,966,877	-	-	-	6,966,877
Unbilled Revenue	1,458,343	238,177	-	-	1,696,520
Other Receivables	269,531	46,070	-	-	315,601
Due from Other Governments	2,453,591	1,814	-	-	2,455,405
Due from Other Funds	34,246	-	-	650	34,896
Inventories	1,096,101	63,235	62,059	-	1,221,395
Prepaid Expenses	54,959	37,893	25,359	-	118,211
Other Current Assets	83,784	-	-	-	83,784
Current Amount of Restricted Assets	-	-	12,622,747	-	12,622,747
Total Current Assets	19,595,195	3,449,028	12,710,562	472,240	36,227,025
Restricted Assets					
Cash	-	-	23,198,308	-	23,198,308
Accounts Receivable	-	-	293,149	-	293,149
Intergovernmental Receivable	-	-	767,063	-	767,063
Due from Trustee	-	-	9,018,479	-	9,018,479
Interest Receivable	-	-	4,963	-	4,963
Total Restricted Assets	-	-	33,281,962	-	33,281,962
Current Amounts Above	-	-	(12,622,747)	-	(12,622,747)
Total Non-Current Restricted Assets	-	-	20,659,215	-	20,659,215
Capital Assets					
Plant and Equipment	50,758,289	98,719,361	37,086,933	444,868	187,009,451
Land and Land Rights	333,013	772,303	659,436	-	1,764,752
Sanitary and Sewer Lagoons	-	6,896,810	-	-	6,896,810
Construction in Progress	914,425	502,647	4,755,421	-	6,172,493
Total	52,005,727	106,891,121	42,501,790	444,868	201,843,506
Less: Accumulated Depreciation	25,577,076	40,576,991	18,506,444	329,859	84,990,370
Net Fixed Assets	26,428,651	66,314,130	23,995,346	115,009	116,853,136

NOTE -- Amounts for the Electric Fund are at June 30, 2014.

**CITY OF TUPELO
STATEMENT OF NET POSITION -
PROPRIETARY FUND TYPES
September 30, 2014**

-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	\$ -	\$ 200	\$ 100	\$ -	\$ 300
Receivable from Customers for Energy Conservation Loans	544,492	-	-	-	544,492
Receivable from CSA	42,483	-	-	-	42,483
Total Other Assets	<u>586,975</u>	<u>200</u>	<u>100</u>	<u>-</u>	<u>587,275</u>
Total Assets	<u>46,610,821</u>	<u>69,763,358</u>	<u>57,365,223</u>	<u>587,249</u>	<u>174,326,651</u>
LIABILITIES					
CURRENT LIABILITIES					
Payable from Unrestricted					
Current Assets:					
Accounts Payable	\$ 5,401,517	\$ 331,916	\$ -	\$ 174,097	\$ 5,907,530
Customer and Other Deposits	2,399,255	607,133	-	-	3,006,388
Accrued Expenses	226,470	47,210	-	-	273,680
Due to Other Funds	7,401	-	-	-	7,401
Total Payable from Unrestricted Current Assets	<u>8,034,643</u>	<u>986,259</u>	<u>-</u>	<u>174,097</u>	<u>9,194,999</u>
Payable from Restricted					
Current Assets:					
Due to City of Tupelo Water					
G.O. Bond Fund	-	-	138,750	-	138,750
Accounts Payable	-	-	114,926	-	114,926
Accrued Payroll and Payroll Taxes	-	-	2,811	-	2,811
Construction / Retainage Payable	-	-	2,874,403	-	2,874,403
Bonds, Notes, and Loans Payable	-	2,199,932	147,046	19,765	2,366,743
Total Payable from Restricted Current Assets	<u>-</u>	<u>2,199,932</u>	<u>3,277,936</u>	<u>19,765</u>	<u>5,497,633</u>
Total Current Liabilities	<u>8,034,643</u>	<u>3,186,191</u>	<u>3,277,936</u>	<u>193,862</u>	<u>14,692,632</u>

NOTE -- Amounts for the Electric Fund are at June 30, 2014.

**CITY OF TUPELO
STATEMENT OF NET POSITION -
PROPRIETARY FUND TYPES
September 30, 2014**

-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					
Due to City of Tupelo					
Water G. O. Bond Fund	\$ -	\$ -	\$ 4,170,833	\$ -	\$ 4,170,833
Advances from TVA	554,944	-	-	-	554,944
Bonds, Notes, and Loans Payable	-	22,001,287	1,021,187	42,260	23,064,734
Total Long-Term Liabilities	<u>554,944</u>	<u>22,001,287</u>	<u>5,192,020</u>	<u>42,260</u>	<u>27,790,511</u>
Total Liabilities	<u>8,589,587</u>	<u>25,187,478</u>	<u>8,469,956</u>	<u>236,122</u>	<u>42,483,143</u>
Net Position					
Net Investment in Capital Assets	26,428,651	42,112,911	20,152,366	52,984	88,746,912
Restricted for:					
Capital Projects	-	-	21,426,278	-	21,426,278
Operations and Debt Service	-	-	2,719,468	-	2,719,468
Plant Expansion Project	-	-	4,509,240	-	4,509,240
Unrestricted	<u>11,592,583</u>	<u>2,462,969</u>	<u>87,915</u>	<u>298,143</u>	<u>14,441,610</u>
Total Net Position	<u>\$ 38,021,234</u>	<u>\$ 44,575,880</u>	<u>\$ 48,895,267</u>	<u>\$ 351,127</u>	<u>\$ 131,843,508</u>

NOTE -- Amounts for the Electric Fund are at June 30, 2014.

See accompanying notes to financial statements.

CITY OF TUPELO
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION -
PROPRIETARY FUNDS
For the year ended September 30, 2014

	Business-Type Activities--Enterprise Funds				Total
	Electric Fund	Water and Sewer Fund	Northeast Mississippi Regional Water Supply District	Solid Waste Fund (Non-Major)	
OPERATING REVENUES					
Charges for Services	\$ 56,525,260	\$ 10,549,064	\$ 2,945,073	\$ 3,095,101	\$ 73,114,498
Rents	316,682	132,269	-	-	448,951
Other Revenues	640,698	68,050	-	218,750	927,498
Total Operating Revenues	57,482,640	10,749,383	2,945,073	3,313,851	74,490,947
OPERATING EXPENSES					
General and Administrative	791,176	535,421	175,732	-	1,502,329
Power Purchased	49,066,211	-	-	-	49,066,211
Transmission Mains	-	869,948	-	-	869,948
Water Operations	-	1,399,092	2,311,965	-	3,711,057
Sewer Operations	-	2,708,291	-	-	2,708,291
Electric Operations	578,993	-	-	-	578,993
Sanitation Operations	-	-	-	3,202,094	3,202,094
Customer Accounting and Collecting	592,432	631,519	-	-	1,223,951
Customer Service and Information	41,221	-	-	-	41,221
Maintenance and Repair	748,114	-	-	-	748,114
Sales Expense	39,451	-	-	-	39,451
Taxes and Equivalents	3,292,787	-	-	-	3,292,787
Amortization and Depreciation	1,710,405	2,574,708	1,079,923	18,173	5,383,209
Total Operating Expenses	56,860,790	8,718,979	3,567,620	3,220,267	72,367,656
Net Operating Income	621,850	2,030,404	(622,547)	93,584	2,123,291
NON-OPERATING REVENUES (EXPENSES)					
Interest Income	11,659	5,291	7,647	849	25,446
Bad Debts	-	(19,079)	-	(18,876)	(37,955)
Interest Expense	-	(534,411)	(37,377)	(1,618)	(573,406)
Miscellaneous Income	-	-	106	-	106
Total Non-operating Revenues (Expenses)	11,659	(548,199)	(29,624)	(19,645)	(585,809)
Income (Loss) before Operating Transfers	633,509	1,482,205	(652,171)	73,939	1,537,482

NOTE -- Amounts for the Electric Fund are for fiscal year ended June 30, 2014.

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

For the year ended September 30, 2014

-Continued-

	Business-Type Activities--Enterprise Funds				
	Electric Fund	Water and Sewer Fund	Northeast Mississippi Regional Water Supply District	Solid Waste Fund (Non-Major)	Total
OPERATING TRANSFERS IN (OUT)					
Transfer (to) from Northeast	\$	\$	\$	\$	\$
MS Regional Water Supply District District for Debt Service	<u>-</u>	<u>(1,172,275)</u>	<u>-</u>	<u>-</u>	<u>(1,172,275)</u>
Total Operating Transfers In (Out)	<u>-</u>	<u>(1,172,275)</u>	<u>-</u>	<u>-</u>	<u>(1,172,275)</u>
Increase (Decrease) in Net Assets Before Capital Contributions	633,509	309,930	(652,171)	73,939	365,207
Capital Grants and Contributions	<u>-</u>	<u>-</u>	<u>3,374,949</u>	<u>-</u>	<u>3,374,949</u>
Change in Net Position	<u>633,509</u>	<u>309,930</u>	<u>2,722,778</u>	<u>73,939</u>	<u>3,740,156</u>
TOTAL NET POSITION -					
Beginning of Year, as previously stated	37,387,725	44,335,555	46,322,305	279,241	128,324,826
Prior Period Adjustment	<u>-</u>	<u>(69,605)</u>	<u>(149,816)</u>	<u>(2,053)</u>	<u>(221,474)</u>
TOTAL NET POSITION -					
Beginning of Year, as restated	<u>37,387,725</u>	<u>44,265,950</u>	<u>46,172,489</u>	<u>277,188</u>	<u>128,103,352</u>
TOTAL NET POSITION -					
End of Year	<u>\$ 38,021,234</u>	<u>\$ 44,575,880</u>	<u>\$ 48,895,267</u>	<u>\$ 351,127</u>	<u>\$ 131,843,508</u>

NOTE -- Amounts for the Electric Fund are for fiscal year ended June 30, 2014.

See accompanying notes to financial statements.

CITY OF TUPELO
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
For the year ended September 30, 2014

	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	\$ 57,073,596	\$ 10,749,165	\$ 2,931,193	\$ 3,294,975	\$ 74,048,929
Payments to Suppliers	(49,509,910)	(4,773,574)	(2,435,259)	(3,043,741)	(59,762,484)
Payments to Employees	(2,020,911)	(1,319,589)	(70,301)	-	(3,410,801)
Payments for Other Services and Charges	(3,571,902)	-	-	-	(3,571,902)
Other Receipts (Payments)	46,660	13,006	-	17,500	77,166
Net Cash Provided by (Used in) Operating Activities	<u>2,017,533</u>	<u>4,669,008</u>	<u>425,633</u>	<u>268,734</u>	<u>7,380,908</u>
Cash Flows from Noncapital Financing Activities:					
Other Receipts	-	-	106	-	106
Due To (From) Municipality	13,528	(23,817)	-	9,178	(1,111)
Transfers In (Out)	-	(1,172,275)	-	-	(1,172,275)
Net Cash Provided by (Used In) Noncapital Financing Activities	<u>13,528</u>	<u>(1,196,092)</u>	<u>106</u>	<u>9,178</u>	<u>(1,173,280)</u>
Cash Flows from Capital and Related Financing Activities:					
Capital Contributions	-	-	3,395,111	-	3,395,111
Payments to State Revolving Loan Fund	-	-	(142,706)	-	(142,706)
Payments for Debt	-	(2,145,122)	(131,667)	(19,765)	(2,296,554)
Purchase of Capital Assets	(5,537,942)	(1,132,733)	(599,200)	-	(7,269,875)
Cost of Removal of Fixed Assets, Net of Salvage	(87,874)	-	-	-	(87,874)
Conservation Advances from TVA	149,257	-	-	-	149,257
Interest Paid	-	(534,411)	(37,377)	(1,618)	(573,406)
Net Cash Provided by (Used In) Capital and Related Financing Activities	<u>(5,476,559)</u>	<u>(3,812,266)</u>	<u>2,484,161</u>	<u>(21,383)</u>	<u>(6,826,047)</u>
Cash Flows from Investing Activities:					
Receivable from Customers for Energy Conservation Loans	(147,924)	-	-	-	(147,924)
(Increase) Decrease in Receivable from CSA	(2,650)	-	-	-	(2,650)
Interest and Dividends	11,659	5,291	6,688	849	24,487
Net Cash Provided by (Used In) Investing Activities	<u>(138,915)</u>	<u>5,291</u>	<u>6,688</u>	<u>849</u>	<u>(126,087)</u>
Net Increase (Decrease) In Cash and Cash Equivalents	<u>(3,584,413)</u>	<u>(334,059)</u>	<u>2,916,588</u>	<u>257,378</u>	<u>(744,506)</u>
Cash and Cash Equivalents--Beginning	<u>10,762,176</u>	<u>3,396,407</u>	<u>20,282,117</u>	<u>214,212</u>	<u>34,654,912</u>
Cash and Cash Equivalents--Ending	<u>\$ 7,177,763</u>	<u>\$ 3,062,348</u>	<u>\$ 23,198,705</u>	<u>\$ 471,590</u>	<u>\$ 33,910,406</u>

NOTE -- Amounts for the Electric Fund are for fiscal year ended June 30, 2014.

CITY OF TUPELO
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
For the year ended September 30, 2014

	Business-Type Activities--Enterprise Funds				Total
	Electric Fund	Water and Sewer Fund	Northeast Mississippi Regional Water Supply District	Solid Waste Fund (Non-Major)	
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Operating Income (Loss)	\$ 621,850	\$ 2,030,404	\$ (622,547)	\$ 93,584	\$ 2,123,291
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:					
Depreciation Expense	1,710,405	2,574,708	1,079,923	18,173	5,383,209
Provision for Uncollectible Accounts	(11,555)	(19,079)	-	(18,876)	(49,510)
Decrease (Increase) in Assets:					
Accounts Receivable	(515,517)	-	(13,880)	-	(529,397)
Unbilled Revenue	177,512	(9,177)	-	-	168,335
Other Receivables	(12,268)	27,529	-	17,500	32,761
Due from Other Governments	-	(1,814)	-	-	(1,814)
Inventory	(308,121)	(7,058)	(16,616)	-	(331,795)
Prepaid Expenses	(23,065)	(634)	(1,865)	-	(25,564)
Other Current Assets	(556)	-	-	-	(556)
Increase (Decrease) in Liabilities:					
Accounts Payable	219,569	56,529	558	158,353	435,009
Customer and Other Deposits	32,215	15,454	-	-	47,669
Accrued Expenses	127,064	1,128	60	-	128,252
Total Adjustments	<u>1,395,683</u>	<u>2,637,586</u>	<u>1,048,180</u>	<u>175,150</u>	<u>5,256,599</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ 2,017,533</u>	<u>\$ 4,667,990</u>	<u>\$ 425,633</u>	<u>\$ 268,734</u>	<u>\$ 7,379,890</u>

NOTE -- Amounts for the Electric Fund are for fiscal year ended June 30, 2014.

See accompanying notes to financial statements.

**CITY OF TUPELO
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
September 30, 2014**

	Agency Funds
ASSETS	
Cash	\$ 1,292,671
Investments	500
Interest Receivable	653
TOTAL ASSETS	\$ 1,293,824
 LIABILITIES	
Due to Other Funds	\$ 21,172
Due to Complainants	6,964
Due to Arts Committee	734
Due to Employees	591
Due to Insured Employees	1,153,039
Seized Money Held	111,324
TOTAL LIABILITIES	\$ 1,293,824

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2014

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 Principals 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, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Fund Financial Statements

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

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

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

Fund Types

Governmental Funds

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

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

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2014

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 Thoroughfare Fund Phase V and the City Infrastructure Fund, which are considered major.

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

Proprietary Funds

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

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, and then unrestricted resources as they are needed.

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

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

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

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

Fiduciary Funds

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

**CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2014**

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, 2014**

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.

LONG-TERM DEBT AND BOND DISCOUNTS / PREMIUMS

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

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

FIXED ASSETS

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

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

The estimated useful lives are as follows:

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

ENCUMBRANCES

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

CASH AND INVESTMENTS

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

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

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

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

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2014

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.

LOANS TO OTHER FUNDS OR OTHER GOVERNMENTAL UNITS

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

CASH EQUIVALENTS

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

FUND BALANCES / NET POSITION

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

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

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

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

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

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

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2014

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.

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

TOTAL COLUMNS ON COMBINED FINANCIAL STATEMENTS - OVERVIEW

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

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. The City's financial statements do not reflect transactions made by the PERS or the former trustee.

Revenues of the fund for the year ended September 30, 2014, consist of allocations of general property ad valorem taxes of \$744,025 and homestead exemption reimbursement of \$23,459 derived from a 1.68 mil levy. Accumulated plan benefit information, as estimated by consulting actuaries, and plan net position for the fund are as follows:

Actuarial Present Value of Accumulated Plan Benefits	<u>\$ 5,692,328</u>
Assumed Rate of Return Used in Plan Evaluation	3.603%
Plan Evaluation Date	June 30, 2014
Plan Assets Available for Benefits as of June 30, 2014	<u>\$ 6,476,000</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, 2014

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, 2014**

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, 2014 is as follows:

	City	TPSD
Real Property	\$ 313,226,405	\$ 16,061,213
Personal Property - Other Than Motor Vehicles & Mobile Homes	84,074,622	27,411,443
Personal Property - Motor Vehicles & Mobile Homes	49,026,602	5,005,093
	<u>\$ 446,327,629</u>	<u>\$ 48,477,749</u>

The City levied a tax millage of 32.47 mills and 64.51 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	14.09	0.00
Library Fund	1.00	0.00
City Bond and Interest Fund	5.70	0.00
Firemen and Policemen Retirement Fund	1.68	0.00
City Thoroughfare Fund	10.00	0.00
School Bonds Payable	0.00	6.27
Short-Term Debt	0.00	3.24
School Maintenance Fund	0.00	54.57
Shortfall Note-2010	0.00	0.00
Tupelo/Lee County Vo-Tech	0.00	.43
	<u>32.47</u>	<u>64.51</u>

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2014

NOTE 4 - GENERAL PROPERTY TAXES – continued

Collections for the School Bond and Interest Funds (1991 and 1994 Bonds), School Notes Payable Funds, School Maintenance Fund, Minimum Education Program Funds, Tupelo/Lee County Vo-Tech and Assumption of Lee County School Bond Debt are remitted by the County and/or the City to the Tupelo Public School District.

NOTE 5 - FIXED ASSETS

The following is a summary of capital asset activity as of September 30, 2014:

	<u>Balance</u> <u>Oct. 1, 2013</u>	<u>Acquisitions</u>	<u>Capitalized</u> <u>Construction,</u> <u>Sales, or</u> <u>Retirements</u>	<u>Balance</u> <u>Sept. 30, 2014</u>
Governmental Activities:				
Capital Assets, not being Depreciated:				
Land	\$ 11,939,494	\$ 0	\$ (353,306)	\$ 11,586,188
Construction in Progress	<u>24,786,329</u>	<u>7,814,097</u>	<u>(16,078,192)</u>	<u>16,522,234</u>
Total Capital Assets, not being Depreciated:	36,725,823	7,814,097	(16,431,498)	28,108,422
Capital Assets being Depreciated:				
Buildings and Improvements	64,870,832	17,168,503	(1,618)	82,037,717
Machinery and Equipment	21,979,099	1,669,467	(1,124,658)	22,523,908
Infrastructure	<u>102,922,128</u>	<u>1,353,294</u>	<u>0</u>	<u>104,275,422</u>
Total Capital Assets, being Depreciated	189,772,059	20,191,264	(1,126,276)	208,837,047
Less Accumulated Depreciation for:				
Buildings and Improvements	(16,234,176)	(1,597,710)	463	(17,831,423)
Machinery and Equipment	(15,859,085)	(1,166,951)	937,975	(16,088,061)
Infrastructure	<u>(54,924,450)</u>	<u>(3,113,920)</u>	<u>0</u>	<u>(58,038,370)</u>
Total Accumulated Depreciation	<u>(87,017,711)</u>	<u>(5,878,581)</u>	<u>938,438</u>	<u>(91,957,854)</u>
Total Governmental Activities				
Capital Assets, net	<u>\$ 139,480,171</u>	<u>\$ 22,126,780</u>	<u>\$ (16,619,336)</u>	<u>\$ 144,987,615</u>

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2014

NOTE 5 - FIXED ASSETS – continued

	<u>Balance</u> <u>Oct. 1, 2013</u>	<u>Acquisitions</u>	<u>Capitalized</u> <u>Construction,</u> <u>Sales, or</u> <u>Retirements</u>	<u>Balance</u> <u>Sept. 30, 2014</u>
Business-Type Activities:				
Capital Assets, not being Depreciated:				
Land	\$ 1,661,340	\$ 103,412	\$ 0	\$ 1,764,752
Construction in Progress	<u>7,308,387</u>	<u>3,315,654</u>	<u>(4,451,548)</u>	<u>6,172,493</u>
Total Capital Assets, not being Depreciated:	8,969,727	3,419,066	(4,451,548)	7,937,245
Capital Assets being Depreciated:				
Buildings and Improvements	173,755,587	5,789,851	(1,009,307)	178,536,131
Machinery and Equipment	<u>15,243,586</u>	<u>268,657</u>	<u>(142,113)</u>	<u>15,370,130</u>
Total Capital Assets, being Depreciated	188,999,173	6,058,508	(1,151,420)	193,906,261
Less Accumulated Depreciation for:				
Buildings and Improvements	(69,140,846)	(4,674,068)	1,004,131	(72,810,783)
Machinery and Equipment	<u>(11,612,052)</u>	<u>(709,141)</u>	<u>141,606</u>	<u>(12,179,587)</u>
Total Accumulated Depreciation	<u>(80,752,898)</u>	<u>(5,383,209)</u>	<u>1,145,737</u>	<u>(84,990,370)</u>
Total Business-Type Activities				
Capital Assets, net	\$ <u>117,216,002</u>	\$ <u>4,094,365</u>	\$ <u>(4,457,231)</u>	\$ <u>116,853,136</u>
Discretely Presented Component Unit:				
Capital Assets, not being Depreciated:				
Land	\$ 6,099,049	\$ 0	\$ 0	\$ 6,099,049
Construction in Progress	<u>9,117,447</u>	<u>445,668</u>	<u>(2,680,383)</u>	<u>6,882,732</u>
Total Capital Assets, not being Depreciated:	15,216,496	445,668	(2,680,383)	12,981,781
Capital Assets being Depreciated:				
Buildings and Improvements	37,848,970	2,559,296	0	40,408,266
Machinery and Equipment	<u>1,767,524</u>	<u>71,793</u>	<u>(40,964)</u>	<u>1,798,353</u>
Total Capital Assets, being Depreciated	39,616,494	2,631,089	(40,964)	42,206,619
Less Accumulated Depreciation for:				
Buildings and Improvements	(19,618,707)	(1,056,037)	0	(20,674,744)
Machinery and Equipment	<u>(1,349,340)</u>	<u>(99,574)</u>	<u>40,964</u>	<u>(1,407,950)</u>
Total Accumulated Depreciation	<u>(20,968,047)</u>	<u>(1,155,611)</u>	<u>40,964</u>	<u>(22,082,694)</u>
Total Component Unit				
Capital Assets, net	\$ <u>33,864,943</u>	\$ <u>1,921,146</u>	\$ <u>(2,680,383)</u>	\$ <u>33,105,706</u>
Total Capital Assets	\$ <u>290,561,116</u>	\$ <u>28,049,239</u>	\$ <u>(23,663,898)</u>	\$ <u>294,946,457</u>

**CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2014**

NOTE 5 - FIXED ASSETS – continued

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

Governmental Activities:

General Government	\$ 825,986
Public Safety	701,932
Public Works	3,704,795
Culture and Recreation	<u>645,868</u>

Total Depreciation Expense - Governmental Activities \$ 5,878,581

Business-Type Activities:

Electric Department	\$ 1,710,405
Water and Sewer	2,574,708
Northeast Mississippi Regional Water Supply District	1,079,923
Solid Waste	<u>18,173</u>

Total Depreciation Expense - Business-Type Activities \$ 5,383,209

NOTE 6 - LONG-TERM DEBT

BONDS PAYABLE

A summary of bond transactions of the City for the year ended September 30, 2014 is as follows:

	<u>GENERAL OBLIGATION</u>	<u>SPECIAL ASSESSMENTS GENERAL OBLIGATION</u>	<u>LIMITED OBLIGATIONS TAX INCREMENT</u>	<u>SPECIAL OBLIGATION BONDS</u>	<u>TOTAL</u>
Bonds Payable at October 01, 2013	\$ 45,325,000	\$ 340,000	\$ 760,000	\$ 13,365,000	\$ 59,790,000
Bonds issued	0	0	0	0	0
Bonds retired	<u>(3,220,000)</u>	<u>(75,000)</u>	<u>(80,000)</u>	<u>(1,085,000)</u>	<u>(4,460,000)</u>
Bonds Payable at September 30, 2014	<u>\$ 42,105,000</u>	<u>\$ 265,000</u>	<u>\$ 680,000</u>	<u>\$ 12,280,000</u>	<u>\$ 55,330,000</u>

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 School Bonds.

During 2013, the City issued general obligation bonds, series 2012 and series 2013, in the amount of \$15,000,000. The purpose of this bond issue is to provide funds for City-wide infrastructure improvements and capital equipment acquisitions.

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2014

NOTE 6 - LONG-TERM DEBT – continued

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.

The annual principal and interest requirements to amortize all bonds outstanding as of September 30, 2014 (including interest payments of \$11,393,626 on General Obligation Bonds; \$41,960 on Special Assessments General Obligation Bonds; \$151,005 on Limited Obligation Tax Increment Bonds; and \$3,289,481 on Special Obligation Bonds) are as follows:

<u>Year Ending September 30,</u>	<u>General Obligation</u>	<u>Special Assessments General Obligation Bonds</u>	<u>Limited Obligations Tax Increment</u>	<u>Special Obligation Bonds</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 3,075,000	\$ 85,000	\$ 85,000	\$ 1,140,000	\$ 1,798,827	\$ 6,183,827
2016	2,775,000	50,000	90,000	1,185,000	1,753,202	5,853,202
2017	2,725,000	30,000	90,000	1,245,000	1,614,397	5,704,397
2018	2,875,000	30,000	100,000	1,300,000	1,465,769	5,770,769
2019	3,205,000	35,000	45,000	1,360,000	1,344,121	5,989,121
2020 - 2024	11,390,000	35,000	270,000	5,205,000	4,275,681	21,175,681
2025 - 2029	8,845,000	0	0	845,000	2,039,558	11,729,558
2030 - 2034	7,215,000	0	0	0	584,517	7,799,517
2035 - 2038	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	\$ <u>42,105,000</u>	\$ <u>265,000</u>	\$ <u>680,000</u>	\$ <u>12,280,000</u>	\$ <u>14,876,072</u>	\$ <u>70,206,072</u>

NOTES PAYABLE

A summary of notes payable transactions of the City for the year ended September 30, 2014 is as follows:

Notes Payable at October 01, 2013	\$ 27,133,226
Notes issued	0
Notes retired	<u>(1,818,752)</u>
Notes Payable at September 30, 2014	\$ <u>25,314,474</u>

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2014

NOTE 6 - LONG-TERM DEBT – continued

Eight different capital improvement revolving loans make up the September 30, 2014 notes payable balance. Seven of the loans are in repayment status with outstanding balances of \$17,037,239, \$4,277,925, \$1,250,721, \$677,152, \$313,372, \$360,109, and \$1,397,956 at year-end. The annual requirements to amortize the eight finalized notes outstanding as of September 30, 2014 (including interest payments of \$3,413,742) are as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 1,743,620	\$ 476,683	\$ 2,220,303
2016	1,776,938	442,994	2,219,932
2017	1,810,949	408,613	2,219,562
2018	1,845,668	373,523	2,219,191
2019	1,881,112	337,708	2,218,820
2020-2024	9,963,802	1,124,742	11,088,544
2025-2029	5,979,637	230,434	6,210,071
2030-2033	312,747	19,045	331,792
Total	<u>\$ 25,314,474</u>	<u>\$ 3,413,742</u>	<u>\$ 28,728,216</u>

DUE TO CITY OF TUPELO G.O. BONDS FUND

The Water District has pledged proceeds sufficient to pay the principal and interest of and redemption premium, if any, on the proportion of the bonds which are not paid by a special sales tax as further explained in Note 21.

Scheduled Payments are as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 138,750	\$ 196,411	\$ 335,161
2016	146,250	188,780	335,030
2017	153,750	180,736	334,486
2018	161,250	172,280	333,530
2019	168,750	164,088	332,838
2020 – 2024	982,083	710,666	1,692,749
2025 – 2029	1,252,500	480,027	1,732,527
2030 – 2034	1,306,250	163,934	1,470,184
	<u>\$ 4,309,583</u>	<u>\$ 2,256,922</u>	<u>\$ 6,566,505</u>

**CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2014**

NOTE 6 - LONG-TERM DEBT – continued

NOTES PAYABLE - AIRPORT AUTHORITY

The City of Tupelo loaned the Airport Authority \$1,500,000 during the year ended September 30, 2007 for the acquisition of fixed base operations. This loan bears interest at 4% through August 1, 2022 and is payable to Mississippi Development Authority in monthly installments of \$11,095.

	2014
Due to City of Tupelo	\$ 885,988
Less Current Portion	99,516
Long-Term Portion	\$ 786,472

Scheduled maturities are as follows:

Year Ending September 30,	Principal	Interest	Total
2015	\$ 99,516	\$ 33,624	\$ 133,140
2016	103,570	29,570	133,140
2017	107,790	25,351	133,141
2018	112,181	20,959	133,140
2019	116,752	16,389	133,141
2020-2023	346,179	19,954	366,133
	\$ 885,988	\$ 145,847	\$ 1,031,835

NOTES PAYABLE - AIRPORT AUTHORITY

The Tupelo Airport Authority issued a promissory note with Mississippi Development Authority for \$200,000 on July 1, 2013. This loan bears interest at 3 % through May 1, 2024 and is payable in ten annual installments of \$23,446.

	2014
Due to MDA	\$ 182,554
Less Current Portion	17,969
Long-Term Portion	\$ 164,585

**CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2014**

NOTE 6 - LONG-TERM DEBT – continued

Scheduled maturities are as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 17,969	\$ 5,477	\$ 23,446
2016	18,509	4,937	23,446
2017	19,064	4,382	23,446
2018	19,636	3,810	23,446
2019	20,225	3,221	23,446
2020-2023	<u>87,151</u>	<u>6,634</u>	<u>93,785</u>
	<u>\$ 182,554</u>	<u>\$ 28,461</u>	<u>\$ 211,015</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 three construction projects. The loan balances increase when administrative fees (deferred charges to be amortized over the life of the loan) are charged and project costs are 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.

Scheduled maturities are as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 147,046	33,036	180,082
2016	151,519	28,563	180,082
2017	156,127	23,955	180,082
2018	160,876	19,206	180,082
2019	165,769	14,313	180,082
2020 – 2023	<u>386,896</u>	<u>13,990</u>	<u>400,886</u>
	<u>\$ 1,168,233</u>	<u>\$ 133,063</u>	<u>\$ 1,301,296</u>

NOTE 7 - LEASES

TUPELO AIRPORT AUTHORITY RENTALS UNDER OPERATING LEASES

The Airport Authority's leasing operations consist principally of leases to airlines and car rental agencies for use of airport facilities, leases to fixed base operations, and other land, buildings, hangers and improvements leases.

**CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2014**

NOTE 7 - LEASES – continued

The following is a schedule by years of minimum future rentals on non cancellable operating leases as of September 30, 2014:

<u>Year Ending September 30,</u>	
2015	\$ 341,753
2016	323,078
2017	284,892
2018	278,008
2019	279,809
2020 – 2024	1,135,703
2025 – 2029	1,038,514
2030 – 2031	266,719
Total Minimum Future Rentals	<u>\$ 3,948,476</u>

NOTE 8 - TVA HOME INSULATION PROGRAM - ELECTRIC FUND

Other Assets of the Electric Fund include \$544,492 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, 2014 were:

<u>Fund</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
*Amounts for the Electric Fund are at September 30, 2014.		
General Fund	\$ 23,442	\$ 518,750
Special Revenue Funds:		
Rental Rehab Fund	-	-
Coliseum Project Fund	-	275,830
Narcotics Fund	-	2,270
Coliseum Operating Fund	275,830	-
Capital Projects Funds:		
City Infrastructure Fund	-	-
City Capital Project Fund	518,750	141,149
Proprietary Funds:		
Electric Fund*	139,335	650
Combined Water and Sewer Fund	1,814	-
Solid Waste Management Fund	650	-
Agency Funds:		
Flexible Spending Fund	<u>-</u>	<u>21,172</u>
Total	<u>\$ 959,821</u>	<u>\$ 959,821</u>

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2014

NOTE 10 - NONCURRENT ASSETS

The following receivables at September 30, 2014 were not received within sixty days after that date and, therefore, are not deemed to constitute available spendable resources and are not a component of net current assets:

Rental Rehabilitation Fund (a Special Revenue Fund)	
Notes Receivables	\$ <u>121,481</u>
General Fund	
Home Grant Receivable	\$ <u>465,000</u>

NOTE 11 - CONTRIBUTED CAPITAL

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

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

NOTE 12 - DEFINED BENEFIT PENSION PLAN

Plan Description: The City of Tupelo and the Tupelo Airport Authority contribute to the Public Employees Retirement System of Mississippi (PERS), a cost-sharing multiple-employer defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by State law and may be amended only by the State of Mississippi Legislature. PERS issues a publicly available financial report that includes financial statements and required supplementary information. That information may be obtained by writing to Public Employee Retirement System, PERS Building, 429 Mississippi Street, Jackson, MS 39201-1005 or by calling (601) 359-3589 or 1-800 444 PERS.

Funding Policy: PERS and the Tupelo Airport Authority members are required to contribute 9.00% of their annual covered salary and the City of Tupelo is required to contribute at an actuarially determined rate. The current rate is 15.75% of annual covered payroll. The contribution requirements of PERS members are established and may be amended only by the State of Mississippi Legislature. The City of Tupelo's contributions to PERS for the years ending September 30, 2014, 2013 and 2012 were \$5,453,735, \$5,195,279 and \$4,888,249, respectively, equal to the required contributions for each year. The Tupelo Airport Authority's contributions to PERS for the years ending September 30, 2014, 2013 and 2012, were \$54,201, \$48,738 and \$61,522, respectively, equal to the required contributions for the year.

**CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2014**

NOTE 13 - DEFERRED REVENUES

Lease revenue received in advance is recorded as deferred revenue and recognized in the period in which the revenue is earned. During the year ended September 30, 1996, the City of Tupelo leased ground space from the Airport Authority. The amount is deemed paid in advance for the twenty-year term of the lease agreement in exchange for a portion (\$104,000) of the funds transferred from the City of Tupelo to the Authority for marketing purposes. During the year ended September 30, 2014, the Authority recognized \$2,800 as revenue in the final year of the lease agreement.

NOTE 14 - TRANSFERS FROM/TO OTHER FUNDS/COMPONENT UNITS/PRIMARY GOVERNMENT

<u>Fund</u>	<u>Transfers to Other Funds</u>	<u>Transfers from Other Funds</u>
General Fund	\$ 4,283,870	\$ 176,672
Special Revenue Funds:		
CVB Fund	1,201,000	-
Coliseum Project Fund	1,532,142	1,615,120
Coliseum Operating Fund	-	562,461
Narcotics Fund	62,110	-
Aquatics Facility Fund	14,562	-
Debt Service Funds:		
City Bond and Interest	-	-
Certificate of Participation Fund	-	969,681
MS Development Bank 2007 Issue	82,648	183,648
Capital Projects Funds:		
Thoroughfare Phase IV	-	-
Thoroughfare Phase V	-	-
City Infrastructure Fund	<u>-</u>	<u>3,668,750</u>
Total	<u>\$ 7,176,332</u>	<u>\$ 7,176,332</u>

**CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2014**

**NOTE 14 - TRANSFERS FROM/TO OTHER FUNDS/COMPONENT UNITS/PRIMARY
GOVERNMENT – continued**

<u>Fund</u>	<u>Transfers to Blended Component Unit</u>	<u>Transfers from Blended Component Unit</u>
Debt Service Fund:		
Water G.O. Bond Fund	\$ 3,172,959	\$ 340,270
Enterprise Fund:		
Combined Water and Sewer Fund	<u>1,172,275</u>	<u>-</u>
Total	<u>\$ 4,345,234</u>	<u>\$ 340,270</u>

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	\$ 340,270
Transfers to Water District reported as Water Sales by Water District	(1,172,275)
Transfer to Water District reported as Contributed Capital by Water District	<u>(3,172,959)</u>
Difference	<u>\$ (4,004,964)</u>

NOTE 15 - 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, 2014, are summarized below. The investments that are represented by specific identifiable investment securities are classified as to credit risk by the categories described below:

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

<u>Investment Type</u>	<u>Category</u>			<u>Carrying Amount</u>	<u>Market Value</u>
	<u>1</u>	<u>2</u>	<u>3</u>		
U. S. Government Securities Funds*		X		\$ <u>16,329,972</u>	\$ <u>16,329,972</u>
Total Investments				\$ <u>16,329,972</u>	\$ <u>16,329,972</u>

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

**CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2014**

NOTE 16 - LIABILITY FOR COMPENSATED ABSENCES

The General Fund did not have any liability at September 30, 2014, 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, 2014, for the General Long-Term Debt Account Group, the Combined Water and Sewer Fund, and the Tupelo Airport Authority, and at June 30, 2014, for the Electric Fund and has been reflected in these financial statements.

As provided by Statement of Financial Accounting Standards No. 43, *Accounting for Compensated Absences*, the primary government and the Airport Authority do not have any liability for unused sick leave accumulated by its employees since the employees do not have a vested right to receive sick pay benefits; i.e., the employees' rights to receive compensation for future absences for sick leave is contingent on the absences being caused by the employee's future illness resulting prior to termination of his/her employment with the City or the Airport Authority.

NOTE 17 - ACCOUNTS RECEIVABLE

Receivables for accounts of the Electric Fund (an Enterprise Fund) have been reduced by \$182,355 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 \$9,364,763 to reflect the provision for uncollectible fines.

NOTE 18 - SOLID WASTE DISPOSAL SERVICE AGREEMENT

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

NOTE 19 - SOLID WASTE MANAGEMENT FUND

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

NOTE 20 - GENERAL OBLIGATION WATER BONDS

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

**CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2014**

NOTE 20 - GENERAL OBLIGATION WATER BONDS – continued

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

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, 2014 was \$1,172,275.

NOTE 21 - DUE FROM CITY OF TUPELO WATER BONDS CONSTRUCTION FUND

On December 17, 2008, the City of Tupelo issued \$9,995,000 in General Obligation Water Bonds Series 2008 and executed an Agreement with the Water District. The agreement provides that the City of Tupelo will take the necessary steps to issue the aforementioned bonds and shall deposit the balance of the proceeds with a trustee for use by the District. The use of the bonds shall be for the plant expansion project. The balance on deposit with the Trustee at September 30, 2014, was \$9,018,479, which is reported as Due From Trustee.

NOTE 22 - RELATED PARTY TRANSACTIONS

The Water District has related party transactions with Lee County. A summary of these transactions is as follows:

Water Sales to Lee County	\$ <u>19,699</u>
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CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2014

NOTE 23 - RISK MANAGEMENT

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

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

NOTE 24 - 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 25 - ECONOMIC DEPENDENCY

The Electric Department of the City of Tupelo had sales to one major customer for the year ended June 30, 2014 (its year-end) of \$7,808,271. This represented approximately 13.8% of the Department's revenues for the year.

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2014

NOTE 26 - 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 provision for uncollectible court fines as mentioned in Note 17. It is as least reasonably possible that the significant estimate used will change within the next year.

NOTE 27 - BUDGET / GAAP RECONCILIATION

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

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

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

Governmental Fund Types		
	General Fund	Water G.O. Bonds Fund
Budget (Cash Basis)	\$ (2,589,317)	\$ (428,216)
Increase (Decrease)		
Net adjustments for Revenue accruals	2,144,499	(137)
GAAP Basis	\$ (444,818)	\$ (428,353)

**CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2014**

NOTE 28 - CONSTRUCTION AND OTHER COMMITMENTS

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

<u>To Be Paid By</u>	<u>Description</u>	<u>Amount Authorized</u>	<u>Expended through September 30, 2014</u>	<u>Remaining Commitment at September 30, 2014</u>
General City	East Main Street Enhancement	\$ 11,528,115	\$ 0	\$ 11,528,115
General City	King Creek Drainage	1,296,103	0	1,296,103
General City	McCullough/Colonial Estates	214,921	0	214,921
General City	Natchez Trace Bridge	7,419,729	7,328,732	90,997
General City	South Gloster Widening	6,528,847	6,219,098	309,749
Airport	Airport Improvement Program	<u>232,897</u>	<u>0</u>	<u>232,897</u>
		<u>\$ 27,220,612</u>	<u>\$ 13,547,830</u>	<u>\$ 13,672,782</u>

NOTE 29 - PRIOR PERIOD ADJUSTMENT

During the year ended September 30, 2014, the City implemented GASB Statement No. 65 *Items Previously Reported as Assets and Liabilities* for EPB. This statement establishes accounting and financial reporting standards that reclassifies, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. Implementation resulted in a direct decrease of \$1,176,690 to net position in governmental activities and \$221,474 to net position in business-type activities to eliminate bond issue costs.

NOTE 30 - SUBSEQUENT EVENTS

Events that occur after the statement of net position date, but before the financial statements are available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the statement of net position date require recognition in the financial statements. Subsequent events that provide evidence about conditions that existed after the statement of net position date require disclosure in the notes to the financial statements. Management has evaluated subsequent events through March 9, 2015, (the date the financial statements were available to be issued) and noted the following item which require disclosure in the notes to the financial statements.

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2014

NOTE 30 - SUBSEQUENT EVENTS – continued

In October, 2014, the Water and Sewer Department approved a Drinking Water System Improvements Revolving Loan Fund (DWSIRLF) loan for \$4,058,529 for the City's annexed areas.

A Water Pollution Control Revolving Loan Fund (WPCRLF) loan for \$7,218,868 for sewer collection extension in the City's annexed areas was approved in October, 2014.

In December, 2014, the City approved a draft in the amount of \$1,215,000 to Renasant Bank for the purchase of a building and real property located on Court Street.

SUPPLEMENTAL INFORMATION

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS

CITY OF TUPELO, MISSISSIPPI
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
September 30, 2014

	Non-Major Special Revenue	Non-Major Capital Projects	Non-Major Debt Service	Total Non-Major Governmental Funds
ASSETS:				
Cash	\$ 7,846,030	\$ 11,701,458	\$ 1,371,499	\$ 20,918,987
Investments	-	-	282,227	282,227
General Property Taxes Receivable	10,885	40,616	23,174	74,675
Other Receivable	111,057	5,751	220,025	336,833
Notes Receivable	121,481	-	-	121,481
Due from Other Funds	275,830	518,750	-	794,580
Due from Other Government Units	340,316	11,522	-	351,838
Inventories	23,864	-	-	23,864
Prepaid Expenses	29,083	-	-	29,083
TOTAL ASSETS	\$ 8,758,546	\$ 12,278,097	\$ 1,896,925	\$ 22,933,568
LIABILITIES AND FUND BALANCES:				
Liabilities:				
Accounts Payable	\$ 150,224	\$ 148,809	\$ 6,650	\$ 305,683
Accrued Expenses	28,133	-	-	28,133
Due to Other Funds	278,100	141,149	-	419,249
Unearned Revenues	534,680	906	-	535,586
Event Deposits	19,424	-	-	19,424
TOTAL LIABILITIES	1,010,561	290,864	6,650	1,308,075
FUND BALANCES:				
Nonspendable				
Inventory	19,040	-	-	19,040
Restricted for				
Library	11,354	-	-	11,354
Tourism Promotion	3,341,981	-	-	3,341,981
Public Safety Retirement	6,824	-	-	6,824
Law Enforcement	1,755,255	-	-	1,755,255
Construction Acquisition of Capital Assets	-	6,452,851	-	6,452,851
Public Safety Equipment	-	1,252,983	-	1,252,983
Debt Service	-	-	1,890,275	1,890,275
Committed to				
Rental Rehabilitation	127,948	-	-	127,948
Fairpark Infrastructure	-	277,043	-	277,043
Construction Acquisition of Capital Assets	-	4,004,356	-	4,004,356
Assigned to				
Aquatics Facility	-	-	-	-
Coliseum Projects	1,733,716	-	-	1,733,716
Coliseum Operations	751,867	-	-	751,867
TOTAL FUND BALANCES	7,747,985	11,987,233	1,890,275	21,625,493
TOTAL LIABILITIES AND FUND BALANCES	\$ 8,758,546	\$ 12,278,097	\$ 1,896,925	\$ 22,933,568

CITY OF TUPELO, MISSISSIPPI
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR GOVERNMENTAL FUNDS
Year Ended September 30, 2014

	Non-Major Special Revenue	Non-Major Capital Projects	Non-Major Debt Service	Total Non-Major Governmental Funds
REVENUES:				
Taxes	\$ 1,238,012	\$ 4,428,575	\$ 2,814,207	\$ 8,480,794
Intergovernmental Revenues	4,181,655	2,157,627	79,592	6,418,874
Fines and Forfeitures	234,696	-	-	234,696
Charges for Services	2,850,378	-	-	2,850,378
Miscellaneous Revenues	649,416	521,299	259,052	1,429,767
TOTAL REVENUES	<u>9,154,157</u>	<u>7,107,501</u>	<u>3,152,851</u>	<u>19,414,509</u>
EXPENDITURES:				
Current:				
Public Safety	945,725	-	-	945,725
Culture and Recreation	3,953,868	-	-	3,953,868
Other Functions	2,944,331	-	-	2,944,331
Capital Projects	-	12,786,314	-	12,786,314
Debt Service	-	-	5,358,679	5,358,679
TOTAL EXPENDITURES	<u>7,843,924</u>	<u>12,786,314</u>	<u>5,358,679</u>	<u>25,988,917</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>1,310,233</u>	<u>(5,678,813)</u>	<u>(2,205,828)</u>	<u>(6,574,408)</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	(2,809,814)	-	(82,648)	(2,892,462)
Transfers In	2,177,581	3,668,750	1,153,329	6,999,660
TOTAL OTHER FINANCING SOURCES (USES)	<u>(632,233)</u>	<u>3,668,750</u>	<u>1,070,681</u>	<u>4,107,198</u>
NET CHANGE IN FUND BALANCES	678,000	(2,010,063)	(1,135,147)	(2,467,210)
FUND BALANCES - Beginning	<u>7,069,985</u>	<u>13,997,296</u>	<u>3,025,422</u>	<u>24,092,703</u>
FUND BALANCES - Ending	<u>\$ 7,747,985</u>	<u>\$ 11,987,233</u>	<u>\$ 1,890,275</u>	<u>\$ 21,625,493</u>

CITY OF TUPELO
NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
September 30, 2014
With Comparative Totals for September 30, 2013

	Library Fund	Convention and Visitors Bureau Fund	Firemen & Policemen Retirement Fund	Coliseum Project Fund	Rental Rehabilitation Fund	Coliseum Operating Fund	Narcotics Fund	Aquatics Facility Fund	Totals	
									9/30/2014	9/30/2013
ASSETS										
Cash	\$ 7,293	\$ 3,094,887	\$ -	\$ 2,009,546	\$ 6,467	\$ 971,547	\$ 1,756,290	\$ -	\$ 7,846,030	\$ 7,372,663
Receivables:										
Notes	-	-	-	-	121,481	-	-	-	121,481	156,930
Other	-	7,209	-	-	-	103,848	-	-	111,057	51,666
General Property Taxes	4,061	-	6,824	-	-	-	-	-	10,885	8,847
Due from Other										
Governmental Units	-	335,368	-	-	-	-	4,948	-	340,316	313,260
Due from Other Funds	-	-	-	-	-	275,830	-	-	275,830	395,876
Inventories	-	-	-	-	-	23,864	-	-	23,864	5,551
Prepaid Expenses	-	-	-	-	-	29,083	-	-	29,083	29,290
TOTAL ASSETS	\$ 11,354	\$ 3,437,464	\$ 6,824	\$ 2,009,546	\$ 127,948	\$ 1,404,172	\$ 1,761,238	\$ -	\$ 8,758,546	\$ 8,334,083
LIABILITIES AND FUND BALANCES										
Liabilities:										
Accounts Payable	\$ -	\$ 95,483	\$ -	\$ -	\$ -	\$ 51,028	\$ 3,713	\$ -	\$ 150,224	\$ 278,027
Equity in Pooled Cash Deficit	-	-	-	-	-	-	-	-	-	6,649
Accrued Expenses	-	-	-	-	-	28,133	-	-	28,133	24,180
Due to Other Funds	-	-	-	275,830	-	-	2,270	-	278,100	401,642
Unearned Revenues	-	-	-	-	-	534,680	-	-	534,680	528,287
Event Deposits	-	-	-	-	-	19,424	-	-	19,424	25,313
Total Liabilities	-	95,483	-	275,830	-	633,265	5,983	-	1,010,561	1,264,098
Fund Balances:										
Nonspendable										
Inventory	-	-	-	-	-	19,040	-	-	19,040	5,551
Restricted for										
Library	11,354	-	-	-	-	-	-	-	11,354	1,433
Tourism Promotion	-	3,341,981	-	-	-	-	-	-	3,341,981	3,079,721
Public Safety Retirement	-	-	6,824	-	-	-	-	-	6,824	6,156
Law Enforcement	-	-	-	-	-	-	1,755,255	-	1,755,255	1,415,304
Committed to										
Rental Rehabilitation	-	-	-	-	127,948	-	-	-	127,948	179,523
Assigned to										
Aquatics Facility	-	-	-	-	-	-	-	-	-	14,562
Coliseum Projects	-	-	-	1,733,716	-	-	-	-	1,733,716	1,648,248
Coliseum Operations	-	-	-	-	-	751,867	-	-	751,867	719,487
Total Fund Balances	11,354	3,341,981	6,824	1,733,716	127,948	770,907	1,755,255	-	7,747,985	7,069,985
TOTAL LIABILITIES AND FUND BALANCES	\$ 11,354	\$ 3,437,464	\$ 6,824	\$ 2,009,546	\$ 127,948	\$ 1,404,172	\$ 1,761,238	\$ -	\$ 8,758,546	\$ 8,334,083

CITY OF TUPELO
NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
Year Ended September 30, 2014
With Comparative Totals for Year Ended September 30, 2013

	Library Fund	Convention and Visitors Bureau Fund	Firemen & Policemen Retirement Fund	Coliseum Project Fund	Rental Rehabilitation Fund	Coliseum Operating Fund	Narcotics Fund	Aquatics Facility Fund	Totals	
									9/30/2014	9/30/2013
REVENUES										
Taxes:										
General Property Taxes	\$ 442,877	\$ -	\$ 744,025	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,186,902	\$ 1,121,105
Payments in Lieu of Taxes	-	51,110	-	-	-	-	-	-	51,110	50,459
Intergovernmental Revenues:										
Federal Shared Revenues	-	-	-	-	-	-	252,608	-	252,608	3,168
State Shared Revenues	13,964	3,853,041	23,459	-	-	-	-	-	3,890,464	3,888,112
Federal Grants	-	-	-	-	-	-	38,583	-	38,583	251,554
Fines and Forfeitures	-	-	-	-	-	-	234,696	-	234,696	461,120
Charges for Sales and Services:										
Commissions	-	-	-	-	-	68,219	-	-	68,219	52,513
Concessions & Other Sales	-	-	-	-	-	571,109	-	-	571,109	394,095
Direct Show Revenue	-	-	-	-	-	51,668	-	-	51,668	18,179
Parking	-	-	-	-	-	-	-	-	-	150
Service Charge	-	-	-	-	-	302,272	-	-	302,272	221,124
Rental Revenue	-	-	-	-	-	1,605,409	-	-	1,605,409	1,134,638
Personnel Service Fees	-	-	-	-	-	251,701	-	-	251,701	323,592
Miscellaneous Revenues:										
Interest	60	3,439	38	2,490	235	1,233	2,083	-	9,578	10,547
Advertising Agency Fee	-	-	-	-	-	494,467	-	-	494,467	505,181
Donations	-	-	-	-	-	-	-	-	-	100
Other	-	1,211	-	-	-	91,198	52,962	-	145,371	282,659
TOTAL REVENUES	456,901	3,908,801	767,522	2,490	235	3,437,276	580,932	-	9,154,157	8,718,296

CITY OF TUPELO
NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
Year Ended September 30, 2014
With Comparative Totals for Year Ended September 30, 2013
-Continued-

	Library Fund	Convention and Visitors Bureau Fund	Firemen & Policemen Retirement Fund	Coliseum Project Fund	Rental Rehabilitation Fund	Coliseum Operating Fund	Narcotics Fund	Aquatics Facility Fund	Totals	
									9/30/2014	9/30/2013
EXPENDITURES										
Public Safety:										
Police Department:										
Personnel Services	\$ -	\$ -	\$ 536,798	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 536,798	\$ 524,647
Supplies	-	-	-	-	-	-	12,592	-	12,592	17,580
Other Services and Charges	-	-	-	-	-	-	157,734	-	157,734	351,613
Capital Outlay	-	-	-	-	-	-	8,545	-	8,545	19,730
Fire Department:										
Personnel Services	-	-	230,056	-	-	-	-	-	230,056	224,849
Total Public Safety	-	-	766,854	-	-	-	178,871	-	945,725	1,138,419
Culture and Recreation:										
Tupelo Coliseum:										
Personnel Services	-	-	-	-	-	1,353,073	-	-	1,353,073	1,264,322
Supplies	-	-	-	-	-	290,525	-	-	290,525	219,216
Other Services and Charges	-	-	-	-	-	1,986,125	-	-	1,986,125	1,615,080
Capital Outlay	-	-	-	-	-	324,145	-	-	324,145	1,586,428
Aquatics Facility:										
Other Services and Charges	-	-	-	-	-	-	-	-	-	1,950
Total Culture and Recreation	-	-	-	-	-	3,953,868	-	-	3,953,868	4,686,996

CITY OF TUPELO
NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
Year Ended September 30, 2014
With Comparative Totals for Year Ended September 30, 2013
-Continued-

	Library Fund	Convention and Visitors Bureau Fund	Firemen & Policemen Retirement Fund	Coliseum Project Fund	Rental Rehabilitation Fund	Coliseum Operating Fund	Narcotics Fund	Aquatics Facility Fund	Totals	
									9/30/2014	9/30/2013
EXPENDITURES										
- Continued										
Other Functions:										
Community Services:										
Personnel Services	\$ -	\$ 751,351	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 751,351	\$ 698,858
Supplies	-	13,739	-	-	-	-	-	-	13,739	13,164
Other Services and Charges	446,980	1,670,767	-	-	51,810	-	-	-	2,169,557	1,965,543
Capital Outlay	-	9,684	-	-	-	-	-	-	9,684	28,135
Total Other Functions	446,980	2,445,541	-	-	51,810	-	-	-	2,944,331	2,705,700
TOTAL EXPENDITURES	446,980	2,445,541	766,854	-	51,810	3,953,868	178,871	-	7,843,924	8,531,115
EXCESS OF REVENUES REVENUES OVER (UNDER) EXPENDITURES	9,921	1,463,260	668	2,490	(51,575)	(516,592)	402,061	-	1,310,233	187,181

CITY OF TUPELO
NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
 Year Ended September 30, 2014
 With Comparative Totals for Year Ended September 30, 2013
 -Continued-

	Library Fund	Convention and Visitors Bureau Fund	Firemen & Policemen Retirement Fund	Coliseum Project Fund	Rental Rehabilitation Fund	Coliseum Operating Fund	Narcotics Fund	Aquatics Facility Fund	Totals	
									9/30/2014	9/30/2013
OTHER FINANCING SOURCES (USES)										
Transfers In	\$ -	\$ -	\$ -	\$ 1,615,120	\$ -	\$ 562,461	\$ -	\$ -	\$ 2,177,581	\$ 3,539,112
Transfers Out	-	(1,201,000)	-	(1,532,142)	-	-	(62,110)	(14,562)	(2,809,814)	(4,629,766)
TOTAL OTHER FINANCING SOURCES (USES)	-	(1,201,000)	-	82,978	-	562,461	(62,110)	(14,562)	(632,233)	(1,090,654)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)										
	9,921	262,260	668	85,468	(51,575)	45,869	339,951	(14,562)	678,000	(903,473)
FUND BALANCES - Beginning of Year	1,433	3,079,721	6,156	1,648,248	179,523	725,038	1,415,304	14,562	7,069,985	7,973,458
FUND BALANCES - End of Year	\$ 11,354	\$ 3,341,981	\$ 6,824	\$ 1,733,716	\$ 127,948	\$ 770,907	\$ 1,755,255	\$ -	\$ 7,747,985	\$ 7,069,985

CITY OF TUPELO
NON-MAJOR CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
September 30, 2014
With Comparative Totals for September 30, 2013

	2004 General Obligation Construction Fund	2007 General Obligation Construction Fund	City Capital Project Fund	Thoroughfare Fund Phase IV	Fairgrounds Construction Fund	City Infrastructure Fund	Cooper Tire Project Fund	Thoroughfare Fund Phase V	Totals	
									9/30/2014	9/30/2013
ASSETS										
Cash	\$ -	\$ 3,752,550	\$ 1,461,822	\$ -	\$ 289,455	\$ 3,537,946	\$ -	2,659,685	\$ 11,701,458	\$ 14,804,697
Receivables:										
General Property Taxes	-	-	-	-	-	-	-	40,616	40,616	33,126
Other	-	-	-	-	-	5,751	-	-	5,751	-
Due from Other Governmental Entities	-	-	11,522	-	-	-	-	-	11,522	231,011
Due from Other Funds	-	-	-	-	-	518,750	-	-	518,750	-
TOTAL ASSETS	\$ -	\$ 3,752,550	\$ 1,473,344	\$ -	\$ 289,455	\$ 4,062,447	\$ -	2,700,301	\$ 12,278,097	\$ 15,068,834
LIABILITIES AND FUND BALANCES										
Liabilities:										
Accounts Payable	\$ -	\$ -	\$ 56,134	\$ -	\$ 12,412	\$ 80,263	\$ -	-	\$ 148,809	\$ 1,041,538
Unearned Revenue	-	-	-	-	-	906	-	-	906	-
Due to Other Funds	-	-	-	-	-	141,149	-	-	141,149	-
Total Liabilities	-	-	56,134	-	12,412	222,318	-	-	290,864	1,041,538
Fund Balances:										
Restricted for										
Construction Acquisition of Capital Assets	-	3,752,550	-	-	-	-	-	2,700,301	6,452,851	7,297,974
Public Safety Equipment	-	-	1,252,983	-	-	-	-	-	1,252,983	1,669,982
Committed to										
Fairpark Infrastructure	-	-	-	-	277,043	-	-	-	277,043	421,745
Construction Acquisition of Capital Assets	-	-	164,227	-	-	3,840,129	-	-	4,004,356	4,607,595
Total Fund Balances	-	3,752,550	1,417,210	-	277,043	3,840,129	-	2,700,301	11,987,233	13,997,296
TOTAL LIABILITIES AND FUND BALANCES	\$ -	\$ 3,752,550	\$ 1,473,344	\$ -	\$ 289,455	\$ 4,062,447	\$ -	2,700,301	\$ 12,278,097	\$ 15,038,834

CITY OF TUPELO
NON-MAJOR CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
Year Ended September 30, 2014
With Comparative Totals for Year Ended September 30, 2013

	2004 General Obligation Construction Fund	2007 General Obligation Construction Fund	City Capital Project Fund	Thoroughfare Fund Phase IV	Fairgrounds Construction Fund	City Infrastructure Fund	Cooper Tire Project Fund	Thoroughfare Fund Phase V	Totals	
									9/30/2014	9/30/2013
REVENUES										
Taxes:										
General Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,428,575	\$ 4,428,575	\$ 4,195,894
Intergovernmental Revenues:										
Federal Shared Revenues	-	-	51,787	-	-	-	-	-	51,787	1,650,000
State Shared Revenues	-	-	11,522	-	-	-	-	139,635	151,157	482,730
Federal Grants	-	-	-	-	-	557,651	-	1,397,032	1,954,683	2,702,338
State Grants	-	-	-	-	-	-	-	-	-	140,000
Miscellaneous Revenues:										
Interest	-	4,418	2,203	-	442	5,192	-	2,650	14,905	15,699
Donations	-	-	10,000	-	-	-	-	-	10,000	70,100
Insurance Proceeds	-	-	-	-	-	397,277	-	-	397,277	-
Other	-	-	-	-	1,721	97,146	-	250	99,117	283,287
TOTAL REVENUES	-	4,418	75,512	-	2,163	1,057,266	-	5,968,142	7,107,501	9,540,048
EXPENDITURES										
Bond Issue Costs	-	-	-	-	-	-	-	-	-	375,209
Personnel Services	-	-	-	-	-	-	-	89,438	89,438	-
Other Services and Charges	-	-	-	-	139,243	1,392,042	-	44,750	1,576,035	730,485
Capital Outlay:										
Capital Outlay	-	14,039	629,684	-	7,622	6,216,345	-	4,253,151	11,120,841	24,609,525
TOTAL EXPENDITURES	-	14,039	629,684	-	146,865	7,608,387	-	4,387,339	12,786,314	25,715,219
EXCESS (DEFICIT) OF REVENUES OVER (UNDER) EXPENDITURES	-	(9,621)	(554,172)	-	(144,702)	(6,551,121)	-	1,580,803	(5,678,813)	(16,175,171)

CITY OF TUPELO
NON-MAJOR CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
 Year Ended September 30, 2014
 With Comparative Totals for Year Ended September 30, 2013
 -Continued-

	2004 General Obligation Construction Fund	2007 General Obligation Construction Fund	City Capital Project Fund	Thoroughfare Fund Phase IV	Fairgrounds Construction Fund	City Infrastructure Fund	Cooper Tire Project Fund	Thoroughfare Fund Phase V	Totals	
									9/30/2014	9/30/2013
OTHER FINANCING SOURCES (USES)										
Proceeds from Debt Issued	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,000,000
Bond Premium Received	-	-	-	-	-	-	-	-	-	207,798
Transfers In	-	-	-	-	-	3,668,750	-	-	3,668,750	4,611,267
Transfers Out	-	-	-	-	-	-	-	-	-	(900,980)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	3,668,750	-	-	3,668,750	18,918,085
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)										
	-	(9,621)	(554,172)	-	(144,702)	(2,882,371)	-	1,580,803	(2,010,063)	2,742,914
FUND BALANCE Beginning of Year	-	3,762,171	1,971,382	-	421,745	6,722,500	-	1,119,498	13,997,296	11,254,382
FUND BALANCE End of Year	\$ -	\$ 3,752,550	\$ 1,417,210	\$ -	\$ 277,043	\$ 3,840,129	\$ -	\$ 2,700,301	\$ 11,987,233	\$ 13,997,296

CITY OF TUPELO
NON-MAJOR DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
September 30, 2014
With Comparative Totals for September 30, 2013

	City Bond and Interest Fund	School Bond and Interest Fund	Special Assessments Bond and Interest Fund	City Tax Increment Debt Fund	Certificate of Participation Debt Service Fund	Urban Renewal Bond Fund	Mississippi Development Bank 2007 Issue Fund	Totals	
								9/30/2014	9/30/2013
ASSETS									
Cash	\$ 1,000,194	\$ -	\$ 51,340	\$ 210,749	\$ 66,566	\$ 39,000	\$ 3,650	\$ 1,371,499	\$ 2,061,587
Investments	-	-	-	-	-	282,227	-	282,227	718,685
Receivables:									
General Property Taxes	23,174	-	-	-	-	-	-	23,174	27,119
Accrued Interest	-	-	-	-	-	-	-	-	6
Other	-	-	-	-	-	220,025	-	220,025	220,025
TOTAL ASSETS	<u>\$ 1,023,368</u>	<u>\$ -</u>	<u>\$ 51,340</u>	<u>\$ 210,749</u>	<u>\$ 66,566</u>	<u>\$ 541,252</u>	<u>\$ 3,650</u>	<u>\$ 1,896,925</u>	<u>\$ 3,027,422</u>
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts Payable	\$ 6,650	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,650	\$ 2,000
Total Liabilities	<u>6,650</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,650</u>	<u>2,000</u>
Fund Balances:									
Restricted for Debt Service	1,016,718	-	51,340	210,749	66,566	541,252	3,650	1,890,275	3,025,422
Total Fund Balances	<u>1,016,718</u>	<u>-</u>	<u>51,340</u>	<u>210,749</u>	<u>66,566</u>	<u>541,252</u>	<u>3,650</u>	<u>1,890,275</u>	<u>3,025,422</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,023,368</u>	<u>\$ -</u>	<u>\$ 51,340</u>	<u>\$ 210,749</u>	<u>\$ 66,566</u>	<u>\$ 541,252</u>	<u>\$ 3,650</u>	<u>\$ 1,896,925</u>	<u>\$ 3,027,422</u>

CITY OF TUPELO
NON-MAJOR DEBT SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
Year Ended September 30, 2014
With Comparative Totals for Year Ended September 30, 2013

	City Bond and Interest Fund	School Bond and Interest Fund	Special Assessments Bond and Interest Fund	City Tax Increment Debt Fund	Certificate of Participation Debt Service Fund	Urban Renewal Bond Fund	Mississippi Development Bank 2007 Issue Fund	Totals	
								9/30/2014	9/30/2013
REVENUES									
Taxes:									
General Property Taxes	\$ 2,528,811	\$ -	\$ 143,743	\$ -	\$ -	\$ -	\$ -	\$ 2,672,554	\$ 3,595,132
Payments in Lieu of Taxes	-	-	-	141,653	-	-	-	141,653	115,855
Intergovernmental Revenues:									
State Shared Revenues	79,592	-	-	-	-	-	-	79,592	108,838
Miscellaneous Revenues:									
Interest	2,032	-	81	242	79	42	67	2,543	3,438
Other	256,509	-	-	-	-	-	-	256,509	686,847
TOTAL REVENUES	2,866,944	-	143,824	141,895	79	42	67	3,152,851	4,510,110
EXPENDITURES									
Debt Service:									
General Obligations:									
Bonds Redeemed	2,465,235	-	-	80,000	-	-	-	2,545,235	4,696,790
Interest	1,152,942	-	-	35,858	-	-	-	1,188,800	777,705
Paying Agent Fees	17,469	-	-	850	-	-	-	18,319	5,465
Special Assessment General Obligations:									
Bonds Redeemed	-	-	75,000	-	-	-	-	75,000	130,000
Interest	-	-	18,740	-	-	-	-	18,740	25,895
Paying Agent Fees	-	-	4,190	-	-	-	-	4,190	5,210
Certificates of Participation:									
Certificates Redeemed	-	-	-	-	675,000	-	-	675,000	645,000
Interest	-	-	-	-	291,098	-	-	291,098	316,898
Paying Agent Fees	-	-	-	-	3,583	-	-	3,583	3,905
Special Obligations:									
Bonds Redeemed	-	-	-	-	-	215,000	69,195	284,195	270,645
Interest	-	-	-	-	-	219,006	31,813	250,819	266,898
Paying Agent Fees	-	-	-	-	-	2,500	1,200	3,700	3,700
TOTAL EXPENDITURES	3,635,646	-	97,930	116,708	969,681	436,506	102,208	5,358,679	7,148,111

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

Year Ended September 30, 2014
 With Comparative Totals for Year Ended September 30, 2013

-Continued-

	City Bond and Interest Fund	School Bond and Interest Fund	Special Assessments Bond and Interest Fund	City Tax Increment Debt Fund	Certificate of Participation Debt Service Fund	Urban Renewal Bond Fund	Mississippi Development Bank 2007 Issue Fund	Totals	
								9/30/2014	9/30/2013
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ (768,702)	\$ -	\$ 45,894	\$ 25,187	\$ (969,602)	\$ (436,464)	\$ (102,141)	\$ (2,205,828)	\$ (2,638,001)
OTHER FINANCING SOURCES (USES):									
Transfers In	-	-	-	-	969,681	-	183,648	1,153,329	1,068,803
Transfer Out	-	-	-	-	-	-	(82,648)	(82,648)	(21,728)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	969,681	-	101,000	1,070,681	1,047,075
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)	(768,702)	-	45,894	25,187	79	(436,464)	(1,141)	(1,135,147)	(1,590,926)
FUND BALANCES- Beginning of Year	1,785,420	-	5,446	185,562	66,487	977,716	4,791	3,025,422	4,616,348
FUND BALANCES- End of Year	\$ 1,016,718	\$ -	\$ 51,340	\$ 210,749	\$ 66,566	\$ 541,252	\$ 3,650	\$ 1,890,275	\$ 3,025,422

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, 2014 and 2013

	F.Y.E. 9/30/14	F.Y.E. 9/30/13
ASSETS		
Cash	\$ 15,560,786	\$ 15,971,181
Receivables:		
General Property Taxes	57,463	38,675
Home Grant Receivable	465,000	465,000
Other	28,129	124,142
Due from Other Government Units	3,915,801	1,694,051
Due from Component Unit	928,783	1,063,137
Due from Other Funds	23,442	30,761
Prepaid Expenses	385,794	399,888
Inventories	<u>13,658</u>	<u>22,358</u>
TOTAL ASSETS	\$ <u>21,378,856</u>	\$ <u>19,809,193</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts Payable	\$ 1,096,822	\$ 516,308
Unearned Revenues	83,206	97,406
Due to Other Entities	875,325	-
Due to Other Funds	518,750	10,046
Accrued Expenses	<u>675,087</u>	<u>610,949</u>
Total Liabilities	<u>3,249,190</u>	<u>1,234,709</u>
Fund Balance:		
Nonspendable		
Prepaid Expenses	385,794	399,888
Inventory	13,658	22,358
Long-Term Receivables	1,351,009	1,485,337
Restricted for		
Water Reserve	547,218	546,562
Unassigned	<u>15,831,987</u>	<u>16,120,339</u>
Total Fund Balance	<u>18,129,666</u>	<u>18,574,484</u>
TOTAL LIABILITIES AND FUND BALANCE	\$ <u>21,378,856</u>	\$ <u>19,809,193</u>

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

For the Years Ended September 30, 2014 and 2013

	F.Y.E. 9/30/14	F.Y.E. 9/30/13
REVENUES		
Taxes:		
General Property Taxes	\$ 6,235,275	\$ 4,875,531
Payments in Lieu of Taxes	1,237,815	1,360,411
Penalties and Interest on Delinquent Taxes	75,902	86,816
Total Taxes	<u>7,548,992</u>	<u>6,322,758</u>
Licenses and Permits:		
Privilege License	329,150	304,196
Building Permits	116,884	202,861
Other Permits	28,910	23,574
Franchise Fees	402,183	342,124
Total Licenses and Permits	<u>877,127</u>	<u>872,755</u>
Intergovernmental Revenues:		
Federal Grants	4,123,484	437,335
State Grants	17,228	17,228
Other Grants	16,362	98,493
State Shared Revenues	18,886,187	18,451,665
Municipality Shared Revenues	3,200,000	3,118,998
County Shared Revenues	1,080,716	1,025,000
Total Intergovernmental Revenues	<u>27,323,977</u>	<u>23,148,719</u>
Charges for Services:		
Public Safety	151,489	70,271
Highways and Streets	28,978	28,410
Crime Lab Fees	59,136	57,624
Culture and Recreation Fees	522,849	181,280
Total Charges for Services	<u>762,452</u>	<u>337,585</u>
Fines and Forfeitures:		
Police Fines and Fees	1,115,753	955,417
Parking Fines and Fees	18,235	30,105
Total Fines and Forfeitures	<u>1,133,988</u>	<u>985,522</u>

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

For the Years Ended September 30, 2014 and 2013

-Continued-

	F.Y.E. 9/30/14	F.Y.E. 9/30/13
REVENUES-Continued		
Miscellaneous Revenues:		
Interest	\$ 75,367	\$ 70,450
Donations	8,367	3,821
Rents	66,220	79,460
Billings to Other Departments	207,776	183,522
Other	96,447	142,032
Total Miscellaneous Revenues	454,177	479,285
TOTAL REVENUES	38,100,713	32,146,624
EXPENDITURES		
General Government:		
Legislative Department:		
Personnel Services	219,901	220,730
Supplies	558	593
Other Services and Charges	176,058	285,450
Total Legislative Department	396,517	506,773
Executive Department:		
Personnel Services	590,457	450,359
Supplies	17,194	11,172
Other Services and Charges	268,652	221,760
Capital Outlay	6,345	2,051
Total Executive Department	882,648	685,342
City Court:		
Personnel Services	732,441	670,091
Supplies	19,704	17,801
Other Services and Charges	101,056	68,637
Capital Outlay	-	-
Total City Court	853,201	756,529

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

For the Years Ended September 30, 2014 and 2013

-Continued-

	F.Y.E. 9/30/14	F.Y.E. 9/30/13
EXPENDITURES-Continued		
Budget and Accounting Department:		
Personnel Services	\$ 680,420	\$ 702,771
Supplies	12,785	21,462
Other Services and Charges	298,126	278,694
Capital Outlay	42,981	46,380
Total Budget and Accounting Department	<u>1,034,312</u>	<u>1,049,307</u>
Personnel Department:		
Personnel Services	208,223	195,699
Supplies	4,383	3,575
Other Services and Charges	25,661	37,741
Total Personnel Department	<u>238,267</u>	<u>237,015</u>
Planning Department:		
Personnel Services	1,090,547	1,175,228
Supplies	40,221	37,373
Other Services and Charges	66,322	88,382
Capital Outlay	4,798	2,431
Total Community Development Department	<u>1,201,888</u>	<u>1,303,414</u>
Total General Government	<u>4,606,833</u>	<u>4,538,380</u>
Public Safety:		
Police Department:		
Personnel Services	6,921,665	6,630,181
Supplies	652,933	601,541
Other Services and Charges	1,647,447	1,329,278
Capital Outlay	141,960	156,802
Total Police Department	<u>9,364,005</u>	<u>8,717,802</u>
Fire Department:		
Personnel Services	5,127,961	5,230,525
Supplies	238,456	225,553
Other Services and Charges	289,582	275,976
Capital Outlay	12,773	23,287
Total Fire Department	<u>5,668,772</u>	<u>5,755,341</u>
Total Public Safety	<u>15,032,777</u>	<u>14,473,143</u>

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

For the Years Ended September 30, 2014 and 2013

-Continued-

	F.Y.E. 9/30/14	F.Y.E. 9/30/13
EXPENDITURES-Continued		
Public Services:		
Public Works Department:		
Personnel Services	\$ 2,648,539	\$ 2,752,481
Supplies	401,561	326,727
Other Services and Charges	2,863,120	3,456,708
Capital Outlay	6,345	42,751
Total Public Works Department	<u>5,919,565</u>	<u>6,578,667</u>
Total Public Services	<u>5,919,565</u>	<u>6,578,667</u>
Culture and Recreation:		
Park and Recreation Department:		
Personnel Services	1,519,920	1,590,985
Supplies	382,586	439,607
Other Services and Charges	993,709	1,070,538
Capital Outlay	9,653	10,392
Total Park and Recreation Department	<u>2,905,868</u>	<u>3,111,522</u>
Aquatic Center:		
Personnel Services	278,620	-
Supplies	58,138	-
Other Services and Charges	227,428	-
Capital Outlay	85,781	-
Total Aquatic Center	<u>649,967</u>	<u>-</u>
Museum Department:		
Personnel Services	89,697	95,608
Supplies	5,625	7,830
Other Services and Charges	38,028	18,275
Capital Outlay	-	5,850
Total Museum Department	<u>133,350</u>	<u>127,563</u>
Total Culture and Recreation	<u>3,689,185</u>	<u>3,239,085</u>
Other Functions:		
Community Services:		
Other Services and Charges	<u>4,931,643</u>	<u>1,067,410</u>
Total Community Services	<u>4,931,643</u>	<u>1,067,410</u>

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

For the Years Ended September 30, 2014 and 2013

-Continued-

	F.Y.E. 9/30/14	F.Y.E. 9/30/13
EXPENDITURES-Continued		
Debt Service:		
General Obligations:		
Principal on Long Term Debt	\$ 171,661	\$ 237,920
Interest	86,669	156,845
Total General Obligations	<u>258,330</u>	<u>394,765</u>
Total Debt Service	<u>258,330</u>	<u>394,765</u>
TOTAL EXPENDITURES	<u>34,438,333</u>	<u>30,291,450</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>3,662,380</u>	<u>1,855,174</u>
OTHER FINANCING SOURCES (USES):		
Transfer to Special Assessment Bond and Interest Fund	-	-
Transfer to City Capital Project Fund	(3,668,750)	(3,177,373)
Transfer to Coliseum Project Fund	(615,120)	(615,120)
Transfer from Aquatics Facility	14,562	-
Transfer from Convention and Visitors Bureau Fund	100,000	-
Transfer from Narcotics Fund	62,110	104,057
TOTAL OTHER FINANCING SOURCES (USES)	<u>(4,107,198)</u>	<u>(3,688,436)</u>
EXCESS (DEFICIT) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER (USES)	<u>(444,818)</u>	<u>(1,833,262)</u>
FUND BALANCE - Beginning of year	<u>18,574,484</u>	<u>20,407,746</u>
FUND BALANCE - End of year	<u>\$ 18,129,666</u>	<u>\$ 18,574,484</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.

Aquatics Facility Fund – This fund is used to account for the revenues that are restricted or assigned for use on the aquatics facility.

CITY OF TUPELO
LIBRARY FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL
Year Ended September 30, 2014
With Comparative Totals for Year Ended September 30, 2013

	<u>F.Y.E. 9/30/2014</u>			F.Y.E. 9/30/2013 Actual
	Budget	Actual	Variance Favorable (Unfavorable)	
REVENUES				
Taxes:				
General Property Taxes	\$ 431,509	\$ 442,161	\$ 10,652	\$ 423,913
Intergovernmental:				
State Shared Revenues	12,627	13,964	1,337	13,406
Miscellaneous Revenues:				
Interest	-	60	60	44
TOTAL REVENUES	<u>444,136</u>	<u>456,185</u>	<u>12,049</u>	<u>437,363</u>
EXPENDITURES				
Community Services:				
Other Services and Charges	446,980	446,980	-	441,980
Total Community Services	446,980	446,980	-	441,980
TOTAL EXPENDITURES	<u>446,980</u>	<u>446,980</u>	<u>-</u>	<u>441,980</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(2,844)	9,205	12,049	(4,617)
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -				
Beginning of Year	1,433	1,433	-	6,149
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -				
End of Year	\$ <u>(1,411)</u>	10,638	\$ <u>12,049</u>	1,532
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		716		(99)
FUND BALANCE (GAAP BASIS) -				
End of Year		\$ <u>11,354</u>		\$ <u>1,433</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, 2014
With Comparative Totals for Year Ended September 30, 2013

	<u>F.Y.E. 9/30/2014</u>		Variance Favorable (Unfavorable)	F.Y.E. 9/30/2013 Actual
	Budget	Actual		
REVENUES				
Taxes:				
Payments in Lieu of Taxes	\$ 50,000	\$ 51,110	\$ 1,110	\$ 48,654
Intergovernmental:				
State Shared Revenues	3,850,530	3,812,861	(37,669)	3,858,681
Miscellaneous Revenues:				
Interest	3,500	3,439	(61)	3,361
Other	-	1,211	1,211	28,419
TOTAL REVENUES	<u>3,904,030</u>	<u>3,868,621</u>	<u>(35,409)</u>	<u>3,939,115</u>
EXPENDITURES				
Other Functions:				
Community Services:				
Personnel Services	829,652	751,351	78,301	698,858
Supplies	16,000	13,739	2,261	13,164
Other Services and Charges	2,120,635	1,670,767	449,868	1,515,343
Capital Expenditures	10,000	9,684	316	28,135
Total Community Services	<u>2,976,287</u>	<u>2,445,541</u>	<u>530,746</u>	<u>2,255,500</u>
Total Other Functions	<u>2,976,287</u>	<u>2,445,541</u>	<u>530,746</u>	<u>2,255,500</u>
TOTAL EXPENDITURES	<u>2,976,287</u>	<u>2,445,541</u>	<u>530,746</u>	<u>2,255,500</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>927,743</u>	<u>1,423,080</u>	<u>495,337</u>	<u>1,683,615</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, 2014

With Comparative Totals for Year Ended September 30, 2013

-Continued-

	<u>F.Y.E. 9/30/2014</u>		Variance Favorable (Unfavorable)	F.Y.E. 9/30/2013 Actual
	Budget	Actual		
OTHER FINANCING SOURCES				
(USES):				
Transfers Out	\$ <u>(1,201,000)</u>	\$ <u>(1,201,000)</u>	\$ <u>-</u>	\$ <u>(1,635,914)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,201,000)</u>	<u>(1,201,000)</u>	<u>-</u>	<u>(1,635,914)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)	(273,257)	222,080	495,337	47,701
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -				
Beginning of Year	<u>3,079,721</u>	<u>3,079,721</u>	<u>-</u>	<u>3,036,223</u>
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -				
End of Year	\$ <u>2,806,464</u>	3,301,801	\$ <u>495,337</u>	3,083,924
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		<u>40,180</u>		<u>(4,203)</u>
FUND BALANCE (GAAP BASIS) -				
End of Year		\$ <u>3,341,981</u>		\$ <u>3,079,721</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, 2014
With Comparative Totals for Year Ended September 30, 2013

	<u>F.Y.E. 9/30/2014</u>		Variance Favorable (Unfavorable)	F.Y.E. 9/30/2013 Actual
	Budget	Actual		
REVENUES				
Taxes:				
General Property Taxes	\$ 724,935	\$ 742,703	\$ 17,768	\$ 698,234
Intergovernmental Revenues:				
State Shared Revenues	21,213	23,459	2,246	22,033
Miscellaneous Revenues:				
Interest Income	-	38	38	90
TOTAL REVENUES	<u>746,148</u>	<u>766,200</u>	<u>20,052</u>	<u>720,357</u>
EXPENDITURES				
Public Safety:				
Police Department:				
Personnel Services	<u>560,000</u>	<u>536,798</u>	<u>23,202</u>	<u>524,647</u>
Total Police Department	<u>560,000</u>	<u>536,798</u>	<u>23,202</u>	<u>524,647</u>
Fire Department:				
Personnel Services	<u>240,000</u>	<u>230,056</u>	<u>9,944</u>	<u>224,849</u>
Total Fire Department	<u>240,000</u>	<u>230,056</u>	<u>9,944</u>	<u>224,849</u>
Total Public Safety	<u>800,000</u>	<u>766,854</u>	<u>33,146</u>	<u>749,496</u>
TOTAL EXPENDITURES	<u>800,000</u>	<u>766,854</u>	<u>33,146</u>	<u>749,496</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(53,852)	(654)	53,198	(29,139)
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -				
Beginning of Year	<u>6,156</u>	<u>6,156</u>	-	<u>36,238</u>
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -				
End of Year	<u>\$ (47,696)</u>	5,502	<u>\$ 53,198</u>	7,099
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		<u>1,322</u>		<u>(943)</u>
FUND BALANCE (GAAP BASIS) -				
End of Year		<u>\$ 6,824</u>		<u>\$ 6,156</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, 2014
With Comparative Totals for Year Ended September 30, 2013

	<u>F.Y.E. 9/30/2014</u>			F.Y.E. 9/30/2013 Actual
	Budget	Actual	Variance Favorable (Unfavorable)	
REVENUES				
Miscellaneous Revenues:				
Interest	\$ <u>2,650</u>	\$ <u>2,490</u>	\$ <u>(160)</u>	\$ <u>3,667</u>
TOTAL REVENUES	<u>2,650</u>	<u>2,490</u>	<u>(160)</u>	<u>3,667</u>
EXPENDITURES				
Culture and Recreation:				
Tupelo Coliseum:				
Other Services and Charges	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Tupelo Coliseum	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Culture and Recreation	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>2,650</u>	<u>2,490</u>	<u>(160)</u>	<u>3,667</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, 2014

With Comparative Totals for Year Ended September 30, 2013

-Continued-

	F.Y.E. 9/30/2014		Variance Favorable (Unfavorable)	F.Y.E. 9/30/2013 Actual
	Budget	Actual		
OTHER FINANCING SOURCES				
(USES):				
Transfers In	\$ 1,615,120	\$ 1,615,120	\$ -	\$ 1,615,120
Transfers Out	<u>(2,889,795)</u>	<u>(1,532,142)</u>	<u>1,357,653</u>	<u>(2,889,795)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,274,675)</u>	<u>82,978</u>	<u>1,357,653</u>	<u>(1,274,675)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)	(1,272,025)	85,468	1,357,493	(1,271,008)
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -				
Beginning of Year	<u>1,648,248</u>	<u>1,648,248</u>	-	<u>2,919,256</u>
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -				
End of Year	\$ <u><u>376,223</u></u>	1,733,716	\$ <u><u>1,357,493</u></u>	1,648,248
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		<u>-</u>		<u>-</u>
FUND BALANCE (GAAP BASIS)				
End of Year		\$ <u><u>1,733,716</u></u>		\$ <u><u>1,648,248</u></u>

CITY OF TUPELO
RENTAL REHABILITATION FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL
Year Ended September 30, 2014
With Comparative Totals for Year Ended September 30, 2013

	F.Y.E. 9/30/2014		Variance Favorable (Unfavorable)	F.Y.E. 9/30/2013 Actual
	Budget	Actual		
REVENUES				
Miscellaneous:				
Interest	\$ -	\$ 235	\$ 235	\$ 680
TOTAL REVENUES	<u>-</u>	<u>235</u>	<u>235</u>	<u>680</u>
EXPENDITURES				
Other Services and Charges	<u>52,810</u>	<u>51,810</u>	<u>1,000</u>	<u>8,220</u>
TOTAL EXPENDITURES	<u>52,810</u>	<u>51,810</u>	<u>1,000</u>	<u>8,220</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(52,810)</u>	<u>(51,575)</u>	<u>1,235</u>	<u>(7,540)</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>(52,810)</u>	<u>(51,575)</u>	<u>1,235</u>	<u>(7,540)</u>
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -				
Beginning of Year	<u>179,523</u>	<u>179,523</u>	<u>-</u>	<u>187,063</u>
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -				
End of Year	<u>\$ 126,713</u>	127,948	<u>\$ 1,235</u>	179,523
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		<u>-</u>		<u>-</u>
FUND BALANCE (GAAP BASIS)				
End of Year		<u>\$ 127,948</u>		<u>\$ 179,523</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, 2014
With Comparative Totals for Year Ended September 30, 2013

	<u>F.Y.E. 9/30/2014</u>			
	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>F.Y.E. 9/30/2013 Actual</u>
REVENUES				
Charges for Sales & Services:				
Commissions	\$ 90,000	\$ 68,219	\$ (21,781)	\$ 52,513
Concessions & Other Sales	550,000	571,109	21,109	394,095
Direct Show Revenue	57,500	51,668	(5,832)	18,179
Parking	5,000	-	(5,000)	150
Service Charge	350,000	302,272	(47,728)	221,124
Rental Revenue	1,828,500	1,545,116	(283,384)	1,098,824
Personnel Service Fees	450,000	251,701	(198,299)	323,592
Miscellaneous Revenues:				
Advertising Agency Fee	550,000	494,467	(55,533)	488,781
Other	152,500	91,198	(61,302)	117,073
Interest	8,500	1,233	(7,267)	1,010
TOTAL REVENUES	<u>4,042,000</u>	<u>3,376,983</u>	<u>(665,017)</u>	<u>2,715,341</u>
EXPENDITURES				
Culture and Recreation:				
Coliseum Operations:				
Personnel Services	1,702,580	1,353,073	349,507	1,264,322
Supplies	400,000	290,525	109,475	219,216
Other Services and Charges	2,365,250	1,986,125	379,125	1,615,080
Capital Outlay	350,000	324,145	25,855	1,586,428
Total Coliseum Operations	<u>4,817,830</u>	<u>3,953,868</u>	<u>863,962</u>	<u>4,685,046</u>
TOTAL EXPENDITURES	<u>4,817,830</u>	<u>3,953,868</u>	<u>863,962</u>	<u>4,685,046</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(775,830)</u>	<u>(576,885)</u>	<u>198,945</u>	<u>(1,969,705)</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, 2014

With Comparative Totals for Year Ended September 30, 2013

-Continued-

	<u>F.Y.E. 9/30/2014</u>			
	Budget	Actual	Variance Favorable (Unfavorable)	F.Y.E. 9/30/2013 Actual
OTHER FINANCING SOURCES (USES):				
Transfer from Coliseum Project	\$ 775,830	\$ 562,461	\$ (213,369)	\$ 1,923,992
TOTAL OTHER FINANCING SOURCES (USES)	<u>775,830</u>	<u>562,461</u>	<u>(213,369)</u>	<u>1,923,992</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)	-	(14,424)	(14,424)	(45,713)
FUND BALANCE (DEFICIT) (NON-GAAP BUDGETARY BASIS) -				
Beginning of Year	<u>725,038</u>	<u>725,038</u>	<u>-</u>	<u>734,937</u>
FUND BALANCE (DEFICIT) (NON-GAAP BUDGETARY BASIS) -				
End of Year	<u><u>725,038</u></u>	710,614	<u><u>(14,424)</u></u>	689,224
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		<u>60,293</u>		<u>35,814</u>
FUND BALANCE (DEFICIT) (GAAP BASIS)				
End of Year		<u><u>\$ 770,907</u></u>		<u><u>\$ 725,038</u></u>

**CITY OF TUPELO
NARCOTICS FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL**
Year Ended September 30, 2014
With Comparative Totals for Year Ended September 30, 2013

	F.Y.E. 9/30/2014		Variance Favorable (Unfavorable)	F.Y.E. 9/30/2013 Actual
	Budget	Actual		
REVENUES				
Intergovernmental Revenues:				
Federal Shared Revenue	\$ -	\$ 252,608	\$ 252,608	\$ 3,168
Federal Grants	31,500	51,707	20,207	299,528
Fines and Forfeitures	100,000	234,696	134,696	461,120
Miscellaneous Revenues:				
Interest	1,000	2,083	1,083	1,683
Other	84,000	52,962	(31,038)	137,167
TOTAL REVENUES	<u>216,500</u>	<u>594,056</u>	<u>377,556</u>	<u>902,666</u>
EXPENDITURES				
Public Safety:				
Police Department:				
Supplies	41,000	12,592	28,408	17,580
Other Services and Charges	322,465	157,734	164,731	351,613
Capital Outlay	72,000	8,545	63,455	19,730
Total Police Department	<u>435,465</u>	<u>178,871</u>	<u>256,594</u>	<u>388,923</u>
TOTAL EXPENDITURES	<u>435,465</u>	<u>178,871</u>	<u>256,594</u>	<u>388,923</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(218,965)	415,185	634,150	513,743
OTHER FINANCING SOURCES (USES):				
Transfer to General Fund	<u>(62,110)</u>	<u>(62,110)</u>	<u>-</u>	<u>(104,057)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(62,110)</u>	<u>(62,110)</u>	<u>-</u>	<u>(104,057)</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, 2014
With Comparative Totals for Year Ended September 30, 2013
-Continued-

	<u>F.Y.E. 9/30/2014</u>			F.Y.E. 9/30/2013 Actual
	Budget	Actual	Variance Favorable (Unfavorable)	
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)	\$ (281,075)	\$ 353,075	\$ 634,150	\$ 409,686
FUND BALANCE (DEFICIT) (NON-GAAP BUDGETARY BASIS) -				
Beginning of Year	<u>1,415,304</u>	<u>1,415,304</u>	<u>-</u>	<u>1,053,592</u>
FUND BALANCE (DEFICIT) (NON-GAAP BUDGETARY BASIS) -				
End of Year	<u>\$ 1,134,229</u>	1,768,379	<u>\$ 634,150</u>	1,463,278
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		<u>(13,124)</u>		<u>(47,974)</u>
FUND BALANCE (GAAP BASIS) -				
End of Year		<u>\$ 1,755,255</u>		<u>\$ 1,415,304</u>

CITY OF TUPELO
AQUATICS FACILITY FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL
Year Ended September 30, 2014
With Comparative Totals for Year Ended September 30, 2013

	F.Y.E. 9/30/2014			F.Y.E. 9/30/2013 Actual
	Budget	Actual	Variance Favorable (Unfavorable)	
REVENUES				
Miscellaneous Revenues:				
Advertising Agency Fee	\$ -	\$ -	\$ -	\$ 16,400
Donations	-	-	-	100
Interest	-	-	-	12
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,512</u>
EXPENDITURES				
Culture and Recreation:				
Other Services and Charges	-	-	-	1,950
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,950</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-	14,562
OTHER FINANCING SOURCES (USES):				
Transfer to General Fund	<u>(14,562)</u>	<u>(14,562)</u>	<u>-</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(14,562)</u>	<u>(14,562)</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)	(14,562)	(14,562)	-	14,562
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -				
Beginning of Year	<u>14,562</u>	<u>14,562</u>	<u>-</u>	<u>-</u>
FUND BALANCE (NON-GAAP BUDGETARY BASIS) - End of Year	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>14,562</u>
Adjustments to Generally Accepted Accounting Principles: Revenue Accruals		<u>-</u>		<u>-</u>
FUND BALANCE (GAAP BASIS) - End of Year		<u>\$ -</u>		<u>\$ 14,562</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.

General Obligation Construction Funds – These funds are used to account for specific construction projects of the General Obligation debt proceeds.

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.

Cooper Tire Project Fund – This fund is used to receive grant funds from the State of MS and Lee County for the purpose of constructing an addition to the Cooper Tire Facility and for energy projects that will allow the facility to be run more efficiently and create a saving to Cooper Tire. These projects were part of the incentive package put together to keep our second largest employer and our largest electrical customer from shutting down operations in Tupelo.

Thoroughfare Fund Phase IV – This fund is used to account for the cost of constructing, improving or paving streets, sidewalks, driveways, parkways, walkways or public parking facilities, and purchasing land for these purposes.

Thoroughfare Fund Phase V – This fund is used to account for the cost of constructing, improving or paving streets, sidewalks, driveways, parkways, walkways or public parking facilities, and purchasing land for these purposes. A 10.00 mill special property tax will be levied for the next five years to finance this project.

CITY OF TUPELO
2004 GENERAL OBLIGATION CONSTRUCTION FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL
Year Ended September 30, 2014
With Comparative Actual Amounts for Year Ended September 30, 2013

	F.Y.E. 9/30/2014			F.Y.E. 9/30/2013 Actual
	Budget	Actual	Variance Favorable (Unfavorable)	
REVENUES				
Intergovernmental Revenues:				
Grants	\$ -	\$ -	\$ -	\$ -
Miscellaneous Revenues:				
Interest	-	-	-	9
TOTAL REVENUES	-	-	-	9
EXPENDITURES				
Capital Outlay:				
Capital Outlay	-	-	-	27,501
TOTAL EXPENDITURES	-	-	-	27,501
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-	(27,492)
FUND BALANCE (NON-GAAP BUDGETARY BASIS)-				
Beginning of Year	-	-	-	27,492
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
2007 GENERAL OBLIGATION CONSTRUCTION FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL
Year Ended September 30, 2014
With Comparative Actual Amounts for Year Ended September 30, 2013

	F.Y.E. 9/30/2014		Variance Favorable (Unfavorable)	F.Y.E. 9/30/2013 Actual
	Budget	Actual		
REVENUES				
Miscellaneous Revenues:				
Interest	\$ -	\$ 4,418	\$ 4,418	\$ 4,509
TOTAL REVENUES	<u>-</u>	<u>4,418</u>	<u>4,418</u>	<u>4,509</u>
EXPENDITURES				
Capital Outlay:				
Capital Outlay	<u>3,500,000</u>	<u>14,039</u>	<u>(3,485,961)</u>	<u>261</u>
TOTAL EXPENDITURES	<u>3,500,000</u>	<u>14,039</u>	<u>(3,485,961)</u>	<u>261</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(3,500,000)	(9,621)	(3,481,543)	4,248
FUND BALANCE (NON-GAAP BUDGETARY BASIS)-				
Beginning of Year	<u>3,762,171</u>	<u>3,762,171</u>	<u>-</u>	<u>3,757,923</u>
FUND BALANCE (NON-GAAP BUDGETARY BASIS)-				
End of Year	<u>\$ 262,171</u>	3,752,550	<u>\$ (3,481,543)</u>	3,762,171
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		<u>-</u>		<u>-</u>
FUND BALANCE (GAAP BASIS)				
End of Year		<u>\$ 3,752,550</u>		<u>\$ 3,762,171</u>

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, 2014
With Comparative Actual Amounts for Year Ended September 30, 2013

	F.Y.E. 9/30/2014		Variance Favorable (Unfavorable)	F.Y.E. 9/30/2013 Actual
	Budget	Actual		
REVENUES				
Intergovernmental Revenues:				
Federal Shared Revenues	\$ -	\$ 51,787	\$ 51,787	\$ 1,650,000
State Shared Revenues	11,522	10,597	(925)	350,000
Miscellaneous Revenues:				
Interest	-	2,203	2,203	1,445
Donations	10,000	10,000	-	24,318
TOTAL REVENUES	<u>21,522</u>	<u>74,587</u>	<u>53,065</u>	<u>2,165,763</u>
EXPENDITURES				
Other Services and Charges	-	-	-	138,964
Capital Outlay:				
Capital Outlay	1,938,698	629,684	1,309,014	378,013
TOTAL EXPENDITURES	<u>1,938,698</u>	<u>629,684</u>	<u>1,309,014</u>	<u>516,977</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,917,176)	(555,097)	1,362,079	1,648,786
FUND BALANCE (NON-GAAP BUDGETARY BASIS)-				
Beginning of Year	1,971,382	1,971,382	-	311,999
FUND BALANCE (NON-GAAP BUDGETARY BASIS)-				
End of Year	\$ <u>54,206</u>	1,416,285	\$ <u>1,362,079</u>	1,960,785
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		925		10,597
FUND BALANCE (GAAP BASIS)				
End of Year		\$ <u>1,417,210</u>		\$ <u>1,971,382</u>

CITY OF TUPELO
CITY THOROUGHFARE FUND PHASE IV
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL
Year Ended September 30, 2014
With Comparative Actual Amounts for Year Ended September 30, 2013

	F.Y.E. 9/30/2014		Variance Favorable (Unfavorable)	F.Y.E. 9/30/2013 Actual
	Budget	Actual		
REVENUES				
Taxes:				
General Property Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental Revenues:				
Federal Grants	-	-	-	-
Miscellaneous Revenues:				
Interest	-	-	-	180
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>-</u>	<u>180</u>
EXPENDITURES				
Capital Outlay:				
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>180</u>
OTHER FINANCING SOURCES (USES):				
Transfer (to) from Other Funds	-	-	-	(900,980)
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(900,980)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(900,800)</u>
FUND BALANCE (NON-GAAP BUDGETARY BASIS)-				
Beginning of Year	-	-	-	900,800
FUND BALANCE (NON-GAAP BUDGETARY BASIS)-				
End of Year	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals				-
FUND BALANCE (GAAP BASIS)				
End of Year		<u>\$ -</u>		<u>\$ -</u>

CITY OF TUPELO
FAIRGROUNDS CONSTRUCTION FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL
Year Ended September 30, 2014
With Comparative Actual Amounts for Year Ended September 30, 2013

	F.Y.E. 9/30/2014		Variance Favorable (Unfavorable)	F.Y.E. 9/30/2013 Actual
	Budget	Actual		
REVENUES				
Miscellaneous Revenues:				
Interest	\$ -	\$ 442	\$ 442	\$ 601
Donations	-	-	-	418
Other	-	1,721	1,721	220,600
TOTAL REVENUES	<u>-</u>	<u>2,163</u>	<u>2,163</u>	<u>221,619</u>
EXPENDITURES				
Other Services and Charges	142,000	139,243	2,757	167,488
Capital Outlay:				
Capital Outlay	8,000	7,622	378	-
TOTAL EXPENDITURES	<u>150,000</u>	<u>146,865</u>	<u>3,135</u>	<u>167,488</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(150,000)	(144,702)	5,298	54,131
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -				
Beginning of Year	<u>421,745</u>	<u>421,745</u>	-	<u>367,614</u>
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -				
End of Year	<u>\$ 271,745</u>	277,043	<u>\$ 5,298</u>	421,745
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		-		-
FUND BALANCE (GAAP BASIS)				
End of Year		<u>\$ 277,043</u>		<u>\$ 421,745</u>

CITY OF TUPELO
COOPER TIRE PROJECT FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL
Year Ended September 30, 2014
With Comparative Actual Amounts for Year Ended September 30, 2013

	F.Y.E. 9/30/2014			F.Y.E. 9/30/2013 Actual
	Budget	Actual	Variance Favorable (Unfavorable)	
REVENUES				
Intergovernmental Revenues:				
Grants	\$ -	\$ -	\$ -	\$ 115,676
Miscellaneous Revenues:				
Other	-	-	-	60,085
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>-</u>	<u>175,761</u>
EXPENDITURES				
Capital Outlay:				
Capital Outlay	-	-	-	60,085
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>60,085</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-	115,676
OTHER FINANCING SOURCES (USES):				
Proceeds from Capital Improvements Revolving Loan	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)	-	-	-	115,676
FUND BALANCE (NON-GAAP BUDGETARY BASIS)-				
Beginning of Year (Deficit)	-	-	-	-
FUND BALANCE (NON-GAAP BUDGETARY BASIS)-				
End of Year	\$ <u>-</u>	-	\$ <u>-</u>	115,676
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		-		(115,676)
FUND BALANCE (GAAP BASIS)				
End of Year (Deficit)		\$ <u>-</u>		\$ <u>-</u>

CITY OF TUPELO
CITY THOROUGHFARE FUND PHASE V
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL
Year Ended September 30, 2014
With Comparative Actual Amounts for Year Ended September 30, 2013

	F.Y.E. 9/30/2014			F.Y.E. 9/30/2013 Actual
	Budget	Actual	Variance Favorable (Unfavorable)	
REVENUES				
Taxes:				
General Property Taxes	\$ 4,315,089	\$ 4,421,085	\$ 105,996	\$ 4,196,868
Intergovernmental Revenues:				
State Shared Revenues	126,270	139,635	13,365	132,730
Federal Grants	1,830,000	1,617,446	(212,554)	2,459,327
Miscellaneous Revenues:				
Interest	-	2,650	2,650	3,221
Other	-	250	250	2,000
TOTAL REVENUES	<u>6,271,359</u>	<u>6,181,066</u>	<u>(90,293)</u>	<u>6,794,146</u>
EXPENDITURES				
Personnel Services	91,675	89,438	2,237	-
Other Services and Charges	45,000	-	45,000	533
Capital Outlay:				
Capital Outlay	9,838,989	4,297,901	5,541,088	10,288,463
TOTAL EXPENDITURES	<u>9,975,664</u>	<u>4,387,339</u>	<u>5,588,325</u>	<u>10,288,996</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(3,704,305)</u>	<u>1,793,727</u>	<u>5,498,032</u>	<u>(3,494,850)</u>
OTHER FINANCING SOURCES (USES):				
Transfer (to) from Other Funds	3,500,000	-	(3,500,000)	900,980
TOTAL OTHER FINANCING SOURCES (USES)	<u>3,500,000</u>	<u>-</u>	<u>(3,500,000)</u>	<u>900,980</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)	<u>(204,305)</u>	<u>1,793,727</u>	<u>1,998,032</u>	<u>(2,593,870)</u>
FUND BALANCE (NON-GAAP BUDGETARY BASIS)-				
Beginning of Year	1,119,498	1,119,498	-	3,493,928
FUND BALANCE (NON-GAAP BUDGETARY BASIS)-				
End of Year	\$ <u>915,193</u>	2,913,225	\$ <u>1,998,032</u>	900,058
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		(212,924)		219,440
FUND BALANCE (GAAP BASIS)				
End of Year		\$ <u>2,700,301</u>		\$ <u>1,119,498</u>

CITY OF TUPELO
CITY INFRASTRUCTURE FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL
Year Ended September 30, 2014
With Comparative Actual Amounts for Year Ended September 30, 2013

	F.Y.E. 9/30/2014		Variance Favorable (Unfavorable)	F.Y.E. 9/30/2013 Actual
	Budget	Actual		
REVENUES				
Intergovernmental Revenues:				
Federal Grants	\$ 4,861,226	\$ 557,651	\$ (4,303,575)	\$ 12,000
Miscellaneous Revenues:				
Interest	-	5,192	5,192	5,734
Donations	-	-	-	45,364
Insurance Proceeds	-	397,277	397,277	-
Other	-	91,395	91,395	602
TOTAL REVENUES	<u>4,861,226</u>	<u>1,051,515</u>	<u>(3,809,711)</u>	<u>63,700</u>
EXPENDITURES				
Bond Issue Costs	-	-	-	375,209
Other Services and Charges	1,455,824	1,392,042	63,782	423,500
Capital Outlay:				
Capital Outlay	<u>13,113,280</u>	<u>6,216,345</u>	<u>6,896,935</u>	<u>13,855,202</u>
Total Capital Outlay	14,569,104	7,608,387	6,960,717	14,653,911
TOTAL EXPENDITURES	<u>14,569,104</u>	<u>7,608,387</u>	<u>6,960,717</u>	<u>14,653,911</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(9,707,878)	(6,556,872)	3,151,006	(14,590,211)
OTHER FINANCING SOURCES (USES):				
Bond Proceeds	-	-	-	15,000,000
Transfer from Other Funds	3,668,750	3,668,750	-	3,710,287
Bond Premium Received	-	-	-	207,798
TOTAL OTHER FINANCING SOURCES (USES)	<u>3,668,750</u>	<u>3,668,750</u>	<u>-</u>	<u>18,918,085</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)	(6,039,128)	(2,888,122)	3,151,006	4,327,874
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -				
Beginning of Year	<u>6,722,500</u>	<u>6,722,500</u>	<u>-</u>	<u>2,394,626</u>
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -				
End of Year	<u>\$ 683,372</u>	<u>3,834,378</u>	<u>\$ 3,151,006</u>	<u>6,722,500</u>
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		<u>5,751</u>		<u>-</u>
FUND BALANCE (GAAP BASIS)				
End of Year		<u>\$ 3,840,129</u>		<u>\$ 6,722,500</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.

School 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 School Bonds.

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

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

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

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

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

Mississippi Development Bank 2007 Issue Fund – This fund is used to account for the accumulation of resources for, and payment of, principal, interest and related costs of the Series 2007 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, 2014
With Comparative Actual Amounts for Year Ended September 30, 2013

	F.Y.E. 9/30/2014			F.Y.E. 9/30/2013 Actual
	Budget	Actual	Variance Favorable (Unfavorable)	
REVENUES				
Taxes:				
General Property Taxes	\$ 2,675,356	\$ 2,532,756	\$ (142,600)	\$ 3,422,287
Intergovernmental Revenues:				
State Shared Revenues	78,288	79,592	1,304	108,838
Miscellaneous Revenues:				
Interest	-	2,032	2,032	2,882
Other	256,509	256,509	-	257,854
TOTAL REVENUES	<u>3,010,153</u>	<u>2,870,889</u>	<u>(139,264)</u>	<u>3,791,861</u>
EXPENDITURES				
Debt Service:				
General Obligations:				
Bonds Redeemed	2,825,235	2,465,235	360,000	4,621,790
Interest	1,073,125	1,152,942	(79,817)	737,850
Paying Agent Fees	25,000	17,469	7,531	4,615
Total Debt Service	<u>3,923,360</u>	<u>3,635,646</u>	<u>287,714</u>	<u>5,364,255</u>
TOTAL EXPENDITURES	<u>3,923,360</u>	<u>3,635,646</u>	<u>287,714</u>	<u>5,364,255</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(913,207)	(764,757)	148,450	(1,572,394)
OTHER FINANCING SOURCES (USES):				
Transfers from General Fund	534,175	-	(534,175)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>534,175</u>	<u>-</u>	<u>(534,175)</u>	<u>-</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, 2014

With Comparative Actual Amounts for Year Ended September 30, 2013

-Continued-

	F.Y.E. 9/30/2014			F.Y.E. 9/30/2013 Actual
	Budget	Actual	Variance Favorable (Unfavorable)	
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)	\$ (379,032)	\$ (764,757)	\$ (385,725)	\$ (1,572,394)
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -				
Beginning of Year	<u>1,785,420</u>	<u>1,785,420</u>	<u>-</u>	<u>3,348,598</u>
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -				
End of Year	<u>\$ 1,406,388</u>	1,020,663	<u>\$ (385,725)</u>	1,776,204
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		<u>(3,945)</u>		<u>9,216</u>
FUND BALANCE (GAAP-BASIS) -				
End of Year		<u>\$ 1,016,718</u>		<u>\$ 1,785,420</u>

CITY OF TUPELO
SCHOOL BOND AND INTEREST FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL
Year Ended September 30, 2014
With Comparative Actual Amounts for Year Ended September 30, 2013

	<u>F.Y.E. 9/30/2014</u>			F.Y.E. 9/30/2013 Actual
	Budget	Actual	Variance Favorable (Unfavorable)	
REVENUES				
Miscellaneous Revenues:				
Interest	\$ -	\$ -	\$ -	\$ 8
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>-</u>	<u>8</u>
OTHER FINANCING SOURCES (USES):				
Transfer to Tupelo Public School District	-	-	-	(21,728)
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(21,728)</u>
EXCESS OF REVENUES OVER (UNDER) OTHER SOURCES (USES)	-	-	-	(21,720)
FUND BALANCE (DEFICIT) (NON-GAAP BUDGETARY BASIS)				
Beginning of Year	-	-	-	21,720
FUND BALANCE (DEFICIT) (NON-GAAP BUDGETARY BASIS)				
End of Year	\$ <u>-</u>	-	\$ <u>-</u>	-
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		-		-
FUND BALANCE (DEFICIT) (GAAP-BASIS)				
End of Year		\$ <u>-</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, 2014

With Comparative Actual Amounts for Year Ended September 30, 2013

	F.Y.E. 9/30/2014			F.Y.E. 9/30/2013 Actual
	Budget	Actual	Variance Favorable (Unfavorable)	
REVENUES				
Taxes:				
General Property Taxes	\$ 98,740	\$ 143,743	\$ 45,003	\$ 163,629
Miscellaneous Revenues:				
Interest	-	81	81	72
TOTAL REVENUES	98,740	143,824	45,084	163,701
EXPENDITURES				
Debt Service:				
Special Assessment General Obligations:				
Bonds Redeemed	75,000	75,000	-	130,000
Interest	18,740	18,740	-	25,895
Paying Agent Fees	5,000	4,190	810	5,210
Total Debt Service	98,740	97,930	810	161,105
TOTAL EXPENDITURES	98,740	97,930	810	161,105
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	45,894	45,894	2,596
OTHER FINANCING SOURCES (USES):				
Transfer from General Fund	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-

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

Year Ended September 30, 2014

With Comparative Actual Amounts for Year Ended September 30, 2013

-Continued-

	F.Y.E. 9/30/2014			F.Y.E. 9/30/2013 Actual
	Budget	Actual	Variance Favorable (Unfavorable)	
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)	\$ -	\$ 45,894	\$ 44,274	\$ 2,596
FUND BALANCE (NON-GAAP BUDGETARY BASIS) - Beginning of Year	<u>5,446</u>	<u>5,446</u>	<u>-</u>	<u>2,850</u>
FUND BALANCE (NON-GAAP BUDGETARY BASIS) - End of Year	\$ <u><u>5,446</u></u>	51,340	\$ <u><u>44,274</u></u>	5,446
Adjustments to Generally Accepted Accounting Principles: Revenue Accruals		<u>-</u>		<u>-</u>
FUND BALANCE (GAAP-BASIS) - End of Year		\$ <u><u>51,340</u></u>		\$ <u><u>5,446</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, 2014
With Comparative Actual Amounts for Year Ended September 30, 2013

	F.Y.E. 9/30/2014			F.Y.E. 9/30/2013 Actual
	Budget	Actual	Variance Favorable (Unfavorable)	
REVENUES				
Taxes:				
Payments in Lieu of Taxes	\$ 117,858	\$ 141,653	\$ 23,795	\$ 115,855
Miscellaneous Revenues:				
Interest	-	242	242	223
TOTAL REVENUES	<u>117,858</u>	<u>141,895</u>	<u>24,037</u>	<u>116,078</u>
EXPENDITURES				
Debt Service:				
General Obligations:				
Bonds Redeemed	80,000	80,000	-	75,000
Interest	35,858	35,858	-	39,855
Paying Agent Fees	2,000	850	1,150	850
Total Debt Service	<u>117,858</u>	<u>116,708</u>	<u>1,150</u>	<u>115,705</u>
TOTAL EXPENDITURES	<u>117,858</u>	<u>116,708</u>	<u>1,150</u>	<u>115,705</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	25,187	25,187	373
OTHER FINANCING SOURCES (USES):				
Transfer from TIF/SP Assessment Fund	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

CITY OF TUPELO
CITY TAX INCREMENT DEBT FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL
Year Ended September 30, 2014
With Comparative Actual Amounts for Year Ended September 30, 2013
-Continued-

	F.Y.E. 9/30/2014		Variance Favorable (Unfavorable)	F.Y.E. 9/30/2013 Actual
	Budget	Actual		
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)	\$ -	\$ 25,187	\$ 25,187	\$ 373
FUND BALANCE (NON-GAAP BUDGETARY BASIS) - Beginning of Year	<u>185,562</u>	<u>185,562</u>	<u>-</u>	<u>185,189</u>
FUND BALANCE (NON-GAAP BUDGETARY BASIS) - End of Year	\$ <u><u>185,562</u></u>	210,749	\$ <u><u>25,187</u></u>	185,562
Adjustments to Generally Accepted Accounting Principles: Revenue Accruals		<u>-</u>		<u>-</u>
FUND BALANCE (GAAP-BASIS) - End of Year		\$ <u><u>210,749</u></u>		\$ <u><u>185,562</u></u>

CITY OF TUPELO
CERTIFICATE OF PARTICIPATION DEBT SERVICE FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL
Year Ended September 30, 2014
With Comparative Actual Amounts for Year Ended September 30, 2013

	F.Y.E. 9/30/2014			F.Y.E. 9/30/2013 Actual
	Budget	Actual	Variance Favorable (Unfavorable)	
REVENUES				
Miscellaneous Revenues:				
Interest	\$ -	\$ 79	\$ 79	\$ 80
TOTAL REVENUES	<u>-</u>	<u>79</u>	<u>79</u>	<u>80</u>
EXPENDITURES				
Debt Service:				
Certificates Redeemed	675,000	675,000	-	645,000
Interest	291,100	291,098	2	316,898
Paying Agent Fees	4,000	3,583	417	3,905
Total Debt Service	<u>970,100</u>	<u>969,681</u>	<u>419</u>	<u>965,803</u>
TOTAL EXPENDITURES	<u>970,100</u>	<u>969,681</u>	<u>419</u>	<u>965,803</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(970,100)</u>	<u>(969,602)</u>	<u>498</u>	<u>(965,723)</u>
OTHER FINANCING SOURCES (USES):				
Transfer from Coliseum Project Fund	<u>970,100</u>	<u>969,681</u>	<u>(419)</u>	<u>965,803</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>970,100</u>	<u>969,681</u>	<u>(419)</u>	<u>965,803</u>

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

Year Ended September 30, 2014

With Comparative Actual Amounts for Year Ended September 30, 2013

-Continued-

	F.Y.E. 9/30/2014			F.Y.E. 9/30/2013 Actual
	Budget	Actual	Variance Favorable (UNFAVORABLE)	
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)	\$ -	\$ 79	\$ 79	\$ 80
FUND BALANCE (NON-GAAP BUDGETARY BASIS) - Beginning of Year	<u>66,487</u>	<u>66,487</u>	<u>-</u>	<u>66,407</u>
FUND BALANCE (NON-GAAP BUDGETARY BASIS) - End of Year	<u>\$ 66,487</u>	66,566	<u>\$ 79</u>	66,487
Adjustments to Generally Accepted Accounting Principles: Revenue Accruals		<u>-</u>		<u>-</u>
FUND BALANCE (GAAP BASIS) End of Year		<u>\$ 66,566</u>		<u>\$ 66,487</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, 2014
With Comparative Actual Amounts for Year Ended September 30, 2013

	F.Y.E. 9/30/2014			F.Y.E. 9/30/2013 Actual
	Budget	Actual	Variance Favorable (Unfavorable)	
REVENUES				
Miscellaneous Revenues:				
Interest	\$ -	\$ 48	\$ 48	\$ 92
Lease Income	-	-	-	428,993
TOTAL REVENUES	-	48	48	429,085
EXPENDITURES				
Debt Service:				
Special Obligations:				
Bonds Redeemed	215,000	215,000	-	205,000
Interest	219,006	219,006	-	232,131
Paying Agent Fees	2,500	2,500	-	2,500
Total Debt Service	436,506	436,506	-	439,631
TOTAL EXPENDITURES	436,506	436,506	-	439,631
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(436,506)	(436,458)	48	(10,546)
OTHER FINANCING SOURCES (USES):				
Transfer from General Fund	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-

CITY OF TUPELO
URBAN RENEWAL BOND FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL
Year Ended September 30, 2014
With Comparative Actual Amounts for Year Ended September 30, 2013
-Continued-

	<u>F.Y.E. 9/30/2014</u>			F.Y.E. 9/30/2013 Actual
	Budget	Actual	Variance Favorable (Unfavorable)	
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)	\$ (436,506)	\$ (436,458)	\$ 48	\$ (10,546)
FUND BALANCE (NON-GAAP BUDGETARY BASIS) - Beginning of Year	<u>977,716</u>	<u>977,716</u>	<u>-</u>	<u>988,256</u>
FUND BALANCE (NON-GAAP BUDGETARY BASIS) - End of Year	\$ <u>541,210</u>	541,258	\$ <u>48</u>	977,710
Adjustments to Generally Accepted Accounting Principles: Revenue Accruals		<u>(6)</u>		<u>6</u>
FUND BALANCE (GAAP-BASIS) - End of Year		\$ <u>541,252</u>		\$ <u>977,716</u>

CITY OF TUPELO
MISSISSIPPI DEVELOPMENT BANK 2007 ISSUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL
Year Ended September 30, 2014
With Comparative Actual Amounts for Year Ended September 30, 2013

	<u>F.Y.E. 9/30/2014</u>			<u>F.Y.E. 9/30/2013 Actual</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	
REVENUES				
Miscellaneous Revenues:				
Interest	\$ -	\$ 67	\$ 67	\$ 75
TOTAL REVENUES	<u>-</u>	<u>67</u>	<u>67</u>	<u>75</u>
EXPENDITURES				
Debt Service:				
Special Obligations:				
Bonds Redeemed	195,000	69,195	125,805	65,645
Interest	89,656	31,813	57,843	34,767
Paying Agent Fees	1,500	1,200	300	1,200
Total Debt Service	<u>286,156</u>	<u>102,208</u>	<u>183,948</u>	<u>101,612</u>
TOTAL EXPENDITURES	<u>286,156</u>	<u>102,208</u>	<u>183,948</u>	<u>101,612</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(286,156)	(102,141)	184,015	(101,537)
OTHER FINANCING SOURCES (USES):				
Transfer from CVB Fund	<u>284,650</u>	<u>101,000</u>	<u>(183,650)</u>	<u>103,000</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>284,650</u>	<u>101,000</u>	<u>(183,650)</u>	<u>103,000</u>

CITY OF TUPELO
MISSISSIPPI DEVELOPMENT BANK 2007 ISSUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL

Year Ended September 30, 2014

With Comparative Actual Amounts for Year Ended September 30, 2013

-Continued-

	F.Y.E. 9/30/2014			F.Y.E. 9/30/2013 Actual
	Budget	Actual	Variance Favorable (Unfavorable)	
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)	\$ (1,506)	\$ (1,141)	\$ 365	\$ 1,463
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -				
Beginning of Year	<u>4,791</u>	<u>4,791</u>	<u>-</u>	<u>3,328</u>
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -				
End of Year	\$ <u><u>3,285</u></u>	3,650	\$ <u><u>365</u></u>	4,791
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		<u>-</u>		<u>-</u>
FUND BALANCE (GAAP-BASIS) -				
End of Year		\$ <u><u>3,650</u></u>		\$ <u><u>4,791</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, 2014

With Comparative Totals for September 30, 2013

	Metro Vice Seized Fund	City Court Restitution Fund	Flexible Spending Fund	Self Insurance Fund	Arts Committee Fund	Totals	
						9/30/14	9/30/13
ASSETS							
Cash	\$ 111,324	\$ 6,964	\$ 21,763	\$ 1,151,886	\$ 734	\$ 1,292,671	\$ 1,226,719
Investments	-	-	-	500	-	500	500
Due from Employees	-	-	-	-	-	-	6,433
Interest Receivable	-	-	-	653	-	653	653
TOTAL ASSETS	\$ 111,324	\$ 6,964	\$ 21,763	\$ 1,153,039	\$ 734	\$ 1,293,824	\$ 1,234,305
LIABILITIES							
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	-	-	21,172	-	-	21,172	24,949
Due to Complainants	-	6,964	-	-	-	6,964	6,964
Due to Arts Committee	-	-	-	-	734	734	733
Due to Employees	-	-	591	-	-	591	-
Due to Insured Employees	-	-	-	1,153,039	-	1,153,039	1,067,853
Seized Money Held	111,324	-	-	-	-	111,324	133,806
TOTAL LIABILITIES	\$ 111,324	\$ 6,964	\$ 21,763	\$ 1,153,039	\$ 734	\$ 1,293,824	\$ 1,234,305

CITY OF TUPELO
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
Year Ended September 30, 2014

	Balance September 30, 2013	Debits	Credits	Balance September 30, 2014
METRO VICE SEIZED FUND				
<u>ASSETS</u>				
Cash	\$ 133,806	\$ 158,606	\$ 181,088	\$ 111,324
<u>LIABILITIES</u>				
Accounts Payable	\$ -	\$ 39,937	\$ 39,937	\$ -
Seized Money Held	133,806	522,088	499,606	111,324
Total Liabilities	\$ 133,806	\$ 562,025	\$ 539,543	\$ 111,324
CITY COURT RESTITUTION FUND				
<u>ASSETS</u>				
Cash	\$ 6,964	\$ 17	\$ 17	\$ 6,964
<u>LIABILITIES</u>				
Due to Complainants	\$ 6,964	\$ -	\$ -	\$ 6,964
FLEXIBLE SPENDING FUND				
<u>ASSETS</u>				
Cash	\$ 18,516	\$ 34,524	\$ 31,277	\$ 21,763
<u>LIABILITIES</u>				
Due to Other Funds	\$ 24,949	\$ 3,783	\$ 6	\$ 21,172
Due to Employees	(6,433)	31,278	38,302	591
Total Liabilities	\$ 18,516	\$ 35,061	\$ 38,308	\$ 21,763
TUPELO ARTS COMMITTEE				
<u>ASSETS</u>				
Cash	\$ 733	\$ 1	\$ -	\$ 734
<u>LIABILITIES</u>				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Deposits - Arts Committee	733	-	1	734
Total Liabilities	\$ 733	\$ -	\$ 1	\$ 734

CITY OF TUPELO
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
Year Ended September 30, 2014

-Continued-

	Balance September 30, 2013	Debits	Credits	Balance September 30, 2014
SELF INSURANCE FUND				
<u>ASSETS</u>				
Cash	\$ 1,066,700	\$ 240,123	\$ 154,937	\$ 1,151,886
Investments	500	-	-	500
Interest Receivable	653	-	-	653
Total Assets	<u>\$ 1,067,853</u>	<u>\$ 240,123</u>	<u>\$ 154,937</u>	<u>\$ 1,153,039</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ -	\$ 98,455	\$ 98,455	\$ -
Due to Insured Employees	1,067,853	-	85,186	1,153,039
Total Liabilities	<u>\$ 1,067,853</u>	<u>\$ 98,455</u>	<u>\$ 183,641</u>	<u>\$ 1,153,039</u>
TOTAL ALL AGENCY FUNDS				
<u>ASSETS</u>				
Cash	\$ 1,226,719	\$ 433,271	\$ 367,319	\$ 1,292,671
Investments	500	-	-	500
Receivables	653	-	-	653
Total Assets	<u>\$ 1,227,872</u>	<u>\$ 433,271</u>	<u>\$ 367,319</u>	<u>\$ 1,293,824</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ -	\$ 138,392	\$ 138,392	\$ -
Due to Other Funds	24,949	3,783	6	21,172
Seized Money Held	133,806	522,088	499,606	111,324
Deposits - Arts Committee	733	-	1	734
Due to Complainants	6,964	-	-	6,964
Due to Insured Employees	1,067,853	-	85,186	1,153,039
Due to Employees	(6,433)	31,278	38,302	591
Total Liabilities	<u>\$ 1,227,872</u>	<u>\$ 695,541</u>	<u>\$ 761,493</u>	<u>\$ 1,293,824</u>

OTHER SUPPLEMENTAL INFORMATION

CITY OF TUPELO
SCHEDULE OF INVESTMENTS
September 30, 2014

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	\$ 16,047,745
Urban Renewal Bond Fund	U.S. Government Securities Fund	Var	N/A	Var	<u>282,227</u>
	Total Investments - Debt Service Funds				<u>16,329,972</u>
	Total Investments - Governmental Funds				<u>16,329,972</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>\$ 16,330,472</u>

CITY OF TUPELO
SCHEDULE OF LONG-TERM DEBT
Year Ended September 30, 2014

	ISSUE DATE	FINAL MATURITY DATE	BALANCE OUTSTANDING SEPTEMBER 30, 2013	ISSUED	(REDEEMED)	BALANCE OUTSTANDING SEPTEMBER 30, 2014	CURRENT MATURITIES	CURRENT INTEREST PAYABLE
GENERAL OBLIGATION BONDS:								
General City Bonds								
General Obligation - Series 2012	5/1/2012	11/1/2032	\$ 6,000,000	\$ -	\$ (240,000)	\$ 5,760,000	\$ -	\$ -
General Obligation - Series 2013	4/10/2013	9/30/1933	6,000,000	-	(120,000)	5,880,000	120,000	144,426
General Obligation - Series 2013	9/1/2013	9/30/2028	3,000,000	-	(160,000)	2,840,000	165,000	77,425
General Obligation - Series 2011	12/1/2011	12/1/1930	3,895,000	-	(100,000)	3,795,000	100,000	89,514
General Obligation Refunding Bonds - Series A	6/21/2011	7/1/2019	4,595,000	-	(715,000)	3,880,000	735,000	93,650
General Obligation Refunding Bonds - Series B	6/21/2011	7/1/2023	5,000,000	-	(430,000)	4,570,000	440,000	161,019
Refunding General Obligation Bonds	7/1/2001	9/1/2016	1,350,000	-	(600,000)	750,000	625,000	33,438
General Obligation - Series 2007	2/1/2007	2/1/2021	6,390,000	-	(600,000)	5,790,000	625,000	205,406
Total General City Bonds			<u>36,230,000</u>	<u>-</u>	<u>(2,965,000)</u>	<u>33,265,000</u>	<u>2,810,000</u>	<u>804,878</u>
Water Bonds								
Series 2008 - Refunding Bonds	12/17/2008	12/1/1933	9,095,000	-	(255,000)	8,840,000	265,000	397,680
Total Water Bonds			<u>9,095,000</u>	<u>-</u>	<u>(255,000)</u>	<u>8,840,000</u>	<u>265,000</u>	<u>397,680</u>
Special Assessments General Obligation Bonds								
Series 1995	8/1/1995	8/1/2015	65,000	-	(30,000)	35,000	35,000	2,065
Series 1996	9/1/1996	9/1/2016	75,000	-	(25,000)	50,000	25,000	3,000
Series 2000	8/1/2000	8/1/2020	200,000	-	(20,000)	180,000	25,000	9,405
Total Special Assessments General Obligations Bonds			<u>340,000</u>	<u>-</u>	<u>(75,000)</u>	<u>265,000</u>	<u>85,000</u>	<u>14,470</u>
TOTAL GENERAL OBLIGATION BONDS			<u>45,665,000</u>	<u>-</u>	<u>(3,295,000)</u>	<u>42,370,000</u>	<u>3,160,000</u>	<u>1,217,028</u>
OTHER LONG-TERM DEBT:								
General City Notes Payable								
Capital Improvements Revolving Loan	8/24/2009	2/1/2033	1,453,874	-	(55,918)	1,397,956	58,170	41,207
Tupelo Airport Authority Capital Acquisition	6/22/2011	7/1/2025	1,336,281	-	(85,560)	1,250,721	88,128	37,522
Total General City Notes Payable			<u>2,790,155</u>	<u>-</u>	<u>(141,478)</u>	<u>2,648,677</u>	<u>146,298</u>	<u>78,729</u>

CITY OF TUPELO
SCHEDULE OF LONG-TERM DEBT - Continued
Year Ended September 30, 2014

	ISSUE DATE	FINAL MATURITY DATE	BALANCE OUTSTANDING SEPTEMBER 30, 2013	ISSUED	(REDEEMED)	BALANCE OUTSTANDING SEPTEMBER 30, 2014	CURRENT MATURITIES	CURRENT INTEREST PAYABLE
OTHER LONG-TERM DEBT - Continued:								
Water and Sewer Notes Payable								
Drinking Water Loan	9/1/2005	5/1/2025	\$ 727,068	\$ -	\$ (49,916)	\$ 677,152	\$ 51,950	\$ 26,141
Drinking Water Loan	6/14/2006	12/1/2027	383,698	-	(23,589)	360,109	24,054	6,808
Capital Improvements Revolving Loan	11/19/2004	6/1/2026	4,603,028	-	(325,103)	4,277,925	330,839	72,218
Capital Improvements Revolving Loan	9/30/2004	11/1/2027	18,177,948	-	(1,140,709)	17,037,239	1,160,832	288,870
SRF MDA Revolving Loan	In progress		108,309	-	-	108,309	-	-
Total Water and Sewer Notes Payable			<u>24,000,051</u>	<u>-</u>	<u>(1,539,317)</u>	<u>22,460,734</u>	<u>1,567,675</u>	<u>394,037</u>
Special Obligation Bonds								
Series 2007	7/25/2007	7/1/2022	2,110,000	-	(195,000)	1,915,000	205,000	80,881
Tupelo Convention Center 2007	6/6/2007	7/1/2022	7,165,000	-	(675,000)	6,490,000	705,000	264,100
Convention Center	10/1/2005	1/1/2026	4,090,000	-	(215,000)	3,875,000	230,000	205,100
Total Special Obligation Bonds			<u>13,365,000</u>	<u>-</u>	<u>(1,085,000)</u>	<u>12,280,000</u>	<u>1,140,000</u>	<u>550,081</u>
Mississippi Development Lease	9/21/2000	7/31/2025	<u>343,020</u>	<u>-</u>	<u>(29,648)</u>	<u>313,372</u>	<u>157,307</u>	<u>3,917</u>
Tax Increment Limited Obligation Bonds								
Series 1998	2/1/1998	3/1/2018	245,000	-	(45,000)	200,000	45,000	10,118
Series 2009	5/13/2009	5/1/2024	515,000	-	(35,000)	480,000	40,000	21,600
Total Tax Increment Limited Obligation Bonds			<u>760,000</u>	<u>-</u>	<u>(80,000)</u>	<u>680,000</u>	<u>85,000</u>	<u>31,718</u>
Northeast MS Regional Water Supply District								
State Revolving Loan	9/1/1998	8/1/2022	1,310,939	-	(142,706)	1,168,233	147,046	33,036
Tupelo Airport Authority								
MDA Note Payable	5/1/2013	5/1/2023	200,000	-	(17,446)	182,554	17,969	5,477
Notes Payable	4/1/2007	6/1/2022	1,020,337	-	(134,349)	885,988	99,516	33,624
Total TAA Notes Payable			<u>1,220,337</u>	<u>-</u>	<u>(151,795)</u>	<u>1,068,542</u>	<u>117,485</u>	<u>39,101</u>
TOTAL OTHER LONG-TERM DEBT			<u>40,999,347</u>	<u>-</u>	<u>(3,028,466)</u>	<u>37,970,881</u>	<u>3,214,513</u>	<u>1,051,890</u>
TOTAL LONG-TERM DEBT			<u>\$ 89,454,502</u>	<u>\$ -</u>	<u>\$ (6,464,944)</u>	<u>\$ 82,989,558</u>	<u>\$ 6,520,811</u>	<u>\$ 2,347,647</u>

CITY OF TUPELO
RECONCILIATION OF ORIGINAL AD VALOREM TAX
ROLLS TO FUND COLLECTIONS
Year Ended September 30, 2014

	MUNICIPAL	SCHOOL	TAX
Adjusted Assessed Valuation:			
Realty	\$ 313,226,405	\$ 16,061,213	
Personal	84,074,622	27,411,443	
Personal - Auto (From County)	49,026,602	5,005,093	
 Total Municipal at 96.98 Mills	 \$ 446,327,629		\$ 43,284,853
 Total School at 64.51 Mills		 \$ 48,477,749	3,127,300
Collections Adjustments:			
Add:			
Municipal Homestead Reimbursement		\$ 453,396	
School Homestead Reimbursement		443,886	
Prior Year Tax Collections		397,209	
Penalties and Interest		75,902	
In-Lieu Taxes		1,237,815	
Heavy Duty Truck Tax		237,152	
Special Assessments		143,743	
Prior Year Tax Collections		-	2,989,103
Less:			
Cost of Collections		262,493	
School Homestead Loss		849,554	1,112,047
 TOTAL TO BE ACCOUNTED FOR			 \$ 48,289,209

CITY OF TUPELO
RECONCILIATION OF ORIGINAL AD VALOREM TAX
ROLLS TO FUND COLLECTIONS
Year Ended September 30, 2014
-Continued-

	<u>TAXES</u>	<u>HOMESTEAD REIMBURSEMENT</u>	<u>TOTALS</u>
Collection Credits to Funds:			
Municipal General Fund	\$ 7,548,992	\$ 196,746	\$ 7,745,738
Special Assessments Fund	143,743	-	143,743
Tax Increment Bond Fund	141,653	-	141,653
City Bond & Interest Fund	2,528,811	79,592	2,608,403
Library Fund	442,877	13,964	456,841
Firemen & Policemen Retirement Fund	744,025	23,459	767,484
City Special Levy Street Improvements Fund	4,428,575	139,635	4,568,210
School Maintenance Fund	26,201,158	443,886	26,645,044
School Bond and Interest Fund	3,108,314	-	3,108,314
Tupelo/Lee County Vo-Tech	213,155	-	213,155
School Notes - Shortfall Note	1,606,455	-	1,606,455
Total Collections	<u>\$ 47,107,758</u>	<u>\$ 897,282</u>	48,005,040
Balance Represented By:			
Unpaid Property Taxes		\$ 284,144	-
Unaccounted For (Over)		<u>25</u>	<u>284,169</u>
TOTAL ACCOUNTED FOR			<u>\$ 48,289,209</u>

CITY OF TUPELO
SCHEDULE OF SURETY BONDS FOR MUNICIPAL OFFICIALS
September 30, 2014

NAME	POSITION	BOND	INSURANCE COMPANY
Jason Shelton	Mayor	\$ 100,000	Travelers Casualty & Surety Co. of America
Kim Hanna	City Clerk	50,000	Travelers Casualty & Surety Co. of America
Tony Carleton	Chief of Police	50,000	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

CITY OF TUPELO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended September 30, 2014

Federal Grantor/ Pass Through Grantor/ Program Title	Grantor Agency Id Number	Federal CFDA Number	Federal Expenditures
PRIMARY GOVERNMENT:			
U. S. Department of Housing and Urban Development			
Passed through State Office of Federal-State Programs: Community Development Block Grant	1124-07-366-PF-01	14.228	\$ <u>175,735</u>
Total U.S. Department of Housing and Urban Development			\$ <u><u>175,735</u></u>
U. S. Department of Justice			
Passed through State Office of Federal-State Programs: Narcotics	12MN2321	16.579	\$ <u>38,583</u>
Justice Assistance	2012-DJ-BX-0107	16.738	<u>14,371</u>
FBI - Terrorism Task Force	415-JN-A28367	16.300	<u>17,080</u>
US Marshall Service	JLEO	16.111	<u>23,032</u>
Bulletproof Vest Partnership Program		16.607	<u>2,120</u>
HIDTA Grant	G11GC0003A/G10GC0003A	16.Ukn	<u>25,661</u>
Federal Equitable Sharing Agreement	11-DEA-541721	16.000	<u>252,608</u>
Total U.S. Department of Justice			\$ <u><u>373,455</u></u>
U. S. Department of Transportation			
Passed through State Office of Federal-State Programs: Mississippi Dept. of Transportation*	FL-0006-02(026)	20.205	\$ <u>1,397,031</u>
Mississippi Dept. of Transportation*	SRSP-0430-00(017)	20.205	<u>381,916</u>
Subtotal			<u>1,778,947</u>
Total U.S. Department of Transportation			\$ <u><u>1,778,947</u></u>

CITY OF TUPELO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended September 30, 2014

Federal Grantor/ Pass Through Grantor/ Program Title	Grantor Agency Id Number	Federal CFDA Number	Federal Expenditures
Appalachian Regional Commission			
Tennessee Valley Authority	MS-7763-C33	23.001	\$ 10,000
Tennessee Valley Authority	0005417	23.002	<u>111,273</u>
Total Appalachian Regional Commission			\$ <u>121,273</u>
U. S. Department of Homeland Security			
Passed through State Office of Federal-State Programs:			
Homeland Security Grant	S11HS366T	97.039	\$ 33,750
Homeland Security Grant	S12HS366T	97.039	<u>8,681</u>
Total U. S. Department of Homeland Security			\$ <u>42,431</u>
Mississippi Emergency Management Agency			
Emergency Management Assistance*	4175-DR-MS	97.036	<u>2,179,765</u>
Total Mississippi Emergency Management Agency			\$ <u>2,179,765</u>
TOTAL FEDERAL FINANCIAL ASSISTANCE			\$ <u>4,671,606</u>

SIGNIFICANT ACCOUNTING POLICIES:

The Schedule of Expenditures of Federal Awards includes the federal grant activity of the City of Tupelo, Mississippi and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organization*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

* - Major Program

REPORTS ON COMPLIANCE AND INTERNAL CONTROL

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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Honorable Mayor and City Council
City of Tupelo, Mississippi

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Tupelo, Mississippi as of and for the year ended September 30, 2014, 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 9, 2015.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Franks, Franks, Jarrell + Wilemon, P.A.

Franks, Franks, Jarrell & Wilemon, P.A.
March 9, 2015

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

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 Circular A-133 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, 2014. The City of Tupelo, Mississippi's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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, 2014.

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 OMB Circular A-133, 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 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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Franks, Franks, Jarrell & Wilemon, P.A.

Franks, Franks, Jarrell & Wilemon, P.A.
March 9, 2015

**CITY OF TUPELO, MISSISSIPPI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
September 30, 2014**

SECTION 1 – SUMMARY OF AUDITORS’ RESULTS

Financial Statements

Type of auditors’ report issued: Unmodified
 Internal control over financial reporting:
 Material weakness identified? Yes No
 Significant deficiency identified
 not considered to be a material weakness? Yes None reported
 Noncompliance material to financial statements
 noted? Yes No

Federal Awards

Internal Control over major programs:
 Material weakness identified? Yes No
 Significant deficiency identified
 not considered to be a material weakness? Yes 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
 Circular A-133, Section .510(a)? Yes No

Identification of major program:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
20.205	U.S. Department of Transportation – MS Dept. of Transportation
97,039	Emergency Management Assistance – MEMA

Dollar threshold used to distinguish
 between Type A and Type B programs: \$ 300,000
 Auditee qualified as low-risk auditee? Yes No

SECTION 2 – FINANCIAL STATEMENT FINDINGS:

None

SECTION 3 – FEDERAL AWARD FINDINGS:

None

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH STATE LAWS AND REGULATIONS

Mayor and City Council
City of Tupelo, Mississippi

We have audited the financial statements of the City of Tupelo, Mississippi, as of and for the year ended September 30, 2014, and have issued our report thereon dated March 9, 2015. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the *Government Auditing Standards*.

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

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

This report is intended for the information of management and the Office of the State Auditor and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Franks, Franks, Jarrell + Wilemon, P.A.

Franks, Franks, Jarrell, & Wilemon, P.A.
March 9, 2015