

# **City of Tupelo, Mississippi**

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## **Financial Statements For the year ended September 30, 2025**

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INDEPENDENT AUDITORS' REPORT

## **INDEPENDENT AUDITORS' REPORT**

Honorable Mayor and City Council  
City of Tupelo, Mississippi

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Tupelo, Mississippi, as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the City of Tupelo's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Tupelo, Mississippi, as of September 30, 2025, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Northeast Mississippi Regional Water Supply District, which represent approximately 35 percent and 5 percent, respectively of the assets and revenues of the Proprietary Funds. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Northeast Mississippi Regional Water Supply District, is based solely on the reports of the other auditors.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Tupelo, Mississippi and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

The Electric Department's fiscal year ends on June 30th as required by regulatory bodies. Therefore, all statements and information relating to the Electric Department in this report are for the fiscal year beginning July 1, 2024 and ending June 30, 2025.

#### ***Responsibilities of Management for the Financial Statements***

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

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

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Tupelo, Mississippi's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Tupelo, Mississippi's ability to continue as a going concern for a reasonable period of time.

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 11 through 19, the schedule of the City's proportionate share of the net pension liability on pages 77 through 78, and the schedule of the City's contributions on pages 79 through 80 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary and Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Tupelo, Mississippi's basic financial statements. The accompanying combining and individual fund financial statements and supplementary information, listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial

statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

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

#### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 28, 2026 on our consideration of the City of Tupelo, Mississippi's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Tupelo's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Tupelo's internal control over financial reporting and compliance.

*Jarrell Group, PLLC*

Jarrell Group, PLLC  
Tupelo, Mississippi  
May 28, 2026

## MANAGEMENT'S DISCUSSION AND ANALYSIS

# **CITY OF TUPELO, MISSISSIPPI MANAGEMENT'S DISCUSSION AND ANALYSIS**

## **Required Supplemental Information for the year ended September 30, 2025**

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, 2025. Please read it in conjunction with the City of Tupelo financial statements, which follow this section.

### **FINANCIAL HIGHLIGHTS**

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$329,519,422. This compares to the previous year when assets and deferred outflows exceeded liabilities and deferred inflows by \$312,911,105.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$87,429,886, an increase of \$6,882,862 in comparison to the prior year. Approximately 26% of the combined fund balances, \$22,651,393 is considered unassigned and is available for spending at the City's discretion.
- The City's total debt is \$131,225,205. Debt in the amount of \$16,763,311 was issued in the current fiscal year; all of which was used for capital acquisition or capital projects. Debt in the amount of \$8,426,073 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**

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

# CITY OF TUPELO, MISSISSIPPI

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### Government-wide Statements

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

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

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

### Fund Financial Statements

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

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

# CITY OF TUPELO, MISSISSIPPI

## MANAGEMENT'S DISCUSSION AND ANALYSIS

The City of Tupelo has two types of funds:

- **Governmental funds**—most of the City's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that help determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explains the relationship (or differences) between them. The measurement focus of governmental funds is upon determination of financial position and changes in financial position (sources, uses, and balance of financial resources) rather than upon net income determination. These funds are maintained on a modified accrual basis of accounting (explained further in the notes to the financial statements under "Summary of Significant Accounting Policies"). The basic financial statements for governmental funds are the Balance Sheet and the Statement of Revenues, Expenditures, and Changes in Fund Balance. The City utilizes four types of governmental funds: the General Fund, Special Revenue Funds, Debt Service Funds and Capital Projects Funds.
- **Proprietary funds**—Services for which the City charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long- and short-term financial information. The City has only one type of proprietary fund—enterprise funds. The City's enterprise funds are the same as its business-type activities yet provide more detail and additional information, such as cash flows. The measurement focus of proprietary funds is upon determination of net income, financial position and change in financial position. These funds are maintained on the accrual basis of accounting. The Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position, and Statement of Cash Flows are all required statements.

### Government-wide Financial Analysis

As year-to-year financial information is accumulated on a consistent basis, changes in the net position may be observed and used to discuss the changing financial position of the City as a whole.

The City's assets and deferred outflows exceeded liabilities and deferred inflows by \$329,519,422 at the close of the most recent fiscal year. This is a \$16,608,317 increase over last year's net position of \$312,911,105. Tables A-1 and A-2 provide a summary of the City's net position at September 30, 2025 and 2024.

The City implemented GASB 101, Compensated Absences, which resulted in an increase to reported liabilities and a corresponding adjustment to net position, reflecting the full recognition of employee leave benefits as of yearend. Additional information and further explanation can be found in Note 28 of this report.

## CITY OF TUPELO, MISSISSIPPI MANAGEMENT'S DISCUSSION AND ANALYSIS

A large portion, 92.2% and 90.3%, 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, 2025 and 2024, 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>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Current & Other Assets	\$ 98,572,534	\$ 94,459,244	\$ 38,928,955	\$ 44,149,214	\$ 137,501,489	\$ 138,679,271
Capital Assets	226,597,266	213,008,886	210,845,555	196,512,699	437,442,821	409,450,772
Total Assets	<u>325,169,800</u>	<u>307,468,130</u>	<u>249,774,510</u>	<u>240,661,913</u>	<u>574,944,310</u>	<u>548,130,043</u>
Total Deferred Outflows	<u>6,093,159</u>	<u>9,375,682</u>	<u>1,908,122</u>	<u>2,648,932</u>	<u>8,001,281</u>	<u>12,024,614</u>
Current Liabilities	13,875,944	17,515,902	19,825,413	19,650,221	33,701,357	37,166,123
Noncurrent Liabilities	152,110,769	145,231,577	59,826,884	58,111,089	211,937,653	203,342,666
Total Liabilities	<u>165,986,713</u>	<u>162,747,479</u>	<u>79,652,297</u>	<u>77,761,310</u>	<u>245,639,010</u>	<u>240,508,789</u>
Total Deferred Inflows	<u>6,571,114</u>	<u>5,228,137</u>	<u>1,216,045</u>	<u>1,044,847</u>	<u>7,787,159</u>	<u>6,272,984</u>
Net Position:						
Net Investment in						
Capital Assets	143,256,491	135,805,974	160,459,239	147,239,672	303,715,730	283,045,646
Restricted	34,534,817	31,110,993	15,260,588	20,967,284	49,795,405	52,078,277
Unrestricted (Deficit)	<u>(19,086,176)</u>	<u>(18,048,771)</u>	<u>(4,905,537)</u>	<u>(3,702,268)</u>	<u>(23,991,713)</u>	<u>(21,751,039)</u>
Total Net Position	<u>\$ 158,705,132</u>	<u>\$ 148,868,196</u>	<u>\$ 170,814,290</u>	<u>\$ 164,504,688</u>	<u>\$ 329,519,422</u>	<u>\$ 313,372,884</u>

There is a deficit of \$23,991,713 in unrestricted net position due to recording of unfunded pension liabilities under GASB 68. Please refer to Note 14.

**Changes in net position:** Approximately 11.7% of the City's total revenues come from property taxes, with 38.5% of all revenue coming from some type of tax. (See Table A-2.) This compares to 10.6% and 37.8% for the fiscal year ended September 30, 2024. Another 49.3% 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>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
<b>Revenues</b>						
Program Revenues:						
Charges for Services	\$ 7,713,838	\$ 5,202,512	\$ 83,943,544	\$ 80,968,598	\$ 91,657,382	\$ 86,171,110
Operating Grants & Contributions	1,922,223	1,400,521	-	-	1,922,223	1,400,521
Capital Grants & Contributions	6,105,822	12,376,887	7,399,424	4,523,981	13,505,246	16,900,868
General Revenues:						
Property Taxes	21,761,048	19,114,171	-	-	21,761,048	19,114,171
Other Taxes	49,726,233	48,686,866	-	-	49,726,233	48,686,866
Investment Income (Loss)	3,432,406	3,415,151	918,552	1,477,787	4,350,958	4,892,938
Gain on (Loss) Disposal of Assets	(42,159)	(500,386)	(8,696)	14,700	(50,855)	(485,686)
Other	2,919,113	2,894,458	1,129	-	2,920,242	2,894,458
<b>Total Revenues</b>	<b>93,538,524</b>	<b>92,590,180</b>	<b>92,253,953</b>	<b>86,985,066</b>	<b>185,792,477</b>	<b>179,575,246</b>
<b>Expenses</b>						
General Government	8,845,407	8,765,522	-	-	8,845,407	8,765,522
Public Safety	28,260,372	27,697,923	-	-	28,260,372	27,697,923
Public Works	14,061,487	13,066,894	-	-	14,061,487	13,066,894
Culture & Recreation	14,037,761	13,136,065	-	-	14,037,761	13,136,065
Other Functions	5,660,615	4,794,480	-	-	5,660,615	4,794,480
Capital Projects	5,749,064	8,011,752	-	-	5,749,064	8,011,752
Interest on Long-Term Debt	2,445,597	2,192,133	-	-	2,445,597	2,192,133
Water & Sewer	-	-	14,099,925	13,991,773	14,099,925	13,991,773
Electric	-	-	60,805,818	57,423,357	60,805,818	57,423,357
Solid Waste Management	-	-	4,364,472	4,101,015	4,364,472	4,101,015
N. MS Reg. Water Supp. Dist.	-	-	5,398,230	4,886,093	5,398,230	4,886,093
<b>Total Expenses</b>	<b>79,060,303</b>	<b>77,664,769</b>	<b>84,668,445</b>	<b>80,402,238</b>	<b>163,728,748</b>	<b>158,067,007</b>
Excess of Revenue Over Exp.	14,478,221	14,925,411	7,585,508	6,582,828	22,063,729	21,508,239
Transfers	(4,229,884)	(4,331,570)	(1,225,528)	(1,303,697)	(5,455,412)	(5,635,267)
<b>Change in Net Position</b>	<b>10,248,337</b>	<b>10,593,841</b>	<b>6,359,980</b>	<b>5,279,131</b>	<b>16,608,317</b>	<b>15,872,972</b>
Net Position—Beginning, As Previously Stated	148,868,196	138,274,355	164,504,688	159,225,557	297,499,912	297,499,912
Change in Acct. Principle	(411,401)	-	(50,378)	-	-	-
Net Position—Beginning, As Restated	148,456,795	138,274,355	164,454,310	159,225,557	312,911,105	-
<b>Net Position—Ending</b>	<b>\$158,705,132</b>	<b>\$148,868,196</b>	<b>\$170,814,290</b>	<b>\$164,504,688</b>	<b>\$329,519,422</b>	<b>\$313,372,884</b>

# CITY OF TUPELO, MISSISSIPPI MANAGEMENT'S DISCUSSION AND ANALYSIS

## Governmental Activities

Governmental activities increased the City's net position by \$10,248,337. Key elements of this increase are as follows:

- Capital grants totaling \$6,105,822 contributed to the increase in net position.
- Property and sales taxes increased by \$3,128,831 from the prior year.
- Interest income increased by \$17,255 from the prior year.
- GASB 68 pension expense decreased net position by \$5,099,365. Please refer to Note 14.

The largest funding sources for the City's governmental activities, as a percent of total revenues, are sales tax 39.8%, property taxes 23.3% and charges for services 8.3%.

The largest expense categories for the City's governmental activities are public safety 35.8% and public works 17.8%.

## Business-type Activities

Business-type activities increased the City's net position by \$6,359,980.

Charges for services are the major revenue categories for the enterprise funds. Total business-type revenues are comprised of \$14,738,178 for water and sewer, \$61,286,788 for electric, \$4,445,759 for solid waste management and \$3,472,819 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 \$22,651,393, which comprised 93.8% of total general fund balance. As a measure of the general fund's liquidity, it may be useful to compare both the fund balance, assigned and unassigned, to total fund expenditures. Total fund balance represents 57.1% of total fund expenditures. The fund balance of the City's general fund increased by \$320,410 during the current fiscal year.

**Debt Service Fund**—The debt service fund has a total fund balance of \$7,954,727, all of which is restricted for the payment of debt service. The net increase in fund balance during the current year was \$86,663.

**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 \$38,623,963.

# 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 \$16,692,369, 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 \$170,814,290. Changes in net position, which totaled \$6,359,980, were as follows: the electric fund increased by \$769,103, the water & sewer fund increased by \$2,448,023, the solid waste management fund increased by \$147,002 and Northeast Mississippi Regional Water Supply District increased by \$2,995,852.

## 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 2024-2025 general fund budget increased by \$2,425,396 and the overall operating budget increased by \$3,978,602.

## CAPITAL ASSET AND DEBT ADMINISTRATION

The City anticipates spending \$86,808,164 in capital projects from fiscal years 2026-2030. The sources of revenue include federal grants, G.O. bonds, State of MS funds, general funds and tourism funds. The City of Tupelo issued \$8,000,000 in fiscal year 2025 and anticipates issuing an additional intent for \$10,000,000 for an ESCO project at the aquatic facility. The City of Tupelo will spend the remaining ARPA funds in fiscal year 2026 for water, sewer, and storm water projects.

**Capital Assets**—In accordance with GASB 34, the City has recorded depreciation expense associated with all of its capital assets, including infrastructure. The City's investment in capital assets for its governmental and business-type activities as of September 30, 2025, amounted to \$409,450,772, net of accumulated depreciation of \$324,670,829. This investment in capital assets includes land, buildings, improvements other than buildings, machinery & equipment, infrastructure, and construction in progress.

Table A-3

### City of Tupelo's Capital Assets

	Governmental Activities		Business-Type Activities		Total Primary Government	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Land	\$ 14,867,952	\$ 14,820,005	\$ 2,594,679	\$ 1,864,705	\$ 17,462,631	\$ 16,684,710
Infrastructure Plant, Buildings, Improvements	188,549,073	183,697,349	-	-	188,549,073	183,697,349
Sanitary & Sewer Lagoons	-	-	6,896,810	6,896,810	6,896,810	6,896,810
Machinery & Equipment	37,552,793	33,489,680	30,653,136	30,238,091	68,205,929	63,727,771
Construction in Progress	24,601,315	10,799,958	24,545,914	35,550,991	49,147,229	46,350,949
Accumulated Depreciation	(186,945,217)	(174,835,071)	(158,678,125)	(149,835,758)	(345,623,342)	(324,670,829)
<b>Total</b>	<b>\$ 226,597,266</b>	<b>\$ 212,938,073</b>	<b>\$ 210,845,555</b>	<b>\$ 196,512,699</b>	<b>\$ 437,442,821</b>	<b>\$ 409,450,772</b>

# CITY OF TUPELO, MISSISSIPPI MANAGEMENT'S DISCUSSION AND ANALYSIS

**Long-term Debt**—At year-end, the City had \$131,225,205 in bonds and notes outstanding. More detailed information about the City's long-term liabilities is presented in the notes to the financial statements.

Table A-4

## City of Tupelo's Outstanding Debt

	Governmental Activities		Business-Type Activities		Total Primary Government	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
General Obligation Bonds	\$ 28,845,000	\$ 31,965,000	\$ -	\$ -	\$ 28,845,000	\$ 31,965,000
Special Obligation Bonds	-	-	9,025,000	9,925,000	9,025,000	9,925,000
Tax Increment Bonds	2,804,000	500,000	-	-	2,804,000	500,000
State Revolving Loans	-	-	-	-	-	-
Special Obligation Bonds	44,015,000	36,695,000	-	-	44,015,000	36,695,000
Notes Payable	1,811,875	2,195,506	38,076,248	34,959,379	39,888,123	37,154,885
Bond Premium	5,864,900	5,776,593	783,182	890,087	6,648,082	6,666,680
<b>Total</b>	<b>\$ 83,340,775</b>	<b>\$ 77,132,099</b>	<b>\$ 47,884,430</b>	<b>\$ 45,774,466</b>	<b>\$131,225,205</b>	<b>\$122,906,565</b>

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

Key assumptions for revenue forecasts for fiscal year 2026 are summarized as follows:

1. Sales tax revenues will remain flat
2. Property tax revenue will increase 1.6%
3. Interest rates will decline

This contributed to the following projections:

1. Property tax revenue will remain relatively flat.
2. Millage rates remained the same at 32.47 for the City's 2026 fiscal year budget. This includes 12.96 mills for the General Fund, 10 mills for the Thoroughfare Fund, .85 mills for the Library fund, 1.61 mills for the Fire and Police Retirement Fund, and 7.05 mills for the City Bond and Interest Fund.
3. Personnel cost will increase due to a recommended cost of living increase for all fulltime employees and an increase in the cost of employee health insurance.

## 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, 2025**

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Tupelo Airport Authority
<b>ASSETS:</b>				
Current Assets:				
Cash	\$ 84,389,365	\$ 10,110,352	\$ 94,499,717	\$ 615,511
Cash - Restricted	-	2,534,016	2,534,016	3,296
Certificate of Deposit - Restricted	-	51,462	51,462	-
Investments	3,696,008	-	3,696,008	-
General Property Taxes Receivable	1,055,172	-	1,055,172	-
Other Receivables	642,720	1,058,202	1,700,922	-
Accounts Receivable, Net	2,519,869	7,193,982	9,713,851	75,519
Accounts Receivable - Restricted	-	400,343	400,343	-
Unbilled Revenue	-	1,999,526	1,999,526	-
Due from Other Funds	1,800,000	24,497	1,824,497	-
Due from Other Governmental Units	3,730,977	822,105	4,553,082	1,292,958
Due from Other Governmental Units - Restricted	-	710,463	710,463	-
Due from Component Units	42,500	-	42,500	-
Inventories	79,225	1,528,585	1,607,810	-
Prepaid Items	545,885	198,101	743,986	1,433
Other Current Assets	-	151,722	151,722	-
<b>TOTAL CURRENT ASSETS</b>	<b>98,501,721</b>	<b>26,783,356</b>	<b>125,285,077</b>	<b>1,988,717</b>
Noncurrent Assets:				
Cash - Restricted	-	5,642,896	5,642,896	-
Investments - Restricted	-	6,251,478	6,251,478	-
Notes Receivable	70,813	231	71,044	-
Other Receivables	-	182,637	182,637	-
Other Assets	-	68,357	68,357	-
Capital Assets:				
Land	14,867,952	2,594,679	17,462,631	6,099,049
Plant, Buildings and Improvements	147,971,350	304,833,141	452,804,491	52,464,589
Sanitary and Sewer Lagoons	-	6,896,810	6,896,810	-
Machinery and Equipment	37,552,793	30,653,136	68,205,929	2,661,889
Infrastructure	188,549,073	-	188,549,073	-
Construction in Progress	24,601,315	24,545,914	49,147,229	6,185,090
Accumulated Depreciation	(186,945,217)	(158,678,125)	(345,623,342)	(36,188,655)
<b>TOTAL NONCURRENT ASSETS</b>	<b>226,668,079</b>	<b>222,991,154</b>	<b>449,659,233</b>	<b>31,221,962</b>
<b>TOTAL ASSETS</b>	<b>325,169,800</b>	<b>249,774,510</b>	<b>574,944,310</b>	<b>33,210,679</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred Outflows Related to Pensions	6,093,159	1,908,122	8,001,281	357,461
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 6,093,159</b>	<b>\$ 1,908,122</b>	<b>\$ 8,001,281</b>	<b>\$ 357,461</b>

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

**September 30, 2025**

-Continued-

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Tupelo Airport Authority
<b><u>LIABILITIES:</u></b>				
Current Liabilities:				
Accounts Payable	\$ 5,355,950	\$ 8,366,680	\$ 13,722,630	\$ 1,587,744
Equity in Pooled Cash Deficit	177,306	-	177,306	-
Accrued Expenses	384,274	327,010	711,284	49,601
Accrued Interest Payable	778,369	143,896	922,265	-
Due to Other Funds	-	2,026,545	2,026,545	-
Due to Other Governmental Units and Entities	-	-	-	2,028,603
Unearned Revenues	2,674,314	-	2,674,314	7,268
Long-Term Debt: Due Within One Year	4,474,796	4,517,457	8,992,253	-
Customer and Event Deposits	30,935	4,443,825	4,474,760	-
<b>TOTAL CURRENT LIABILITIES</b>	<b>13,875,944</b>	<b>19,825,413</b>	<b>33,701,357</b>	<b>3,673,216</b>
Noncurrent Liabilities:				
Advances TVA - Home Insulation Loans	-	539	539	-
Accrued Compensated Absences	1,718,643	182,708	1,901,351	65,719
Due to Other Funds	-	1,975,417	1,975,417	-
Net Pension Liability	71,526,147	14,301,247	85,827,394	2,162,877
Long-Term Debt: Due in More Than One Year	78,865,979	43,366,973	122,232,952	-
<b>TOTAL NONCURRENT LIABILITIES</b>	<b>152,110,769</b>	<b>59,826,884</b>	<b>211,937,653</b>	<b>2,228,596</b>
<b>TOTAL LIABILITIES</b>	<b>165,986,713</b>	<b>79,652,297</b>	<b>245,639,010</b>	<b>5,901,812</b>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>				
Deferred Inflows Related to Pensions	6,571,114	1,216,045	7,787,159	72,577
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>6,571,114</b>	<b>1,216,045</b>	<b>7,787,159</b>	<b>72,577</b>
<b><u>NET POSITION</u></b>				
Net Investment in Capital Assets	143,256,491	160,459,239	303,715,730	30,819,798
Restricted for:				
Capital Projects	12,544,480	12,622,152	25,166,632	-
Debt Service	7,954,727	2,638,436	10,593,163	-
Special Revenue	12,869,779	-	12,869,779	-
Water Reserve	625,381	-	625,381	-
Home Grant	540,450	-	540,450	-
Unrestricted (Deficit)	(19,086,176)	(4,905,537)	(23,991,713)	(3,226,047)
<b>TOTAL NET POSITION</b>	<b>\$ 158,705,132</b>	<b>\$ 170,814,290</b>	<b>\$ 329,519,422</b>	<b>\$ 27,593,751</b>

See accompanying notes to financial statements.

**CITY OF TUPELO, MISSISSIPPI**  
**STATEMENT OF ACTIVITIES**  
For the year ended September 30, 2025

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	
<b>PRIMARY GOVERNMENT</b>									
Government Activities:									
General Government	\$ 8,845,407	\$ 1,079,078	484,269		\$ 1,563,347	\$ (7,282,060)	\$ -	\$ (7,282,060)	\$ -
Public Safety	28,260,372	2,291,949	26,306	173,557	2,491,812	(25,768,560)	-	(25,768,560)	-
Public Works	14,061,487				-	(14,061,487)	-	(14,061,487)	-
Culture and Recreation	14,037,761	4,342,811	1,411,648		5,754,459	(8,283,302)	-	(8,283,302)	-
Other Functions	5,660,615				-	(5,660,615)	-	(5,660,615)	-
Capital Projects	5,749,064			5,932,265	5,932,265	183,201	-	183,201	-
Interest on Long-Term Debt	2,445,597				-	(2,445,597)	-	(2,445,597)	-
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>79,060,303</b>	<b>7,713,838</b>	<b>1,922,223</b>	<b>6,105,822</b>	<b>15,741,883</b>	<b>(63,318,420)</b>	<b>-</b>	<b>(63,318,420)</b>	<b>-</b>
Business-Type Activities:									
Water and Sewer	14,099,925	14,738,178	-	2,931,335	17,669,513	-	3,569,588	3,569,588	-
Electric	60,805,818	61,286,788	-	-	61,286,788	-	480,970	480,970	-
Northeast MS Regional Water Supply Dist.	5,398,230	3,472,819	-	4,468,089	7,940,908	-	2,542,678	2,542,678	-
Solid Waste Management	4,364,472	4,445,759	-	-	4,445,759	-	81,287	81,287	-
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<b>84,668,445</b>	<b>83,943,544</b>	<b>-</b>	<b>7,399,424</b>	<b>91,342,968</b>	<b>-</b>	<b>6,674,523</b>	<b>6,674,523</b>	<b>-</b>
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 163,728,748</b>	<b>\$ 91,657,382</b>	<b>\$ 1,922,223</b>	<b>\$ 13,505,246</b>	<b>\$ 107,084,851</b>	<b>\$ (63,318,420)</b>	<b>\$ 6,674,523</b>	<b>\$ (56,643,897)</b>	<b>\$ -</b>
<b>COMPONENT UNITS</b>									
Tupelo Airport Authority	\$ 3,974,116	\$ 996,107	\$ -	\$ 2,789,366	\$ 3,785,473	\$ -	\$ -	\$ -	\$ (188,643)
<b>GENERAL REVENUES:</b>									
Taxes:									
Property Taxes, Levied for General Purposes						\$ 8,585,007	\$ -	\$ 8,585,007	\$ -
Property Taxes, Levied for Capital Outlay						6,624,659	-	6,624,659	-
Property Taxes, Levied for Special Revenue						1,629,879	-	1,629,879	-
Property Taxes, Levied for Debt Service						4,921,503	-	4,921,503	-
Sales Taxes						37,222,703	-	37,222,703	-
County Pro Rata Taxes						1,633,676	-	1,633,676	-
Franchise Taxes						453,471	-	453,471	-
In Lieu Taxes						4,915,980	-	4,915,980	-
Other Taxes						5,500,403	-	5,500,403	-
Homestead Reimbursement						745,705	-	745,705	-
Fire Protection Allocation						247,693	-	247,693	-
Interest Income and Unrealized Gain (Loss) on Investments						3,432,406	918,552	4,350,958	21,999
Gain (Loss) on Disposal of Assets						(42,159)	(8,696)	(50,855)	36,878
Miscellaneous						1,925,715	1,129	1,926,844	-
Transfers (to) from Component Units						(4,229,884)	(1,225,528)	(5,455,412)	-
Transfers						-	-	-	-
<b>TOTAL GENERAL REVENUES AND TRANSFERS</b>						<b>73,566,757</b>	<b>(314,543)</b>	<b>73,252,214</b>	<b>58,877</b>
<b>CHANGE IN NET POSITION</b>						<b>10,248,337</b>	<b>6,359,980</b>	<b>16,608,317</b>	<b>(129,766)</b>
<b>NET POSITION--BEGINNING, as previously stated</b>						<b>148,868,196</b>	<b>164,504,688</b>	<b>313,372,884</b>	<b>27,723,517</b>
<b>CHANGE IN ACCOUNTING PRINCIPLE</b>						<b>(411,401)</b>	<b>(50,378)</b>	<b>(461,779)</b>	<b>-</b>
<b>NET POSITION--BEGINNING, as restated</b>						<b>148,456,795</b>	<b>164,454,310</b>	<b>312,911,105</b>	<b>27,723,517</b>
<b>NET POSITION--ENDING</b>						<b>\$ 158,705,132</b>	<b>\$ 170,814,290</b>	<b>\$ 329,519,422</b>	<b>\$ 27,593,751</b>

See accompanying notes to financial statements.

**CITY OF TUPELO, MISSISSIPPI  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
September 30, 2025**

	General Fund	City Infrastructure Fund	Non-Major Governmental Funds	Total Governmental Funds
<b><u>ASSETS:</u></b>				
Cash	\$ 19,848,520	\$ 33,266,803	\$ 31,274,042	\$ 84,389,365
Investments	-	-	3,696,008	3,696,008
General Property Taxes Receivable	440,339	-	614,833	1,055,172
Other Receivable	105,254	-	537,466	642,720
Notes Receivable	-	-	70,813	70,813
Due from Other Funds	1,800,000	-	-	1,800,000
Due from Other Government Units	3,004,958	35,811	690,208	3,730,977
Due from Component Units	42,500	-	-	42,500
Prepaid Items	307,383	-	238,502	545,885
Inventories	34,220	-	45,005	79,225
<b>TOTAL ASSETS</b>	<b>\$ 25,583,174</b>	<b>\$ 33,302,614</b>	<b>\$ 37,166,877</b>	<b>\$ 96,052,665</b>
<b><u>LIABILITIES AND FUND BALANCES:</u></b>				
<b><u>LIABILITIES:</u></b>				
Accounts Payable	\$ 882,811	\$ 3,086,823	\$ 1,386,316	\$ 5,355,950
Equity in Pooled Cash Deficit	-	-	177,306	177,306
Accrued Expenses	372,295	-	11,979	384,274
Unearned Revenues	169,241	-	2,505,073	2,674,314
Event Deposits	-	-	30,935	30,935
<b>TOTAL LIABILITIES</b>	<b>1,424,347</b>	<b>3,086,823</b>	<b>4,111,609</b>	<b>8,622,779</b>
<b><u>FUND BALANCES:</u></b>				
Nonspendable				
Prepaid Items	307,383	-	238,502	545,885
Inventory	34,220	-	45,005	79,225
Restricted for				
Tourism Promotion	-	-	11,625,578	11,625,578
Public Safety Retirement	-	-	50,737	50,737
Law Enforcement	-	-	1,193,464	1,193,464
Const. Acquisition of Capital Assets	-	4,951,007	7,564,406	12,515,413
Public Safety Equipment	-	-	29,067	29,067
Debt Service	-	-	7,954,727	7,954,727
Home Grant	540,450	-	-	540,450
Water Reserve	625,381	-	-	625,381
Committed to				
Rental Rehabilitation	-	-	72,906	72,906
Fairpark Infrastructure	-	-	698,601	698,601
Const. Acquisition of Capital Assets	-	25,264,784	116,098	25,380,882
Assigned to				
Coliseum Projects	-	-	2,319,853	2,319,853
Coliseum Operations	-	-	1,146,324	1,146,324
Unassigned	22,651,393	-	-	22,651,393
<b>TOTAL FUND BALANCES</b>	<b>24,158,827</b>	<b>30,215,791</b>	<b>33,055,268</b>	<b>87,429,886</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 25,583,174</b>	<b>\$ 33,302,614</b>	<b>\$ 37,166,877</b>	<b>\$ 96,052,665</b>

See accompanying notes to financial statements.

**CITY OF TUPELO, MISSISSIPPI  
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE  
SHEET TO THE STATEMENT OF NET POSITION  
For the year ended September 30, 2025**

TOTAL FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$	87,429,886
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.		226,597,266
Long-term liabilities, including bonds and accrued interest, are not due and payable in the current period and therefore they are not reported in the governmental funds balance sheet.		(84,119,144)
Accrued compensated absences are not due and payable in the current period and therefore they are not reported in the governmental funds balance sheet.		(1,718,643)
Net pension liability are not due and payable in the current period and therefore they are not reported in the governmental funds balance sheet.		(71,526,147)
Deferred outflows and inflows related to pensions are applicable to future periods and, therefore are not reported in the Governmental Funds Balance Sheet:		
Deferred outflows of resources related to defined benefit pension plan		6,093,159
Deferred inflows of resources related to defined benefit pension plan		(6,571,114)
Accrual of court fine revenues to qualify as financial resources.		<u>2,519,869</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	\$	<u><u>158,705,132</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, 2025**

	General Fund	City Infrastructure Fund	Non-Major Governmental Funds	Total Governmental Funds
<b>REVENUES:</b>				
Taxes	\$ 10,006,669	\$ -	\$ 13,176,041	\$ 23,182,710
Licenses and Permits	1,532,549	-	-	1,532,549
Intergovernmental Revenues	38,620,838	2,162,078	16,193,373	56,976,289
Charges for Services	782,733	-	3,924,922	4,707,655
Fines and Forfeitures	625,305	-	158,031	783,336
Miscellaneous Revenues	<u>1,816,114</u>	<u>935,122</u>	<u>2,601,644</u>	<u>5,352,880</u>
<b>TOTAL REVENUES</b>	<u>53,384,208</u>	<u>3,097,200</u>	<u>36,054,011</u>	<u>92,535,419</u>
<b>EXPENDITURES:</b>				
Current:				
General Government	7,091,997	-	-	7,091,997
Public Safety	22,328,782	-	1,367,488	23,696,270
Public Works	5,988,742	-	-	5,988,742
Culture and Recreation	5,370,439	-	6,106,043	11,476,482
Other Functions	1,088,892	-	4,576,612	5,665,504
Capital Projects	-	21,540,448	9,824,599	31,365,047
Debt Service	<u>446,844</u>	<u>-</u>	<u>6,554,364</u>	<u>7,001,208</u>
<b>TOTAL EXPENDITURES</b>	<u>42,315,696</u>	<u>21,540,448</u>	<u>28,429,106</u>	<u>92,285,250</u>
<b>EXCESS (DEFICIT) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>11,068,512</u>	<u>(18,443,248)</u>	<u>7,624,905</u>	<u>250,169</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers to Other Funds	(11,276,372)	(515,816)	(3,008,107)	(14,800,295)
Transfers from Other Funds	528,270	10,422,178	3,849,847	14,800,295
Transfers to Component Units	-	-	(4,542,734)	(4,542,734)
Transfers from Component Units	-	-	312,850	312,850
Bond Premium Received	-	512,577	-	512,577
Proceeds from Debt Issued	<u>-</u>	<u>10,350,000</u>	<u>-</u>	<u>10,350,000</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(10,748,102)</u>	<u>20,768,939</u>	<u>(3,388,144)</u>	<u>6,632,693</u>
<b>NET CHANGE IN FUND BALANCES</b>	320,410	2,325,691	4,236,761	6,882,862
<b>FUND BALANCES - Beginning</b>	<u>23,838,417</u>	<u>27,890,100</u>	<u>28,818,507</u>	<u>80,547,024</u>
<b>FUND BALANCES - Ending</b>	<u>\$ 24,158,827</u>	<u>\$ 30,215,791</u>	<u>\$ 33,055,268</u>	<u>\$ 87,429,886</u>

See accompanying notes to financial statements.

**CITY OF TUPELO, MISSISSIPPI**  
**RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES**  
**For the year ended September 30, 2025**

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 6,882,862
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.	26,897,424
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.	(13,097,567)
Revenues in the statement of activities that do not provide current financial resources and are not reported as revenues in the funds.	1,143,769
The amortization of the discounts and premiums are reported as a reduction to expense on the statement of activities.	424,270
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.	(140,664)
Changes to net pension liability, deferred inflows and deferred outflows are reported in pension expense in the statement of activities but do not provide or require the use of current financial resources; therefore, pension expense related to these changes are not reported as expenditures in the governmental funds.	(5,099,365)
The change in accrued interest payable is reported as an expense on the statement of activities.	(98,290)
Repayment and refunding of bond principal is an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	4,229,631
The proceeds of debt are an other financing source on the governmental funds income statement but are not reported on the statement of activities:	
Proceeds from issuance of bonds and notes payable	(10,350,000)
Premium on issuance of bonds	(512,577)
Increase in accrual of compensated absences.	<u>(31,156)</u>
 CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	 \$ <u><u>10,248,337</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, 2025**

	Budget		Actual	Variance with Final Budget (Unfavorable)
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ 9,790,838	\$ 9,790,838	\$ 9,883,279	\$ 92,441
Licenses and Permits	1,540,000	1,593,360	1,620,740	27,380
Intergovernmental Revenues	36,988,333	38,681,389	38,315,804	(365,585)
Charges for Services	722,000	722,000	782,733	60,733
Fines and Forfeitures	462,000	662,000	625,305	(36,695)
Miscellaneous Revenues	1,608,260	1,820,108	1,789,930	(30,178)
<b>TOTAL REVENUES</b>	<u>51,111,431</u>	<u>53,269,695</u>	<u>53,017,791</u>	<u>(251,904)</u>
<b>EXPENDITURES:</b>				
Current:				
General Government	7,591,675	7,721,171	7,091,997	629,174
Public Safety	21,919,727	23,124,024	22,328,782	795,242
Public Works	6,136,286	6,520,458	5,988,742	531,716
Culture and Recreation	5,539,787	5,807,804	5,370,439	437,365
Other Functions	1,132,825	1,132,825	1,088,892	43,933
Debt Service	485,257	447,470	446,844	626
<b>TOTAL EXPENDITURES</b>	<u>42,805,557</u>	<u>44,753,752</u>	<u>42,315,696</u>	<u>2,438,056</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>8,305,874</u>	<u>8,515,943</u>	<u>10,702,095</u>	<u>2,186,152</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers from Other Funds	19,500	19,500	528,270	508,770
Transfers to Other Funds	(7,576,882)	(11,362,198)	(11,276,372)	85,826
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(7,557,382)</u>	<u>(11,342,698)</u>	<u>(10,748,102)</u>	<u>594,596</u>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER FINANCING AND OTHER USES</b>	<u>\$ 748,492</u>	<u>\$ (2,826,755)</u>	<u>\$ (46,007)</u>	<u>\$ 2,780,748</u>

See accompanying notes to financial statements.

**CITY OF TUPELO, MISSISSIPPI**  
**CITY INFRASTRUCTURE FUND STATEMENT OF REVENUES,**  
**EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -**  
**BUDGETARY BASIS**  
For the year ended September 30, 2025

	Budget		Actual	Variance with Final Budget (Unfavorable)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental Revenues:				
Federal Grants	\$ 1,092,972	\$ 1,505,022	\$ 912,078	\$ (592,944)
State Grants	4,600,000	4,600,000	1,350,878	(3,249,122)
Miscellaneous Revenues:				
Interest	-	-	918,173	918,173
Other	-	11,225	16,949	5,724
<b>TOTAL REVENUES</b>	<u>5,692,972</u>	<u>6,116,247</u>	<u>3,198,078</u>	<u>(2,918,169)</u>
<b>EXPENDITURES:</b>				
Bond Issue Costs	-	248,090	248,090	-
Other Services and Charges	10,890,512	10,137,980	5,283,436	4,854,544
Capital Outlay	46,499,594	36,052,753	16,008,922	20,043,831
<b>TOTAL EXPENDITURES</b>	<u>57,390,106</u>	<u>46,438,823</u>	<u>21,540,448</u>	<u>24,898,375</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(51,697,134)</u>	<u>(40,322,576)</u>	<u>(18,342,370)</u>	<u>21,980,206</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Proceeds from General Obligation				
Bonds or Debt Issued	5,900,000	8,324,513	10,350,000	(2,025,487)
Bond Premium Received	-	512,577	512,577	-
Transfers from Other Funds	8,410,725	9,872,525	10,422,178	549,653
Transfers to Other Funds	-	(515,816)	(515,816)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>14,310,725</u>	<u>18,193,799</u>	<u>20,768,939</u>	<u>(1,475,834)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER FINANCING AND OTHER USES</b>	<u>\$ (37,386,409)</u>	<u>\$ (22,128,777)</u>	<u>\$ 2,426,569</u>	<u>\$ 20,504,372</u>

See accompanying notes to financial statements.

**CITY OF TUPELO**  
**STATEMENT OF NET POSITION -**  
**PROPRIETARY FUND TYPES**  
**September 30, 2025**

	<b>Business-Type Activities--Enterprise Funds</b>				
	<b>Electric Fund</b>	<b>Water and Sewer Fund</b>	<b>Northeast Mississippi Regional Water Supply District</b>	<b>Solid Waste Fund (Non-Major)</b>	<b>Total</b>
<b>ASSETS</b>					
<b>Current Assets - Unrestricted</b>					
Cash	\$ 5,936,521	\$ 2,443,323	\$ 665	\$ 1,729,843	\$ 10,110,352
Receivables, Net					
Accounts Receivable	7,193,982	-	-	-	7,193,982
Unbilled Revenue	1,694,549	304,977	-	-	1,999,526
Other Receivables	924,584	133,618	-	-	1,058,202
Due from Other Governments	-	822,105	-	-	822,105
Due from Other Funds	-	19,661	-	4,836	24,497
Inventories	1,333,304	112,647	82,634	-	1,528,585
Prepaid Expenses	96,794	27,851	73,456	-	198,101
Other Current Assets	151,722	-	-	-	151,722
Current Amount of Restricted Assets	-	-	3,696,284	-	3,696,284
Total Current Assets	<u>17,331,456</u>	<u>3,864,182</u>	<u>3,853,039</u>	<u>1,734,679</u>	<u>26,783,356</u>
<b>Restricted Assets</b>					
Cash	-	-	8,176,912	-	8,176,912
Certificate of Deposit	-	-	51,462	-	51,462
Investments	-	-	6,251,478	-	6,251,478
Interest Receivable on Investments	-	-	17,315	-	17,315
Accounts Receivable	-	-	400,343	-	400,343
Intergovernmental Receivable	-	-	710,463	-	710,463
Total Restricted Assets	-	-	15,607,973	-	15,607,973
Current Amounts Above	-	-	(3,696,284)	-	(3,696,284)
Total Non-Current Restricted Asset:	-	-	11,911,689	-	11,911,689
<b>Capital Assets</b>					
Plant and Equipment	75,371,630	156,279,559	102,689,122	1,145,966	335,486,277
Land and Land Rights	430,513	775,109	756,583	632,474	2,594,679
Sanitary and Sewer Lagoons	-	6,896,810	-	-	6,896,810
Construction in Progress	4,390,858	20,148,031	7,025	-	24,545,914
Total	80,193,001	184,099,509	103,452,730	1,778,440	369,523,680
Less: Accumulated Depreciation	43,557,463	81,579,178	33,020,379	521,105	158,678,125
Net Capital Assets	<u>\$ 36,635,538</u>	<u>\$ 102,520,331</u>	<u>\$ 70,432,351</u>	<u>\$ 1,257,335</u>	<u>\$ 210,845,555</u>

NOTE -- Amounts for the Electric Fund are at June 30, 2025.

**CITY OF TUPELO**  
**STATEMENT OF NET POSITION -**  
**PROPRIETARY FUND TYPES**  
**September 30, 2025**

-Continued-

	<b>Business-Type Activities--Enterprise Funds</b>				
	<b>Electric Fund</b>	<b>Water and Sewer Fund</b>	<b>Northeast Mississippi Regional Water Supply District</b>	<b>Solid Waste Fund (Non-Major)</b>	<b>Total</b>
<b>Other Assets</b>					
Other Assets	\$ -	\$ 8,900	\$ 42,142	\$ -	\$ 51,042
Receivable from Customers for Energy Conservation Loans	231	-	-	-	231
Receivable from CSA	182,637	-	-	-	182,637
Total Other Assets	<u>182,868</u>	<u>8,900</u>	<u>42,142</u>	<u>-</u>	<u>233,910</u>
<b>Total Assets</b>	<u>54,149,862</u>	<u>106,393,413</u>	<u>86,239,221</u>	<u>2,992,014</u>	<u>249,774,510</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<u>1,367,256</u>	<u>469,451</u>	<u>22,068</u>	<u>49,347</u>	<u>1,908,122</u>
<b>LIABILITIES</b>					
<b>CURRENT LIABILITIES</b>					
Payable from Unrestricted					
Current Assets:					
Accounts Payable	5,220,015	2,389,118	-	357,623	7,966,756
Customer and Other Deposits	3,463,630	980,195	-	-	4,443,825
Accrued Interest	29,417	114,479	-	-	143,896
Accrued Expenses	324,547	-	-	-	324,547
Due to Other Funds	-	1,801,128	-	-	1,801,128
Total Payable from Unrestricted Current Assets	<u>9,037,609</u>	<u>5,284,920</u>	<u>-</u>	<u>357,623</u>	<u>14,680,152</u>
Payable from Restricted					
Current Assets:					
Due to City of Tupelo Water					
G.O. Bond Fund	-	-	225,417	-	225,417
Accounts Payable	-	-	98,872	-	98,872
Accrued Payroll and Payroll Taxes	-	-	2,463	-	2,463
Construction / Retainage Payable	-	-	301,052	-	301,052
Bonds, Notes, and Loans Payable	370,000	4,147,457	-	-	4,517,457
Total Payable from Restricted Current Assets	<u>370,000</u>	<u>4,147,457</u>	<u>627,804</u>	<u>-</u>	<u>5,145,261</u>
Total Current Liabilities	<u>\$ 9,407,609</u>	<u>\$ 9,432,377</u>	<u>\$ 627,804</u>	<u>\$ 357,623</u>	<u>\$ 19,825,413</u>

NOTE -- Amounts for the Electric Fund are at June 30, 2025.

**CITY OF TUPELO**  
**STATEMENT OF NET POSITION -**  
**PROPRIETARY FUND TYPES**  
**September 30, 2025**

-Continued-

	<b>Business-Type Activities--Enterprise Funds</b>				
	<b>Electric Fund</b>	<b>Water and Sewer Fund</b>	<b>Northeast Mississippi Regional Water Supply District</b>	<b>Solid Waste Fund (Non-Major)</b>	<b>Total</b>
<b>Long-Term Liabilities - Net of Current Maturities</b>					
Net Pension Liability	\$ 7,930,036	\$ 5,538,079	\$ 253,829	\$ 579,303	\$ 14,301,247
Accrued Compensated Absences Due to City of Tupelo	79,750	102,958	-	-	182,708
Water G. O. Bond Fund	-	-	1,975,417	-	1,975,417
Advances from TVA	539	-	-	-	539
Bonds, Notes, and Loans Payable	<u>3,487,551</u>	<u>39,879,422</u>	<u>-</u>	<u>-</u>	<u>43,366,973</u>
Total Long-Term Liabilities	<u>11,497,876</u>	<u>45,520,459</u>	<u>2,229,246</u>	<u>579,303</u>	<u>59,826,884</u>
Total Liabilities	<u>20,905,485</u>	<u>54,952,836</u>	<u>2,857,050</u>	<u>936,926</u>	<u>79,652,297</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>685,061</u>	<u>462,813</u>	<u>14,289</u>	<u>53,882</u>	<u>1,216,045</u>
<b>Net Position</b>					
Net Investment in Capital Assets	32,777,987	58,493,452	67,930,465	1,257,335	160,459,239
Restricted for:					
Capital Projects	-	-	12,622,152	-	12,622,152
Operations and Debt Service	-	-	2,638,436	-	2,638,436
Unrestricted (Deficit)	<u>1,148,585</u>	<u>(7,046,237)</u>	<u>198,897</u>	<u>793,218</u>	<u>(4,905,537)</u>
Total Net Position	<u>\$ 33,926,572</u>	<u>\$ 51,447,215</u>	<u>\$ 83,389,950</u>	<u>\$ 2,050,553</u>	<u>\$ 170,814,290</u>

NOTE -- Amounts for the Electric Fund are at June 30, 2025.

See accompanying notes to financial statements.

**CITY OF TUPELO**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION -**  
**PROPRIETARY FUNDS**  
**For the year ended September 30, 2025**

	Business-Type Activities--Enterprise Funds				
	Electric Fund	Water and Sewer Fund	Northeast Mississippi Regional Water Supply District	Solid Waste Fund (Non-Major)	Total
<b>OPERATING REVENUES</b>					
Charges for Services	\$ 60,211,845	\$ 14,416,363	\$ 3,472,819	\$ 4,205,759	\$ 82,306,786
Rents	448,679	193,154	-	-	641,833
Other Revenues	626,264	128,661	-	240,000	994,925
Total Operating Revenues	<u>61,286,788</u>	<u>14,738,178</u>	<u>3,472,819</u>	<u>4,445,759</u>	<u>83,943,544</u>
<b>OPERATING EXPENSES</b>					
General and Administrative	1,856,061	832,674	359,914	-	3,048,649
Power Purchased	49,577,427	-	-	-	49,577,427
Transmission Mains	-	1,509,025	-	-	1,509,025
Water Operations	-	1,570,341	3,062,695	-	4,633,036
Sewer Operations	-	3,921,238	-	-	3,921,238
Electric Operations	904,000	-	-	-	904,000
Sanitation Operations	-	-	-	4,284,042	4,284,042
Customer Accounting and Collecting	529,593	840,029	-	-	1,369,622
Customer Service and Information	34,469	-	-	-	34,469
Maintenance and Repair	1,198,169	-	-	-	1,198,169
Sales Expense	66,386	-	-	-	66,386
Taxes and Equivalents	3,704,153	-	-	-	3,704,153
Amortization and Depreciation	2,786,292	4,737,911	1,876,521	74,758	9,475,482
Total Operating Expenses	<u>60,656,550</u>	<u>13,411,218</u>	<u>5,299,130</u>	<u>4,358,800</u>	<u>83,725,698</u>
Net Operating Income	<u>630,238</u>	<u>1,326,960</u>	<u>(1,826,311)</u>	<u>86,959</u>	<u>217,846</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>					
Interest Income	288,133	103,963	411,262	74,411	877,769
Gain (Loss) on Disposal of Capital Assets	-	-	-	(8,696)	(8,696)
Bad Debts	-	(16,070)	-	(5,672)	(21,742)
Interest Expense	(149,268)	(672,637)	(99,100)	-	(921,005)
Miscellaneous Income	-	-	1,129	-	1,129
Unrealized Gain (Loss) on Investments	-	-	40,783	-	40,783
Total Non-operating Revenues (Expenses)	<u>138,865</u>	<u>(584,744)</u>	<u>354,074</u>	<u>60,043</u>	<u>(31,762)</u>
Income (Loss) before Operating Transfers	<u>\$ 769,103</u>	<u>\$ 742,216</u>	<u>\$ (1,472,237)</u>	<u>\$ 147,002</u>	<u>\$ 186,084</u>

NOTE -- Amounts for the Electric Fund are for fiscal year ended June 30, 2025.

**CITY OF TUPELO**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION -**  
**PROPRIETARY FUNDS**  
**For the year ended September 30, 2025**

-Continued-

	Business-Type Activities--Enterprise Funds				Total
	Electric Fund	Water and Sewer Fund	Northeast Mississippi Regional Water Supply District	Solid Waste Fund (Non-Major)	
<b>OPERATING TRANSFERS IN (OUT)</b>					
Transfer (to) from Northeast MS Regional Water Supply District District for Debt Service	\$ -	\$ (1,225,528)	\$ -	\$ -	\$ (1,225,528)
Total Operating Transfers In (Out)	-	(1,225,528)	-	-	(1,225,528)
Increase (Decrease) in Net Assets Before Capital Contributions	769,103	(483,312)	(1,472,237)	147,002	(1,039,444)
Capital Grants and Contributions	-	2,931,335	4,468,089	-	7,399,424
Change in Net Position	769,103	2,448,023	2,995,852	147,002	6,359,980
<b>TOTAL NET POSITION -</b>					
Beginning of Year	33,157,469	48,999,192	80,394,098	1,903,551	164,454,310
<b>TOTAL NET POSITION -</b>					
End of Year	\$ 33,926,572	\$ 51,447,215	\$ 83,389,950	\$ 2,050,553	\$ 170,814,290

NOTE -- Amounts for the Electric Fund are for fiscal year ended June 30, 2025.

See accompanying notes to financial statements.

**CITY OF TUPELO**  
**STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS**  
For the year ended September 30, 2025

	Business-Type Activities--Enterprise Funds				
	Electric Fund	Water and Sewer Fund	Northeast Mississippi Regional Water Supply District	Solid Waste Fund (Non-Major)	Total
<b>Cash Flows From Operating Activities:</b>					
Receipts from Customers	\$ 61,117,405	\$ 14,746,852	\$ 3,427,273	\$ 4,440,087	\$ 83,731,617
Payments to Suppliers	(49,617,155)	(4,475,674)	(3,349,191)	(3,874,189)	(61,316,209)
Payments to Employees	(2,381,505)	(1,789,521)	(68,247)	(268,354)	(4,507,627)
Payments for Other Services and Charges	(4,810,300)	-	-	-	(4,810,300)
Other Receipts (Payments)	12,272	(41)	-	-	12,231
Net Cash Provided by (Used in) Operating Activities	<u>4,320,717</u>	<u>8,481,616</u>	<u>9,835</u>	<u>297,544</u>	<u>13,109,712</u>
<b>Cash Flows from Noncapital Financing Activities:</b>					
Other Receipts	-	-	1,129	-	1,129
Due To (From) Municipality	(4,705)	(101,702)	-	(3,113)	(109,520)
Transfers In (Out)	-	(1,225,528)	-	-	(1,225,528)
Net Cash Provided by (Used In) Noncapital Financing Activities	<u>(4,705)</u>	<u>(1,327,230)</u>	<u>1,129</u>	<u>(3,113)</u>	<u>(1,333,919)</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>					
Capital Contributions	-	2,109,230	4,961,086	-	7,070,316
Proceeds from Bonds and Notes Payable	-	6,413,311	-	-	6,413,311
Payments to City of Tupelo Water G. O. Bonds Fund	-	-	(213,750)	-	(213,750)
Payments for Debt	(350,000)	(3,846,442)	-	-	(4,196,442)
Purchase of Capital Assets	(5,199,327)	(8,047,950)	(10,334,523)	(872,194)	(24,453,994)
Cost of Removal of Fixed Assets, Net of Salvage	(196,343)	-	-	-	(196,343)
Conservation Advances from TVA	(7,094)	-	-	-	(7,094)
Interest Paid	(194,000)	(749,186)	(99,100)	-	(1,042,286)
Net Cash Provided by (Used In) Capital and Related Financing Activities	<u>(5,946,764)</u>	<u>(4,121,037)</u>	<u>(5,686,287)</u>	<u>(872,194)</u>	<u>(16,626,282)</u>
<b>Cash Flows from Investing Activities:</b>					
Receivable from Customers for Energy Conservation Loans	6,288	-	-	-	6,288
(Increase) Decrease in Receivable from CSA	(27,106)	-	-	-	(27,106)
Proceeds from Maturities / Sales of Investments	-	-	8,000,000	-	8,000,000
Purchase of Investments	-	-	(1,285,075)	-	(1,285,075)
Interest and Dividends	288,133	103,963	437,914	74,411	904,421
Net Cash Provided by (Used In) Investing Activities	<u>267,315</u>	<u>103,963</u>	<u>7,152,839</u>	<u>74,411</u>	<u>7,598,528</u>
Net Increase (Decrease) In Cash and Cash Equivalents	<u>(1,363,437)</u>	<u>3,137,312</u>	<u>1,477,516</u>	<u>(503,352)</u>	<u>2,748,039</u>
Cash and Cash Equivalents--Beginning	<u>7,299,958</u>	<u>(693,989)</u>	<u>6,700,061</u>	<u>2,233,195</u>	<u>15,539,225</u>
Cash and Cash Equivalents--Ending	<u>\$ 5,936,521</u>	<u>\$ 2,443,323</u>	<u>\$ 8,177,577</u>	<u>\$ 1,729,843</u>	<u>\$ 18,287,264</u>

NOTE -- Amounts for the Electric Fund are for fiscal year ended June 30, 2025.

**CITY OF TUPELO**  
**STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS**  
For the year ended September 30, 2025

	Business-Type Activities--Enterprise Funds				
	Electric Fund	Water and Sewer Fund	Northeast Mississippi Regional Water Supply District	Solid Waste Fund (Non-Major)	Total
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>					
Operating Income (Loss)	\$ 630,238	\$ 1,326,960	\$ (1,826,311)	\$ 86,959	\$ 217,846
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:					
Depreciation Expense	2,786,292	4,737,911	1,876,521	74,758	9,475,482
Net Pension Expense	643,867	333,036	17,874	33,914	1,028,691
Provision for Uncollectible Accounts	636	(16,070)	-	(5,672)	(21,106)
Decrease (Increase) in Assets:					
Accounts Receivable	308,727	-	(45,546)	-	263,181
Unbilled Revenue	(26,078)	16,899	-	-	(9,179)
Other Receivables	(432,515)	(44,265)	-	-	(476,780)
Inventory	(45,490)	(45,369)	1,496	-	(89,363)
Prepaid Expenses	(4,392)	(41)	(31,801)	-	(36,234)
Other Current Assets	(7,881)	-	-	-	(7,881)
Increase (Decrease) in Liabilities:					
Accounts Payable	337,424	2,069,768	17,484	107,585	2,532,261
Customer and Other Deposits	23,810	52,110	-	-	75,920
Accrued Expenses	106,079	50,677	118	-	156,874
Total Adjustments	<u>3,690,479</u>	<u>7,154,656</u>	<u>1,836,146</u>	<u>210,585</u>	<u>12,891,866</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ 4,320,717</u>	<u>\$ 8,481,616</u>	<u>\$ 9,835</u>	<u>\$ 297,544</u>	<u>\$ 13,109,712</u>

NOTE -- Amounts for the Electric Fund are for fiscal year ended June 30, 2025.

See accompanying notes to financial statements.

**CITY OF TUPELO**  
**FIDUCIARY FUNDS**  
**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**September 30, 2025**

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	<u>Agency Funds</u>
<b>ASSETS</b>	
Cash	\$ 1,076,795
Investments	<u>500</u>
<b>TOTAL ASSETS</b>	<b>\$ <u>1,077,295</u></b>
<b>LIABILITIES</b>	
Accounts Payable	\$ 53,858
Due to Complainants	6,964
Due to Insured Employees	643,741
Seized Money Held	<u>372,732</u>
<b>TOTAL LIABILITIES</b>	<b>\$ <u>1,077,295</u></b>

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

**CITY OF TUPELO**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2025**

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

The City operates under a Mayor-Council form of government and provides the following services: public safety (police and fire), public services (streets and sanitation), recreation, economic development, utilities (electricity, water and sewer), community services, urban redevelopment and housing, public improvements, planning and zoning, and general administrative services.

The City has elected to apply all Governmental Accounting Standards Board (GASB) pronouncements, applicable Financial Accounting Standards Board (FASB) pronouncements, and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements. The accounting policies of the City of Tupelo conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies:

**FINANCIAL REPORTING ENTITY - BASIS OF PRESENTATION**

**Government-Wide and Fund Financial Statements**

The City's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

***Government-Wide Financial Statements***

The statement of net position and the statement of activities display information on all non-fiduciary activities of the primary government and its component units. The statements distinguish between those activities of the City that are governmental, which are normally supported by taxes and intergovernmental revenues, and those that are considered business-type activities, which rely to a significant extent on fees and charges for support. The primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of net position presents the financial condition of the governmental and business-type activities for the City at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the City's governmental activities and for the business-type activities of the City. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient for the goods and services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues that are not classified as program revenues are presented as general revenues of the City, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the City.

**CITY OF TUPELO**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2025**

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

***Fund Financial Statements***

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

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

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

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

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

**Fund Types**

**Governmental Funds**

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

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

**CITY OF TUPELO**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2025**

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

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

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

Proprietary Funds

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

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

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

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

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

Fiduciary Funds

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

**CITY OF TUPELO  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2025**

**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, 2025**

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

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

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

**DEFERRED OUTFLOWS/INFLOWS OF RESOURCES**

In addition to assets and liabilities, the statement of financial position will sometimes report a separate section for deferred outflows and deferred inflows of resources. These separate financial statement elements, deferred inflows and deferred outflows, represent a consumption of net position that applies to future periods (deferred outflows) or an acquisition of net position that applies to future periods (deferred inflows). The City has deferred outflows and inflows related to pensions. See Note 14 for further details.

**LONG-TERM DEBT AND BOND DISCOUNTS / PREMIUMS**

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

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

**CAPITAL ASSETS**

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

**CITY OF TUPELO**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2025**

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

The estimated useful lives are as follows:

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

**CASH AND CASH EQUIVALENTS**

Cash consists of amounts on deposit with financial institutions in demand accounts, savings accounts and certificates of deposit with original maturities of three months or less from the date of acquisition. Cash is valued at cost. The City deposits funds in the financial institutions selected by the City Council in accordance with state statutes. State statutes specify how these depositories are to be selected. For purposes of the proprietary funds statement of cash flows, the City considers all highly liquid investments with an original maturity of three months or less when acquired to be cash equivalents.

**INVESTMENTS**

Investments in governmental securities are stated at fair value.

**RECLASSIFICATIONS**

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

**CITY OF TUPELO**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2025**

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

INVENTORIES

Inventories for the Electric Fund and Combined Water and Sewer Fund are valued at average cost. Inventories for governmental fund types are valued at actual cost under the first-in, first-out method. The City uses the consumption method for inventories; thus, inventories are recorded as expenditures or expenses when they are used.

The Water District maintains a chemical inventory, which is recorded at cost (calculated on the first-in, first-out basis).

LOANS TO OTHER FUNDS OR OTHER GOVERNMENTAL UNITS

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

CASH EQUIVALENTS

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

FUND BALANCES / NET POSITION

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

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

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

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

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

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

**CITY OF TUPELO**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2025**

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

FUND BALANCES / NET POSITION – continued

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

***Nonspendable*** – the fund balance is reported as nonspendable when the resources are either not in spendable form or are legally or contractually required to be maintained intact.

***Restricted*** – the fund balance is reported as restricted when constraints placed on the resources are (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

***Committed*** – the fund balance is reported as committed for amounts that can only be used for specific purposes as a result of constraints imposed by formal action of the council. Committed amounts cannot be uncommitted except by removing the constraints through the same formal action.

***Assigned*** – the fund balance is reported as assigned for resources that are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. Intent can be expressed by the board of aldermen or an official to which the board has delegated the authority to assign amounts to be used for specific purposes.

***Unassigned*** – the unassigned fund balance is the residual classification for the general fund. This classification represents general fund balance that is not otherwise reported as restricted or assigned to specific purposes. This classification is also used to report any negative fund balance in other governmental funds.

RESTRICTED ASSETS

Certain proceeds of revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the combined balance sheet because their use is limited by applicable bond covenants.

The Water District and the Tupelo Airport Authority reports as restricted all assets that are subject to legal, contractual and/or grant restrictions.

PENSIONS

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City of Tupelo's participation in the Public Employees' Retirement System of Mississippi (PERS), and additions to/deductions from the City of Tupelo's fiduciary net position have been determined on the same basis as they are reported by the Public Employees' Retirement System of Mississippi (PERS). For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of the Public Employees' Retirement System of Mississippi (PERS). Investments are reported at fair value.

**CITY OF TUPELO**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2025**

**NOTE 2 - CASH, CERTIFICATE OF DEPOSIT, AND INVESTMENTS**

CASH AND CERTIFICATE OF DEPOSIT

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

The carrying amount of the City's deposits with financial institutions was \$102,728,091, and the bank balance was \$102,348,816. The carrying amount for the Tupelo Airport Authority was \$618,807, and the bank balance was \$617,018.

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

The certificate of deposit of \$51,462 is held at a local bank as collateral for an irrevocable letter of credit to a utility company to cover a required utility deposit.

INVESTMENTS

Governmental and Fiduciary fund investments held with financial institutions during the fiscal year consisted only of those types of investments held at the end of the fiscal year. Investments made by the City that are included on the balance sheets at September 30, 2025, are summarized below. The investments that are represented by specific identifiable investment securities are classified as to credit risk by the categories described below:

Category 1 - Insured or registered or for which the securities are held by the City or its agent in the City's name.

Category 2 - Uninsured and unregistered for which the securities are held by the broker or dealers trust department or agent in the City's name.

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

<u>Investment Type</u>	<u>Category</u>			<u>Carrying Amount</u>	<u>Fair Value</u>
	<u>1</u>	<u>2</u>	<u>3</u>		
U. S. Government Securities Funds*		X		\$ <u>3,696,508</u>	\$ <u>3,696,508</u>
Total				\$ <u>3,696,508</u>	\$ <u>3,696,508</u>

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

**CITY OF TUPELO**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2025**

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

During fiscal year 2025, the Northeast Mississippi Regional Water Supply District agreed to invest cash restricted for capital activities in short-term U.S. Treasury securities in order to maximize interest earning potential while maintaining sufficient reserves to cover expected drawdowns for capital projects.

Balances of investments at September 30, 2025, recorded in the proprietary fund, are as follows:

<u>Investment Type</u>	<u>Fair Value Level</u>	<u>Carrying Amount</u>	<u>Fair Value</u>
U.S. Treasury Securities	1	\$ 2,000,180	\$ 2,000,180
Money Market	1	<u>4,251,298</u>	<u>4,251,298</u>
Total		\$ <u>6,251,478</u>	\$ <u>6,251,478</u>

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

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

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

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

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

**CITY OF TUPELO**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2025**

**NOTE 3 - FIREMEN AND POLICEMEN RETIREMENT FUND**

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

Revenues of the fund for the year ended September 30, 2025, consist of allocations of general property ad valorem taxes of \$1,066,570 and homestead exemption reimbursement of \$36,975 derived from a 1.61 mill levy. Accumulated plan benefit information, as estimated by consulting actuaries, and plan net position for the fund are as follows:

Actuarial Present Value of Accumulated Plan Benefits	<u>\$ 4,035,769</u>
Assumed Rate of Return Used in Plan Evaluation	7.00%
Plan Evaluation Date	June 30, 2025
Plan Assets Available for Benefits as of June 30, 2025	<u>\$ 3,968,000</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, 2025**

**NOTE 4 - BUDGETARY BASIS**

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

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

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

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

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

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

**CITY OF TUPELO  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2025**

**NOTE 4 - BUDGETARY BASIS – continued**

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

**NOTE 5 - GENERAL PROPERTY TAXES**

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

The adjusted assessed valuation of the taxable property of the City and the Tupelo Public School District for which current payment was due during the fiscal year ended September 30, 2025 is as follows:

	<b>City</b>	<b>TPSD</b>
Real Property	\$ 468,669,513	\$ 23,403,319
Personal Property - Other Than Motor Vehicles & Mobile Homes	126,755,196	6,314,888
Personal Property - Motor Vehicles & Mobile Homes	<u>72,746,902</u>	<u>4,691,057</u>
	<u>\$ 668,171,611</u>	<u>\$ 34,409,264</u>

The City levied a tax millage of 32.47 mills and 63.79 mills on the assessed valuation of the City and Tupelo Public School District property, respectively. The millage was allocated as follows:

	<b>City</b>	<b>TPSD</b>
General Fund	12.96	0.00
Library Fund	0.85	0.00
City Bond and Interest Fund	7.05	0.00
Firemen and Policemen Retirement Fund	1.61	0.00
City Thoroughfare Fund	10.00	0.00
School Bonds Payable	0.00	6.07
Short-Term Debt	0.00	2.99
School Maintenance Fund	<u>0.00</u>	<u>54.73</u>
	<u>32.47</u>	<u>63.79</u>

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

**CITY OF TUPELO**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2025**

**NOTE 6 - CAPITAL ASSETS**

The following is a summary of capital asset activity as of September 30, 2025:

	<u>Balance</u> <u>Oct. 1, 2024</u>	<u>Acquisitions</u>	<u>Capitalized</u> <u>Construction,</u> <u>Sales, or</u> <u>Retirements</u>	<u>Balance</u> <u>Sept. 30, 2025</u>
<b>Governmental Activities:</b>				
Capital Assets, not being Depreciated:				
Land	\$ 14,820,005	\$ 72,452	\$ (24,505)	\$ 14,867,592
Construction in Progress	<u>10,799,958</u>	<u>21,400,830</u>	<u>(7,599,473)</u>	<u>24,601,315</u>
Total Capital Assets, not being Depreciated:	25,619,963	21,473,282	(7,623,978)	39,469,267
Capital Assets being Depreciated:				
Buildings and Improvements	144,966,152	940,522	2,064,676	147,971,350
Machinery and Equipment	33,489,680	4,483,620	(420,507)	37,552,793
Infrastructure	<u>183,697,349</u>	<u>-</u>	<u>4,851,724</u>	<u>188,549,073</u>
Total Capital Assets, being Depreciated	362,153,181	5,424,142	6,495,893	374,073,216
Less Accumulated Depreciation for:				
Buildings and Improvements	(45,110,540)	(3,809,138)	-	(48,919,678)
Machinery and Equipment	(23,711,643)	(2,640,084)	987,421	(25,364,306)
Infrastructure	<u>(106,012,888)</u>	<u>(6,648,345)</u>	<u>-</u>	<u>(112,661,233)</u>
Total Accumulated Depreciation	<u>(174,835,071)</u>	<u>(13,097,567)</u>	<u>987,421</u>	<u>(186,945,217)</u>
<b>Total Governmental Activities</b> <b>Capital Assets, net</b>	<b>\$ <u>212,938,073</u></b>	<b>\$ <u>13,799,857</u></b>	<b>\$ <u>(140,664)</u></b>	<b>\$ <u>226,597,266</u></b>

**CITY OF TUPELO**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2025**

**NOTE 6 - CAPITAL ASSETS – continued**

	<b>Balance Oct. 1, 2024</b>	<b>Acquisitions</b>	<b>Capitalized Construction, Sales, or Retirements</b>	<b>Balance Sept. 30, 2025</b>
<b>Business-Type Activities:</b>				
Capital Assets, not being Depreciated:				
Land	\$ 1,864,705	\$ 729,974	\$ -	\$ 2,594,679
Construction in Progress	35,550,991	19,576,045	(30,581,122)	24,545,914
Total Capital Assets, not being Depreciated:	37,415,696	20,306,019	(30,581,122)	27,140,593
Capital Assets being Depreciated:				
Buildings and Improvements	278,694,670	4,107,382	28,927,899	311,729,951
Machinery and Equipment	30,238,091	623,749	(208,704)	30,653,136
Total Capital Assets, being Depreciated	308,932,761	4,731,131	28,719,195	342,383,087
Less Accumulated Depreciation for:				
Buildings and Improvements	(128,456,651)	(7,643,262)	566,581	(135,533,332)
Machinery and Equipment	(21,379,107)	(1,832,220)	66,534	(23,144,793)
Total Accumulated Depreciation	(149,835,758)	(9,475,482)	633,115	(158,678,125)
<b>Total Business-Type Activities</b>				
<b>Capital Assets, net</b>	\$ 196,512,699	\$ 15,561,668	\$ (1,228,812)	\$ 210,845,555
<b>Discretely Presented Component Unit:</b>				
Capital Assets, not being Depreciated:				
Land	\$ 6,099,049	\$ -	\$ -	\$ 6,099,049
Construction in Progress	3,090,860	3,094,230	-	6,185,090
Total Capital Assets, not being Depreciated:	9,189,909	3,094,230	-	12,284,139
Capital Assets being Depreciated:				
Buildings and Improvements	52,414,884	49,705	-	52,464,589
Machinery and Equipment	2,655,291	107,989	(101,391)	2,661,889
Total Capital Assets, being Depreciated	55,070,175	157,694	(101,391)	55,126,478
Less Accumulated Depreciation for:				
Buildings and Improvements	(33,160,206)	(1,306,327)	-	(34,466,533)
Machinery and Equipment	(1,637,048)	(177,794)	92,720	(1,722,122)
Total Accumulated Depreciation	(34,797,254)	(1,484,121)	92,720	(36,188,655)
<b>Total Component Unit</b>				
<b>Capital Assets, net</b>	\$ 29,462,830	\$ 1,767,803	\$ (8,671)	\$ 31,221,962
<b>Total Capital Assets</b>	\$ 438,913,602	\$ 31,129,328	\$ (1,378,147)	\$ 468,664,783

**CITY OF TUPELO  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2025**

**NOTE 6 - CAPITAL ASSETS – continued**

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

**Governmental Activities:**

General Government	\$ 1,245,526
Public Safety	1,834,236
Public Works	951,370
Culture and Recreation	<u>2,418,090</u>

<b>Total Depreciation Expense - Governmental Activities</b>	<b>\$ <u>6,449,222</u></b>
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**Business-Type Activities:**

Electric Department	\$ 2,786,292
Water and Sewer	4,737,911
Northeast Mississippi Regional Water Supply District	74,758
Solid Waste	<u>1,876,521</u>

<b>Total Depreciation Expense - Business-Type Activities</b>	<b>\$ <u>9,475,482</u></b>
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<b>Total Depreciation Expense - Discretely Presented Component Unit</b>	<b>\$ <u>1,767,803</u></b>
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**NOTE 7 - LONG-TERM DEBT**

BONDS PAYABLE

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

During 2025, the City issued special obligation bonds, series 2025, in the amount of \$8,000,000. The purpose of this bond issue is to provide funds for multiple infrastructure and other capital asset improvements. Also, during 2025, the City issued tax increment limited obligation bonds, series 2025, in the amount of \$2,350,000. The purpose of this bond issue is to provide funds for certain site and improvements relating to the Tupelo Commons Project.

Special Assessments General Obligation Bonds are secured by an irrevocable pledge of the special assessment ad valorem taxes to be levied annually upon the property benefited by the project. The full faith, credit and resources of the City are irrevocably pledged for the payment of the principal and interest on the bonds.

Limited Obligation Tax Increment Bonds are secured by an irrevocable pledge of the ad valorem taxes to be levied annually upon incremental increase in assessed value of all taxable real property within and forming a part of The Mall at Barnes Crossing Project.

**CITY OF TUPELO**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2025**

**NOTE 7 - LONG-TERM DEBT – continued**

NOTES PAYABLE AND STATE REVOLVING LOANS

Fourteen different capital improvement revolving loans make up the September 30, 2025 notes payable balance and are included in both governmental activities and business-type activities. Thirteen of the loans are in repayment status with a total outstanding balance of \$24,744,487. The remaining in progress note totals \$15,143,636.

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

CHANGES IN LONG-TERM LIABILITIES

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

	<b>Fund Debt Retired By</b>	<b>Balances Oct. 1,</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balances Sept. 30</b>	<b>Current Portion</b>
<b>Governmental Activities:</b>						
General Obligation	Debt Service	\$31,965,000	\$ -	\$ 3,120,000	\$28,845,000	\$3,235,000
Limited Obligations						
Tax Increment	Debt Service	500,000	2,350,000	46,000	2,804,000	348,000
Special Obligation Bonds	Debt Service	36,695,000	8,000,000	680,000	44,015,000	745,000
Notes Payable	General	2,195,506	-	383,631	1,811,875	146,796
Bond Premiums		<u>5,776,593</u>	<u>512,577</u>	<u>424,270</u>	<u>5,864,900</u>	<u>-</u>
<b>Total Governmental Activities</b>		<b><u>\$77,132,099</u></b>	<b><u>\$10,862,577</u></b>	<b><u>\$ 4,653,901</u></b>	<b><u>\$83,340,775</u></b>	<b><u>\$4,474,796</u></b>

	<b>Fund Debt Retired By</b>	<b>Balances Oct. 1,</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balances Sept. 30</b>	<b>Current Portion</b>
<b>Business-Type Activities:</b>						
Special Obligation Bonds	Water/Sewer	\$ 6,045,000	\$ -	\$ 550,000	\$ 5,495,000	\$ 575,000
Special Obligation Bonds	Electric*	3,880,000	-	350,000	3,530,000	370,000
Notes Payable	Water/Sewer	34,959,379	6,413,311	3,296,442	38,076,248	3,202,457
Bond Premiums		<u>890,087</u>	<u>-</u>	<u>106,905</u>	<u>783,182</u>	<u>-</u>
<b>Total Business-Type Activities</b>		<b><u>\$45,774,466</u></b>	<b><u>\$ 6,413,311</u></b>	<b><u>\$ 4,303,347</u></b>	<b><u>\$47,884,430</u></b>	<b><u>\$4,147,457</u></b>

\*Amounts for Electric Fund are at June 30, 2025.

**CITY OF TUPELO**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2025**

**NOTE 7 - LONG-TERM DEBT – continued**

DEBT SERVICE REQUIREMENTS TO MATURITY

Annual debt service requirements to maturity are as follows:

Year Ending September 30,	<b>Governmental Activities</b>					Total
	General Obligation	Limited Obligations	Special Obligation	Notes Payable	Interest	
		Tax Increment				
2026	\$ 3,235,000	\$ 348,000	\$ 745,000	\$ 146,796	\$ 3,110,882	\$ 7,585,678
2027	3,000,000	170,000	765,000	151,261	2,984,476	7,070,737
2028	3,035,000	203,000	880,000	155,861	2,840,298	7,114,159
2029	2,935,000	256,000	1,060,000	160,602	2,680,162	7,091,764
2030	2,680,000	258,000	1,180,000	165,487	2,513,493	6,796,980
2031-2035	11,260,000	1,569,000	12,175,000	627,248	9,731,203	35,362,451
2036-2040	2,700,000	-	16,935,000	404,620	4,988,140	25,027,760
2041-2045	-	-	6,690,000	-	1,651,925	8,341,925
2046-2050	-	-	3,585,000	-	397,500	3,982,500
<b>Total</b>	<u>\$ 28,845,000</u>	<u>\$ 2,804,000</u>	<u>\$ 44,015,000</u>	<u>\$ 1,811,875</u>	<u>\$ 30,898,079</u>	<u>\$ 108,373,954</u>

Year Ending September 30,	<b>Business-Type Activities</b>			
	Special Obligation	Notes Payable	Interest	Total
2026	\$ 945,000	\$ 3,202,457	\$ 837,094	\$ 4,984,551
2027	995,000	2,954,549	735,461	4,685,010
2028	1,040,000	1,768,335	640,692	3,449,027
2029	1,095,000	1,547,327	560,368	3,202,695
2030	1,150,000	1,575,607	477,026	3,202,633
2031-2035	3,800,000	8,320,713	1,089,732	13,210,445
2036-2040	-	3,563,624	109,689	3,673,313
<b>Total</b>	<u>\$ 9,025,000</u>	<u>\$ 22,932,612</u>	<u>\$ 4,450,062</u>	<u>\$ 36,407,674</u>

**CITY OF TUPELO  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2025**

**NOTE 7 - LONG-TERM DEBT – continued**

DUE TO CITY OF TUPELO G.O. BONDS FUND

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

Scheduled Payments are as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 225,417	\$ 90,564	\$ 315,981
2027	235,833	81,548	317,381
2028	247,917	72,115	320,032
2029	258,333	62,198	320,531
2030	270,417	54,865	325,282
2031-2034	<u>962,917</u>	<u>88,449</u>	<u>1,051,366</u>
	<u>\$ 2,200,834</u>	<u>\$ 449,739</u>	<u>\$ 2,650,573</u>

**CITY OF TUPELO**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2025**

**NOTE 8 - RENTALS UNDER OPERATING LEASES**

TUPELO AIRPORT AUTHORITY RENTALS UNDER OPERATING LEASES

The Authority has entered into agreements to lease airport land and facilities to an airline, car rental agencies, fixed base operators and individuals. The following is a schedule by years of minimum future rental payments receivable on non-cancellable operating leases as of September 30, 2025:

<u>Year Ending September 30,</u>	
2026	\$ 444,091
2027	437,768
2028	424,940
2029	308,309
2030	308,309
2031-2035	838,498
2036-2037	<u>281,724</u>
Total Minimum Future Rentals	<u>\$ 3,043,639</u>

**NOTE 9 - TVA HOME INSULATION PROGRAM - ELECTRIC FUND**

Other Assets of the Electric Fund include \$539 receivable from customers for energy conservation loans and represents unbilled amounts due from customers as a result of their participation in an energy conservation program sponsored by TVA in which customers install energy conservation measures approved by a TVA energy advisor. The installation charges are paid by the Electric Department and billed to the customer over a period of time on the customer's monthly utility bill. TVA reimburses the Electric Department for amounts paid out under the program. Repayments are made to TVA by the Electric Department as collections are made from the customers. Advances from TVA for energy conservation loans represent the amounts advanced by TVA, net of repayments, under this program.

**NOTE 10 - DUE FROM/TO OTHER FUNDS AND ADVANCES TO/FROM OTHER FUNDS**

Individual fund Due from Other Funds and Due to Other Funds balances as of September 30, 2025 were:

<u>Fund</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$ 1,800,000	\$ -
Proprietary Funds:		
Electric Fund	1,128	24,497
Water and Sewer Fund	19,661	1,801,128
Solid Waste Management Fund	<u>4,836</u>	<u>-</u>
Total	<u>\$ 1,825,625</u>	<u>\$ 1,825,625</u>

**CITY OF TUPELO**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2025**

**NOTE 11 - NONCURRENT ASSETS**

The following receivable at September 30, 2025 was not received within sixty days after that date and, therefore, are not deemed to constitute available spendable resources and are not a component of net current assets:

Rental Rehabilitation Fund (a Special Revenue Fund)	
Notes Receivables	\$ <u>70,813</u>

**NOTE 12 - CONTRIBUTED CAPITAL**

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

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

**NOTE 13 - ADOPTION OF NEW ACCOUNTING STANDARDS**

GASB Statement No. 87, *Leases*, was adopted by the City beginning with its fiscal year ending September 30, 2023. Statement No. 87 establishes a single approach to accounting for and reporting leases by local governments. Under this statement, a governmental entity that is a lessee must recognize (1) a lease liability and (2) an intangible asset representing the lessee's right to use the leased asset. In addition, the City must recognize (1) amortization expense for using the asset over the shorter of the term of the lease or the useful life of the underlying asset, (2) interest expense on the lease liability and (3) note disclosures about the lease. For the year ended September 30, 2025, the City did not have any leases that were required to be recorded under Statement No. 87.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, was adopted by the City beginning with its fiscal year ending September 30, 2023. Statement No. 96 provides guidance on the accounting and financial reporting for subscription based information technology arrangements for government end users. Under this Statement, a government should recognize a right-to-use subscription asset-an intangible asset-and a corresponding subscription liability. For the year ended September 30, 2025, the City only had short-term contracts of 12 months or less and are excluded from the recognition requirements.

GASB Statement No. 101, *Compensated Absences*, was implemented during the 2025 fiscal year. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

GASB Statement No. 102, *Certain Risk Disclosures*. The objective of this Statement is to provide users of governmental financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024. For the City, this Statement is effective for the fiscal year ending September 30, 2025.

**CITY OF TUPELO**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2025**

**NOTE 14 - DEFINED BENEFIT PENSION PLAN**

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

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

A member may elect a reduced retirement allowance payable for life with the provision that, after death, a beneficiary receives benefits for life or for a specified number of years. Benefits vest upon completion of eight years of membership service (four years of membership service for those who became members of PERS before July 1, 2007). PERS also provides certain death and disability benefits. In the event of death prior to retirement of any member whose spouse and/or children are not entitled to a retirement allowance, the deceased member's accumulated contributions and interest are paid to the designated beneficiary.

Employee membership data related to the Plan, as of June 30, 2024 was as follows:

Inactive Members or Beneficiaries Currently Receiving Benefits	118,321
Inactive Members Assumed Eligible for a Benefit at Retirement Date	17,155
Inactive Members Assumed Not to Receive Service Retirement Benefits	83,811
Active Members	145,836
Total	365,123

**CITY OF TUPELO**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2025**

**NOTE 14 - DEFINED BENEFIT PENSION PLAN – continued**

Contributions - The contribution requirements of PERS members and employers are established and may be amended only by the State of Mississippi Legislature. PERS members are required to contribute 9.00% of their annual covered salary and the City of Tupelo is required to contribute at an actuarially determined rate. The current rate is 18.40% of annual covered payroll. The contributions are deducted from the employees' wages or salary and remitted by the City to PERS on a monthly basis. By law, employer contributions are required to be paid. The employer's actuarially determined contribution and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

The following detailed analysis of payroll, pension liability, liability percentage, pension expense, deferred outflows, and deferred inflows, will be divided among the City of Tupelo (all funds except the following), the Coliseum Project Fund, Northeast Mississippi Regional Water Supply District (Water District), the Tupelo Airport Authority, the Water and Sewer Fund, and the Electric Fund (as of June 30, 2025). Separate employer contributions and employer allocation percentages are required for each of these entities.

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

For the year ended September 30, 2025, the City of Tupelo's total payroll for all employees was \$22,093,948. Total covered payroll was \$21,668,355.

For the year ended September 30, 2025, the Coliseum Project Fund's total payroll for all employees was \$1,015,658. Total covered payroll was \$993,465.

For the year ended September 30, 2025, the Water District's total payroll for all employees was \$54,285. Total covered payroll was also \$54,285.

For the year ended September 30, 2025, the Tupelo Airport Authority's total payroll for all employees was \$702,664. Total covered payroll was \$648,605.

For the year ended September 30, 2025, the Water and Sewer Fund's total payroll for all employees was \$1,840,198. Total covered payroll was \$1,721,093.

For the year ended June 30, 2025, the Electric Fund's total payroll for all employees was \$2,405,315. Total covered payroll was \$2,405,315.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions - At September 30, 2025, the City of Tupelo reported a liability of \$68,964,570 for its proportionate share of the net pension liability. The City of Tupelo share does include the Solid Waste Fund. The Coliseum Project Fund reported a liability of \$3,140,880 for its proportionate share. The Water District reported \$253,829, the Tupelo Airport Authority reported \$2,162,877, and the Water and Sewer Fund reported \$5,538,079. The Electric Fund as of June 30, 2025, reported a liability of \$7,930,036 for its proportionate share of the net pension liability.

**CITY OF TUPELO**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2025**

**NOTE 14 - DEFINED BENEFIT PENSION PLAN – continued**

The net pension liability was measured as of June 30, 2025, and the total pension liability percentage used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City of Tupelo’s proportion of the net pension was based on a projection of the City of Tupelo’s long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2025, the City of Tupelo’s proportion was 0.27170 percent. At June 30, 2025, the proportionate share for the Coliseum Project Fund was 0.01237 percent. At June 30, 2025, the proportionate share for the Water District was 0.0010 percent. At June 30, 2025, the proportionate share for the Tupelo Airport Authority was 0.00852 percent. At June 30, 2025, the proportionate share for the Water and Sewer Fund was 0.02182 percent.

For the Electric Fund, the net pension liability was measured as of June 30, 2024, and the total pension liability percentage used to calculate the net pension liability was determined by an actuarial valuation as of that date. At June 30, 2025, the Electric Fund’s proportion was 0.03054 percent.

For the year ended September 30, 2025, the City of Tupelo (including the Solid Waste Fund) recognized pension expense of \$4,807,510. At September 30, 2025, the City of Tupelo reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 3,316,412	\$ -
Net Difference Between Projected and Actual Investment Earnings	-	1,655,344
City Pension Contributions Subsequent to the Measurement Date	936,648	-
Changes of Assumptions	1,621,580	658,822
Changes in Proportion and Differences in Actual Earnings on Pension Plan Assets	-	4,100,335
<b>Total</b>	<b>\$ 5,874,640</b>	<b>\$ 6,414,501</b>

The \$936,648 of deferred outflows of resources resulting from the City’s contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending September 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Fiscal Year Ending September 30,	Amount
2026	\$ 2,690,401
2027	(1,905,786)
2028	(1,508,316)
2029	(752,808)
<b>Total</b>	<b>\$ (1,476,509)</b>

For the year ended September 30, 2025, the Coliseum Project Fund recognized pension expense of \$325,769. At September 30, 2025, the Coliseum Project Fund reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**CITY OF TUPELO**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2025**

**NOTE 14 - DEFINED BENEFIT PENSION PLAN – continued**

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 151,041	\$ -
Net Difference Between Projected and Actual Investment Earnings	-	75,390
Coliseum Pension Contributions Subsequent to the Measurement Date	42,973	-
Changes of Assumptions	73,852	30,005
Changes in Proportion and Differences in Actual Earnings on Pension Plan Assets	-	105,100
<b>Total</b>	<b>\$ <u>267,866</u></b>	<b>\$ <u>210,495</u></b>

The \$42,973 of deferred outflows of resources resulting from the Coliseum Project Fund's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending September 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Fiscal Year Ending September 30,	<u>Amount</u>
2026	\$ 165,104
2027	(58,995)
2028	(57,425)
2029	(34,286)
<b>Total</b>	<b>\$ <u>14,398</u></b>

For the year ended September 30, 2025, the Water District recognized pension expense of \$27,591. At September 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 12,642	\$ -
Net Difference Between Projected and Actual Investment Earnings	-	6,091
Water District Pension Contributions Subsequent to the Measurement Date	2,514	-
Changes of Assumptions	5,968	2,425
Changes in Proportion and Differences in Actual Earnings on Pension Plan Assets	944	5,773
<b>Total</b>	<b>\$ <u>22,068</u></b>	<b>\$ <u>14,289</u></b>

**CITY OF TUPELO**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2025**

**NOTE 14 - DEFINED BENEFIT PENSION PLAN – continued**

The \$2,514 of deferred outflows of resources resulting from the Water District’s contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending September 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Fiscal Year Ending September 30,	<u>Amount</u>
2026	\$ 16,963
2027	(3,843)
2028	(5,084)
2029	<u>(2,771)</u>
Total	<u>\$ 5,265</u>

For the year ended September 30, 2025, the Tupelo Airport Authority recognized pension expense of \$289,126. At September 30, 2025, the Tupelo Airport Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 104,010	\$ -
Net Difference Between Projected and Actual Investment Earnings	-	51,915
TAA’s Pension Contributions Subsequent to the Measurement Date	27,620	-
Changes of Assumptions	50,856	20,662
Changes in Proportion and Differences in Actual Earnings on Pension Plan Assets	<u>174,975</u>	<u>-</u>
Total	<u>\$ 357,461</u>	<u>\$ 72,577</u>

The \$27,620 of deferred outflows of resources resulting from the Tupelo Airport Authority’s contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending September 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Fiscal Year Ending September 30,	<u>Amount</u>
2026	\$ 250,785
2027	49,952
2028	(19,864)
2029	<u>(23,609)</u>
Total	<u>\$ 257,264</u>

**CITY OF TUPELO**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2025**

**NOTE 14 - DEFINED BENEFIT PENSION PLAN – continued**

For the year ended September 30, 2025, the Water and Sewer Fund recognized pension expense of \$333,036. At September 30, 2025, the Water and Sewer Fund reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 266,319	\$ -
Net Difference Between Projected and Actual Investment Earnings	-	132,929
Water and Sewer Fund Pension Contributions Subsequent to the Measurement Date	72,914	-
Changes of Assumptions	130,218	52,906
Changes in Proportion and Differences in Actual Earnings on Pension Plan Assets	-	<u>276,978</u>
<b>Total</b>	<b>\$ <u>469,451</u></b>	<b>\$ <u>462,813</u></b>

The \$72,914 of deferred outflows of resources resulting from the Water and Sewer Fund's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending September 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Fiscal Year Ending September 30,	Amount
2026	\$ 238,462
2027	(120,350)
2028	(123,935)
2029	<u>(60,453)</u>
<b>Total</b>	<b>\$ <u>(66,276)</u></b>

For the year ended June 30, 2025, the Electric Fund recognized pension expense of \$643,867. At June 30, 2025, the Electric Fund reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**CITY OF TUPELO**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2025**

**NOTE 14 - DEFINED BENEFIT PENSION PLAN – continued**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 426,667	\$ -
Net Difference Between Projected and Actual Investment Earnings	26,279	-
Electric Fund's Pension Contributions Subsequent to the Measurement Date	423,125	-
Changes of Assumptions	491,185	-
Changes in Proportion and Differences in Actual Earnings on Pension Plan Assets	-	685,061
<b>Total</b>	<b>\$ 1,367,256</b>	<b>\$ 685,061</b>

The \$423,125 of deferred outflows of resources resulting from the Electric Fund's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Fiscal Year Ending September 30,	Amount
2026	\$ 14,564
2027	394,624
2028	(85,697)
2029	(64,421)
<b>Total</b>	<b>\$ 259,070</b>

Actuarial Assumptions - The City of Tupelo total pension liability was determined by an actuarial valuation as of June 30, 2024, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40%
Salary increases	2.65 - 17.90%, average, including inflation
Investment rate of return	7.00%, net of pension plan investment expense, including inflation

Actuarial Assumptions - The Electric Fund pension liability was determined by an actuarial valuation as of June 30, 2023, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40%
Salary increases	2.65 - 17.90%, average, including inflation
Investment rate of return	7.00%, net of pension plan investment expense, including inflation

**CITY OF TUPELO**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 14 - DEFINED BENEFIT PENSION PLAN – continued**

Mortality rates were based on the PubS.H-2010(B) Retiree Table with the following adjustments: For males, 107% of all rates. For females, 97% of female rates up to age 82, 100% for ages 83 to 87 and 110% for ages above 87. Mortality rates for disability retirees were based on the PubG-2010 Disabled Table set forward 1 year and adjusted 134% for males and set forward 2 years and adjusted 125% for females. Mortality rates for Contingent Annuitants were based on the PubS-2010(B) Contingent Annuitant Table, set forward 3 years for males and set forward 2 years for females. Mortality rates will be projected generationally using the MP-2021 projection scale to account for future improvements in life expectancy.

The actuarial assumptions are based on the experience investigation for the four-year period ending June 30, 2024 for the City and June 30, 2023 for the Electric Department.

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

The most recent target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	27.00 %	4.75 %
International Equity	20.00	4.75
Global Equity	12.00	4.95
Fixed Income	20.00	2.25
Real Estate	10.00	3.75
Private Equity	10.00	6.00
Cash Equivalents	1.00	0.50
Total	100.00	

**Discount Rate** - The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate (9.00%) and that employer contributions will be phased in to 19.90 percent over five fiscal years (17.90% for FYE 2025, 18.40% for FYE 2026, 18.90% for FYE 2027, 19.40% for FYE 2028, 19.90% for FYE 2029 and beyond). Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**CITY OF TUPELO**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2025**

**NOTE 14 - DEFINED BENEFIT PENSION PLAN – continued**

Sensitivity of the City of Tupelo's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following presents the City of Tupelo's and the additional September 30, 2025 funds proportionate share of the net pension liability using the discount rate of 7.00 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	<u>Discount Rate</u>	<u>City of Tupelo's Proportionate Share of Net Pension Liability</u>
1% Decrease	6.00%	\$ 89,678,597
Current Discount Rate	7.00%	68,964,570
1% Increase	8.00%	51,949,181

	<u>Discount Rate</u>	<u>Coliseum Project Fund's Proportionate Share of Net Pension Liability</u>
1% Decrease	6.00%	\$ 4,084,267
Current Discount Rate	7.00%	3,140,880
1% Increase	8.00%	2,365,941

	<u>Discount Rate</u>	<u>Northeast MS Regional Water District's Proportionate Share of Net Pension Liability</u>
1% Decrease	6.00%	\$ 330,068
Current Discount Rate	7.00%	253,829
1% Increase	8.00%	191,203

	<u>Discount Rate</u>	<u>Tupelo Airport Authority's Proportionate Share of Net Pension Liability</u>
1% Decrease	6.00%	\$ 2,812,513
Current Discount Rate	7.00%	2,162,877
1% Increase	8.00%	1,629,238

	<u>Discount Rate</u>	<u>Water and Sewer Fund's Proportionate Share of Net Pension Liability</u>
1% Decrease	6.00%	\$ 7,201,482
Current Discount Rate	7.00%	5,538,079
1% Increase	8.00%	4,171,688

**CITY OF TUPELO**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 14 - DEFINED BENEFIT PENSION PLAN – continued**

Sensitivity of the Electric Fund's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate -The following presents the Electric Fund's proportionate share of the net pension liability using the discount rate of 7.00%, as well as what the Electric Fund's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	Discount Rate	Electric Fund's Proportionate Share of Net Pension Liability
1% Decrease	6.00%	\$ 10,278,481
Current Discount Rate	7.00%	7,930,036
1% Increase	8.00%	6,008,012

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

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

<b>Fund</b>	<b>Transfers to Other Funds</b>	<b>Transfers from Other Funds</b>
General Fund	\$ 12,105,974	\$ 1,357,872
Special Revenue Funds:		
Library Fund	-	74
CVB Fund	1,300,000	-
Coliseum Project Fund	1,634,653	2,215,120
Coliseum Operating Fund	-	640,090
Narcotics Fund	12,454	-
Debt Service Funds:		
City Tax Increment Debt Service Fund	61,000	-
Special Obligation Debt Service Fund	-	994,563
Capital Projects Funds:		
City Infrastructure Fund	515,816	10,422,178
Total	\$ 15,629,897	\$ 15,629,897
	<b>Transfers to Blended Component Unit</b>	<b>Transfers from Blended Component Unit</b>
Debt Service Fund:		
Water G.O. Bond Fund	\$ 4,542,734	\$ 312,850
Enterprise Fund:		
Water and Sewer Fund	1,225,528	-
Total	\$ 5,768,262	\$ 312,850

**CITY OF TUPELO**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 15 - TRANSFERS FROM/TO OTHER FUNDS/COMPONENT UNITS/PRIMARY GOVERNMENT – continued**

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

Transfers to Water G.O. Bond Fund reported as a reduction in Due to City of Tupelo Water G.O. Bond Fund and Interest Expense by the Water District	\$ 312,850
Transfers to Water District reported as Water Sales by Water District	(1,225,528)
Transfer to Water District reported as Contributed Capital by Water District	<u>(4,542,734)</u>
Difference	<u>\$ (5,455,412)</u>

**NOTE 16 - LIABILITY FOR COMPENSATED ABSENCES**

The General Fund did not have any liability at September 30, 2025, 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, overtime, and sick time did exist at September 30, 2025, for the Government-Wide Financial Statements, the Combined Water and Sewer Fund, and the Tupelo Airport Authority, and at June 30, 2025, for the Electric Fund and has been reflected in these financial statements.

**NOTE 17 - ACCOUNTS RECEIVABLE**

Receivables for accounts of the Electric Fund (an Enterprise Fund) have been reduced by \$69,046 to reflect the provision for uncollectible accounts. The accrual amount of court fine receivables on the Statement of Net Position – Government – Wide has been reduced by \$24,363,655 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.

**CITY OF TUPELO**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2025**

**NOTE 20 - GENERAL OBLIGATION WATER BONDS**

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

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

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

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

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

The Water District's billings for water include an amount to pay the remaining 50% of each debt service disbursement. The City of Tupelo treats this amount as a transfer to the Water District for debt service. The Water District reflects these payments as water revenues. Total water fees reported by the City as debt service transfers to the Water District for the year ended September 30, 2025 was \$1,225,528.

**CITY OF TUPELO**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2025**

**NOTE 21 - RISK MANAGEMENT**

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

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

**NOTE 22 - CONTINGENT LIABILITIES**

Litigation

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

Federally Assisted Programs – Compliance Audits

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

**NOTE 23 - ECONOMIC DEPENDENCY**

The Electric Department of the City of Tupelo had sales to one major customer for the year ended June 30, 2025 (its year-end) of \$6,701,525. This represented approximately 10.7% of the Department's revenues for the year.

**CITY OF TUPELO**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2025**

**NOTE 24 - USE OF ESTIMATES**

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

**NOTE 25 - BUDGET / GAAP RECONCILIATION**

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

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

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

	<b>Governmental Fund Types</b>	
	<b>General Fund</b>	<b>City Infrastructure Fund</b>
Budget (Cash Basis)	\$ (46,007)	\$ 2,426,569
Increase (Decrease) Net adjustments for revenue accruals	366,417	(100,878)
GAAP Basis	\$ 320,410	\$ 2,325,691

**CITY OF TUPELO**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2025**

**NOTE 26 - CONSTRUCTION AND OTHER COMMITMENTS**

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

<u>To Be Paid By</u>	<u>Description</u>	<u>Amount Authorized</u>	<u>Expended through September 30, 2025</u>	<u>Remaining Commitment at September 30, 2025</u>
Thoroughfare Fund:	N. Veterans Blvd. Imp.	\$ 1,824,141	\$ 1,820,376	\$ 3,765
	Barnes Crossing Connector	12,168,700	4,012,417	8,156,283
Infrastructure Fund:	Fire Station Number 5	4,196,306	2,279,851	1,916,455
	Thomas Street Improvements	960,968	-	960,968
	Gun Club Road	<u>1,255,417</u>	<u>1,241,963</u>	<u>13,454</u>
		<u>\$ 20,405,532</u>	<u>\$ 9,354,607</u>	<u>\$ 11,050,925</u>

**NOTE 27 - INTERFUND TRANSACTIONS**

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

**NOTE 28 - ADJUSTMENTS AND RESTATEMENTS OF BEGINNING BALANCE**

Change in Accounting Principle

Governmental Accounting Standards Board (GASB) Statement No. 101, effective for years beginning after December 15, 2023, updates the recognition and measurement guidance for compensated absences. This new standard aims to create a more consistent model applicable to all types of compensated absence arrangements, such as vacation, personal, and sick leave.

A liability for compensated absences must be recognized if: 1) The leave is attributable to services rendered; 2) The leave accumulates and carries forward to future periods; and 3) It is more likely than not (greater than 50% likelihood) that the leave will be used or paid.

The City restated the beginning net position to account for the new liability amounts as of the beginning of the 2025 fiscal year. The restatement reduced the beginning net position by \$411,401 for governmental activities and \$50,378 for business type activities.

	<u>Governmental activities</u>	<u>Business-type activities</u>
October 1, 2024, as previously reported	\$ 148,868,196	\$ 164,504,688
Change in accounting principle	(411,401)	(50,378)
October 1, 2024, as adjusted or restated	<u>\$ 148,456,795</u>	<u>\$ 164,454,310</u>

**CITY OF TUPELO**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2025**

**NOTE 29 - TAX ABATEMENTS**

The City enters into property tax abatement agreements with local businesses for economic development purposes. The abatements may be granted to any business located within or promising to locate within the city limits. The abatements are negotiated on an individual basis. Each abatement is for 10 years. The City had forty-two tax abatement agreements with twenty-two entities as of September 30, 2025.

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

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

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

Category	Amount of taxes abated during the fiscal year
New and expanded industrial enterprises	\$352,767

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

**NOTE 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 evaluated the activity of the City through May 28, 2026, (the date the financial statements were available to be issued) and noted the following items which require disclosure in the notes to the financial statements.

- In May 2026, the City approved a resolution authorizing the issuance of Special Obligation Bonds, Series 2026, in the amount of \$10,000,000 for various infrastructure and aquatic center improvements.

REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF TUPELO, MISSISSIPPI**  
**Schedule of the City's Proportionate**  
**Share of the Net Pension Liability**  
**For the ten years ended September 30, 2025\***

	<u>2025</u>		<u>2024</u>		<u>2023</u>		<u>2022</u>		<u>2021</u>	
City's proportion of net pension liability (%)	0.27170	%	0.26402	%	0.27158	%	0.25909	%	0.26497	%
City's proportionate share of net pension liability	\$ 68,964,570		\$ 68,559,718		\$ 68,305,200		\$ 53,329,121		\$ 39,163,576	
City's covered payroll	\$ 21,668,355		\$ 20,470,796		\$ 19,435,506		\$ 18,620,328		\$ 17,547,057	
City's proportionate share of net pension liability as a percentage of its covered payroll (%)	318.27	%	334.92	%	351.45	%	286.40	%	223.19	%
Coliseum's proportion of net pension liability (%)	0.01237		0.01184		0.01177	%	0.01087	%	0.00952	%
Coliseum's proportionate share of net pension liability	\$ 3,140,880		\$ 3,075,322		\$ 2,959,304		\$ 2,237,853		\$ 1,406,950	
Coliseum's covered payroll	\$ 993,465		\$ 906,557		\$ 881,253		\$ 760,385		\$ 665,764	
Coliseum's proportionate share of net pension liability as a percentage of its covered payroll (%)	316.15	%	339.23	%	335.81	%	294.31	%	211.33	%
District's proportion of net pension liability (%)	0.00100		0.00100		0.00100		0.00100	%	0.00100	%
District's proportionate share of net pension liability	\$ 253,829		\$ 259,674		\$ 251,512		\$ 205,835		\$ 147,804	
District's covered payroll	\$ 54,285		\$ 52,124		\$ 49,850		\$ 47,342		\$ 63,884	
District's proportionate share of net pension liability as a percentage of its covered payroll (%)	467.59	%	498.19	%	504.54	%	434.78	%	231.36	%
TAA's proportion of net pension liability (%)	0.00852		0.00795		0.00705	%	0.00683	%	0.00516	%
TAA's proportionate share of net pension liability	\$ 2,162,877		\$ 2,063,112		\$ 1,773,921		\$ 1,406,687		\$ 762,523	
TAA's covered payroll	\$ 648,605		\$ 646,559		\$ 522,267		\$ 515,167		\$ 360,190	
TAA's proportionate share of net pension liability as a percentage of its covered payroll (%)	333.47	%	319.09	%	339.66	%	273.05	%	211.70	%
W&S's proportion of net pension liability (%)	0.02182		0.02122		0.02164	%	0.02138	%	0.02198	%
W&S's proportionate share of net pension liability	\$ 5,538,079		\$ 5,510,703		\$ 5,442,180		\$ 4,400,078		\$ 3,248,876	
W&S's covered payroll	\$ 1,721,093		\$ 1,660,875		\$ 1,623,667		\$ 1,425,431		\$ 1,314,874	
W&S's proportionate share of net pension liability as a percentage of its covered payroll (%)	321.78	%	331.80	%	335.18	%	308.68	%	220.47	%
**Electric's proportion of net pension liability (%)	0.03054		0.03114		0.03076		0.03163	%	0.03181	%
Electric's proportionate share of net pension liability	\$ 7,930,036		\$ 7,831,429		\$ 6,331,820		\$ 4,675,212		\$ 6,158,132	
Electric's covered payroll	\$ 2,405,315		\$ 2,252,641		\$ 2,227,849		\$ 2,187,126		\$ 2,127,897	
Electric's proportionate share of net pension liability as a percentage of its covered payroll (%)	329.69	%	347.66	%	284.21	%	213.76	%	289.40	%
Plan fiduciary net position as a % of total pension liability	58.38	%	56.30	%	55.70	%	59.93	%	70.44	%

\* The amounts presented have a measurement date of June 30. \*\* Amounts for the Electric Fund are at June 30, 2025.

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

**CITY OF TUPELO, MISSISSIPPI**  
**Schedule of the City's Proportionate**  
**Share of the Net Pension Liability**  
**For the ten years ended September 30, 2025\***

-Continued-

	2020		2019		2018		2017		2016	
City's proportion of net pension liability (%)	0.26392	%	0.25816	%	0.26055	%	0.25163	%	0.24688	%
City's proportionate share of net pension liability	\$ 51,091,459		\$ 45,415,438		\$ 43,336,374		\$ 41,829,447		\$ 44,099,290	
City's covered payroll	\$ 17,694,218		\$ 16,740,741		\$ 16,638,298		\$ 16,142,216		\$ 16,119,683	
City's proportionate share of net pension liability as a percentage of its covered payroll (%)	288.75	%	271.29	%	260.46	%	259.13	%	273.57	%
Coliseum's proportion of net pension liability (%)	0.01283	%	0.01410	%	0.01339	%	0.01201	%	0.01180	%
Coliseum's proportionate share of net pension liability	\$ 2,484,126		\$ 2,480,116		\$ 2,225,540		\$ 1,996,802		\$ 2,114,562	
Coliseum's covered payroll	\$ 801,408		\$ 890,265		\$ 854,965		\$ 770,559		\$ 789,663	
Coliseum's proportionate share of net pension liability as a percentage of its covered payroll (%)	309.97	%	278.58	%	260.31	%	259.14	%	267.78	%
District's proportion of net pension liability (%)	0.00100	%	0.00100	%	0.00100	%	0.00100	%	0.00100	%
District's proportionate share of net pension liability	\$ 193,588		\$ 175,916		\$ 166,326		\$ 166,232		\$ 178,624	
District's covered payroll	\$ 65,951		\$ 57,878		\$ 61,937		\$ 60,311		\$ 58,578	
District's proportionate share of net pension liability as a percentage of its covered payroll (%)	293.53	%	274.99	%	268.54	%	275.62	%	304.94	%
TAA's proportion of net pension liability (%)	0.00532	%	0.00557	%	0.00539	%	0.00565	%	0.00458	%
TAA's proportionate share of net pension liability	\$ 1,030,084		\$ 979,345		\$ 895,685		\$ 938,557		\$ 818,460	
TAA's covered payroll	\$ 357,046		\$ 236,701		\$ 348,787		\$ 343,048		\$ 309,149	
TAA's proportionate share of net pension liability as a percentage of its covered payroll (%)	288.50	%	272.68	%	256.80	%	273.59	%	264.75	%
W&S's proportion of net pension liability (%)	0.02211	%	0.02278	%	0.02268	%	0.02203	%	0.02119	%
W&S's proportionate share of net pension liability	\$ 4,279,380		\$ 4,007,453		\$ 3,770,794		\$ 3,662,767		\$ 3,784,849	
W&S's covered payroll	\$ 1,409,609		\$ 1,462,847		\$ 1,448,571		\$ 1,413,467		\$ 1,385,638	
W&S's proportionate share of net pension liability as a percentage of its covered payroll (%)	303.59	%	273.95	%	260.31	%	259.13	%	273.15	%
**Electric's proportion of net pension liability (%)	0.03278	%	0.03264	%	0.03171	%	0.03049	%	0.03047	%
Electric's proportionate share of net pension liability	\$ 5,766,823		\$ 5,429,391		\$ 5,270,811		\$ 5,446,490		\$ 4,560,118	
Electric's covered payroll	\$ 2,118,167		\$ 2,104,997		\$ 2,065,238		\$ 2,074,070		\$ 1,967,778	
Electric's proportionate share of net pension liability as a percentage of its covered payroll (%)	272.26	%	257.93	%	255.22	%	262.60	%	231.74	%
Plan fiduciary net position as a % of total pension liability	58.97	%	61.59	%	62.54	%	61.49	%	57.47	%

\* The amounts presented have a measurement date of June 30. \*\* Amounts for the Electric Fund are at June 30, 2025.

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

**CITY OF TUPELO, MISSISSIPPI**  
**Schedule of the City's Contributions**  
**For the ten years ended September 30, 2025\***

	2025		2024		2023		2022		2021	
City of Tupelo										
Statutorily required contributions	\$ 3,904,088	\$	\$ 3,586,056	\$	\$ 3,381,778	\$	\$ 3,239,937	\$	\$ 3,053,188	
Actual contributions	\$ 3,904,088	\$	\$ 3,586,056	\$	\$ 3,381,778	\$	\$ 3,239,937	\$	\$ 3,053,188	
Contribution deficiency (excess)	\$ -	\$	\$ -	\$	\$ -	\$	\$ -	\$	\$ -	
City of Tupelo's covered payroll	\$ 21,668,355	\$	\$ 20,470,796	\$	\$ 19,435,506	\$	\$ 18,620,328	\$	\$ 17,547,057	
Contributions as a % of covered payroll	18.03 %		17.53 %		17.40 %		17.40 %		17.40 %	
Coliseum Project Fund										
Statutorily required contributions	\$ 178,998	\$	\$ 158,816	\$	\$ 153,338	\$	\$ 132,307	\$	\$ 115,843	
Actual contributions	\$ 178,998	\$	\$ 158,816	\$	\$ 153,338	\$	\$ 132,307	\$	\$ 115,843	
Contribution deficiency (excess)	\$ -	\$	\$ -	\$	\$ -	\$	\$ -	\$	\$ -	
Coliseum's covered payroll	\$ 993,465	\$	\$ 906,557	\$	\$ 881,253	\$	\$ 760,385	\$	\$ 665,764	
Contributions as a % of covered payroll	18.03 %		17.53 %		17.40 %		17.40 %		17.40 %	
Water District										
Statutorily required contributions	\$ 9,787	\$	\$ 9,136	\$	\$ 8,674	\$	\$ 8,237	\$	\$ 11,116	
Actual contributions	\$ 9,787	\$	\$ 9,136	\$	\$ 8,674	\$	\$ 8,237	\$	\$ 11,116	
Contribution deficiency (excess)	\$ -	\$	\$ -	\$	\$ -	\$	\$ -	\$	\$ -	
Water District's covered payroll	\$ 54,285	\$	\$ 52,124	\$	\$ 49,850	\$	\$ 47,342	\$	\$ 63,884	
Contributions as a % of covered payroll	18.03 %		17.53 %		17.40 %		17.40 %		17.40 %	
Tupelo Airport Authority										
Statutorily required contributions	\$ 116,851	\$	\$ 113,365	\$	\$ 90,874	\$	\$ 89,639	\$	\$ 62,673	
Actual contributions	\$ 116,851	\$	\$ 113,365	\$	\$ 90,874	\$	\$ 88,174	\$	\$ 62,673	
Contribution deficiency (excess)	\$ -	\$	\$ -	\$	\$ -	\$	\$ 1,465	\$	\$ -	
TAA's covered payroll	\$ 648,605	\$	\$ 646,559	\$	\$ 522,267	\$	\$ 515,167	\$	\$ 360,190	
Contributions as a % of covered payroll	18.03 %		17.53 %		17.40 %		17.40 %		17.40 %	
Water and Sewer Fund										
Statutorily required contributions	\$ 310,057	\$	\$ 290,963	\$	\$ 282,518	\$	\$ 248,025	\$	\$ 228,788	
Actual contributions	\$ 310,057	\$	\$ 290,963	\$	\$ 282,518	\$	\$ 248,025	\$	\$ 228,788	
Contribution deficiency (excess)	\$ -	\$	\$ -	\$	\$ -	\$	\$ -	\$	\$ -	
W&S's covered payroll	\$ 1,721,093	\$	\$ 1,660,875	\$	\$ 1,623,667	\$	\$ 1,425,431	\$	\$ 1,314,874	
Contributions as a % of covered payroll	18.03 %		17.53 %		17.40 %		17.40 %		17.40 %	
Electric Fund*										
Statutorily required contributions	\$ 430,551	\$	\$ 391,960	\$	\$ 387,645	\$	\$ 380,560	\$	\$ 370,254	
Actual contributions	\$ 430,551	\$	\$ 391,960	\$	\$ 387,645	\$	\$ 380,560	\$	\$ 370,254	
Contribution deficiency (excess)	\$ -	\$	\$ -	\$	\$ -	\$	\$ -	\$	\$ -	
Electric Department's covered payroll	\$ 2,405,315	\$	\$ 2,252,641	\$	\$ 2,227,849	\$	\$ 2,187,126	\$	\$ 2,127,897	
Contributions as a % of covered payroll	17.90 %		17.40 %		17.40 %		17.40 %		17.40 %	

Contribution percentage rates went from 17.90% to 18.40% on July 1, 2025, 17.40% to 17.90% on July 1, 2024, 15.75% to 17.40% on July 1, 2019. \* Amounts for the Electric Fund are at June 30, 2025.

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

**CITY OF TUPELO, MISSISSIPPI**  
**Schedule of the City's Contributions**  
**For the ten years ended September 30, 2025\***

-Continued-

	2020		2019		2018		2017		2016	
City of Tupelo										
Statutorily required contributions	\$ 3,078,794	\$	2,710,110	\$	2,620,532	\$	2,542,399	\$	2,538,850	
Actual contributions	\$ 3,078,794	\$	2,710,110	\$	2,620,532	\$	2,542,399	\$	2,538,850	
Contribution deficiency (excess)	\$ -	\$	-	\$	-	\$	-	\$	-	
City of Tupelo's covered payroll	\$ 17,694,218	\$	16,740,741	\$	16,638,298	\$	16,142,216	\$	16,119,683	
Contributions as a % of covered payroll	17.40	%	16.19	%	15.75	%	15.75	%	15.75	%
Coliseum Project Fund										
Statutorily required contributions	\$ 139,445	\$	143,766	\$	134,657	\$	121,363	\$	124,372	
Actual contributions	\$ 139,445	\$	143,766	\$	134,657	\$	121,363	\$	124,372	
Contribution deficiency (excess)	\$ -	\$	-	\$	-	\$	-	\$	-	
Coliseum's covered payroll	\$ 801,408	\$	890,265	\$	854,965	\$	770,559	\$	789,663	
Contributions as a % of covered payroll	17.40	%	16.15	%	15.75	%	15.75	%	15.75	%
Water District										
Statutorily required contributions	\$ 11,475	\$	10,342	\$	9,755	\$	9,499	\$	9,226	
Actual contributions	\$ 11,475	\$	10,342	\$	9,755	\$	9,499	\$	9,226	
Contribution deficiency (excess)	\$ -	\$	-	\$	-	\$	-	\$	-	
Water District's covered payroll	\$ 65,951	\$	63,973	\$	61,937	\$	60,311	\$	58,578	
Contributions as a % of covered payroll	17.40	%	16.17	%	15.75	%	15.75	%	15.75	%
Tupelo Airport Authority										
Statutorily required contributions	\$ 62,126	\$	57,878	\$	54,934	\$	54,030	\$	48,691	
Actual contributions	\$ 62,126	\$	57,878	\$	54,934	\$	54,030	\$	48,691	
Contribution deficiency (excess)	\$ -	\$	-	\$	-	\$	-	\$	-	
TAA's covered payroll	\$ 357,046	\$	359,150	\$	348,787	\$	343,048	\$	309,149	
Contributions as a % of covered payroll	17.40	%	16.12	%	15.75	%	15.75	%	15.75	%
Water and Sewer Fund										
Statutorily required contributions	\$ 245,272	\$	236,701	\$	228,150	\$	222,621	\$	218,238	
Actual contributions	\$ 245,272	\$	236,701	\$	228,150	\$	222,621	\$	218,238	
Contribution deficiency (excess)	\$ -	\$	-	\$	-	\$	-	\$	-	
W&S's covered payroll	\$ 1,409,609	\$	1,462,847	\$	1,448,571	\$	1,413,467	\$	1,385,638	
Contributions as a % of covered payroll	17.40	%	16.18	%	15.75	%	15.75	%	15.75	%
Electric Fund*										
Statutorily required contributions	\$ 368,561	\$	331,537	\$	325,275	\$	326,666	\$	309,925	
Actual contributions	\$ 368,561	\$	331,537	\$	325,275	\$	326,666	\$	309,925	
Contribution deficiency (excess)	\$ -	\$	-	\$	-	\$	-	\$	-	
Electric Department's covered payroll	\$ 2,118,167	\$	2,104,997	\$	2,065,238	\$	2,074,070	\$	1,967,778	
Contributions as a % of covered payroll	17.40	%	15.75	%	15.75	%	15.75	%	15.75	%

Contribution percentage rate went from 17.40% to 17.90% as of July 1, 2024. Contribution rate changed to 17.40% on July 1, 2019. \* Amounts for the Electric Fund are at June 30, 2025.

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

**CITY OF TUPELO, MISSISSIPPI**  
**Notes to the Required Supplementary Information**  
**For the Year Ended September 30, 2025**

**Changes of Assumptions**

**2025**

- Mortality, withdrawal, disability rates and service retirement rates were adjusted to reflect actual experience more closely.
- The assumed load for administrative expenses was decreased from 0.26% to 0.25% of payroll.

**2023:**

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

**2021:**

- The price inflation assumption was reduced from 2.75% to 2.40%.
- The wage inflation assumption was reduced from 3.00% to 2.65%.
- The investment rate of return assumption was changed from 7.75% to 7.55%.
- The assumed load for administrative expenses was increased from 0.25% to 0.28% of payroll.
- Withdrawal rates, mortality rates, disability rates and service retirement rates were adjusted to reflect actual experience more closely.
- The percentage of active member disabilities assumed to be in the line of duty was increased from 9% to 12%.
- The percentage of active member deaths assumed to be in the line of duty was decrease from 6% to 4%.

**CITY OF TUPELO, MISSISSIPPI**  
**Notes to the Required Supplementary Information**  
**For the Year Ended September 30, 2025**

**Changes of Assumptions (continued)**

**2019:**

- The price inflation assumption was reduced from 3.00% to 2.75%.
- The wage inflation assumption was reduced from 3.25% to 3.00%.
- Withdrawal rates, mortality rates, and service retirement rates were adjusted to reflect actual experience more closely.
- The percentage of active member disabilities assumed to be in the line of duty was increased from 7% to 9%.

**2017:**

- The expectation of retired life mortality was changed to the RP-2014 Healthy Annuitant Blue Collar Mortality Table projected with Scale BB to 2022. Small adjustments were also made to the Mortality Table for disabled lives.
- The wage inflation assumption was reduced from 3.75% to 3.25%.
- Withdrawal rates, pre-retirement mortality rates, disability rates and service retirement rates were also adjusted to more closely reflect actual experience.
- The percentage of active member disabilities assumed to be in the line of duty was increased from 6% to 7%.

**2016:**

- The assumed rate of interest credited to employee contributions was changed from 3.50% to 2.00%.

**2015:**

- The expectation of retired life mortality was changed to the RP-2014 Healthy Annuitant Blue Collar Table projected to 2016 using Scale BB rather than the RP-2000 Mortality Table, which was used prior to 2015.
- The expectation of disabled mortality was changed to the RP-2014 Disabled Retiree Table, rather than the RP-2000 Disabled Mortality Table, which was used prior to 2015.
- Withdrawal rates, pre-retirement mortality rates, disability rates and service retirement rates were also adjusted to more closely reflect actual experience.
- Assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience.
- The price inflation and investment rate of return assumptions were changed from 3.50% to 3.00% and 8.00% to 7.75%, respectively.

**CITY OF TUPELO, MISSISSIPPI**  
**Notes to the Required Supplementary Information**  
**For the Year Ended September 30, 2025**

**Changes of Benefit Provisions**

**2016:**

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

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS

**CITY OF TUPELO, MISSISSIPPI**  
**COMBINING BALANCE SHEET**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
September 30, 2025

	Non-Major Special Revenue	Non-Major Capital Projects	Non-Major Debt Service	Total Non-Major Governmental Funds
<b>ASSETS:</b>				
Cash	\$ 18,099,567	\$ 9,135,683	\$ 4,038,792	\$ 31,274,042
Investments	-	-	3,696,008	3,696,008
General Property Taxes Receivable	77,518	315,138	222,177	614,833
Other Receivable	537,466	-	-	537,466
Notes Receivable	70,813	-	-	70,813
Due from Other Government Units	537,718	152,490	-	690,208
Inventories	45,005	-	-	45,005
Prepaid Items	238,502	-	-	238,502
<b>TOTAL ASSETS</b>	<b>\$ 19,606,589</b>	<b>\$ 9,603,311</b>	<b>\$ 7,956,977</b>	<b>\$ 37,166,877</b>
<b>LIABILITIES AND FUND BALANCES:</b>				
<b>Liabilities:</b>				
Accounts Payable	\$ 339,452	\$ 1,044,614	\$ 2,250	\$ 1,386,316
Equity in Pooled Cash Deficit	26,781	150,525	-	177,306
Accrued Expenses	11,979	-	-	11,979
Unearned Revenues	2,505,073	-	-	2,505,073
Event Deposits	30,935	-	-	30,935
<b>TOTAL LIABILITIES</b>	<b>2,914,220</b>	<b>1,195,139</b>	<b>2,250</b>	<b>4,111,609</b>
<b>FUND BALANCES:</b>				
Nonspendable				
Prepaid Expenses	238,502	-	-	238,502
Inventory	45,005	-	-	45,005
Restricted for				
Library	-	-	-	-
Tourism Promotion	11,625,578	-	-	11,625,578
Public Safety Retirement	50,737	-	-	50,737
Law Enforcement	1,193,464	-	-	1,193,464
Construction Acquisition of Capital Assets	-	7,564,406	-	7,564,406
Public Safety Equipment	-	29,067	-	29,067
Debt Service	-	-	7,954,727	7,954,727
Committed to				
Rental Rehabilitation	72,906	-	-	72,906
Fairpark Infrastructure	-	698,601	-	698,601
Construction Acquisition of Capital Assets	-	116,098	-	116,098
Assigned to				
Coliseum Projects	2,319,853	-	-	2,319,853
Coliseum Operations	1,146,324	-	-	1,146,324
<b>TOTAL FUND BALANCES</b>	<b>16,692,369</b>	<b>8,408,172</b>	<b>7,954,727</b>	<b>33,055,268</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 19,606,589</b>	<b>\$ 9,603,311</b>	<b>\$ 7,956,977</b>	<b>\$ 37,166,877</b>

**CITY OF TUPELO, MISSISSIPPI**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
Year Ended September 30, 2025

	Non-Major Special Revenue	Non-Major Capital Projects	Non-Major Debt Service	Total Non-Major Governmental Funds
<b>REVENUES:</b>				
Taxes	\$ 1,629,879	\$ 6,624,659	\$ 4,921,503	\$ 13,176,041
Intergovernmental Revenues	7,948,631	3,540,098	4,704,644	16,193,373
Fines and Forfeitures	158,031	-	-	158,031
Charges for Services	3,924,922	-	-	3,924,922
Miscellaneous Revenues	1,875,172	415,271	311,201	2,601,644
<b>TOTAL REVENUES</b>	<u>15,536,635</u>	<u>10,580,028</u>	<u>9,937,348</u>	<u>36,054,011</u>
<b>EXPENDITURES:</b>				
Current:				
Public Safety	1,367,488	-	-	1,367,488
Culture and Recreation	6,106,043	-	-	6,106,043
Other Functions	4,576,612	-	-	4,576,612
Capital Projects	-	9,824,599	-	9,824,599
Debt Service	-	-	6,554,364	6,554,364
<b>TOTAL EXPENDITURES</b>	<u>12,050,143</u>	<u>9,824,599</u>	<u>6,554,364</u>	<u>28,429,106</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>3,486,492</u>	<u>755,429</u>	<u>3,382,984</u>	<u>7,624,905</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from Other Funds	2,855,284	-	994,563	3,849,847
Transfers to Other Funds	(2,947,107)	-	(61,000)	(3,008,107)
Transfer from Northeast MS Regional Water Supply District	-	-	312,850	312,850
Transfer to Northeast MS Regional Water Supply District	-	-	(4,542,734)	(4,542,734)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(91,823)</u>	<u>-</u>	<u>(3,296,321)</u>	<u>(3,388,144)</u>
<b>NET CHANGE IN FUND BALANCES</b>	3,394,669	755,429	86,663	4,236,761
<b>FUND BALANCES - Beginning</b>	<u>13,297,700</u>	<u>7,652,743</u>	<u>7,868,064</u>	<u>28,818,507</u>
<b>FUND BALANCES - Ending</b>	<u>\$ 16,692,369</u>	<u>\$ 8,408,172</u>	<u>\$ 7,954,727</u>	<u>\$ 33,055,268</u>

**CITY OF TUPELO**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**COMBINING BALANCE SHEET**

September 30, 2025

With Comparative Totals for September 30, 2024

		Library Fund	Convention and Visitors Bureau Fund	Firemen & Policemen Retirement Fund	Coliseum Project Fund	Rental Rehabil- itation Fund	Coliseum Operating Fund	Narcotics Fund	Totals	
									9/30/2025	9/30/2024
<b>ASSETS</b>										
Cash	\$	-	\$ 12,209,878	\$ -	\$ 2,319,853	\$ 2,093	\$ 2,367,162	\$ 1,200,581	\$ 18,099,567	\$ 15,556,754
Receivables:										
Notes		-	-	-	-	70,813	-	-	70,813	70,813
Other		-	2,851	-	-	-	534,615	-	537,466	455,133
General Property Taxes		26,781	-	50,737	-	-	-	-	77,518	52,326
Due from Other										
Governmental Units		-	537,718	-	-	-	-	-	537,718	527,117
Due from Other Funds		-	-	-	-	-	-	-	-	-
Inventories		-	-	-	-	-	45,005	-	45,005	49,588
Prepaid Items		-	-	-	-	-	238,502	-	238,502	22,926
<b>TOTAL ASSETS</b>	<b>\$</b>	<b>26,781</b>	<b>\$ 12,750,447</b>	<b>\$ 50,737</b>	<b>\$ 2,319,853</b>	<b>\$ 72,906</b>	<b>\$ 3,185,284</b>	<b>\$ 1,200,581</b>	<b>\$ 19,606,589</b>	<b>\$ 16,734,657</b>
<b>LIABILITIES AND FUND BALANCES</b>										
Liabilities:										
Accounts Payable	\$	-	\$ 241,721	\$ -	\$ -	\$ -	\$ 90,614	\$ 7,117	\$ 339,452	\$ 156,487
Equity in Pooled Cash Deficit		26,781	-	-	-	-	-	-	26,781	15,862
Accrued Expenses		-	-	-	-	-	11,979	-	11,979	27,408
Unearned Revenues		-	883,148	-	-	-	1,621,925	-	2,505,073	3,208,625
Event Deposits		-	-	-	-	-	30,935	-	30,935	28,575
Total Liabilities		26,781	1,124,869	-	-	-	1,755,453	7,117	2,914,220	3,436,957
Fund Balances:										
Nonspendable										
Prepaid Expenses		-	-	-	-	-	238,502	-	238,502	22,926
Inventory		-	-	-	-	-	45,005	-	45,005	49,588
Restricted for										
Library		-	-	-	-	-	-	-	-	-
Tourism Promotion		-	11,625,578	-	-	-	-	-	11,625,578	8,676,546
Public Safety Retirement		-	-	50,737	-	-	-	-	50,737	36,464
Law Enforcement		-	-	-	-	-	-	1,193,464	1,193,464	1,100,445
Committed to										
Rental Rehabilitation		-	-	-	-	72,906	-	-	72,906	72,822
Assigned to										
Coliseum Projects		-	-	-	2,319,853	-	-	-	2,319,853	1,643,025
Coliseum Operations		-	-	-	-	-	1,146,324	-	1,146,324	1,695,884
Total Fund Balances		-	11,625,578	50,737	2,319,853	72,906	1,429,831	1,193,464	16,692,369	13,297,700
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$</b>	<b>26,781</b>	<b>\$ 12,750,447</b>	<b>\$ 50,737</b>	<b>\$ 2,319,853</b>	<b>\$ 72,906</b>	<b>\$ 3,185,284</b>	<b>\$ 1,200,581</b>	<b>\$ 19,606,589</b>	<b>\$ 16,734,657</b>

**CITY OF TUPELO**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
Year Ended September 30, 2025  
With Comparative Totals for Year Ended September 30, 2024

	Library Fund	Convention and Visitors Bureau Fund	Firemen & Policemen Retirement Fund	Coliseum Project Fund	Rental Rehabil- itation Fund	Coliseum Operating Fund	Narcotics Fund	Totals	
								9/30/2025	9/30/2024
<b>REVENUES</b>									
Taxes:									
General Property Taxes	\$ 563,309	\$ -	\$ 1,066,570	\$ -	\$ -	\$ -	\$ -	\$ 1,629,879	\$ 1,346,078
Intergovernmental Revenues:									
Federal Shared Revenues	-	-	-	-	-	-	118,615	118,615	77,251
State Shared Revenues	19,521	6,460,872	36,975	-	-	-	-	6,517,368	6,273,615
Federal Grants	-	1,312,648	-	-	-	-	-	1,312,648	606,695
Fines and Forfeitures	-	-	-	-	-	-	158,031	158,031	59,324
Charges for Sales & Services:									
Commissions	-	-	-	-	-	28,350	-	28,350	33,338
Concessions & Other Sales	-	-	-	-	-	962,966	-	962,966	783,983
Direct Show Revenue	-	-	-	-	-	13,384	-	13,384	61,579
Parking	-	-	-	-	-	2,350	-	2,350	1,895
Service Charge	-	-	-	-	-	431,476	-	431,476	455,868
Rental Revenue	-	-	-	-	-	2,170,287	-	2,170,287	2,194,036
Personnel Service Fees	-	-	-	-	-	316,109	-	316,109	227,298
Miscellaneous Revenues:									
Interest	-	449,898	-	96,361	84	89,482	67,483	703,308	592,751
Advertising Agency Fee	-	16,500	-	-	-	451,410	-	467,910	591,058
Donations	-	-	-	-	-	-	-	-	-
Other	-	2,822	-	-	-	661,572	39,560	703,954	597,554
<b>TOTAL REVENUES</b>	<b>582,830</b>	<b>8,242,740</b>	<b>1,103,545</b>	<b>96,361</b>	<b>84</b>	<b>5,127,386</b>	<b>383,689</b>	<b>15,536,635</b>	<b>13,902,323</b>

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

Year Ended September 30, 2025  
With Comparative Totals for Year Ended September 30, 2024

-Continued-

	Library Fund	Convention and Visitors Bureau Fund	Firemen & Policemen Retirement Fund	Coliseum Project Fund	Rental Rehabilitation Fund	Coliseum Operating Fund	Narcotics Fund	Totals	
								9/30/2025	9/30/2024
<b>EXPENDITURES</b>									
Public Safety:									
Police Department:									
Personnel Services	\$ -	\$ -	\$ 762,490	\$ -	\$ -	\$ -	\$ -	\$ 762,490	\$ 686,262
Supplies	-	-	-	-	-	-	34,509	34,509	38,502
Other Services & Charges	-	-	-	-	-	-	233,689	233,689	216,537
Capital Outlay	-	-	-	-	-	-	10,018	10,018	29,148
Fire Department:									
Personnel Services	-	-	326,782	-	-	-	-	326,782	294,113
<b>Total Public Safety</b>	<b>-</b>	<b>-</b>	<b>1,089,272</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>278,216</b>	<b>1,367,488</b>	<b>1,264,562</b>
Culture and Recreation:									
Tupelo Coliseum:									
Personnel Services	-	-	-	-	-	1,398,743	-	1,398,743	1,285,167
Supplies	-	-	-	-	-	464,552	-	464,552	425,268
Other Services and Charges	-	-	-	-	-	3,683,118	-	3,683,118	3,208,380
Capital Outlay	-	-	-	-	-	559,630	-	559,630	1,621,987
<b>Total Culture &amp; Recreation</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,106,043</b>	<b>-</b>	<b>6,106,043</b>	<b>6,540,802</b>
Other Functions:									
Community Services:									
Personnel Services	\$ -	\$ 905,027	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 905,027	\$ 828,801
Supplies	-	14,356	-	-	-	-	-	14,356	15,665
Other Services and Charges	582,904	3,069,436	-	-	-	-	-	3,652,340	2,590,930
Capital Outlay	-	4,889	-	-	-	-	-	4,889	46,955
<b>Total Other Functions</b>	<b>582,904</b>	<b>3,993,708</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,576,612</b>	<b>3,482,351</b>
<b>TOTAL EXPENDITURES</b>	<b>582,904</b>	<b>3,993,708</b>	<b>1,089,272</b>	<b>-</b>	<b>-</b>	<b>6,106,043</b>	<b>278,216</b>	<b>12,050,143</b>	<b>11,287,715</b>

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

Year Ended September 30, 2025  
With Comparative Totals for Year Ended September 30, 2024

-Continued-

	Library Fund	Convention and Visitors Bureau Fund	Firemen & Policemen Retirement Fund	Coliseum Project Fund	Rental Rehabil- itation Fund	Coliseum Operating Fund	Narcotics Fund	Totals	
								9/30/2025	9/30/2024
<b>EXCESS OF REVENUES</b>									
<b>REVENUES OVER (UNDER)</b>									
<b>EXPENDITURES</b>	(74)	4,249,032	14,273	96,361	84	(978,657)	105,473	3,486,492	2,614,608
<b>OTHER FINANCING</b>									
<b>SOURCES (USES)</b>									
Transfers from Other Funds	\$ 74	\$ -	\$ -	\$ 2,215,120	\$ -	\$ 640,090	\$ -	\$ 2,855,284	\$ 4,128,860
Transfers to Other Funds	-	(1,300,000)	-	(1,634,653)	-	-	(12,454)	(2,947,107)	(4,742,495)
<b>TOTAL OTHER</b>									
<b>FINANCING</b>									
<b>SOURCES (USES)</b>	74	(1,300,000)	-	580,467	-	640,090	(12,454)	(91,823)	(613,635)
<b>EXCESS OF REVENUES OVER</b>									
<b>(UNDER) EXPENDITURES</b>									
<b>AND OTHER</b>									
<b>SOURCES (USES)</b>	-	2,949,032	14,273	676,828	84	(338,567)	93,019	3,394,669	2,000,973
<b>FUND BALANCES -</b>									
<b>Beginning of Year</b>	-	8,676,546	36,464	1,643,025	72,822	1,768,398	1,100,445	13,297,700	11,296,727
<b>FUND BALANCES -</b>									
<b>End of Year</b>	\$ -	\$ 11,625,578	\$ 50,737	\$ 2,319,853	\$ 72,906	\$ 1,429,831	\$ 1,193,464	\$ 16,692,369	\$ 13,297,700

**CITY OF TUPELO**  
**NON-MAJOR CAPITAL PROJECTS FUNDS**  
**COMBINING BALANCE SHEET**  
September 30, 2025  
With Comparative Totals for September 30, 2024

	City Capital Project Fund	Fairgrounds Construction Fund	ARPA Project Fund	Thoroughfare Fund Phase VII	Totals	
					9/30/2025	9/30/2024
<b>ASSETS</b>						
Cash	\$ 145,165	\$ 729,088	\$ -	\$ 8,261,430	\$ 9,135,683	\$ 7,467,125
General Property Taxes Receivable	-	-	-	315,138	315,138	226,483
Other Receivables	-	-	-	-	-	41,216
Due from Other Governmental Entities	-	-	152,490	-	152,490	1,623,833
Due from Other Funds	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<u>\$ 145,165</u>	<u>\$ 729,088</u>	<u>\$ 152,490</u>	<u>\$ 8,576,568</u>	<u>\$ 9,603,311</u>	<u>\$ 9,358,657</u>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities:						
Accounts Payable	\$ -	\$ 30,487	\$ 1,965	\$ 1,012,162	\$ 1,044,614	\$ 179,769
Equity in Pooled Cash Deficit	-	-	150,525	-	150,525	1,526,145
<b>Total Liabilities</b>	<u>-</u>	<u>30,487</u>	<u>152,490</u>	<u>1,012,162</u>	<u>1,195,139</u>	<u>1,705,914</u>
Fund Balances:						
Restricted for						
Construction Acquisition of Capital Assets	-	-	-	7,564,406	7,564,406	6,787,716
Public Safety Equipment	29,067	-	-	-	29,067	90,437
Committed to						
Fairpark Infrastructure	-	698,601	-	-	698,601	710,647
Construction Acquisition of Capital Assets	116,098	-	-	-	116,098	63,943
<b>Total Fund Balances</b>	<u>145,165</u>	<u>698,601</u>	<u>-</u>	<u>7,564,406</u>	<u>8,408,172</u>	<u>7,652,743</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 145,165</u>	<u>\$ 729,088</u>	<u>\$ 152,490</u>	<u>\$ 8,576,568</u>	<u>\$ 9,603,311</u>	<u>\$ 9,358,657</u>

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

Year Ended September 30, 2025  
With Comparative Totals for Year Ended September 30, 2024

	City Capital Project Fund	Fairgrounds Construction Fund	ARPA Project Fund	Thoroughfare Fund Phase VII	Totals	
					9/30/2025	9/30/2024
<b>REVENUES</b>						
Taxes:						
General Property Taxes	\$ -	\$ -	\$ -	\$ 6,624,659	\$ 6,624,659	\$ 5,823,989
Intergovernmental Revenues:						
State Shared Revenues	-	-	-	229,660	229,660	227,556
Federal Grants	-	-	3,310,438	-	3,310,438	4,533,094
Miscellaneous Revenues:						
Interest	5,980	28,857	-	331,559	366,396	352,735
Donations	-	-	-	-	-	175
Other	-	48,875	-	-	48,875	146,107
<b>TOTAL REVENUES</b>	<u>5,980</u>	<u>77,732</u>	<u>3,310,438</u>	<u>7,185,878</u>	<u>10,580,028</u>	<u>11,083,656</u>
<b>EXPENDITURES</b>						
Personnel Services	-	-	-	124,320	124,320	114,728
Other Services and Charges	-	89,778	-	178,117	267,895	1,667,713
Capital Outlay	15,195	-	3,310,438	6,106,751	9,432,384	6,937,658
<b>TOTAL EXPENDITURES</b>	<u>15,195</u>	<u>89,778</u>	<u>3,310,438</u>	<u>6,409,188</u>	<u>9,824,599</u>	<u>8,720,099</u>
<b>EXCESS (DEFICIT) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(9,215)</u>	<u>(12,046)</u>	<u>-</u>	<u>776,690</u>	<u>755,429</u>	<u>2,363,557</u>

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

Year Ended September 30, 2025  
With Comparative Totals for Year Ended September 30, 2024  
-Continued-

	City Capital Project Fund	Fairgrounds Construction Fund	ARPA Project Fund	Thoroughfare Fund Phase VII	Totals	
					9/30/2025	9/30/2024
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers from Other Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers to Other Funds	-	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	-	-	-	-	-	-
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)</b>						
	(9,215)	(12,046)	-	776,690	755,429	2,363,557
<b>FUND BALANCES- Beginning of Year</b>	154,380	710,647	-	6,787,716	7,652,743	5,289,186
<b>FUND BALANCES- End of Year</b>	\$ 145,165	\$ 698,601	\$ -	\$ 7,564,406	\$ 8,408,172	\$ 7,652,743

**CITY OF TUPELO**  
**NON-MAJOR DEBT SERVICE FUNDS**  
**COMBINING BALANCE SHEET**  
September 30, 2025  
With Comparative Totals for September 30, 2024

	City Bond and Interest Fund	Water G. O. Bonds Fund	Special Assessments Bond and Interest Fund	City Tax Increment Debt Fund	Special Obligation Debt Service Fund	<u>Totals</u>	
						9/30/2025	9/30/2024
<b>ASSETS</b>							
Cash	\$ 2,654,992	\$ -	\$ -	\$ 1,383,800	\$ -	\$ 4,038,792	\$ 3,840,431
Investments	2,044	3,693,960	-	-	4	3,696,008	3,870,171
Receivables:							
General Property Taxes	<u>222,177</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>222,177</u>	<u>159,712</u>
<b>TOTAL ASSETS</b>	<b>\$ <u>2,879,213</u></b>	<b>\$ <u>3,693,960</u></b>	<b>\$ <u>-</u></b>	<b>\$ <u>1,383,800</u></b>	<b>\$ <u>4</u></b>	<b>\$ <u>7,956,977</u></b>	<b>\$ <u>7,870,314</u></b>
<b>LIABILITIES AND FUND BALANCES</b>							
Liabilities:							
Accounts Payable	<u>\$ 2,250</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,250</u>	<u>\$ 2,250</u>
Total Liabilities	<u>2,250</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,250</u>	<u>2,250</u>
Fund Balances:							
Restricted for Debt Service	<u>2,876,963</u>	<u>3,693,960</u>	<u>-</u>	<u>1,383,800</u>	<u>4</u>	<u>7,954,727</u>	<u>7,868,064</u>
Total Fund Balances	<u>2,876,963</u>	<u>3,693,960</u>	<u>-</u>	<u>1,383,800</u>	<u>4</u>	<u>7,954,727</u>	<u>7,868,064</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ <u>2,879,213</u></b>	<b>\$ <u>3,693,960</u></b>	<b>\$ <u>-</u></b>	<b>\$ <u>1,383,800</u></b>	<b>\$ <u>4</u></b>	<b>\$ <u>7,956,977</u></b>	<b>\$ <u>7,870,314</u></b>

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

Year Ended September 30, 2025  
With Comparative Totals for Year Ended September 30, 2024

	City Bond and Interest Fund	Water G. O. Bonds Fund	Special Assessments Bond and Interest Fund	City Tax Increment Debt Fund	Special Obligation Debt Service Fund	<u>Totals</u>	
						9/30/2025	9/30/2024
<b>REVENUES</b>							
Taxes:							
General Property Taxes	\$ 4,670,724	\$ -	\$ -	\$ 250,779	\$ -	\$ 4,921,503	\$ 4,314,181
Intergovernmental Revenues:							
State Shared Revenues	161,910	4,542,734	-	-	-	4,704,644	4,806,323
Miscellaneous Revenues:							
Interest	<u>106,150</u>	<u>149,885</u>	<u>-</u>	<u>54,652</u>	<u>514</u>	<u>311,201</u>	<u>337,469</u>
<b>TOTAL REVENUES</b>	<u>4,938,784</u>	<u>4,692,619</u>	<u>-</u>	<u>305,431</u>	<u>514</u>	<u>9,937,348</u>	<u>9,457,973</u>
<b>EXPENDITURES</b>							
Debt Service:							
General Obligations:							
Bonds Redeemed	3,065,000	415,000	-	46,000	-	3,526,000	3,109,000
Interest	1,753,684	203,763	-	25,000	-	1,982,447	1,765,430
Paying Agent Fees	17,660	11,420	-	20,000	-	49,080	30,680
Special Obligations:							
Bonds Redeemed	-	-	-	-	320,000	320,000	305,000
Interest	-	-	-	-	673,587	673,587	688,837
Paying Agent Fees	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,250</u>	<u>3,250</u>	<u>3,250</u>
<b>TOTAL EXPENDITURES</b>	<u>4,836,344</u>	<u>630,183</u>	<u>-</u>	<u>91,000</u>	<u>996,837</u>	<u>6,554,364</u>	<u>5,902,197</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>102,440</u>	<u>4,062,436</u>	<u>-</u>	<u>214,431</u>	<u>(996,323)</u>	<u>3,382,984</u>	<u>3,555,776</u>

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

Year Ended September 30, 2025

With Comparative Totals for Year Ended September 30, 2024

-Continued-

	City Bond and Interest Fund	Water G. O. Bonds Fund	Special Assessments Bond and Interest Fund	City Tax Increment Debt Fund	Special Obligation Debt Service Fund	<u>Totals</u>	
						9/30/2025	9/30/2024
OTHER FINANCING SOURCES (USES):							
Transfers from Other Funds	\$ -	\$ -	\$ -	\$ -	\$ 994,563	\$ 994,563	\$ 995,369
Transfer from Northeast MS Regional Water Supply District	-	312,850	-	-		312,850	314,326
Transfer to Northeast MS Regional Water Supply District	-	(4,542,734)	-	-	-	(4,542,734)	(4,645,896)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>(4,229,884)</u>	<u>-</u>	<u>(61,000)</u>	<u>994,563</u>	<u>(3,296,321)</u>	<u>(3,336,201)</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)</b>	102,440	(167,448)	-	153,431	(1,760)	86,663	219,575
<b>FUND BALANCES-</b>							
Beginning of Year	<u>2,774,523</u>	<u>3,861,408</u>	<u>-</u>	<u>1,230,369</u>	<u>1,764</u>	<u>7,868,064</u>	<u>7,648,489</u>
<b>FUND BALANCES-</b>							
End of Year	<u>\$ 2,876,963</u>	<u>\$ 3,693,960</u>	<u>\$ -</u>	<u>\$ 1,383,800</u>	<u>\$ 4</u>	<u>\$ 7,954,727</u>	<u>\$ 7,868,064</u>

## GENERAL FUND

**General Fund** – This fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

**CITY OF TUPELO**  
**GENERAL FUND**  
**COMPARATIVE BALANCE SHEET**  
September 30, 2025 and 2024

	<b>9/30/25</b>	<b>9/30/24</b>
<b>ASSETS</b>		
Cash	\$ 19,848,520	\$ 23,976,877
Receivables:		
General Property Taxes	440,339	316,949
Other	105,254	167,261
Due from Other Government Units	3,004,958	2,679,280
Due from Component Unit	42,500	44,394
Due from Other Funds	1,800,000	1,890,000
Prepaid Items	307,383	325,815
Inventories	<u>34,220</u>	<u>26,874</u>
<b>TOTAL ASSETS</b>	<b>\$ <u>25,583,174</u></b>	<b>\$ <u>29,427,450</u></b>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts Payable	\$ 882,811	\$ 666,604
Unearned Revenues	169,241	4,107,880
Accrued Expenses	<u>372,295</u>	<u>814,549</u>
Total Liabilities	<u>1,424,347</u>	<u>5,589,033</u>
Fund Balance:		
Nonspendable		
Prepaid Items	307,383	325,815
Inventory	34,220	26,874
Restricted for		
Home Grant	540,450	540,450
Water Reserve	625,381	600,491
Unassigned	<u>22,651,393</u>	<u>22,344,787</u>
Total Fund Balance	<u>24,158,827</u>	<u>23,838,417</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ <u>25,583,174</u></b>	<b>\$ <u>29,427,450</u></b>

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

For the Years Ended September 30, 2025 and 2024

	<b>F.Y.E. 9/30/25</b>	<b>F.Y.E. 9/30/24</b>
<b>REVENUES</b>		
Taxes:		
General Property Taxes	\$ 8,585,007	\$ 7,629,923
Payments in Lieu of Taxes	1,365,980	1,379,581
Penalties and Interest on Delinquent Taxes	55,682	39,180
Total Taxes	<u>10,006,669</u>	<u>9,048,684</u>
Licenses and Permits:		
Privilege License	324,436	370,232
Building Permits	743,832	292,722
Other Permits	10,810	15,120
Franchise Fees	453,471	475,779
Total Licenses and Permits	<u>1,532,549</u>	<u>1,153,853</u>
Intergovernmental Revenues:		
Federal Grants	639,612	2,547,796
State Grants	38,955	38,955
Other Grants	493,763	573,466
State Shared Revenues	32,264,832	31,524,642
Municipality Shared Revenues	3,550,000	3,550,000
County Shared Revenues	1,633,676	1,433,255
Total Intergovernmental Revenues	<u>38,620,838</u>	<u>39,668,114</u>
Charges for Services:		
Public Safety	287,348	229,882
Highways and Streets	53,627	67,146
Crime Lab Fees	23,869	23,091
Culture and Recreation Fees	417,889	411,678
Total Charges for Services	<u>782,733</u>	<u>731,797</u>
Fines and Forfeitures:		
Police Fines and Fees	624,530	556,964
Parking Fines and Fees	775	790
Total Fines and Forfeitures	<u>625,305</u>	<u>557,754</u>

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

For the Years Ended September 30, 2025 and 2024

-Continued-

	<b>F.Y.E. 9/30/25</b>	<b>F.Y.E. 9/30/24</b>
<b>REVENUES-Continued</b>		
Miscellaneous Revenues:		
Interest	\$ 1,133,328	\$ 1,323,749
Donations	54,051	147,349
Rents	214,369	186,760
Billings to Other Departments	284,165	271,600
Other	130,201	178,170
	<u>1,816,114</u>	<u>2,107,628</u>
Total Miscellaneous Revenues	<u>1,816,114</u>	<u>2,107,628</u>
<b>TOTAL REVENUES</b>	<u>53,384,208</u>	<u>53,267,830</u>
<b>EXPENDITURES</b>		
General Government:		
Legislative Department:		
Personnel Services	315,819	304,895
Supplies	5,880	3,277
Other Services and Charges	317,436	194,895
	<u>642,274</u>	<u>503,067</u>
Total Legislative Department	<u>642,274</u>	<u>503,067</u>
Executive Department:		
Personnel Services	1,024,344	1,058,731
Supplies	13,740	16,450
Other Services and Charges	285,872	289,124
	<u>1,323,956</u>	<u>1,364,305</u>
Total Executive Department	<u>1,323,956</u>	<u>1,364,305</u>
City Court:		
Personnel Services	999,517	973,802
Supplies	13,853	19,542
Other Services and Charges	97,633	93,864
	<u>1,111,003</u>	<u>1,087,208</u>
Total City Court	<u>1,111,003</u>	<u>1,087,208</u>
Convention and Visitors Bureau Director:		
Personnel Services	<u>-</u>	<u>-</u>
Total Convention and Visitors Bureau Director	<u>-</u>	<u>-</u>

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

For the Years Ended September 30, 2025 and 2024

-Continued-

	F.Y.E. 9/30/25	F.Y.E. 9/30/24
<b>EXPENDITURES-Continued</b>		
Budget and Accounting Department:		
Personnel Services	\$ 905,911	\$ 776,866
Supplies	15,609	18,685
Other Services and Charges	656,074	611,967
Capital Outlay	408,099	259,305
Total Budget and Accounting Department	<u>1,985,693</u>	<u>1,666,823</u>
Personnel Department:		
Personnel Services	253,056	221,801
Supplies	1,111	1,462
Other Services and Charges	136,670	130,904
Total Personnel Department	<u>390,837</u>	<u>354,167</u>
Planning Department:		
Personnel Services	1,313,684	1,278,689
Supplies	36,339	36,239
Other Services and Charges	288,211	234,717
Capital Outlay	-	-
Total Community Development Department	<u>1,638,234</u>	<u>1,549,645</u>
Total General Government	<u>7,091,997</u>	<u>6,525,215</u>
Public Safety:		
Police Department:		
Personnel Services	10,198,919	9,287,573
Supplies	654,623	722,799
Other Services and Charges	2,805,114	2,476,045
Capital Outlay	224,532	461,537
Total Police Department	<u>13,883,188</u>	<u>12,947,954</u>
Fire Department:		
Personnel Services	7,573,166	7,523,459
Supplies	418,739	418,661
Other Services and Charges	443,766	420,993
Total Fire Department	<u>8,445,594</u>	<u>8,363,113</u>
Total Public Safety	<u>22,328,782</u>	<u>21,311,067</u>

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

For the Years Ended September 30, 2025 and 2024

-Continued-

	F.Y.E. 9/30/25	F.Y.E. 9/30/24
<b>EXPENDITURES-Continued</b>		
Public Services:		
Public Works Department:		
Personnel Services	\$ 2,977,240	\$ 2,841,685
Supplies	368,214	356,275
Other Services and Charges	2,627,950	2,362,838
Capital Outlay	<u>15,338</u>	<u>14,303</u>
Total Public Works Department	<u>5,988,742</u>	<u>5,575,101</u>
Culture and Recreation:		
Park and Recreation Department:		
Personnel Services	2,321,180	2,222,722
Supplies	425,732	462,534
Other Services and Charges	1,269,968	1,233,506
Capital Outlay	<u>13,800</u>	<u>31,546</u>
Total Park and Recreation Department	<u>4,030,680</u>	<u>3,950,308</u>
Aquatic Center:		
Personnel Services	497,754	495,950
Supplies	95,067	103,477
Other Services and Charges	580,333	478,756
Capital Outlay	<u>29,503</u>	<u>17,374</u>
Total Aquatic Center	<u>1,202,657</u>	<u>1,095,557</u>
Museum Department:		
Personnel Services	105,154	76,352
Supplies	7,076	3,705
Other Services and Charges	23,503	31,816
Capital Outlay	<u>1,369</u>	<u>-</u>
Total Museum Department	<u>137,102</u>	<u>111,873</u>
Total Culture and Recreation	<u>5,370,439</u>	<u>5,157,738</u>
Other Functions:		
Community Services:		
Other Services and Charges	<u>1,088,892</u>	<u>1,373,079</u>
Total Community Services	<u>1,088,892</u>	<u>1,373,079</u>

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

For the Years Ended September 30, 2025 and 2024

-Continued-

	<b>F.Y.E. 9/30/25</b>	<b>F.Y.E. 9/30/24</b>
<b>EXPENDITURES-Continued</b>		
Debt Service:		
Principal on Long Term Debt	\$ 383,631	\$ 253,245
Interest	<u>63,213</u>	<u>71,610</u>
Total Debt Service	<u>446,844</u>	<u>324,855</u>
<b>TOTAL EXPENDITURES</b>	<u>42,315,696</u>	<u>40,267,055</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<u>11,068,512</u>	<u>13,000,775</u>
<b>OTHER FINANCING SOURCES (USES):</b>		
Transfers Out	(11,276,372)	(12,657,010)
Transfers In	<u>528,270</u>	<u>53,122</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(10,748,102)</u>	<u>(12,603,888)</u>
<b>EXCESS (DEFICIT) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER (USES)</b>	<u>320,410</u>	<u>396,887</u>
<b>FUND BALANCE - Beginning of year</b>	<u>23,838,417</u>	<u>23,441,530</u>
<b>FUND BALANCE - End of year</b>	<u>\$ 24,158,827</u>	<u>\$ 23,838,417</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.

**CITY OF TUPELO**  
**LIBRARY FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL**  
Year Ended September 30, 2025  
With Comparative Totals for Year Ended September 30, 2024

	<u>F.Y.E. 9/30/2025</u>			<b>F.Y.E. 9/30/2024 Actual</b>
	<b>Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>	
<b>REVENUES</b>				
Taxes:				
General Property Taxes	\$ 549,748	\$ 552,390	\$ 2,642	\$ 413,933
Intergovernmental:				
State Shared Revenues	19,005	19,521	516	15,929
<b>TOTAL REVENUES</b>	<u>568,753</u>	<u>571,911</u>	<u>3,158</u>	<u>429,862</u>
<b>EXPENDITURES</b>				
Community Services:				
Other Services and Charges	582,904	582,904	-	538,904
<b>TOTAL EXPENDITURES</b>	<u>582,904</u>	<u>582,904</u>	<u>-</u>	<u>538,904</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(14,151)</u>	<u>(10,993)</u>	<u>3,158</u>	<u>(109,042)</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers In	-	74	74	22,736
<b>TOTAL OTHER FINANCING SOURCES</b>	<u>-</u>	<u>74</u>	<u>74</u>	<u>22,736</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)</b>	<u>(14,151)</u>	<u>(10,919)</u>	<u>3,232</u>	<u>(86,306)</u>
<b>FUND BALANCE (NON-GAAP BUDGETARY BASIS) -</b>				
Beginning of Year	0	0	-	91,826
<b>FUND BALANCE (NON-GAAP BUDGETARY BASIS) -</b>				
End of Year	<u>\$ (14,151)</u>	<u>(10,919)</u>	<u>\$ 3,158</u>	<u>5,520</u>
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		10,919		(5,520)
<b>FUND BALANCE (GAAP BASIS) -</b>				
End of Year		<u>\$ 0</u>		<u>\$ 0</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, 2025  
With Comparative Totals for Year Ended September 30, 2024

	<b>F.Y.E. 9/30/2025</b>			<b>F.Y.E. 9/30/2024 Actual</b>
	<b>Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>	
<b>REVENUES</b>				
Intergovernmental:				
State Shared Revenues	\$ 6,162,435	\$ 6,450,271	\$ 287,836	\$ 6,177,236
Federal Grants	-	1,312,648	1,312,648	606,695
Miscellaneous Revenues:				
Interest	300,000	449,898	149,898	383,868
Donations	13,500	16,500	3,000	13,500
Other	-	2,822	2,822	1,240
<b>TOTAL REVENUES</b>	<b>6,475,935</b>	<b>8,232,139</b>	<b>1,756,204</b>	<b>7,182,539</b>
<b>EXPENDITURES</b>				
Other Functions:				
Community Services:				
Personnel Services	989,508	905,027	84,481	828,801
Supplies	20,500	14,356	6,144	15,665
Other Services and Charges	4,174,554	3,069,436	1,105,118	2,052,026
Capital Expenditures	7,500	4,889	2,611	46,955
Total Community Services	5,192,062	3,993,708	1,198,354	2,943,447
Total Other Functions	5,192,062	3,993,708	1,198,354	2,943,447
<b>TOTAL EXPENDITURES</b>	<b>5,192,062</b>	<b>3,993,708</b>	<b>1,198,354</b>	<b>2,943,447</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>1,283,873</b>	<b>4,238,431</b>	<b>2,954,558</b>	<b>4,239,092</b>

**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, 2025

With Comparative Totals for Year Ended September 30, 2024

-Continued-

	F.Y.E. 9/30/2025		Variance Favorable (Unfavorable)	F.Y.E. 9/30/2024 Actual
	Budget	Actual		
<b>OTHER FINANCING SOURCES</b>				
<b>(USES):</b>				
Transfers Out	\$ <u>(1,300,000)</u>	\$ <u>(1,300,000)</u>	\$ <u>-</u>	\$ <u>(1,830,026)</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(1,300,000)</u>	<u>(1,300,000)</u>	<u>-</u>	<u>(1,830,026)</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)</b>	(16,127)	2,938,431	2,954,558	2,409,066
<b>FUND BALANCE (NON-GAAP BUDGETARY BASIS) -</b>				
Beginning of Year	<u>8,676,546</u>	<u>8,676,546</u>	<u>-</u>	<u>6,223,667</u>
<b>FUND BALANCE (NON-GAAP BUDGETARY BASIS) -</b>				
End of Year	\$ <u><u>8,660,419</u></u>	11,614,977	\$ <u><u>2,954,558</u></u>	8,632,733
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		<u>10,601</u>		<u>43,813</u>
<b>FUND BALANCE (GAAP BASIS) -</b>				
End of Year		\$ <u><u>11,625,578</u></u>		\$ <u><u>8,676,546</u></u>

**CITY OF TUPELO**  
**FIREMEN & POLICEMEN RETIREMENT FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL**  
Year Ended September 30, 2025  
With Comparative Totals for Year Ended September 30, 2024

	<u>F.Y.E. 9/30/2025</u>			<u>F.Y.E. 9/30/2024 Actual</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	
<b>REVENUES</b>				
Taxes:				
General Property Taxes	\$ 1,041,286	\$ 1,052,297	\$ 11,011	\$ 940,752
Intergovernmental Revenues:				
State Shared Revenues	<u>35,998</u>	<u>36,975</u>	<u>977</u>	<u>36,637</u>
<b>TOTAL REVENUES</b>	<u>1,077,284</u>	<u>1,089,272</u>	<u>11,988</u>	<u>977,389</u>
<b>EXPENDITURES</b>				
Public Safety:				
Police Department:				
Personnel Services	<u>770,000</u>	<u>762,490</u>	<u>7,510</u>	<u>686,263</u>
Total Police Department	<u>770,000</u>	<u>762,490</u>	<u>7,510</u>	<u>686,263</u>
Fire Department:				
Personnel Services	<u>330,000</u>	<u>326,782</u>	<u>3,218</u>	<u>294,112</u>
Total Fire Department	<u>330,000</u>	<u>326,782</u>	<u>3,218</u>	<u>294,112</u>
Total Public Safety	<u>1,100,000</u>	<u>1,089,272</u>	<u>10,728</u>	<u>980,375</u>
<b>TOTAL EXPENDITURES</b>	<u>1,100,000</u>	<u>1,089,272</u>	<u>10,728</u>	<u>980,375</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(22,716)	-	22,716	(2,986)
<b>FUND BALANCE (NON-GAAP BUDGETARY BASIS) -</b>				
Beginning of Year	<u>36,464</u>	<u>36,464</u>	<u>-</u>	<u>42,537</u>
<b>FUND BALANCE (NON-GAAP BUDGETARY BASIS) -</b>				
End of Year	\$ <u>13,748</u>	36,464	\$ <u>22,716</u>	39,551
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		<u>14,273</u>		<u>(3,087)</u>
<b>FUND BALANCE (GAAP BASIS) -</b>				
End of Year		\$ <u>50,737</u>		\$ <u>36,464</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, 2025  
With Comparative Totals for Year Ended September 30, 2024

	<u>F.Y.E. 9/30/2025</u>			<b>F.Y.E. 9/30/2024 Actual</b>
	<b>Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>	
<b>REVENUES</b>				
Miscellaneous Revenues:				
Interest	\$ -	\$ 96,361	\$ 96,361	\$ 92,349
<b>TOTAL REVENUES</b>	<u>-</u>	<u>96,361</u>	<u>96,361</u>	<u>92,349</u>
<b>EXPENDITURES</b>				
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>
<b>TOTAL EXPENDITURES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>-</u>	<u>96,361</u>	<u>96,361</u>	<u>92,349</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, 2025

With Comparative Totals for Year Ended September 30, 2024

-Continued-

	<u>F.Y.E. 9/30/2025</u>			F.Y.E. 9/30/2024 Actual
	Budget	Actual	Variance Favorable (Unfavorable)	
<b>OTHER FINANCING SOURCES</b>				
<b>(USES):</b>				
Transfers In	\$ 2,215,120	\$ 2,215,120	\$ -	\$ 2,215,120
Transfers Out	<u>(2,215,120)</u>	<u>(1,634,653)</u>	<u>580,467</u>	<u>(2,886,373)</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>580,467</u>	<u>580,467</u>	<u>(671,253)</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)</b>	-	676,828	676,828	(578,904)
<b>FUND BALANCE (NON-GAAP BUDGETARY BASIS) -</b>				
Beginning of Year	<u>1,643,025</u>	<u>1,643,025</u>	<u>-</u>	<u>2,221,929</u>
<b>FUND BALANCE (NON-GAAP BUDGETARY BASIS) -</b>				
End of Year	<u>\$ 1,643,025</u>	2,319,853	<u>\$ 676,828</u>	1,643,025
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		<u>-</u>		<u>-</u>
<b>FUND BALANCE (GAAP BASIS)</b>				
End of Year		<u>\$ 2,319,853</u>		<u>\$ 1,643,025</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, 2025  
With Comparative Totals for Year Ended September 30, 2024

	<b>F.Y.E. 9/30/2025</b>		<b>Variance Favorable (Unfavorable)</b>	<b>F.Y.E. 9/30/2024 Actual</b>
	<b>Budget</b>	<b>Actual</b>		
<b>REVENUES</b>				
Miscellaneous:				
Interest	\$ -	\$ 84	\$ 84	\$ 65
<b>TOTAL REVENUES</b>	<u>-</u>	<u>84</u>	<u>84</u>	<u>65</u>
<b>EXPENDITURES</b>				
Other Services and Charges	<u>12,883</u>	<u>-</u>	<u>12,883</u>	<u>-</u>
<b>TOTAL EXPENDITURES</b>	<u>12,883</u>	<u>-</u>	<u>12,883</u>	<u>-</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(12,883)</u>	<u>84</u>	<u>12,967</u>	<u>65</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfer to General Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)</b>	<u>(12,883)</u>	<u>84</u>	<u>12,967</u>	<u>65</u>
<b>FUND BALANCE (NON-GAAP BUDGETARY BASIS) -</b>				
Beginning of Year	<u>72,822</u>	<u>72,822</u>	<u>-</u>	<u>72,757</u>
<b>FUND BALANCE (NON-GAAP BUDGETARY BASIS) -</b>				
End of Year	\$ <u>59,939</u>	72,906	\$ <u>12,967</u>	72,822
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		<u>-</u>		<u>-</u>
<b>FUND BALANCE (GAAP BASIS)</b>				
End of Year		\$ <u>72,906</u>		\$ <u>72,822</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, 2025  
With Comparative Totals for Year Ended September 30, 2024

	<u>F.Y.E. 9/30/2025</u>			
	Budget	Actual	Variance Favorable (Unfavorable)	F.Y.E. 9/30/2024 Actual
<b>REVENUES</b>				
Charges for Sales & Services:				
Commissions	\$ 40,000	\$ 28,350	\$ (11,650)	\$ 33,338
Concessions & Other Sales	750,000	962,966	212,966	783,983
Direct Show Revenue	70,000	13,384	(56,616)	61,579
Parking	-	2,350	2,350	1,895
Service Charge	520,000	431,476	(88,524)	455,868
Rental Revenue	1,853,000	2,089,176	236,176	2,046,926
Personnel Service Fees	400,000	316,109	(83,891)	227,298
Miscellaneous Revenues:				
Advertising Agency Fee	550,000	451,410	(98,590)	577,558
Other	480,000	661,572	181,572	542,126
Interest	90,000	89,482	(518)	62,445
<b>TOTAL REVENUES</b>	<u>4,753,000</u>	<u>5,046,275</u>	<u>293,275</u>	<u>4,793,016</u>
<b>EXPENDITURES</b>				
Culture and Recreation:				
Coliseum Operations:				
Personnel Services	1,434,000	1,398,743	35,257	1,285,167
Supplies	512,500	464,552	47,948	425,268
Other Services and Charges	3,692,330	3,683,118	9,212	3,208,380
Capital Outlay	650,000	559,630	90,370	1,621,987
Total Coliseum Operations	<u>6,288,830</u>	<u>6,106,043</u>	<u>182,787</u>	<u>6,540,802</u>
<b>TOTAL EXPENDITURES</b>	<u>6,288,830</u>	<u>6,106,043</u>	<u>182,787</u>	<u>6,540,802</u>
<b>EXCESS OF REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	<u>(1,535,830)</u>	<u>(1,059,768)</u>	<u>476,062</u>	<u>(1,747,786)</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, 2025  
With Comparative Totals for Year Ended September 30, 2024  
-Continued-

	<u>F.Y.E. 9/30/2025</u>			<b>F.Y.E. 9/30/2024 Actual</b>
	<b>Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>	
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfer from Coliseum Project	\$ 1,025,830	\$ 640,090	\$ (385,740)	\$ 1,891,004
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>1,025,830</u>	<u>640,090</u>	<u>(385,740)</u>	<u>1,891,004</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)</b>	(510,000)	(419,678)	90,322	143,218
<b>FUND BALANCE (DEFICIT) (NON-GAAP BUDGETARY BASIS) -</b>				
Beginning of Year	<u>1,768,398</u>	<u>1,768,398</u>	-	<u>1,478,070</u>
<b>FUND BALANCE (DEFICIT) (NON-GAAP BUDGETARY BASIS) -</b>				
End of Year	<u>\$ 1,258,398</u>	1,348,720	<u>\$ 90,322</u>	1,621,288
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		<u>81,111</u>		<u>147,110</u>
<b>FUND BALANCE (DEFICIT) (GAAP BASIS)</b>				
End of Year		<u>\$ 1,429,831</u>		<u>\$ 1,768,398</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, 2025  
With Comparative Totals for Year Ended September 30, 2024

	<b>F.Y.E. 9/30/2025</b>			
	<b>Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>	<b>F.Y.E. 9/30/2024 Actual</b>
<b>REVENUES</b>				
Intergovernmental Revenues:				
Federal Shared Revenue	\$ 10,000	\$ 118,615	\$ 108,615	\$ 77,251
Fines and Forfeitures	40,000	158,031	118,031	59,324
Miscellaneous Revenues:				
Interest	40,000	67,483	27,483	54,024
Other	45,000	39,560	(5,440)	54,188
<b>TOTAL REVENUES</b>	<u>135,000</u>	<u>383,689</u>	<u>248,689</u>	<u>244,787</u>
<b>EXPENDITURES</b>				
Public Safety:				
Police Department:				
Supplies	51,000	34,509	16,491	38,502
Other Services and Charges	252,000	233,689	18,311	216,537
Capital Outlay	12,500	10,018	2,482	29,148
Total Police Department	<u>315,500</u>	<u>278,216</u>	<u>37,284</u>	<u>284,187</u>
<b>TOTAL EXPENDITURES</b>	<u>315,500</u>	<u>278,216</u>	<u>37,284</u>	<u>284,187</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(180,500)	105,473	285,973	(39,400)
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfer to General Fund	<u>(19,500)</u>	<u>(12,454)</u>	<u>7,046</u>	<u>(26,096)</u>
<b>TOTAL OTHER FINANCING     SOURCES (USES)</b>	<u>(19,500)</u>	<u>(12,454)</u>	<u>7,046</u>	<u>(26,096)</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, 2025

With Comparative Totals for Year Ended September 30, 2024

-Continued-

<b>F.Y.E. 9/30/2025</b>				
	<b>Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>	<b>F.Y.E. 9/30/2024 Actual</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)</b>	\$ (200,000)	\$ 93,019	\$ 293,019	\$ (65,496)
<b>FUND BALANCE (DEFICIT) (NON-GAAP BUDGETARY BASIS) -</b>				
Beginning of Year	<u>1,100,445</u>	<u>1,100,445</u>	<u>-</u>	<u>1,165,941</u>
<b>FUND BALANCE (DEFICIT) (NON-GAAP BUDGETARY BASIS) -</b>				
End of Year	<u>\$ 900,445</u>	1,193,464	<u>\$ 293,019</u>	1,100,445
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		<u>-</u>		<u>-</u>
<b>FUND BALANCE (GAAP BASIS) -</b>				
End of Year		<u>\$ 1,193,464</u>		<u>\$ 1,100,445</u>

## CAPITAL PROJECTS FUND

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

**City Capital Project Fund** – This fund is used to account for general construction for the City of Tupelo that is not specifically accounted for in any other capital project fund.

**Fairgrounds Construction Fund** – This fund is used to account for the costs of constructing the Fairgrounds Redevelopment Project.

**City Infrastructure Fund** – This fund is used to account for projects approved in the City of Tupelo's 5 year capital plan. The funding for these projects will include G.O. Bonds, general fund money, and grants. This is a major fund.

**Thoroughfare Fund Phase VII** – These funds are used to account for the cost of constructing, improving or paving streets, sidewalks, driveways, parkways, walkways or public parking facilities, and purchasing land for these purposes.

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

**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, 2025  
With Comparative Actual Amounts for Year Ended September 30, 2024

	<u>F.Y.E. 9/30/2025</u>			<b>F.Y.E. 9/30/2024 Actual</b>
	<b>Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>	
<b>REVENUES</b>				
Miscellaneous Revenues:				
Interest	\$ -	\$ 5,980	\$ 5,980	\$ 6,814
<b>TOTAL REVENUES</b>	<u>-</u>	<u>5,980</u>	<u>5,980</u>	<u>6,814</u>
<b>EXPENDITURES</b>				
Capital Outlay	<u>27,555</u>	<u>15,195</u>	<u>12,360</u>	<u>62,527</u>
<b>TOTAL EXPENDITURES</b>	<u>27,555</u>	<u>15,195</u>	<u>12,360</u>	<u>62,527</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(27,555)	(9,215)	18,340	(55,713)
<b>FUND BALANCE (NON-GAAP BUDGETARY BASIS)-</b>				
Beginning of Year	<u>154,380</u>	<u>154,380</u>	<u>-</u>	<u>210,093</u>
<b>FUND BALANCE (NON-GAAP BUDGETARY BASIS)-</b>				
End of Year	\$ <u><u>126,825</u></u>	145,165	\$ <u><u>18,340</u></u>	154,380
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		<u>-</u>		<u>-</u>
<b>FUND BALANCE (GAAP BASIS)</b>				
End of Year		\$ <u><u>145,165</u></u>		\$ <u><u>154,380</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, 2025  
With Comparative Actual Amounts for Year Ended September 30, 2024

	<u>F.Y.E. 9/30/2025</u>			<b>F.Y.E. 9/30/2024 Actual</b>
	<b>Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>	
<b>REVENUES</b>				
Miscellaneous Revenues:				
Interest	\$ -	\$ 28,857	\$ 28,857	\$ 24,879
Donations	-	-	-	175
Other	-	48,875	48,875	146,107
<b>TOTAL REVENUES</b>	<u>-</u>	<u>77,732</u>	<u>77,732</u>	<u>171,161</u>
<b>EXPENDITURES</b>				
Other Services and Charges	300,000	89,778	210,222	102,452
Capital Outlay	400,000	-	400,000	38,565
<b>TOTAL EXPENDITURES</b>	<u>700,000</u>	<u>89,778</u>	<u>610,222</u>	<u>141,017</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(700,000)	(12,046)	687,954	30,144
<b>FUND BALANCE (NON-GAAP BUDGETARY BASIS) -</b>				
Beginning of Year	<u>710,647</u>	<u>710,647</u>	-	<u>680,503</u>
<b>FUND BALANCE (NON-GAAP BUDGETARY BASIS) -</b>				
End of Year	\$ <u>10,647</u>	698,601	\$ <u>687,954</u>	710,647
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		-		-
<b>FUND BALANCE (GAAP BASIS)</b>				
End of Year		\$ <u>698,601</u>		\$ <u>710,647</u>

**CITY OF TUPELO**  
**THOROUGHFARE FUND PHASE VII**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL**  
Year Ended September 30, 2025  
With Comparative Actual Amounts for Year Ended September 30, 2024

	<u>F.Y.E. 9/30/2025</u>			<b>F.Y.E. 9/30/2024 Actual</b>
	<b>Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>	
<b>REVENUES</b>				
Taxes:				
General Property Taxes	\$ 6,467,617	\$ 6,536,004	\$ 68,387	\$ 5,843,164
Intergovernmental Revenues:				
State Shared Revenues	223,591	229,660	6,069	227,556
Miscellaneous Revenues:				
Interest	-	331,559	331,559	321,042
<b>TOTAL REVENUES</b>	<u>6,691,208</u>	<u>7,097,223</u>	<u>406,015</u>	<u>6,391,762</u>
<b>EXPENDITURES</b>				
Personnel Services	130,155	124,320	5,835	114,728
Other Services and Charges	2,678,937	178,117	2,500,820	1,565,261
Capital Outlay	10,669,832	6,106,751	4,563,081	2,303,472
<b>TOTAL EXPENDITURES</b>	<u>13,478,924</u>	<u>6,409,188</u>	<u>7,069,736</u>	<u>3,983,461</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(6,787,716)</u>	<u>688,035</u>	<u>7,475,751</u>	<u>2,408,301</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)</b>	<u>(6,787,716)</u>	<u>688,035</u>	<u>7,475,751</u>	<u>2,408,301</u>
<b>FUND BALANCE (NON-GAAP BUDGETARY BASIS)-</b>				
Beginning of Year	<u>6,787,716</u>	<u>6,787,716</u>	<u>-</u>	<u>4,398,590</u>
<b>FUND BALANCE (NON-GAAP BUDGETARY BASIS)-</b>				
End of Year	<u>\$ -</u>	<u>7,475,751</u>	<u>\$ 7,475,751</u>	<u>6,806,891</u>
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		88,655		(19,175)
<b>FUND BALANCE (GAAP BASIS)</b>				
End of Year		<u>\$ 7,564,406</u>		<u>\$ 6,787,716</u>

**CITY OF TUPELO**  
**AMERICAN RESCUE PLAN ACT PROJECT FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL**  
Year Ended September 30, 2025  
With Comparative Actual Amounts for Year Ended September 30, 2024

	F.Y.E. 9/30/2025			F.Y.E. 9/30/2024 Actual
	Budget	Actual	Variance Favorable (Unfavorable)	
<b>REVENUES</b>				
Intergovernmental Revenues:				
Federal Grants	\$ 3,393,224	\$ 4,781,781	\$ 1,388,557	\$ 2,984,408
<b>TOTAL REVENUES</b>	<u>3,393,224</u>	<u>4,781,781</u>	<u>1,388,557</u>	<u>2,984,408</u>
<b>EXPENDITURES</b>				
Capital Outlay	<u>7,000,000</u>	<u>3,310,438</u>	<u>3,689,562</u>	<u>4,533,094</u>
<b>TOTAL EXPENDITURES</b>	<u>7,000,000</u>	<u>3,310,438</u>	<u>3,689,562</u>	<u>4,533,094</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(3,606,776)	1,471,343	5,078,119	(1,548,686)
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	<u>5,900</u>	<u>-</u>	<u>(5,900)</u>	<u>-</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>5,900</u>	<u>-</u>	<u>(5,900)</u>	<u>-</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)</b>	<u>(3,600,876)</u>	<u>1,471,343</u>	<u>5,072,219</u>	<u>(1,548,686)</u>
<b>FUND BALANCE (NON-GAAP BUDGETARY BASIS)-</b>				
Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE (NON-GAAP BUDGETARY BASIS)-</b>				
End of Year	\$ <u>(3,600,876)</u>	1,471,343	\$ <u>5,072,219</u>	(1,548,686)
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		<u>(1,471,343)</u>		<u>1,548,686</u>
<b>FUND BALANCE (GAAP BASIS)</b>				
End of Year		\$ <u><u>-</u></u>		\$ <u><u>-</u></u>

## DEBT SERVICE FUNDS

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

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

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

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

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

**CITY OF TUPELO**  
**CITY BOND AND INTEREST FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL**  
Year Ended September 30, 2025  
With Comparative Actual Amounts for Year Ended September 30, 2024

	<u>F.Y.E. 9/30/2025</u>		<b>Variance Favorable (Unfavorable)</b>	<b>F.Y.E. 9/30/2024 Actual</b>
	<b>Budget</b>	<b>Actual</b>		
<b>REVENUES</b>				
Taxes:				
General Property Taxes	\$ 4,559,669	\$ 4,608,259	\$ 48,590	\$ 4,152,120
Intergovernmental Revenues:				
State Shared Revenues	157,632	161,910	4,278	160,427
Miscellaneous Revenues:				
Interest	<u>100,000</u>	<u>106,150</u>	<u>6,150</u>	<u>106,370</u>
<b>TOTAL REVENUES</b>	<u>4,817,301</u>	<u>4,876,319</u>	<u>59,018</u>	<u>4,418,917</u>
<b>EXPENDITURES</b>				
Debt Service:				
General Obligations:				
Bonds Redeemed	3,065,000	3,065,000	-	2,590,000
Interest	1,773,605	1,753,684	19,921	1,515,167
Paying Agent Fees	<u>30,000</u>	<u>17,660</u>	<u>12,340</u>	<u>18,410</u>
Total General Obligations	<u>4,868,605</u>	<u>4,836,344</u>	<u>32,261</u>	<u>4,123,577</u>
Total Debt Service	<u>4,868,605</u>	<u>4,836,344</u>	<u>32,261</u>	<u>4,123,577</u>
<b>TOTAL EXPENDITURES</b>	<u>4,868,605</u>	<u>4,836,344</u>	<u>32,261</u>	<u>4,123,577</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(51,304)	39,975	91,279	295,340
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers from Other Funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>-</u>	<u>-</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, 2025  
 With Comparative Actual Amounts for Year Ended September 30, 2024  
 -Continued-

	F.Y.E. 9/30/2025			F.Y.E. 9/30/2024 Actual
	Budget	Actual	Variance Favorable (Unfavorable)	
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)</b>	\$ (51,304)	\$ 39,975	\$ 91,279	\$ 295,340
<b>FUND BALANCE (NON-GAAP BUDGETARY BASIS) -</b>				
Beginning of Year	<u>2,774,523</u>	<u>2,774,523</u>	<u>-</u>	<u>2,520,810</u>
<b>FUND BALANCE (NON-GAAP BUDGETARY BASIS) -</b>				
End of Year	\$ <u>2,723,219</u>	2,814,498	\$ <u>91,279</u>	2,816,150
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		<u>62,465</u>		<u>(41,627)</u>
<b>FUND BALANCE (GAAP-BASIS) -</b>				
End of Year		\$ <u>2,876,963</u>		\$ <u>2,774,523</u>

**CITY OF TUPELO**  
**WATER G.O. BONDS FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL**  
Year Ended September 30, 2025  
With Comparative Actual Amounts for Year Ended September 30, 2024

	<u>F.Y.E. 9/30/2025</u>			<b>F.Y.E. 9/30/2024 Actual</b>
	<b>Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>	
<b>REVENUES</b>				
Intergovernmental Revenues:				
State Shared Revenues	\$ 4,800,000	\$ 4,542,734	\$ (257,266)	\$ 4,645,896
Miscellaneous Revenues:				
Interest	<u>-</u>	<u>149,885</u>	<u>149,885</u>	<u>188,114</u>
<b>TOTAL REVENUES</b>	<u>4,800,000</u>	<u>4,692,619</u>	<u>(107,381)</u>	<u>4,834,010</u>
<b>EXPENDITURES</b>				
Debt Service:				
General Obligations:				
Bonds Redeemed	415,000	415,000	-	415,000
Interest	203,763	203,763	-	220,363
Paying Agent Fees	<u>15,000</u>	<u>11,420</u>	<u>3,580</u>	<u>11,420</u>
Total Debt Service	<u>633,763</u>	<u>630,183</u>	<u>3,580</u>	<u>646,783</u>
<b>TOTAL EXPENDITURES</b>	<u>633,763</u>	<u>630,183</u>	<u>3,580</u>	<u>646,783</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>4,166,237</u>	<u>4,062,436</u>	<u>(103,801)</u>	<u>4,187,227</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfer (to) from Northeast MS Regional Water Supply District to Water G.O. Bonds Fund	<u>(4,483,119)</u>	<u>(4,229,884)</u>	<u>253,235</u>	<u>(4,331,570)</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(4,483,119)</u>	<u>(4,229,884)</u>	<u>253,235</u>	<u>(4,331,570)</u>

**CITY OF TUPELO**  
**WATER G.O. BONDS FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL**

Year Ended September 30, 2025

With Comparative Actual Amounts for Year Ended September 30, 2024

-Continued-

	<u>F.Y.E. 9/30/2025</u>		<b>Variance Favorable (Unfavorable)</b>	<b>F.Y.E. 9/30/2024 Actual</b>
	<b>Budget</b>	<b>Actual</b>		
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)</b>	\$ (316,882)	\$ (167,448)	\$ 149,434	\$ (144,343)
<b>FUND BALANCE (NON-GAAP BUDGETARY BASIS) - Beginning of Year</b>	<u>3,861,408</u>	<u>3,861,408</u>	<u>-</u>	<u>4,005,751</u>
<b>FUND BALANCE (NON-GAAP BUDGETARY BASIS) - End of Year</b>	<u>\$ 3,544,526</u>	3,693,960	<u>\$ 149,434</u>	3,861,408
Adjustments to Generally Accepted Accounting Principles: Revenue Accruals		<u>-</u>		<u>-</u>
<b>FUND BALANCE (GAAP-BASIS) - End of Year</b>		<u>\$ 3,693,960</u>		<u>\$ 3,861,408</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, 2025  
With Comparative Actual Amounts for Year Ended September 30, 2024

	<u>F.Y.E. 9/30/2025</u>			<b>F.Y.E. 9/30/2024 Actual</b>
	<b>Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>	
<b>REVENUES</b>				
Taxes:				
General Property Taxes	\$ 73,700	\$ 250,779	\$ 177,079	\$ 203,688
Miscellaneous Revenues:				
Interest	-	54,652	54,652	40,218
<b>TOTAL REVENUES</b>	<u>73,700</u>	<u>305,431</u>	<u>231,731</u>	<u>243,906</u>
<b>EXPENDITURES</b>				
Debt Service:				
General Obligations:				
Bonds Redeemed	46,000	46,000	-	104,000
Interest	25,000	25,000	-	29,900
Paying Agent Fees	25,000	20,000	5,000	850
Total Debt Service	<u>96,000</u>	<u>91,000</u>	<u>5,000</u>	<u>134,750</u>
<b>TOTAL EXPENDITURES</b>	<u>96,000</u>	<u>91,000</u>	<u>5,000</u>	<u>134,750</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(22,300)	214,431	236,731	109,156
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfer to Other Funds	<u>(81,000)</u>	<u>(61,000)</u>	<u>20,000</u>	<u>-</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(81,000)</u>	<u>(61,000)</u>	<u>20,000</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, 2025

With Comparative Actual Amounts for Year Ended September 30, 2024

-Continued-

	<u>F.Y.E. 9/30/2025</u>			F.Y.E. 9/30/2024 Actual
	Budget	Actual	Variance Favorable (Unfavorable)	
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)</b>	\$ (103,300)	\$ 153,431	\$ 50,131	\$ 109,156
<b>FUND BALANCE (NON-GAAP BUDGETARY BASIS) - Beginning of Year</b>	<u>1,230,369</u>	<u>1,230,369</u>	<u>-</u>	<u>1,121,213</u>
<b>FUND BALANCE (NON-GAAP BUDGETARY BASIS) - End of Year</b>	\$ <u><u>1,208,069</u></u>	1,383,800	\$ <u><u>175,731</u></u>	1,230,369
Adjustments to Generally Accepted Accounting Principles: Revenue Accruals		<u>-</u>		<u>-</u>
<b>FUND BALANCE (GAAP-BASIS) - End of Year</b>		\$ <u><u>1,383,800</u></u>		\$ <u><u>1,230,369</u></u>

**CITY OF TUPELO**  
**SPECIAL OBLIGATION DEBT SERVICE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL**  
Year Ended September 30, 2025  
With Comparative Actual Amounts for Year Ended September 30, 2024

	<b>F.Y.E. 9/30/2025</b>			<b>F.Y.E. 9/30/2024 Actual</b>
	<b>Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>	
<b>REVENUES</b>				
Miscellaneous Revenues:				
Interest	\$ -	\$ 514	\$ 514	\$ 2,767
<b>TOTAL REVENUES</b>	<u>-</u>	<u>514</u>	<u>514</u>	<u>2,767</u>
<b>EXPENDITURES</b>				
Debt Service:				
Special Obligations:				
Bonds Redeemed	320,000	320,000	-	305,000
Interest	673,588	673,587	1	688,837
Paying Agent Fees	<u>20,000</u>	<u>3,250</u>	<u>16,750</u>	<u>3,250</u>
Total Debt Service	<u>1,013,588</u>	<u>996,837</u>	<u>16,751</u>	<u>997,087</u>
<b>TOTAL EXPENDITURES</b>	<u>1,013,588</u>	<u>996,837</u>	<u>16,751</u>	<u>997,087</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(1,013,588)	(996,323)	17,265	(994,320)
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers from Other Funds	<u>1,013,838</u>	<u>994,563</u>	<u>(19,275)</u>	<u>995,369</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>1,013,838</u>	<u>994,563</u>	<u>(19,275)</u>	<u>995,369</u>

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

Year Ended September 30, 2025

With Comparative Actual Amounts for Year Ended September 30, 2024

-Continued-

	F.Y.E. 9/30/2025			F.Y.E. 9/30/2024 Actual
	Budget	Actual	Variance Favorable (Unfavorable)	
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)</b>	\$ 250	\$ (1,760)	\$ (2,010)	\$ 1,049
<b>FUND BALANCE (NON-GAAP BUDGETARY BASIS) - Beginning of Year</b>	1,764	1,764	-	715
<b>FUND BALANCE (NON-GAAP BUDGETARY BASIS) - End of Year</b>	\$ <u>2,014</u>	4	\$ <u>(2,010)</u>	1,764
Adjustments to Generally Accepted Accounting Principles: Revenue Accruals		-		-
<b>FUND BALANCE (GAAP-BASIS) - End of Year</b>		\$ 4		\$ 1,764

## **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, 2025

With Comparative Totals for September 30, 2024

	<b>Metro Vice Seized Fund</b>	<b>City Court Restitution Fund</b>	<b>Self Insurance Fund</b>	<b>Totals</b>	
				<b>9/30/25</b>	<b>9/30/24</b>
<b>ASSETS</b>					
Cash	\$ 376,355	\$ 6,964	\$ 693,476	\$ 1,076,795	1,240,607
Investments	-	-	500	500	500
<b>TOTAL ASSETS</b>	<b>\$ 376,355</b>	<b>\$ 6,964</b>	<b>\$ 693,976</b>	<b>\$ 1,077,295</b>	<b>\$ 1,241,107</b>
<b>LIABILITIES</b>					
Accounts Payable	\$ 3,623	\$ -	\$ 50,235	\$ 53,858	\$ 50,235
Due to Complainants	-	6,964	-	6,964	6,964
Due to Insured Employees	-	-	643,741	643,741	563,303
Seized Money Held	372,732	-	-	372,732	620,605
<b>TOTAL LIABILITIES</b>	<b>\$ 376,355</b>	<b>\$ 6,964</b>	<b>\$ 693,976</b>	<b>\$ 1,077,295</b>	<b>\$ 1,241,107</b>

**CITY OF TUPELO**  
**AGENCY FUNDS**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
Year Ended September 30, 2025

	<b>Balance September 30, 2024</b>	<b>Debits</b>	<b>Credits</b>	<b>Balance September 30, 2025</b>
<b>METRO VICE SEIZED FUND</b>				
<u>ASSETS</u>				
Cash	\$ <u>620,605</u>	\$ <u>443,411</u>	\$ <u>687,661</u>	\$ <u>376,355</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ -	\$ 244,300	\$ 247,923	\$ 3,623
Seized Money Held	<u>620,605</u>	<u>2,367,793</u>	<u>2,119,920</u>	<u>372,732</u>
Total Liabilities	\$ <u>620,605</u>	\$ <u>2,612,093</u>	\$ <u>2,367,843</u>	\$ <u>376,355</u>
<b>CITY COURT RESTITUTION FUND</b>				
<u>ASSETS</u>				
Cash	\$ <u>6,964</u>	\$ <u>573</u>	\$ <u>573</u>	\$ <u>6,964</u>
<u>LIABILITIES</u>				
Due to Complainants	\$ <u>6,964</u>	\$ -	\$ -	\$ <u>6,964</u>

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

Year Ended September 30, 2025

-Continued-

	Balance September 30, 2024	Debits	Credits	Balance September 30, 2025
<b>SELF INSURANCE FUND</b>				
<u>ASSETS</u>				
Cash	\$ 613,038	\$ 153,464	\$ 73,026	\$ 693,476
Investments	500	-	-	500
Total Assets	<u>\$ 613,538</u>	<u>\$ 153,464</u>	<u>\$ 73,026</u>	<u>\$ 693,976</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 50,235	\$ 9,930	\$ 9,930	\$ 50,235
Due to Insured Employees	563,303	9,930	90,368	643,741
Total Liabilities	<u>\$ 613,538</u>	<u>\$ 19,860</u>	<u>\$ 100,298</u>	<u>\$ 693,976</u>
<b>TOTAL ALL AGENCY FUNDS</b>				
<u>ASSETS</u>				
Cash	\$ 1,240,607	\$ 597,448	\$ 761,260	\$ 1,076,795
Investments	500	-	-	500
Total Assets	<u>\$ 1,241,107</u>	<u>\$ 597,448</u>	<u>\$ 761,260</u>	<u>\$ 1,077,295</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 50,235	\$ 254,230	\$ 257,853	\$ 53,858
Seized Money Held	620,605	2,367,793	2,119,920	372,732
Due to Complainants	6,964	-	-	6,964
Due to Insured Employees	563,303	9,930	90,368	643,741
Total Liabilities	<u>\$ 1,241,107</u>	<u>\$ 2,631,953</u>	<u>\$ 2,468,141</u>	<u>\$ 1,077,295</u>

SUPPLEMENTARY INFORMATION

**CITY OF TUPELO**  
**SCHEDULE OF INVESTMENTS**  
Year Ended September 30, 2025

INVESTMENT OWNED BY	TYPE OF INVESTMENT	DATE ACQ'D	MATURITY DATE	INTEREST RATE	CARRYING VALUE
<b>GOVERNMENTAL FUNDS:</b>					
Debt Service Funds:					
Water G. O. Bonds Fund	U.S. Government Securities Fund	Var	Var	Var	\$ 3,693,960
City Bond and Interest Fund	U.S. Government Securities Fund	Var	Var	Var	2,044
Special Obligation Debt Service Fund	U.S. Government Securities Fund	Var	Var	Var	<u>4</u>
Total Investments - Governmental Funds					<u>3,696,008</u>
<b>PROPRIETARY FUNDS:</b>					
Northeast Mississippi Regional Water Supply District					
	U.S. Treasury Securities	Var	Var	Var	2,000,180
	Money Market	Var	N/A	Var	<u>4,251,298</u>
Total Investments - Proprietary Funds					<u>6,251,478</u>
<b>FIDUCIARY FUNDS:</b>					
Agency Funds:					
Deferred Comp. Fund	Self-Insurance Trust Fund	Var	Var	N/A	<u>500</u>
Total Investments - Fiduciary Funds					<u>500</u>
Total Investments - All Funds					<u>\$ 9,947,986</u>

**CITY OF TUPELO**  
**SCHEDULE OF LONG-TERM DEBT**  
Year Ended September 30, 2025

	INTEREST RATE	ISSUE DATE	FINAL MATURITY DATE	BALANCE OUTSTANDING SEPTEMBER 30, 2024	ISSUED	(REDEEMED)	BALANCE OUTSTANDING SEPTEMBER 30, 2025	CURRENT MATURITIES	CURRENT INTEREST PAYABLE
<b>GENERAL OBLIGATION BONDS:</b>									
<b>General City Bonds</b>									
G.O. - Series 2012	2.00% - 2.375%	5/1/12	11/1/32	\$ 3,740,000	\$ -	\$ (400,000)	\$ 3,340,000	\$ 400,000	\$ 68,763
G.O. - Series 2013	2.10% - 3.00%	4/10/13	9/30/33	3,740,000	-	(400,000)	3,340,000	400,000	72,626
G.O. - Series 2013	2.50% - 3.25%	9/1/13	9/30/28	940,000	-	(225,000)	715,000	230,000	22,363
G.O. - Series 2011	2.10% - 2.875%	12/1/11	12/1/30	2,160,000	-	(270,000)	1,890,000	275,000	45,739
G.O. - Series 2015	1.31% - 3.28%	7/28/15	7/1/29	1,500,000	-	(300,000)	1,200,000	300,000	37,920
G.O. - Series 2016	2.313% - 2.685%	5/12/16	4/1/36	4,800,000	-	(300,000)	4,500,000	300,000	117,853
G.O. Combined Refunding-Series 2016	3.00% - 5.00%	8/4/16	7/1/26	610,000	-	(310,000)	300,000	300,000	9,000
G.O. - Series 2017	2.00% - 5.00%	11/14/17	11/1/37	9,300,000	-	(500,000)	8,800,000	600,000	257,700
G.O. Refunding - Series 2019	4.00%	5/31/19	12/1/32	4,500,000	-	(415,000)	4,085,000	430,000	154,800
Total General City Bonds				<u>31,290,000</u>	<u>-</u>	<u>(3,120,000)</u>	<u>28,170,000</u>	<u>3,235,000</u>	<u>786,764</u>
<b>Water Bonds</b>									
Series 2008- Refunding Bonds	3.91% - 5.51%	12/17/08	12/1/33	<u>675,000</u>	<u>-</u>	<u>-</u>	<u>675,000</u>	<u>-</u>	<u>32,062</u>
Total Water Bonds				<u>675,000</u>	<u>-</u>	<u>-</u>	<u>675,000</u>	<u>-</u>	<u>32,062</u>
<b>TOTAL GENERAL OBLIGATION BONDS</b>				<u>31,965,000</u>	<u>-</u>	<u>(3,120,000)</u>	<u>28,845,000</u>	<u>3,235,000</u>	<u>818,826</u>
<b>OTHER LONG-TERM DEBT:</b>									
<b>General City Notes Payable</b>									
Capital Improvements Revolving Loan	3.00%	8/24/09	2/1/33	728,412	-	(78,257)	650,155	80,880	18,497
Tupelo Airport Authority Capital Acquisition	3.00%	6/22/11	7/1/25	240,427	-	(240,427)	-	-	-
Capital Improvements Revolving Loan	3.00%	4/1/20	4/1/40	<u>1,226,667</u>	<u>-</u>	<u>(64,947)</u>	<u>1,161,720</u>	<u>65,916</u>	<u>33,912</u>
Total General City Notes Payable				<u>2,195,506</u>	<u>-</u>	<u>(383,631)</u>	<u>1,811,875</u>	<u>146,796</u>	<u>52,409</u>

**CITY OF TUPELO**  
**SCHEDULE OF LONG-TERM DEBT - Continued**  
Year Ended September 30, 2025

	INTEREST RATE	ISSUE DATE	FINAL MATURITY DATE	BALANCE OUTSTANDING SEPTEMBER 30, 2024	ISSUED	(REDEEMED)	BALANCE OUTSTANDING SEPTEMBER 30, 2025	CURRENT MATURITIES	CURRENT INTEREST PAYABLE
<b>OTHER LONG-TERM DEBT - Continued:</b>									
<b>Water and Sewer Notes Payable</b>									
Drinking Water Loan	4.00%	09/01/05	05/01/25	\$ 51,289	\$ -	\$ (51,289)	\$ -	\$ -	\$ -
Drinking Water Loan	1.95%	06/14/06	12/01/27	97,112	-	(29,228)	67,884	29,804	1,058
Capital Improvements Revolving Loan	1.75%	11/19/04	06/01/26	694,159	-	(394,060)	300,099	300,099	2,194
Capital Improvements Revolving Loan	1.75%	09/30/04	11/01/27	4,462,677	-	(1,382,661)	3,080,016	1,407,052	42,650
SRF - MDA Revolving Loan	1.95%	06/01/16	12/01/35	2,359,526	-	(189,428)	2,170,098	193,154	40,597
SRF - Annexed Sewer Loan 2014	1.75%	08/01/16	12/01/35	2,772,334	-	(224,945)	2,547,389	228,913	42,749
SRF - Chemical Addition	1.75%	06/01/16	02/01/36	2,179,003	-	(173,960)	2,005,043	177,027	33,673
SRF - Annexed Water	1.95%	09/30/14	02/01/37	2,902,614	-	(208,655)	2,693,959	212,761	50,637
SRF - 2015 Water	1.95%	09/30/15	11/01/37	732,207	-	(49,260)	682,947	50,230	12,870
SRF - Annex Sewer 2014	1.75%	12/01/19	05/01/39	7,893,192	-	(476,256)	7,416,936	484,658	125,921
SRF - Life Station 2020	1.75%	01/01/21	05/01/40	2,084,941	-	(116,700)	1,968,241	118,759	33,495
SRF - Central Pumping Station	In progress			8,730,325	6,413,311	-	15,143,636	-	-
Total Water and Sewer Notes Payable				<u>34,959,379</u>	<u>6,413,311</u>	<u>(3,296,442)</u>	<u>38,076,248</u>	<u>3,202,457</u>	<u>385,844</u>
<b>Special Obligation Bonds</b>									
Series 2018 - Water and Sewer Dept.	2.00% - 5.00%	04/12/18	05/01/33	6,045,000	-	(550,000)	5,495,000	575,000	274,750
Series 2018 - Electric Department	2.00% - 5.00%	04/12/18	05/01/33	3,880,000	-	(350,000)	3,530,000	370,000	176,500
Series 2019 - General	4.00% - 5.00%	07/18/19	07/01/49	14,695,000	-	(320,000)	14,375,000	335,000	657,588
Series 2020 - General	3.00% - 5.00%	05/07/20	05/01/40	10,000,000	-	(300,000)	9,700,000	300,000	446,000
Series 2024 - General	5.00%	03/14/24	09/01/44	12,000,000	-	(60,000)	11,940,000	60,000	585,000
Series 2025 - General	3.00% - 5.25%	07/29/25	07/01/45	-	8,000,000	-	8,000,000	50,000	369,119
Total Special Obligation Bonds				<u>46,620,000</u>	<u>8,000,000</u>	<u>(1,580,000)</u>	<u>53,040,000</u>	<u>1,690,000</u>	<u>2,508,957</u>
<b>Tax Increment Limited Obligation Bonds</b>									
Series 2021	5.00%	06/15/21	06/01/33	500,000	-	(46,000)	454,000	48,000	22,700
Series 2025	6.95%	04/10/25	04/01/35	-	2,350,000	-	2,350,000	300,000	159,242
Total Special Obligation Bonds				<u>500,000</u>	<u>2,350,000</u>	<u>(46,000)</u>	<u>2,804,000</u>	<u>348,000</u>	<u>181,942</u>
<b>TOTAL OTHER LONG-TERM DEBT</b>				<u>84,274,885</u>	<u>16,763,311</u>	<u>(5,306,073)</u>	<u>95,732,123</u>	<u>5,387,253</u>	<u>3,129,152</u>
<b>Bond Premiums</b>				<u>6,666,680</u>	<u>512,577</u>	<u>(531,175)</u>	<u>6,648,082</u>	<u>-</u>	<u>-</u>
<b>TOTAL LONG-TERM DEBT</b>				<u>\$ 122,906,565</u>	<u>\$ 17,275,888</u>	<u>\$ (8,957,248)</u>	<u>\$ 131,225,205</u>	<u>\$ 8,622,253</u>	<u>\$ 3,947,978</u>

**CITY OF TUPELO**  
**RECONCILIATION OF ORIGINAL AD VALOREM TAX**  
**ROLLS TO FUND COLLECTIONS**  
Year Ended September 30, 2025

	<u>MUNICIPAL</u>	<u>SCHOOL</u>	<u>TAX</u>
<b>Adjusted Assessed Valuation:</b>			
Realty	\$ 468,669,513	\$ 23,403,319	
Personal	126,755,196	6,314,888	
Personal - Auto (From County)	<u>72,746,902</u>	<u>4,691,057</u>	
 Total Municipal at 96.57 Mills	 \$ <u>668,171,611</u>		 \$ 64,318,199
 Total School at 64.10 Mills		 \$ <u>34,409,264</u>	 2,194,967
<b>Collections Adjustments:</b>			
Add:			
Municipal Homestead Reimbursement		\$ 745,705	
School Homestead Reimbursement		470,650	
Prior Year Tax Collections		511,048	
In-Lieu Taxes		1,365,980	
County Portion of TIF		<u>58,814</u>	3,152,197
 Less:			
Cost of Collections		381,057	
School Homestead Loss		<u>781,047</u>	<u>1,162,104</u>
 <b>TOTAL TO BE ACCOUNTED FOR</b>			 \$ <u>68,503,259</u>

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

Year Ended September 30, 2025

-Continued-

	<u>TAXES</u>	<u>HOMESTEAD REIMBURSEMENT</u>	<u>TOTALS</u>
<b>Collection Credits to Funds:</b>			
Municipal General Fund	\$ 9,950,986	\$ 297,639	\$ 10,248,625
Tax Increment Bond Fund	250,779	-	250,779
City Bond & Interest Fund	4,670,724	161,910	4,832,634
Library Fund	563,309	19,521	582,830
Firemen & Policemen Retirement Fund	1,066,570	36,975	1,103,545
City Special Levy Street Improvements Fund	6,624,659	229,660	6,854,319
School Maintenance Fund	37,680,231	470,650	38,150,881
School Bond and Interest Fund	4,265,675	-	4,265,675
Tupelo/Lee County Vo-Tech	2	-	2
School Notes - Shortfall Note	2,101,195	-	2,101,195
	<u>67,174,130</u>	<u>1,216,355</u>	68,390,485
Total Collections	\$ <u>67,174,130</u>	\$ <u>1,216,355</u>	68,390,485
<b>Balance Represented By:</b>			
Unpaid Property Taxes		\$ 112,765	
Unaccounted For (Over)		<u>9</u>	<u>112,774</u>
<b>TOTAL ACCOUNTED FOR</b>			\$ <u><u>68,503,259</u></u>

**CITY OF TUPELO**  
**SCHEDULE OF SURETY BONDS FOR MUNICIPAL OFFICIALS**

September 30, 2025

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

**CITY OF TUPELO**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
For the year ended September 30, 2025

Federal Grantor/ Pass Through Grantor/ Program Title	Grantor Agency ID Number	Federal Assistance Listing Number	Federal Expenditures
<b>PRIMARY GOVERNMENT:</b>			
<b>U. S. Department of Justice</b>			
Federal Equitable Sharing Agreement	MS0410100	16.000	\$ 106,440
Justice Assistance	15JCOPS-24-GG-02207-TECF	16.710	55,000
U.S. Treasury	21-NOR-406-AFF/22-NOR-406-AFF	16.738	1,734
AFT Overtime	25-DIV-123-AFF	16.738	649
OCDETF	SI-SE-004-15	16.738	12,175
U.S. Marshall Service	JLEO-23-0410	16.Ukn	21,573
<b>Total U.S. Department of Justice</b>			<b>\$ 197,571</b>
<b>U. S. Department of Transportation</b>			
Passed through State Office of:			
Mississippi Department of Transportation			
Highway Planning and Construction Grant	CMKLXEA2MNDA	20.205	\$ 7,291
Highway Planning and Construction Grant	STP-430-00(046)/109150701	20.205	375,043
<b>Total U. S. Department of Transportation</b>			<b>\$ 382,334</b>
<b>U. S. Department of the Treasury</b>			
Passed through State Office of:			
Mississippi Department of Finance and Administration:			
American Rescue Plan Act*	RIN1505-AC81	21.027	\$ 695,441
American Rescue Plan Act*	SLFR2621/ARPA-0265	21.027	4,196,120
American Rescue Plan Act*	119-2-SW-5.6-1	21.027	214,077
American Rescue Plan Act*	195-2-CW-5.5-1	21.027	544,110
American Rescue Plan Act*	195-2-CW-5.5-2	21.027	422,800
American Rescue Plan Act*	195-2-CW-5.5-5	21.027	745,513
American Rescue Plan Act*	196-2-SW-5.6	21.027	250,388
American Rescue Plan Act*	198-2-SW-5.6-1	21.027	153,905
American Rescue Plan Act*	199-2-SW-5.6-1	21.027	118,833
American Rescue Plan Act*	201-2-SW-5.6-1	21.027	183,935
American Rescue Plan Act*	201-2-SW-5.6-2	21.027	87,290
American Rescue Plan Act*	204-2-SW-5.6-2	21.027	18,097
American Rescue Plan Act*	24-2-SW-5.6-1	21.027	436,777
American Rescue Plan Act*	28-2-SW-5.6-1	21.027	191,917
<b>Total U. S. Department of the Treasury</b>			<b>\$ 8,259,203</b>

**CITY OF TUPELO**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
For the year ended September 30, 2025

Federal Grantor/ Pass Through Grantor/ Program Title	Grantor Agency ID Number	Federal Assistance Listing Number	Federal Expenditures
<b>U. S. Environmental Protection Agency</b>			
Passed through State Office of: Mississippi Department of Environmental Quality:			
Water Pollution Control Revolving Loan	SRF-C280885-08	66.458	\$ <u>6,413,311</u>
<b>Total U. S. Environmental Protection Agency</b>			<b>\$ <u><u>6,413,311</u></u></b>
<b>Executive Office of the President</b>			
DEA State and Local Task Force Agreement	667265901D2D	95.001	\$ <u>2,350</u>
<b>Total Executive Office of the President</b>			<b>\$ <u><u>2,350</u></u></b>
<b>U. S. Department of Homeland Security</b>			
Passed through State Office of: Mississippi Department of Public Safety:			
Homeland Security Grant	24HS366	97.067	\$ 40,000
Homeland Security Grant	24LE366B	97.067	<u>91,950</u>
<b>Total U. S. Department of Homeland Security</b>			<b>\$ <u><u>131,950</u></u></b>
<b>TOTAL FEDERAL EXPENDITURES</b>			<b>\$ <u><u>15,386,719</u></u></b>

**SIGNIFICANT ACCOUNTING POLICIES:**

The accompanying Schedule of expenditures of federal awards includes the federal award activity of the City of Tupelo, Mississippi under programs of the federal government for the year ended September 30, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

The City has elected not to use the 15% de minimis indirect cost rate allowed under the Uniform Guidance.

\* - Major Program

REPORTS ON COMPLIANCE AND INTERNAL CONTROL



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

Honorable Mayor and City Council  
City of Tupelo, Mississippi

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Tupelo, Mississippi as of and for the year ended September 30, 2025, 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 May 28, 2026.

**Report on Internal Control Over Financial Reporting**

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

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

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

## **Report on Compliance and Other Matters**

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

### **Purpose of this Report**

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

*Jarrell Group, PLLC*

Jarrell Group, PLLC  
Tupelo, Mississippi  
May 28, 2026

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

Honorable Mayor and City Council  
City of Tupelo, Mississippi

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited the City of Tupelo, Mississippi's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City of Tupelo, Mississippi's major federal programs for the year ended September 30, 2025. The City of Tupelo, Mississippi's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City of Tupelo, Mississippi, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2025.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

***Responsibilities of Management for Compliance***

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

## ***Auditors' Responsibilities for the Audit of Compliance***

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City of Tupelo, Mississippi's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City of Tupelo, Mississippi's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City of Tupelo, Mississippi's internal control over compliance. Accordingly, no such opinion is expressed.

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

## **Report on Internal Control Over Compliance**

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

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

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

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

*Jarrell Group, PLLC*

Jarrell Group, PLLC  
Tupelo, Mississippi  
May 28, 2026

**CITY OF TUPELO, MISSISSIPPI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
September 30, 2025**

**SECTION 1 – SUMMARY OF AUDITORS’ RESULTS**

**Financial Statements**

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

**Federal Awards**

Internal Control over major programs:  
Material weakness identified?        Yes   X   No  
Significant deficiency identified  
not considered to be a material weakness?        Yes   X   None reported  
Type of auditors’ report issued on compliance  
for major programs: Unmodified  
Any audit findings disclosed that are required  
to be reported in accordance with  
2 CFR 200.516(a)?        Yes   X   No

Identification of major program:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>21.027</u>	<u>U.S. Department of the Treasury – American Rescue Plan Act</u>

Dollar threshold used to distinguish  
between Type A and Type B programs: \$ 1,000,000  
Auditee qualified as low-risk auditee?   X   Yes        No

**SECTION 2 – FINANCIAL STATEMENT FINDINGS:**

None

**SECTION 3 – FEDERAL AWARD FINDINGS:**

None

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

Honorable Mayor and City Council  
City of Tupelo, Mississippi

We have audited the financial statements of the City of Tupelo, Mississippi, as of and for the year ended September 30, 2025, and have issued our report thereon dated May 28, 2026. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the *Government Auditing Standards*.

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

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

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

*Jarrell Group, PLLC*

Jarrell Group, PLLC  
Tupelo, Mississippi  
May 28, 2026