

**PRELIMINARY OFFICIAL STATEMENT
DATED JUNE 25, 2025**

NEW ISSUE-BOOK-ENTRY ONLY

**UNDERLYING RATING – Moody's: "Aa2"
(See "RATING" herein)**

In the opinion of Butler Snow LLP, Ridgeland, Mississippi, Bond Counsel, under existing laws, regulations, rulings and judicial decisions and assuming the accuracy of certain representations and continuous compliance with certain covenants described herein, interest on the Series 2025 Bonds (as defined herein) is excludable from gross income for federal tax purposes pursuant to Section 103 of the Code (as defined herein), and such interest is not a specific preference item for purposes of the federal alternative minimum tax; however such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Code) for purposes of computing the alternate minimum tax imposed on such corporations. Such exclusion is conditioned on continuing compliance with certain tax covenants of the Issuer (as defined below) and the City (as defined below). In the opinion of Bond Counsel under existing laws, regulations, rulings and judicial decisions, interest on the Series 2025 Bonds is exempt from all income taxation in the State of Mississippi. See "TAX MATTERS" herein and APPENDIX D - FORM OF OPINION OF BOND COUNSEL hereto.

\$8,000,000*

**MISSISSIPPI DEVELOPMENT BANK
SPECIAL OBLIGATION BONDS, SERIES 2025**

(CITY OF TUPELO, MISSISSIPPI PUBLIC IMPROVEMENT GENERAL OBLIGATION BOND PROJECT)

Dated: Date of Delivery

DUE July 1, as shown on inside front cover

The Mississippi Development Bank Special Obligation Bonds, Series 2025 (City of Tupelo, Mississippi Public Improvement General Obligation Bond Project) (the "**Series 2025 Bonds**"), are being issued by the Mississippi Development Bank (the "**Issuer**"), will be dated the date of delivery thereof and will bear interest from that date to their respective maturities in the amounts and at the rates set forth on the inside cover. The Series 2025 Bonds are issuable only as fully registered bonds and, when issued, will be registered in the name of CEDE & CO., as nominee for The Depository Trust Company, New York, New York ("**DTC**"). Purchases of beneficial interests in the Series 2025 Bonds will be made in book-entry-only form, in the denomination of \$5,000 or any integral multiple thereof. Purchasers of beneficial interests in the Series 2025 Bonds will not receive physical delivery of certificates representing their interests in the Series 2025 Bonds. Interest on the Series 2025 Bonds is payable on January 1 and July 1 of each year, commencing January 1, 2026*. So long as DTC or its nominee is the Registered Owner of the Series 2025 Bonds, interest, together with the principal of and redemption premium, if any, on the Series 2025 Bonds will be paid directly to DTC by The Peoples Bank, Biloxi, Mississippi, as Trustee under the Indenture, all as defined and more fully described herein under the caption, "DESCRIPTION OF THE SERIES 2025 BONDS – Book-Entry-Only System."

The Series 2025 Bonds are issued by the Issuer for the principal purpose of providing funds for the purchase of the City Bond (as defined herein) being issued by the City of Tupelo, Mississippi (the "**City**") and paying the costs of borrowing, as more fully described in this Official Statement.

The Series 2025 Bonds are subject to redemption prior to maturity as more fully described herein. See "DESCRIPTION OF THE SERIES 2025 BONDS – Redemption."

THE SERIES 2025 BONDS ARE LIMITED AND SPECIAL OBLIGATIONS OF THE ISSUER AND ARE PAYABLE SOLELY OUT OF THE TRUST ESTATE OF THE ISSUER PLEDGED THEREFOR UNDER THE INDENTURE, INCLUDING THE CITY BOND AND PAYMENTS DERIVED THEREFROM, AS MORE FULLY DESCRIBED HEREIN. THE SERIES 2025 BONDS DO NOT CONSTITUTE A DEBT, LIABILITY OR LOAN OF THE CREDIT OF THE ISSUER, THE STATE OF MISSISSIPPI OR ANY POLITICAL SUBDIVISION THEREOF UNDER THE CONSTITUTION AND LAWS OF THE STATE OF MISSISSIPPI, OR A PLEDGE OF THE FULL FAITH AND CREDIT, TAXING POWER OR MORAL OBLIGATION OF THE ISSUER, THE STATE OF MISSISSIPPI OR ANY POLITICAL SUBDIVISION THEREOF; PROVIDED, HOWEVER, THAT THE CITY BOND IS SECURED BY THE FULL FAITH AND CREDIT AND TAXING POWER OF THE CITY. THE SOURCES OF PAYMENT OF, AND SECURITY FOR, THE SERIES 2025 BONDS ARE MORE FULLY DESCRIBED HEREIN. THE ISSUER HAS NO TAXING POWER.

THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. IT IS NOT A SUMMARY OF THIS ISSUE. PROSPECTIVE INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION.

The Series 2025 Bonds are offered subject to the final approval of the legality thereof by Butler Snow LLP, Ridgeland, Mississippi, Bond Counsel. Certain legal matters will be passed upon for the Issuer by Balch & Bingham LLP, Jackson, Mississippi, its counsel, and for the City by Ben Logan, Esquire, Tupelo, Mississippi. Government Consultants, Inc., Madison, Mississippi, serves as the Municipal Advisor to the Issuer in connection with the sale and issuance of the Series 2025 Bonds. The Series 2025 Bonds are expected to be available in definitive form for delivery on or about July 29, 2025*

RAYMOND JAMES®

The date of this Official Statement is _____, 2025.

* Preliminary, subject to change.

SERIES 2025 BONDS

MATURITY SCHEDULE¹

Year of Maturity (July 1)	Principal Amount ¹	Interest Rate	Yield	CUSIP*
2026	50,000			
2027	50,000			
2028	50,000			
2029	50,000			
2030	50,000			
2031	500,000			
2032	500,000			
2033	500,000			
2034	500,000			
2035	500,000			
2036	500,000			
2037	500,000			
2038	800,000			
2039	800,000			
2040	800,000			
2041	800,000			
2042	300,000			
2043	300,000			
2044	300,000			
2045	150,000			

* The CUSIP numbers listed above are being provided solely for the convenience of the holders of the Series 2025 Bonds only, and the Issuer, the City and the Underwriter does not make any representation with respect to such CUSIP numbers or undertake any responsibility for their accuracy. The CUSIP numbers are subject to being changed after the issuance of the Series 2025 Bonds as a result of various subsequent actions, including but not limited to a refunding in whole or in part of the Series 2025 Bonds. CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by Standard and Poor's CUSIP Service Bureau, a Division of McGraw-Hill Companies, Inc. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services.

¹ Preliminary, subject to change.

THIS OFFICIAL STATEMENT DOES NOT CONSTITUTE AN OFFERING OF ANY SECURITY OTHER THAN THE ORIGINAL OFFERING OF THE SERIES 2025 BONDS IDENTIFIED ON THE COVER HEREOF. NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION OTHER THAN THAT CONTAINED IN THIS OFFICIAL STATEMENT, AND IF GIVEN OR MADE SUCH OTHER INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED. THIS OFFICIAL STATEMENT DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY, AND THERE SHALL NOT BE ANY SALE OF THE SERIES 2025 BONDS BY ANY PERSON, IN ANY JURISDICTION IN WHICH IT IS UNLAWFUL TO MAKE SUCH OFFER, SOLICITATION OR SALE. THE INFORMATION AND EXPRESSION OF OPINIONS HEREIN ARE SUBJECT TO CHANGE WITHOUT NOTICE AND NEITHER THE DELIVERY OF THIS OFFICIAL STATEMENT NOR THE SALE OF ANY OF THE SERIES 2025 BONDS SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THE INFORMATION HEREIN IS CORRECT AS OF ANY TIME SUBSEQUENT TO THE DATE HEREOF.

THE UNDERWRITER HAS PROVIDED THE FOLLOWING SENTENCE FOR INCLUSION IN THIS OFFICIAL STATEMENT. THE UNDERWRITER HAVE REVIEWED THE INFORMATION IN THIS OFFICIAL STATEMENT IN ACCORDANCE WITH, AND AS A PART OF, ITS RESPONSIBILITIES UNDER THE FEDERAL SECURITIES LAWS AS APPLIED TO THE FACTS AND CIRCUMSTANCES OF THIS TRANSACTION, BUT THE UNDERWRITER DOES NOT GUARANTEE THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION. INFORMATION HEREIN HAS BEEN OBTAINED FROM THE ISSUER, THE CITY, DTC AND OTHER SOURCES BELIEVED TO BE RELIABLE, BUT THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION IS NOT GUARANTEED BY THE UNDERWRITER.

UPON ISSUANCE, THE SERIES 2025 BONDS WILL NOT BE REGISTERED BY THE ISSUER UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAW, AND WILL NOT BE LISTED ON ANY STOCK OR OTHER SECURITIES EXCHANGE. NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY OTHER FEDERAL, STATE OR OTHER GOVERNMENTAL ENTITY OR AGENCY, OTHER THAN THE ISSUER (TO THE EXTENT DESCRIBED HEREIN), WILL HAVE PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT OR APPROVED THE SERIES 2025 BONDS FOR SALE.

THIS OFFICIAL STATEMENT IS NOT TO BE CONSTRUED AS A CONTRACT OR AGREEMENT BETWEEN THE ISSUER AND THE PURCHASERS OR HOLDERS OF THE SERIES 2025 BONDS. ALL ESTIMATES AND ASSUMPTIONS CONTAINED HEREIN ARE BELIEVED TO BE REASONABLE, BUT NO REPRESENTATION IS MADE THAT SUCH ESTIMATES OR ASSUMPTIONS ARE CORRECT OR WILL BE REALIZED.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVER-ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2025 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THE PRICES AT WHICH THE SERIES 2025 BONDS ARE OFFERED TO THE PUBLIC BY THE UNDERWRITER (AND THE YIELDS RESULTING THEREFROM) MAY VARY FROM THE INITIAL PUBLIC OFFERING PRICES OR YIELDS APPEARING ON THE INSIDE COVER PAGE HEREOF. IN ADDITION, THE UNDERWRITER MAY ALLOW CONCESSIONS OR DISCOUNTS FROM SUCH INITIAL PUBLIC OFFERING PRICES TO DEALERS AND OTHERS.

THIS OFFICIAL STATEMENT CONTAINS FORECASTS, PROJECTIONS AND ESTIMATES THAT ARE BASED ON EXPECTATIONS AND ASSUMPTIONS WHICH EXISTED AT THE TIME SUCH FORECASTS, PROJECTIONS AND ESTIMATES WERE PREPARED. IN LIGHT OF THE IMPORTANT FACTORS THAT MAY MATERIALLY AFFECT ECONOMIC CONDITIONS OF THE STATE, THE UNITED STATES OF AMERICA, AND THE CITY THE INCLUSION IN THIS OFFICIAL

STATEMENT OF SUCH FORECASTS, PROJECTIONS AND ESTIMATES SHOULD NOT BE REGARDED AS A REPRESENTATION BY THE ISSUER, THE CITY OR THE UNDERWRITER THAT SUCH FORECASTS, PROJECTIONS AND ESTIMATES WILL OCCUR. SUCH FORECASTS, PROJECTIONS AND ESTIMATES ARE NOT INTENDED AS REPRESENTATIONS OF FACT OR GUARANTEES OF RESULTS.

IF AND WHEN INCLUDED IN THIS OFFICIAL STATEMENT, THE WORDS "EXPECTS," "FORECASTS," "PROJECTS," "INTENDS," "ANTICIPATES," "ESTIMATES" AND ANALOGOUS EXPRESSIONS ARE INTENDED TO IDENTIFY FORWARD-LOOKING STATEMENTS AND ANY SUCH STATEMENTS INHERENTLY ARE SUBJECT TO A VARIETY OF RISKS AND UNCERTAINTIES THAT COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM THOSE PROJECTED. SUCH RISKS AND UNCERTAINTIES INCLUDE, AMONG OTHERS, GENERAL ECONOMIC AND BUSINESS CONDITIONS, CHANGES IN POLITICAL, SOCIAL AND ECONOMIC CONDITIONS, REGULATORY INITIATIVES AND COMPLIANCE WITH GOVERNMENTAL REGULATIONS, LITIGATION AND VARIOUS OTHER EVENTS, CONDITIONS AND CIRCUMSTANCES, MANY OF WHICH ARE BEYOND THE CONTROL OF THE ISSUER AND THE CITY. THESE FORWARD-LOOKING STATEMENTS SPEAK ONLY AS OF THE DATE OF THIS OFFICIAL STATEMENT. THE ISSUER DISCLAIMS ANY OBLIGATION OR UNDERTAKING TO RELEASE PUBLICLY ANY UPDATES OR REVISIONS TO ANY FORWARD-LOOKING STATEMENT CONTAINED HEREIN TO REFLECT ANY CHANGE IN THE ISSUER'S EXPECTATIONS WITH REGARD THERETO OR ANY CHANGE IN EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH ANY SUCH STATEMENT IS BASED.

THE ORDER AND PLACEMENT OF MATERIALS IN THIS OFFICIAL STATEMENT, INCLUDING THE APPENDICES, ARE NOT TO BE DEEMED A DETERMINATION OF RELEVANCE, MATERIALITY OR IMPORTANCE, AND THIS OFFICIAL STATEMENT, INCLUDING THE APPENDICES, MUST BE CONSIDERED IN ITS ENTIRETY. THE CAPTIONS AND HEADINGS IN THIS OFFICIAL STATEMENT ARE FOR CONVENIENCE OF REFERENCE ONLY, AND IN NO WAY DEFINE, LIMIT OR DESCRIBE THE SCOPE OR INTENT, OR AFFECT THE MEANING OR CONSTRUCTION, OF ANY PROVISION OR SECTIONS OF THIS OFFICIAL STATEMENT. THE OFFERING OF THE SERIES 2025 BONDS IS MADE ONLY BY MEANS OF THIS OFFICIAL STATEMENT.

THIS OFFICIAL STATEMENT IS BEING PROVIDED TO PROSPECTIVE PURCHASERS EITHER IN BOUND PRINTED FORM ("ORIGINAL BOUND FORMAT") OR IN ELECTRONIC FORMAT ON THE FOLLOWING WEBSITE: WWW.MUNIOS.COM. THIS OFFICIAL STATEMENT MAY BE RELIED UPON ONLY IF IT IS IN ITS ORIGINAL BOUND FORMAT OR IS PRINTED IN ITS ENTIRETY FROM SUCH WEBSITE.

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OFFICIAL STATEMENT

\$8,000,000*

**MISSISSIPPI DEVELOPMENT BANK
SPECIAL OBLIGATION BONDS, SERIES 2025
(CITY OF TUPELO, MISSISSIPPI PUBLIC IMPROVEMENT GENERAL OBLIGATION BOND
PROJECT)**

INTRODUCTION

The purpose of this Official Statement, including its APPENDICES, is to set forth certain information concerning the sale and issuance by the Mississippi Development Bank (the "**Issuer**") of its Mississippi Development Bank Special Obligation Bonds, Series 2025 (City of Tupelo, Mississippi Public Improvement General Obligation Bond Project) (the "**Series 2025 Bonds**"), issued in the aggregate principal amount of \$8,000,000*.

This introduction is not a summary of this Official Statement. It is only a brief description of and guide to, and is qualified by, more complete and detailed information contained in the entire Official Statement, including the cover page and all APPENDICES hereto, and the documents summarized or described herein. A full review should be made of the entire Official Statement. The offering of the Series 2025 Bonds to potential investors is made only by means of the entire Official Statement.

The Issuer

The Issuer was established in 1986 as a separate body corporate and politic of the State of Mississippi (the "**State**") for the public purposes set forth under the provisions of Sections 31-25-1 *et seq.*, Mississippi Code of 1972, as amended (the "**Issuer Act**"). The Issuer is not an agency of the State, is separate from the State in its corporate and sovereign capacity and has no taxing power. The Issuer is governed by a Board of Directors composed of nine (9) members.

Pursuant to the Issuer Act, the purpose of the Issuer is to assist "local governmental units," as defined in the Issuer Act to be (i) any county, municipality, utility district, regional solid waste authority, county cooperative service district or political subdivision of the State of Mississippi, (ii) the State of Mississippi or any agency thereof, (iii) the institutions of higher learning of the State of Mississippi, (iv) any education building corporation established for institutions of higher learning, or (v) any other governmental unit created under state law, such as the City, through programs of purchasing the bonds, notes or evidences of indebtedness of such local governmental units under agreements between such local governmental units and the Issuer. The entity described in APPENDIX A (the "**City**") is such a local governmental unit.

Sources of Payment and Security for the Series 2025 Bonds

The Series 2025 Bonds will be issued by and under and secured by an Indenture of Trust, dated the date of delivery (the "**Indenture**"), by and between the Issuer and The Peoples Bank, in Biloxi, Mississippi, as Trustee (the "**Trustee**"). The principal of, redemption premium, if any, and interest on any and all of the Series 2025 Bonds, together with any additional bonds or refunding bonds (the "**Refunding Bonds**") that may be authorized and issued by the Issuer under the Indenture on a parity with

* Preliminary, subject to change.

the Series 2025 Bonds (collectively, the "**Bonds**"), are payable from those revenues and funds of the Issuer which, together with the general obligation bond issued by the City (the "**City Bond**"), as defined and described herein, pursuant to Sections 21-33-301 et seq., Mississippi Code of 1972, as amended (the "**City Bond Act**" and together with the Issuer Act, the "**Act**"), are pledged pursuant to the Indenture for the benefit of the owners of the Series 2025 Bonds without priority. The full faith and credit and taxing power of the State are not pledged to the payment of the principal of, premium, if any, and interest on any of the Series 2025 Bonds. The Series 2025 Bonds are not a debt, liability, loan of the credit or pledge of the full faith and credit, moral obligation of the State or of any political subdivision; provided, however, that the City Bond is secured by the full faith and credit and taxing power of the City. The Issuer has no taxing power and has only those powers and sources of revenue set forth in the Issuer Act. The Series 2025 Bonds are issued and secured separately from any other obligations issued by the Issuer.

The Series 2025 Bonds are secured by the pledge of the Trust Estate established under the Indenture (the "**Trust Estate**"), defined to be (i) all cash and securities in the funds and accounts established by the Indenture (other than the Rebate Fund, as described herein) (the "**Funds**" and "**Accounts**") and the investment earnings thereon (other than the Rebate Fund) and all proceeds thereof (other than the Rebate Fund or any amounts which are transferred from such Funds and Accounts from time to time in accordance with the Indenture), (ii) the City Bond acquired and held by the Trustee pursuant to the Indenture, all the payments thereunder, and the earnings thereon and the proceeds thereof, and (iii) all funds, accounts and moneys hereinafter pledged to the Trustee as security by the Issuer. All Series 2025 Bonds will be secured equally and ratably by all of the foregoing. The sources of payment for the Series 2025 Bonds are further described under the caption "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2025 BONDS," and "APPENDIX C."

The principal of and interest on the City Bond are payable out of certain revenues as hereinafter defined. The following City Bond is scheduled to be purchased with proceeds of the Series 2025 Bonds: \$8,000,000* City of Tupelo, Mississippi Public Improvement General Obligation Bond, Series 2025 (the "**City Bond**"). The sources of payment on the City Bond are further described under the caption "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2025 BONDS" and "APPENDIX C."

Purpose of the Series 2025 Bonds

The Series 2025 Bonds are being issued pursuant to the Act to purchase the City Bond to provide funds to the City for (i) any of, constructing, improving or paving streets, sidewalks, driveways, parkways, walkways or public parking facilities, and purchasing land therefor; (ii) erecting, repairing, improving, adorning and equipping municipal buildings and purchasing buildings and land therefor; (iii) purchasing land for parks, cemeteries and public playgrounds, and improving, equipping and adorning the same, including the constructing, repairing and equipping of swimming pools and other recreational facilities; (iv) purchasing fire-fighting equipment and apparatus, and providing housing for same, and purchasing land therefor; (v) erecting or purchasing waterworks, gas, electric and other public utility plants or distribution systems or franchises, and repairing, improving and extending the same; (vi) establishing sanitary, storm, drainage or sewerage systems, and repairing, improving and extending the same; (vii) protecting a municipality, its streets and sidewalks from overflow, caving banks and other like dangers; (viii) constructing bridges and culverts; (ix) purchasing machinery and equipment, including motor vehicles weighing not less than twelve thousand (12,000) pounds, which have an expected useful life in excess of ten (10) years which expected useful life shall exceed the life of the bonds financing such

* Preliminary, subject to change.

purchase; and (x) for other authorized purposes under the City Bond Act (the "**Construction Project**"), and paying the costs of issuance of the Series 2025 Bonds and the City Bond (together, the "**Project**").

Authority for Issuance

The Series 2025 Bonds are issued pursuant to the provisions of the Act and the Indenture.

Description of the Series 2025 Bonds

Redemption. The Series 2025 Bonds are subject to redemption as set forth hereinafter under the caption "DESCRIPTION OF THE SERIES 2025 BONDS -- **Redemption**."

Denominations. The Series 2025 Bonds will be issued in denominations of \$5,000 or any integral multiple thereof.

Registration, Transfers, and Exchanges. The Series 2025 Bonds will be issued only as fully registered bonds and, when issued, will be registered in the name of Cede & Co., as nominee for DTC. Purchases of beneficial interests in the Series 2025 Bonds will be made in book entry only form. Purchasers of beneficial interests in the Series 2025 Bonds will not receive physical delivery of certificates representing their respective interests in the Series 2025 Bonds.

Payments. Interest on the Series 2025 Bonds is payable on January 1 and July 1 of each year, and, so long as DTC or its nominee is the Registered Owner of the Series 2025 Bonds, such interest, together with the principal of and redemption premium, if any, on the Series 2025 Bonds will be paid directly to DTC by the Trustee under the Indenture. The final disbursement of such payments to the Beneficial Owners of the Series 2025 Bonds will be the responsibility of the DTC Participants and the Indirect Participants, all as more fully defined and described herein under the caption "DESCRIPTION OF THE SERIES 2025 BONDS -- Book-Entry-Only System."

For a more complete description of the Series 2025 Bonds and the basic documentation pursuant to which the Series 2025 Bonds are being issued, see the captions "DESCRIPTION OF THE SERIES 2025 BONDS," "REVENUES, FUNDS AND ACCOUNTS," and "OPERATION OF FUNDS AND ACCOUNTS," in this Official Statement.

Tax Matters

In the opinion of Butler Snow LLP, Ridgeland, Mississippi ("**Bond Counsel**"), under existing laws, regulations, rulings, and judicial decisions, interest on the Series 2025 Bonds is excludable from gross income for federal tax purposes, with such exclusion conditioned upon continuing compliance with certain tax covenants of the Issuer and the City, and under existing laws, regulations, rulings, and judicial decisions, interest on the Series 2025 Bonds is exempt from all income taxation in the State. Interest on the Series 2025 Bonds is not a specific preference item for purposes of federal alternative minimum taxes. For a more complete description of such opinion and certain other tax consequences incident to the ownership of the Series 2025 Bonds, see the captions "TAX MATTERS" herein. Also, see "APPENDIX D" for the proposed form of opinion of Bond Counsel.

Professionals Involved in the Offering

The Peoples Bank, Biloxi, Mississippi will act as Trustee under the Indenture for the Series 2025 Bonds. Government Consultants, Inc., Madison, Mississippi, is employed as Municipal Advisor to the Issuer (the "**Municipal Advisor**") with respect to the Series 2025 Bonds. Certain proceedings in

connection with the issuance of the Series 2025 Bonds are subject to the approval of Bond Counsel. Certain legal matters will be passed upon for the Issuer by Balch & Bingham LLP, Jackson, Mississippi and for the City by Ben Logan, Esquire, Tupelo, Mississippi. See the caption "LEGAL MATTERS" and "MISCELLANEOUS" in this Official Statement.

Offering and Delivery of the Series 2025 Bonds

Subject to the final approval of the legality thereof by Bond Counsel, the Series 2025 Bonds are expected to be available in definitive form for delivery on or about July 29, 2025*.

Risks to the Owners of the Series 2025 Bonds

There are certain risks involved in the ownership of the Series 2025 Bonds which should be considered by prospective purchasers. The ability of the Issuer to pay principal of, redemption premium, if any, and interest on the Series 2025 Bonds depends primarily upon the receipt by the Issuer of City Bond payments (the "**City Bond Payments**") from the City participating in the program (the "**Program**") which is obligated to make such payments to the Issuer, together with investment earnings on certain amounts in the Funds and Accounts defined in and established under the Indenture. There can be no representation or assurance that the City will realize sufficient Revenues to make the required City Bond Payments. See the caption, "SECURITY AND SOURCES OF PAYMENT." Failure of the Issuer and/or the City to comply with certain tax covenants may also adversely affect the exempt status of the interest on all of the Series 2025 Bonds. See the caption "RISKS TO THE OWNERS OF THE SERIES 2025 BONDS" in this Official Statement.

Other Information

This Official Statement speaks only as of its date, and certain information contained herein is subject to change.

Copies of other documents and information are available, upon request, and upon payment to the Issuer of a charge for copying, mailing, and handling, from Larry W. Mobley, Executive Director, Mississippi Development Bank, 735 Riverside Drive, Suite 300, Jackson, Mississippi 39202, telephone (601) 355-6232.

NO DEALER, BROKER, SALESMAN OR OTHER REPRESENTATIVE OF THE UNDERWRITER OR OTHER PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS OTHER THAN THOSE CONTAINED IN THIS OFFICIAL STATEMENT, AND, IF GIVEN OR MADE, SUCH OTHER INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON. THIS OFFICIAL STATEMENT DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY, AND THERE SHALL NOT BE ANY SALE OF THE SERIES 2025 BONDS BY ANY PERSON IN ANY JURISDICTION IN WHICH IT IS UNLAWFUL FOR SUCH PERSON TO MAKE SUCH OFFER, SOLICITATION OR SALE. THE INFORMATION SET FORTH HEREIN HAS BEEN OBTAINED FROM THE ISSUER, THE CITY, DTC AND OTHER SOURCES WHICH ARE BELIEVED TO BE RELIABLE, BUT IT IS NOT GUARANTEED AS TO ACCURACY OR COMPLETENESS. THE INFORMATION AND EXPRESSIONS OF OPINION HEREIN ARE SUBJECT TO CHANGE WITHOUT NOTICE, AND NEITHER THE DELIVERY OF THIS OFFICIAL STATEMENT NOR

* Preliminary, subject to change.

ANY SALE MADE HEREUNDER SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE ISSUER SINCE THE DATE HEREOF.

THE SERIES 2025 BONDS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED.

Format of Official Statement

There follows in this Official Statement a description of the security and sources of payment for the Series 2025 Bonds, the purposes and operation of the Issuer's program to be financed out of the proceeds of the Series 2025 Bonds, the Issuer, and summaries of certain provisions of the Series 2025 Bonds, the Indenture and certain provisions of the Act. All discussions of the Act and the Indenture are qualified in their entirety by reference to the Act, copies of which are available from the Issuer, and all discussions of the Series 2025 Bonds are qualified in their entirety by reference to the definitive form and the information with respect to the Series 2025 Bonds contained in the Indenture. Certain information relating to the City is set forth in "**APPENDIX A - INFORMATION CONCERNING THE CITY**," certain financial information on the City is included in "**APPENDIX B - FINANCIAL INFORMATION OF THE CITY**," the proposed form of opinion of Bond Counsel with respect to the Series 2025 Bonds is set forth in "**APPENDIX D - FORM OF BOND COUNSEL OPINION**", and the form of the continuing disclosure certificate of the City is set forth in "**APPENDIX F - FORM OF CONTINUING DISCLOSURE CERTIFICATE**," and certain definitions used herein are set forth in "**APPENDIX E - CERTAIN DEFINITIONS**". Each of the APPENDICES to this Official Statement is an integral part of this Official Statement and should be read in its entirety by any and all owners or prospective owners of the Series 2025 Bonds.

Capitalized terms not defined herein shall have the definitions set forth in "**APPENDIX E - CERTAIN DEFINITIONS**."

SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2025 BONDS

General

The Series 2025 Bonds are payable only out of the Trust Estate. The Indenture creates a continuing pledge of and lien upon the Trust Estate to secure the full and final payment of the principal of, premium, if any, and interest on all of the Series 2025 Bonds. The Series 2025 Bonds do not constitute a debt, liability or loan of the credit of the State or any political subdivision thereof under the constitution of the State or a pledge of the full faith and credit and taxing power or moral obligation of the State or any political subdivision thereof; provided, however, that the City Bond is a general obligation of the City. The Issuer has no taxing power. The sources of payment of, and security for, the Series 2025 Bonds are more fully described below.

Under the Indenture, the Series 2025 Bonds are secured by a pledge to the Trustee of the City Bond and all City Bond Payments, as described herein. In addition, the Indenture pledges to the payment of the Series 2025 Bonds all proceeds of the Trust Estate, including without limitation all cash and securities held in the Funds and Accounts created by the Indenture, except for the Rebate Fund, together with investment earnings thereon and proceeds thereof (except to the extent transferred to the Rebate Fund or from such Funds and Accounts under the Indenture), and all other funds, accounts and moneys to be pledged by the Issuer to the Trustee as security under the Indenture, to the extent of any such pledge.

The City and the City Bond

From the proceeds of the Series 2025 Bonds, the Issuer intends to purchase and, upon purchase, will pledge to the Trustee the City Bond of the City, as described in "APPENDIX C."

Provisions for Payment of the City Bond

The City Bond will be a general obligation of the City. The City Bond Resolution provides that the City is unconditionally obligated to make payments secured by the full faith and credit of the City in an aggregate amount sufficient, with any other funds available therefor, for the payment in full of the principal of, premium, if any, and interest on all Series 2025 Bonds issued and Outstanding under the Indenture, to the date of payment thereof, and certain costs, expenses and charges of the Issuer and the Trustee.

In the City Bond Resolution, the City covenants to levy a direct, continuing special tax upon all of the taxable property within the geographical limits of the City, adequate and sufficient, after allowance shall have been made for the expenses of collection and delinquencies in the payment of taxes, to produce sums required for the payment of the principal of premium, if any, and the interest on the City Bond and any additional obligations of the City under the City Bond Resolution; provided, however, that such tax levy for any year shall be abated pro tanto to the extent the City on or prior to September 1 of that year has transferred money to the 2025 Bond Fund of the City Bond, or has made other provisions for funds, to be applied toward the payment of the principal of and interest on the City Bond due during the ensuing fiscal year of the City, in accordance with the provisions of the City Bond Resolution. Said tax shall be extended upon the tax rolls and collected in the same manner and at the same time as other taxes of the City are collected, and the rate of tax which shall be so extended shall be sufficient in each year fully to produce the sums required as aforesaid, without limitation as to time, rate or amount. The avails of said tax are irrevocably pledged in the City Bond Resolution for the payment of the principal of, premium, if any, and interest on the City Bond and any additional obligations of the City as aforesaid as the same shall respectively mature and accrue.

The City Bond will never, within the meaning of any constitutional or statutory limitation, be a debt, liability, or obligation of the State or any political subdivision of the State other than the City, and neither the full faith and credit nor taxing power or moral obligation of the State or any political subdivision thereof is pledged to the payment of the principal, premium, if any, and interest on the City Bond; provided, however, that the City Bond is a general obligation of the City. The City Bond initially issued under the City Bond Resolution shall be issued for the purposes of providing funds to finance costs of the (i) Construction Project; and (ii) payment of costs of issuance of the Series 2025 Bonds and the City Bond.

The issuance of the City Bond shall be authorized by resolution of the Mayor and City Council of the City (the "**Governing Body**") adopted pursuant to the Act. See "APPENDIX C" for further description of the City Bond.

RISKS TO THE OWNERS OF THE SERIES 2025 BONDS

General

The Series 2025 Bonds will be payable solely from the payments to be made by the Issuer under the Indenture. Pursuant to the Indenture, such payments are limited to City Bond Payments payable by the City on the City Bond pursuant to the City Bond Resolution. No reserve fund has been established for the payment of debt service on the Series 2025 Bonds or the City Bond. Purchasers of the Series 2025 Bonds are advised of certain risk factors with respect to the City Bond.

In addition, purchasers of the Series 2025 Bonds are advised of certain additional information in connection with the City as set forth in "APPENDIX A" and "APPENDIX B."

City Bond

The ability of the Issuer to pay principal of, redemption premium, if any, and interest on the Series 2025 Bonds depends primarily upon the receipt by the Issuer of City Bond Payments from the City which is obligated under the City Bond Resolution to make such payments to the Issuer, together with earnings on the amounts in the Funds and Accounts created under the Indenture sufficient to make such payments. There is no Indenture Fund or Account which is required to contain amounts to make up for any deficiencies in the event of one or more defaults by the City in making such City Bond Payments, and there is no source from which the General Fund will be replenished except the City Bond Payments and investment income on moneys in the Funds and Accounts; and further, no reserve fund is created in the Indenture or the City Bond Resolution to pay debt service on the Series 2025 Bonds or the City Bond.

Tax Covenants

The Issuer has covenanted under the Indenture that it will comply with certain requirements under the Internal Revenue Code of 1986, as amended (the "**Code**") to ensure the continuing excludability from gross income for federal income tax purposes of interest on the Series 2025 Bonds. Failure by the Issuer to comply with such covenants could cause the interest on the Series 2025 Bonds to be taxable retroactive to the date of issuance of the Series 2025 Bonds. Further, the City has covenanted in the City Bond Resolution that it will comply with certain requirements under the Code to ensure the continuing excludability from gross income for federal income tax purposes of interest on the Series 2025 Bonds. Failure by the City to comply with such requirements could cause the interest on the Series 2025 Bonds to be taxable retroactive to the date of issuance of the Series 2025 Bonds. See also "TAX MATTERS" herein.

Remedies

The remedies available to the Trustee, to the Issuer or to the owners of the Series 2025 Bonds upon an "event of default" under the Indenture or under the terms of the City Bond purchased by the Issuer are in many respects dependent upon judicial actions which are often subject to discretion and delay.

The pledge of the full faith and credit and taxing power of the City for payment of the City Bond granted by the Governing Body in the City Bond Resolution may be limited by a number of factors, including the ability to collect levied taxes. Under current law, such a pledge and assignment as attempted to be effected by the City Bond Resolution may be further limited by the following: (a) statutory liens; (b) rights arising in favor of the United States of America or any agency thereof; (c) prohibitions against assignment set forth in federal statutes; (d) constructive trusts, equitable liens or other

rights which might be impressed or conferred by any state or federal court in the exercise of equitable jurisdiction; (e) the Bankruptcy Code (as hereinafter defined) affecting taxes and other revenues of the City received within 90 days preceding and after any effectual institution of bankruptcy, liquidation or reorganization proceedings by or against the City; (f) rights of third parties in revenues converted to cash and not in the possession of the Trustee; and (g) sales, liens and/or pledges made by the City. If an "event of default" does occur, it is uncertain that the Trustee could successfully obtain an adequate remedy at law or in equity.

The City is a "Municipality" as that term is defined in Title 11 of the United States Code (the "**Bankruptcy Code**"). Section 109(c) of the Bankruptcy Code prescribes the conditions and circumstances under which a Municipality may file a petition for relief under the Bankruptcy Code. As a debtor, a Municipality may only file for relief pursuant to Chapter 9 of the Bankruptcy Code ("**Chapter 9**"). Pursuant to Section 303(a) of the Bankruptcy Code, no creditor or judgment holder of a Municipality may file a Chapter 9 petition on behalf of a Municipality.

Pursuant to Section 109(c)(2) of the Bankruptcy Code, before a Municipality may file a petition under Chapter 9 of the Bankruptcy Code, a Municipality must be specifically authorized by (a) state law or (b) a governmental officer or organization empowered to authorize such a filing. Accordingly, before a Municipality in the State may file for Chapter 9 protection, it must have specific authority granted to it. Currently, there is no State statute that prescribes, authorizes or otherwise contains authorization for any Municipality to file for Chapter 9 protection, or delegates such authority to a governmental officer or organization. As such, in order for a Municipality of the State, including the City, to file for Chapter 9 relief, the Municipality must obtain specific authority from the State Legislature.

The State Legislature is comprised of the Senate and the House of Representatives. The Senate is composed of 52 members, and the House of Representatives consists of 122 members. Each member of each chamber is elected to a four-year term. In the State, the Legislature convenes annually on the first Tuesday after the first Monday each January. Regular sessions of the State Legislature last 90 days in all years of an administration except for the first session after a new governor has been elected, when a 125-day session is held.

In order to obtain specific authority from the State Legislature to file for relief pursuant to Chapter 9, a Municipality would have to request both houses of the State Legislature during the annual session of the State Legislature or a special session of the State Legislature called for such purpose to approve a bill authorizing the Municipality to file for relief pursuant to Chapter 9 and such bill would have to be signed into law by the Governor of the State. There is no appeal process or any other proceeding under current State law that the Municipality may pursue if such requested specific authority is not granted by the State Legislature.

In the event the City were to become a debtor under the United States Bankruptcy Code, payments under the City Bond may be stayed or under certain circumstances may be subject to avoidance or disgorgement and the interest of the Trustee in such payments may not extend to payments required after the commencement of such bankruptcy case or within 90 days prior thereto. Under existing constitutional and statutory law and judicial decisions, including the United States Bankruptcy Code, the remedies provided in the Indenture and the City Bond Resolution may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Series 2025 Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally (regardless of whether such enforceability is considered in a proceeding in equity or in law), by general principles of equity (regardless of whether such proceeding is considered in a proceeding in equity or at law) and by the valid exercise of the constitutional powers of the State and the United States of America.

Furthermore, if a bankruptcy court concludes that the Trustee has "adequate protection," it may enter orders affecting the security of the Trustee, including orders providing for the substitution, subordination and sale of the security of the Trustee. In addition, a reorganization plan may be adopted even though it has not been accepted by the Trustee if the Trustee is provided with the benefit of its original lien or the "indubitable equivalent." Thus, in the event of the bankruptcy of the City, the amount realized by the Trustee may depend on the bankruptcy court's interpretation of "indubitable equivalent" and "adequate protection" under the then existing circumstances. The bankruptcy court may also have the power to invalidate certain provisions of the City Bond Resolution, the City Bond or related documents that make bankruptcy and related proceedings by the City an "event of default" thereunder. All of these events would adversely affect the payment of debt service on the Series 2025 Bonds.

Failure to Compel the Levy of Taxes on the City Bond

The City Bond will be a general obligation of the City payable as to principal and interest out of and secured by an irrevocable pledge of the avails of a direct and continuing tax to be levied annually without limitation as to rate or amount upon the taxable property within the geographical limits of the City; provided, however, that such tax levy for any year shall be abated pro tanto to the extent the City on or prior to September 1 of that year has transferred money to the 2025 Bond Fund of the City Bond, or has made other provisions for funds, to be applied toward the payment of the principal of and interest on the City Bond due during the ensuing fiscal year of the City, in accordance with the provisions of the City Bond Resolution. The City, when necessary, will levy annually a special tax upon all taxable property within the geographical limits of the City adequate and sufficient to provide for the payment of the principal of and the interest of the City Bond as the same falls due.

The qualified electors of the State of Mississippi voted in a general election held on November 7, 1995, to amend the Mississippi Constitution of 1890 (the "**Constitution**") to add the following new Section 172A (the "**Amendment**"):

SECTION 172A. Neither the Supreme Court nor any inferior court of this state shall have the power to instruct or order the state or any political subdivision thereof, or an official of the state or any political subdivision, to levy or increase taxes.

The Amendment does not affect the underlying obligation to pay the principal of and interest on the City Bond as it matures and becomes due, nor does it affect the obligation to levy a tax sufficient to accomplish that purpose. However, even though it appears that the Amendment was not intended to affect remedies of a holder of the City Bond in the event of a payment default, it potentially prevents such holder from obtaining a writ of mandamus to compel the levying of taxes to pay the principal of and interest on the City Bond in a Court of the State of Mississippi. It is not certain whether the Amendment would affect the right of a Federal Court to direct the levy of a tax to satisfy a contractual obligation. Other effective remedies are available to the holder of the City Bond in the event of a payment default with respect to the City Bond. For example, such holder can seek a writ of mandamus to compel the City to use any legally available moneys to pay the debt service on the City Bond, and if such writ of mandamus is issued and public officials fail to comply with such writ, then such public officials may be held in contempt of court. In addition, pursuant to Mississippi Constitution §175, all public officials who are guilty of willful neglect of duty may be removed from office.

Certain information relating to the City is set forth in "APPENDIX A - INFORMATION ON THE CITY" and certain financial information on the City is included in "APPENDIX B - FINANCIAL INFORMATION OF THE CITY."

State Budget Cuts

House Bill No. 1 was enacted into law during the 2025 Regular Session of the Mississippi Legislature, that, among other things, reduces the State income tax rate in annual increments down to three percent (3%) in 2030, with further decreases starting in 2031 if certain State revenue collection benchmarks are met. House Bill No. 1 also reduces the State sales tax on certain groceries to five percent (5%) starting July 1, 2025, and increases the State excise tax on gasoline and certain other fuels in annual increments starting July 1, 2025. It is not possible to predict the impact of these actions on future State revenues or its impact on the City.

Cyber Security Management

The City, like many other public and private entities, relies on a large and complex technology environment to conduct its operations and faces multiple cyber security threats including, but not limited to, hacking, phishing, viruses, malware and other attacks on its computing and other digital networks and systems (collectively, "**Systems Technology**"). As a recipient and provider of sensitive information, the City may be the target of cyber security incidents that could result in adverse consequences to the City and its Systems Technology, requiring a response action to mitigate the consequences. The City has in place daily backup processes to help mitigate the eventuality of these risks. The City has structured their "technology" environment based upon best practice Zero Trust standards to mitigate these risks.

Cyber security incidents could result from unintentional events or from deliberate attacks by unauthorized entities or individuals attempting to gain access to the City's Systems Technology for the purposes of misappropriating assets or information or causing operational disruption and damage. The City has implemented certain controls, including data and network security measures, malware protection, security configuration, website filtering and protection, and user training, to mitigate the risk of cyber security breaches from internal sources or activities. The City has personnel policies in place for the City's computer systems and networks detailing the security of the systems by only designated personnel and password securities in place by user.

DESCRIPTION OF THE SERIES 2025 BONDS

General Description

The Series 2025 Bonds are issuable under the Indenture as fully registered bonds. When issued, the Series 2025 Bonds will be registered in the name of and held by Cede & Co., as nominee for DTC. Purchases of beneficial interests from DTC in the Series 2025 Bonds will be made in book-entry-only form (without certificates) in the denomination of \$5,000 or any integral multiple thereof (see the heading, "**Book-Entry-Only System**" under this caption).

The Series 2025 Bonds will mature in the amounts and on the dates, and bear interest at the rates per annum, set forth on the inside front cover page of this Official Statement. Interest on the Series 2025 Bonds will be payable semiannually on January 1 and July 1 of each year, commencing January 1, 2026*. Interest will be calculated on the basis of a 360-day year consisting of twelve thirty-day months.

* Preliminary, subject to change.

Each Series 2025 Bond will be dated the day of delivery. If any Series 2025 Bond is authenticated on or prior to the day of delivery, it will bear interest from such date. Each Series 2025 Bond authenticated after the day of delivery, will bear interest from the most recent date on which interest was payable (the "**Interest Payment Date**") and has been paid on or prior to the date of authentication of such Series 2025 Bond, unless such Series 2025 Bond is authenticated after the fifteenth day of the calendar month preceding an Interest Payment Date (the "**Record Date**") and on or prior to the next following Interest Payment Date, in which case such Series 2025 Bond will bear interest from such following Interest Payment Date.

So long as DTC or its nominee is the Registered Owner of the Series 2025 Bonds, payments of the principal of, redemption premium, if any, and interest on the Series 2025 Bonds will be made directly by the Trustee by wire transfer of funds to Cede & Co., as nominee for DTC. Disbursement of such payments to the participants of DTC (the "**DTC Participants**") will be the sole responsibility of DTC, and the ultimate disbursement of such payments to the Beneficial Owners, as defined herein, of the Series 2025 Bonds will be the responsibility of the DTC Participants and the Indirect Participants, as defined herein. See the heading, "**Book-Entry-Only System**" under this caption.

If the Series 2025 Bonds are no longer in a book-entry-only system, the principal of the Series 2025 Bonds will be payable upon maturity or redemption at the principal corporate trust office of the Trustee in Biloxi, Mississippi, and interest on the Series 2025 Bonds will be paid by check of the Trustee dated the due date and mailed or delivered on or before the Business Day prior to each Interest Payment Date to the Registered Owners of record as of the close of business on the most recent Record Date or, at the written election of the Registered Owner of \$1,000,000 or more in aggregate principal amount of Series 2025 Bonds delivered to the Trustee at least one Business Day prior to the Record Date for which such election will be effective, by wire transfer to the Registered Owner or by deposit into the account of the Registered Owner if such account is maintained by the Trustee.

Book-Entry-Only System

Unless and until the book-entry-only system has been discontinued, the Series 2025 Bonds will be available only in book-entry form in principal amounts of \$5,000 or any integral multiple thereof. DTC will initially act as securities depository for the Series 2025 Bonds. The Series 2025 Bonds will be initially issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee). One fully-registered Series 2025 Bond will be issued for each maturity of the Series 2025 Bonds and will be deposited with DTC or pursuant to DTC's FAST registration procedures.

The information provided under this caption has been provided by DTC. No representation has been made by the Issuer, the City or the Original Purchasers as to the accuracy or adequacy of such information, or as to the absence of material adverse changes in such information subsequent to the date hereof.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("**Direct Participants**") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of

securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("**DTCC**"). DTCC is the holding company for DTC, the National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("**Indirect Participants**"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Series 2025 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for such Series 2025 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2025 Bond ("**Beneficial Owner**") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2025 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 2025 Bonds, except in the event that use of the book-entry system for the Series 2025 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2025 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2025 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2025 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts the Series 2025 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Series 2025 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2025 Bonds, such as redemptions, tenders, defaults and proposed amendments to the Bond Documents. For example, Beneficial Owners of the Series 2025 Bonds may wish to ascertain that the nominee holding the Series 2025 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Bond Registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2025 Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such Series 2025 Bonds to be redeemed.

Neither DTC nor Cede & Co., (nor any other DTC nominee) will consent or vote with respect to the Series 2025 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an "Omnibus Proxy" to the Trustee as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to

those Direct Participants to whose accounts the Series 2025 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, principal payments and interest payments on the Series 2025 Bonds will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detailed information from the Issuer or the Trustee, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participant and not of DTC, the Trustee, or the Issuer subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, principal payments and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Issuer or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2025 Bonds at any time by giving reasonable notice to the Issuer or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Series 2025 Bond certificates are required to be printed and delivered.

The Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Series 2025 Bond certificates in definitive form will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Issuer, the City and the Original Purchaser believe to be reliable, but neither the Issuer, the City nor the Original Purchaser take any responsibility for the accuracy thereof.

So long as Cede & Co. is the registered holder of the Series 2025 Bonds as nominee of DTC, references herein to the Holders, holders, owners or Registered Owners of the Series 2025 Bonds mean Cede & Co. and not the Beneficial Owners of the Series 2025 Bonds.

THE ISSUER, THE TRUSTEE, THE CITY AND THE UNDERWRITER CANNOT AND DO NOT GIVE ANY ASSURANCES THAT THE DIRECT PARTICIPANTS OR THE INDIRECT PARTICIPANTS WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE SERIES 2025 BONDS (A) PAYMENTS OF PRINCIPAL OF, REDEMPTION PRICE OF OR INTEREST ON THE SERIES 2025 BONDS; (B) CERTIFICATES REPRESENTING AN OWNERSHIP INTEREST OR OTHER CONFIRMATION OF BENEFICIAL OWNERSHIP INTERESTS IN SERIES 2025 BONDS; OR (C) REDEMPTION OR OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS NOMINEE, AS THE REGISTERED OWNERS OF THE SERIES 2025 BONDS, OR THAT THEY WILL DO SO ON A TIMELY BASIS OR THAT DTC OR DIRECT OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT. THE CURRENT "RULES" APPLICABLE TO DTC ARE ON FILE WITH THE SECURITIES AND EXCHANGE COMMISSION AND THE CURRENT "PROCEDURES" OF DTC TO BE FOLLOWED IN DEALING WITH DTC PARTICIPANTS ARE ON FILE WITH DTC.

NEITHER THE ISSUER, THE CITY, THE TRUSTEE NOR THE UNDERWRITER WILL HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO SUCH DTC PARTICIPANTS

OR THE BENEFICIAL OWNERS WITH RESPECT TO (A) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT; (B) THE PAYMENT BY ANY DTC PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT OF, REDEMPTION PRICE OF, OR INTEREST ON THE SERIES 2025 BONDS; (C) THE DELIVERY BY ANY DTC PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE INDENTURE TO BE GIVEN TO BONDHOLDERS; (D) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE SERIES 2025 BONDS; OR (E) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS BONDHOLDER.

Redemption

In accordance with the City Bond Resolution, the Issuer agrees to accept redemption and redeem the Series 2025 Bonds prior to their respective maturities in the following instances:

Optional Redemption*. The Series 2025 Bonds (or any portions thereof in integral multiples of \$5,000 each) maturing on or after July 1, 2036, are subject to redemption in whole or in part, in principal amounts and maturities selected by the Issuer on any date on or after July 1, 2035, at par, plus accrued interest to the date of redemption. Under the Indenture, selection of Series 2025 Bonds to be redeemed within a maturity will be made by lot by the Trustee. In accordance with DTC's standard practices and its agreement with the Issuer, DTC and the DTC Participants will make this selection so long as the Series 2025 Bonds are in book-entry form.

Mandatory Redemption. The Series 2025 Bonds are subject to mandatory sinking fund redemption as follows:

The Series 2025 Bonds maturing July 1, 20__ in the principal amount of \$____,000 are subject to mandatory sinking fund redemption, prior to their scheduled maturity on July 1 of the years listed below at a redemption price of 100% of the principal amount redeemed plus accrued interest to the redemption date from amounts on deposit in the General Account of the General Fund in accordance with the following schedule:

\$____,000 Term Bonds
Maturing July 1, 20__
____%

Year	Principal Amount
20	\$
20	
20	
20*	

* Final Maturity

* Preliminary, subject to change.

In the event less than all of the Series 2025 Bonds are to be redeemed, the principal amount and maturity to be redeemed shall be selected by the Issuer, and the Trustee, in its sole discretion, shall select the Series 2025 Bonds to be redeemed by lot within a selected maturity, provided that Series 2025 Bonds shall be redeemed only in whole multiples of \$5,000.

Notice of Redemption. Notice of the call for any redemption, identifying the Series 2025 Bonds (or any portions thereof in integral multiples of \$5,000 each) to be redeemed (which maturities and principal amounts, including mandatory sinking fund redemption amounts, thereof to be redeemed shall be determined and selected by the Issuer at the direction of the City, subject to any limitations with respect thereto contained in the Act or the Indenture, such notice may be a conditional call), will be given by the Trustee at least thirty (30) days but not more than forty-five (45) days prior to the date fixed for redemption by mailing a copy of the redemption notice by registered or certified mail to the Registered Owner of each Series 2025 Bond to be redeemed at the address shown on the registration records and may be conditioned upon receipt of sufficient funds to redeem the Series 2025 Bonds called for redemption on the redemption date. Failure to mail such notice to any particular owner of Series 2025 Bonds, or any defect in the notice mailed to any such owner of Series 2025 Bonds, will not affect the validity of the call for the redemption of any other Series 2025 Bonds. So long as DTC or its nominee is the Registered Owner of the Series 2025 Bonds, notice of the call for any redemption will be given to DTC, and not directly to Beneficial Owners. No notice of redemption shall be required to be given in connection with mandatory sinking fund redemptions of the Series 2025 Bonds.

Redemption Payments. The Trustee will apply funds deposited with the Trustee by the Issuer or the City in an amount sufficient to pay the Redemption Price of the Series 2025 Bonds, or portions thereof called, together with accrued interest thereon to the redemption date. After the redemption date, if proper notice of redemption by mailing has been given and sufficient funds have been deposited with the Trustee, interest will cease to accrue on the Series 2025 Bonds that have been called.

APPLICATION OF THE PROCEEDS OF THE SERIES 2025 BONDS

The proceeds of sale of the Series 2025 Bonds which is equal to \$____,000 will be applied as follows:

Sources of Funds	
Series 2025 Bond Proceeds	\$
Original Issue Premium	\$
Total Sources of Funds	\$
Uses of Funds	
Deposit to General Fund, Purchase Account for Purchase of the City Bond	\$
Deposit to the General Fund, Bond Issuance Expense Account	
Total Uses of Funds	\$

THE MISSISSIPPI DEVELOPMENT BANK

General

The Issuer was created in 1986 and is organized and existing under and by virtue of the Issuer Act as a separate body corporate and politic for the public purposes set forth in the Issuer Act. The Issuer is

not an agency of the State, is separate from the State in its corporate and sovereign capacity and has no taxing power.

The Issuer is granted under the Issuer Act the power to borrow money and issue its bonds in such principal amounts as it shall deem necessary to provide funds to accomplish a public purpose or purposes of the State provided for under the Issuer Act, including purchasing bonds, notes or evidences of indebtedness, such as the City Bond, from local governmental units, such as the City.

Organization and Membership of the Issuer

The Issuer is governed by a nine-member Board of Directors. The members of the Board of Directors are elected by the members of the Mississippi Business Finance Corporation ("**MBFC**") at the time and place fixed by MBFC's bylaws. Appointments are for terms of one year. The members of the Board of Directors are as follows:

NAME	OCCUPATION	TERM*
Michael Boerner	Architect	08/01/24 – 07/31/25
Carolyn Boteler	Owner, TempStaff	08/01/24 – 07/31/25
Noel Daniels	Owner, Noel Daniels Motor Company	08/01/24 – 07/31/25
Merle Flowers	Real Estate	08/01/24 – 07/31/25
William L. Freeman, Jr.	Retired Bank President	08/01/24 – 07/31/25
Bobby James	Operations Manager, Atmos Energy	08/01/24 – 07/31/25
Colby Rogers	Director of Marketing and Recruiting, Forman Watkins & Krutz	08/01/24 – 07/31/25
William D. Sones	Bank Chairman	08/01/24 – 07/31/25
Mark Wiggins	Retired Business Owner	08/01/24 – 07/31/25

* Members of the Board of Directors of the Issuer serve until reappointed or new directors are appointed and approved.

The operations of the Issuer are administered by Larry W. Mobley, EDFP, Executive Director and Treasurer. Mr. Mobley is a graduate of California State University, Chico, California with a Bachelor of Science in Industrial Engineering Technology and the University of Southern Mississippi, Hattiesburg, Mississippi with a Master of Science in Business and Economic Development.

Prior Bonds of Issuer

The purpose of the Bank is to foster and promote, in accordance with the Bank Act, the provision of adequate markets and facilities for the borrowing of funds for public purposes by any Local Governmental Units. As of June 1, 2025, the Bank has previously issued bonds for various purposes totaling in principal approximately \$10,593,361,402.00. Of such amount, approximately \$2,995,652,213.95 was outstanding as of June 1, 2025.

The full faith and credit and taxing power of the State and the Issuer are not pledged to the payment of the principal of, premium, if any, and interest on any of the bonds issued or planned for issuance by the Issuer; and all such bonds are not a debt, liability, loan of the credit or pledge of the full faith and credit and taxing power of the State or the Issuer.

The Issuer is presently considering the issuance under the Issuer Act of additional special obligation bonds for other purposes authorized under the Issuer Act.

REVENUES, FUNDS AND ACCOUNTS

Creation of Funds and Accounts

The Indenture establishes the following special Funds and Accounts to be held by the Trustee:

1. General Fund - comprised of the following:

- (a) General Account
- (b) Purchase Account
- (c) Redemption Account
- (d) Bond Issuance Expense Account

2. Rebate Fund

Deposit of Net Proceeds of the Series 2025 Bonds, Revenues and Other Receipts

The Trustee will deposit the net proceeds from the sale of the Series 2025 Bonds as follows:

(a) To the Bond Issuance Expense Account of the General Fund, the amount of \$_____ to pay a portion of the costs of issuance of the Series 2025 Bonds and the City Bond; and

(b) To the Purchase Account of the General Fund, the sum of \$____,000 to be used to purchase the City Bond,

The Trustee will deposit Revenues and other receipts (except the proceeds of the Series 2025 Bonds, interest earnings on any amounts in the Rebate Fund, and moneys received by the Issuer from the sale or redemption prior to maturity of the City Bond) into the General Account of the General Fund based on the amount due under the City Bond Resolution for the City Bond, and will deposit any moneys received from the sale or redemption prior to maturity of City Bond in to the Redemption Account of the General Fund.

OPERATION OF FUNDS AND ACCOUNTS

General Fund

The Trustee will disburse the amounts held in the General Account for the following purposes, and, in the event of insufficient funds to make all of such required disbursements, in the following order of priority:

(a) On or before four (4) Business Days prior to each Interest Payment Date, to the Registered Owners such amount (including Investment Securities held by the Trustee maturing or callable on or before the Interest Payment Date) as shall be necessary to pay the principal and interest coming due on the Series 2025 Bonds on such Interest Payment Date.

(b) As necessary and in accordance with the Indenture, such amounts as may be necessary to pay any Program Expenses of the Issuer for the Series 2025 Bonds.

(c) The amounts to be transferred to the Rebate Fund as provided in the Arbitrage Rebate Agreement and Section 6.09 of the Indenture.

(d) After making all required payments under subparagraphs (a) through (c) above, the Trustee shall make a determination of the amounts reasonably expected to be received in the form of City Bond Payments in the succeeding twelve (12) months and shall transfer all monies in the General Account, which, together with such expected receipts for the succeeding 12 months are in excess of the amounts needed to pay principal and interest on the Series 2025 Bonds within the immediately succeeding twelve month period, to the City at the request of the City with the prior written approval of the Issuer.

Bond Issuance Expense Account. Upon receipt of invoices or requisitions acceptable to the Trustee, the Trustee will disburse the amounts held in the Bond Issuance Expense Account for the payment or reimbursement of the costs related to the authorization, sale, validation and issuance of the Series 2025 Bonds and the purchase and validation of the City Bond, which items of expense shall include, but not be limited to, printing costs, costs of reproducing documents, filing and recording fees, initial fees and charges of the Trustee, legal fees and charges, professional consultants' fees, municipal advisory fees and expenses, costs of credit ratings, fees and charges for execution, transportation and safekeeping of the Series 2025 Bonds, credit enhancements or liquidity facility fees, and other costs, charges and fees in connection with the foregoing. On the date which is sixty (60) days after the date of issuance of the Series 2025 Bonds, any amounts remaining in the Bond Issuance Expense Account will be transferred to the General Account.

Purchase Account. Upon submission of duly authorized written requisitions of an authorized officer of the Issuer stating that all requirements for purchases under the Act and the Indenture have been or will be met, the Trustee will disburse the amounts held in the Purchase Account for the purchase of the City Bond with said moneys to be applied to the issuance of the Series 2025 Bonds as more fully described under the heading "Deposit of Net Proceeds of the Series 2025 Bonds, Revenues and Other Receipts".

Redemption Account. The Trustee will deposit in the Redemption Account all moneys received upon the sale or redemption prior to maturity of the City Bond and will disburse the funds in the Redemption Account to redeem Series 2025 Bonds of such maturity or maturities as directed by an Authorized Officer if such Series 2025 Bonds are then subject to redemption.

Rebate Fund

Upon the direction of the Issuer and in accordance with the arbitrage rebate agreement or similar document regarding the expenditures and investments of the proceeds of the Series 2025 Bonds provided by the Issuer under the Indenture (the "**Arbitrage Rebate Agreement**"), the Trustee will deposit amounts for the benefit of the Issuer from the General Account in the General Fund into the Rebate Fund and will deposit into the Rebate Fund all income from investments in the Rebate Fund. In the event and to the extent that amounts in the Rebate Fund exceed the amounts required to be rebated to the United States of America, the Trustee will transfer such excess amounts to the General Account in the General Fund upon the direction of the Issuer in accordance with the Arbitrage Rebate Agreement.

Not later than sixty (60) days after five years following the date of delivery of the Series 2025 Bonds, and at intervals of every five years thereafter, the Trustee shall, upon the written request of the

Issuer in accordance with the Arbitrage Rebate Agreement, pay to the United States of America one hundred percent (100%) of the amount required to be paid to the United States of America as of such payment date. Not later than sixty (60) days following the retirement of all of the Series 2025 Bonds, upon the written request of the Issuer the Trustee will pay to the United States of America one hundred percent (100%) the amount to be paid to the United States of America. Each payment to the United States of America will be accompanied by a statement of the Issuer summarizing the determination of the amount of such payment, together with copies of any reports originally filed with the Internal Revenue Service with respect to the Series 2025 Bonds.

With respect to the Rebate Fund, the Issuer may direct the Trustee to proceed other than as set forth in the Indenture and described above by delivering to the Trustee a new Arbitrage Rebate Agreement accompanied by an Opinion of Bond Counsel to the effect that compliance with such memorandum will not adversely affect the excludability from gross income for federal income tax purposes of the interest on the Series 2025 Bonds.

Amounts Remaining in Funds

Any amounts remaining in any Fund or Account after full payment of all of the Series 2025 Bonds and the fees, charges (including any required rebate to the United States of America) and expenses of the Trustee and all other amounts due and owing hereunder will be distributed to the City, except as required by the Indenture regarding payment to holders of non-presented Series 2025 Bonds.

Investment of Funds

Any moneys held as part of any Fund or Account created under or pursuant to the Indenture and the Rebate Fund shall be invested or reinvested by the Trustee as continuously as reasonably possible in such Investment Securities as may be directed in writing by the Issuer. All such investments shall at all times be a part of the Fund or Account in which the moneys used to acquire such investments had been deposited and, except as provided in the Indenture, all income and profits on such investments, other than from moneys on deposit in the Rebate Fund or any Account created thereunder, shall be deposited as received in the General Account. The Trustee may make any and all such investments through its bond department or through the bond department of any financial institution which is an affiliate of the Trustee and may trade with itself or any of its affiliates in doing so. Moneys in separate Funds and Accounts may not be commingled for the purpose of investment or deposit. The Trustee and the Issuer agree that all investments, and all instructions of the Issuer to the Trustee with respect thereto shall be made in accordance with prudent investment standards reasonably expected to produce the greatest investment yields while seeking to preserve principal without causing any of the Series 2025 Bonds to be arbitrage bonds as defined in Section 148 of the Code. Any investment losses shall be charged to the Fund or Account in which moneys used to purchase such investment had been deposited. For so long as the Trustee is in compliance with the provisions of Section 8.01 of the Indenture, the Trustee shall not be liable for any investment losses. Moneys in any Fund or Account shall be invested in Investment Securities with a maturity date, or a redemption date which shall coincide as nearly as practicable with times at which moneys in such Funds or Accounts will be required for the purposes thereof. The Trustee shall sell and reduce to cash a sufficient amount of such investments in the respective Fund or Account whenever the cash balance therein is insufficient to pay the amounts contemplated to be paid therefrom at the time those amounts are to be paid. All investment income from the assets held in any Fund or Account, except for the Rebate Fund and any Accounts created thereunder, will be added to the General Account.

The Issuer has certified in the Indenture to the owners of the Series 2025 Bonds from time to time Outstanding that moneys on deposit in any Fund or Account in connection with the Series 2025 Bonds,

whether or not such moneys were derived from the proceeds of the sale of the Series 2025 Bonds or from any other sources, are not intended to be used in a manner which will cause the interest on the Series 2025 Bonds to lose the exclusion from gross income for federal income tax purposes.

THE SERIES 2025 BONDS AS LEGAL INVESTMENTS

The Series 2025 Bonds shall be legal investments in which all public officers and public bodies of this State, its political subdivisions, all municipalities and municipal subdivisions, all insurance companies and associations, trust companies, savings banks and savings associations, investment companies and other persons carrying on a banking business, all administrators, guardians, executors, trustees and other fiduciaries, and all other persons whatsoever who are now or may hereafter be authorized to invest funds, including capital, in their control or belonging to them. The Series 2025 Bonds are also hereby made securities which may properly and legally be deposited with and received by all public officers and bodies of the State or any agency or political subdivisions of the state and all municipalities and public corporations for any purpose for which the deposit of bonds or other obligations of the State is now or may hereafter be authorized by law.

LITIGATION

There is not now pending or, to the Issuer's knowledge, threatened any litigation restraining or enjoining the issuance, sale, execution or delivery of the Series 2025 Bonds or prohibiting the Issuer from purchasing the City Bond with the proceeds of such Series 2025 Bonds or in any way contesting or affecting the validity of the Series 2025 Bonds, any proceedings of the Issuer taken with respect to the sale or issuance thereof or the pledge or application of any moneys or security provided for the payment of the Series 2025 Bonds. Neither the creation, organization nor existence of the Issuer nor the title of any of the present Directors nor other officers of the Issuer to their respective offices is being contested.

There is not now pending or, to the knowledge of the City, threatened any litigation restraining or enjoining the sale, issuance, execution or delivery of the City Bond or prohibiting the City from selling the City Bond to the Issuer or in any way contesting or affecting the validity of the City Bond, any proceedings of the City taken with respect to the sale or issuance thereof or the pledge or application of any moneys or security provided for the payment of the City Bond.

TAX MATTERS

General

In the opinion of Butler Snow LLP, Ridgeland, Mississippi, interest on the Series 2025 Bonds is excludable from gross income for federal income tax purposes, pursuant to Section 103 of the Code and is not a specific preference item for purposes of the federal alternative minimum tax; however such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Code) for purposes of computing the alternate minimum tax imposed on such corporations. The opinion of Bond Counsel is based on certain certifications, covenants and representations of the Issuer and the City and is conditioned on continuing compliance therewith.

In the opinion of Bond Counsel, interest on the Series 2025 Bonds is exempt from all income taxation in the State of Mississippi under existing laws, regulations, rulings and judicial decisions. The opinion addresses only the exemption of interest on the Series 2025 Bonds under the income tax laws of the State of Mississippi and does not address the tax treatment of the Series 2025 Bonds in any other state or jurisdiction.

The Code imposes certain requirements which must be met subsequent to the issuance of the Series 2025 Bonds as a condition to the excludability from gross income of interest on the Series 2025 Bonds for federal tax purposes. Non-compliance with such requirements by the Issuer or the City may cause interest on the Series 2025 Bonds to be includable in gross income for federal income tax purposes retroactive to their date of issue irrespective of the date on which such noncompliance occurs. Should the Series 2025 Bonds bear interest that is not excludable from gross income for federal income tax purposes, the market value of the Series 2025 Bonds would be materially and adversely affected.

The Indenture and the City Bond Resolution include covenants that (a) the Issuer and the City will not take or fail to take any action with respect to the Series 2025 Bonds if such action or omission would result in the loss of the excludability from gross income for federal income tax purposes of interest on the Series 2025 Bonds, under Section 103 of the Code, and neither the Issuer nor the City will act in any manner which would adversely affect such excludability; (b) the Issuer and the City will not make any investment or do any other act or thing during the period that the Series 2025 Bonds are Outstanding which would cause the Series 2025 Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code; and (c) if required by the Code, the Issuer and the City will rebate any necessary amounts to the United States of America. It is not an "event of default" under the Indenture if interest on the Series 2025 Bonds is not excludable from gross income for federal tax purposes or otherwise pursuant to any provision of the Code.

Although Bond Counsel has rendered an opinion that interest on the Series 2025 Bonds is excludable from federal gross income and that the Series 2025 Bonds are exempt from all State of Mississippi income tax, the accrual or receipt of interest on the Series 2025 Bonds may otherwise affect a bondholder's federal income tax, Mississippi or other state tax liability. The nature and extent of these other tax consequences will depend upon the bondholder's particular tax status and a bondholder's other items of income or deduction. Taxpayers who may be affected by such other tax consequences include, without limitation, financial institutions, certain insurance companies, S corporations, certain foreign corporations, individual recipients of Social Security or railroad retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry the Series 2025 Bonds. Bond Counsel expresses no opinion regarding any other such federal or state tax consequences. Prospective purchasers of the Series 2025 Bonds should consult their own tax advisors with regard to the other tax consequences of owning the Series 2025 Bonds.

Original Issue Premium Bonds

The Series 2025 Bonds that have an original yield below their respective interest rates, as shown on the inside cover of this Official Statement (collectively, the "**Premium Bonds**"), are being sold at a premium. An amount equal to the excess of the issue price of a Premium Bond over its stated redemption price at maturity constitutes premium on such Premium Bond. A purchaser of a Premium Bond must amortize any premium over such Premium Bond's term using constant yield principles, based on the purchaser's yield to maturity (or, in the case of Premium Bonds callable prior to their maturity, generally by amortizing the premium to the call date, based on the purchaser's yield to the call date and giving effect to any call premium). As premium is amortized, the amount of the amortization offsets a corresponding amount of interest for the period, and the purchaser's basis in such Premium Bond is reduced by a corresponding amount resulting in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes upon a sale or disposition of such Premium Bond prior to its maturity. Even though the purchaser's basis may be reduced, no federal income tax deduction is allowed. Purchasers of the Premium Bonds should consult their tax advisors with respect to the determination and treatment of premium for federal income tax purposes and with respect to the state and local tax consequences of owning a Premium Bond.

Original Issue Discount Bonds

The Series 2025 Bonds that have an original yield above their respective interest rates, as shown on the inside cover of this Official Statement (collectively, the "**Discount Bonds**"), are being sold at an original issue discount. The difference between the initial public offering prices of such Discount Bonds and their stated amounts to be paid at maturity constitutes original issue discount treated in the same manner for federal income tax purposes as interest, as described above.

The amount of original issue discount that is treated as having accrued with respect to a Discount Bond or is otherwise required to be recognized in gross income is added to the cost basis of the owner of the bond in determining, for federal income tax purposes, gain or loss upon disposition of such Discount Bond (including its sale, redemption or payment at maturity). Amounts received on disposition of such Discount Bond that are attributable to accrued or otherwise recognized original issue discount will be treated as federally tax-exempt interest, rather than as taxable gain, for federal income tax purposes.

Original issue discount is treated as compounding semiannually, at a rate determined by reference to the yield to maturity of each individual Discount Bond, on days that are determined by reference to the maturity date of such Discount Bond. The amount treated as original issue discount on such Discount Bond for a particular semiannual accrual period is equal to (a) the product of (i) the yield to maturity for such Discount Bond (determined by compounding at the close of each accrual period) and (ii) the amount that would have been the tax basis of such Discount Bond at the beginning of the particular accrual period if held by the original purchaser, less (b) the amount of any interest payable for such Discount Bond during the accrual period. The tax basis for purposes of the preceding sentence is determined by adding to the initial public offering price on such Discount Bond the sum of the amounts that have been treated as original issue discount for such purposes during all prior periods. If such Discount Bond is sold between semiannual compounding dates, original issue discount that would have been accrued for that semiannual compounding period for federal income tax purposes is to be apportioned in equal amounts among the days in such compounding period.

Owners of Discount Bonds should consult their tax advisors with respect to the determination and treatment of original issue discount accrued as of any date, with respect to when such original issue discount must be recognized as an item of gross income and with respect to the state and local tax consequences of owning a Discount Bond. Subsequent purchasers of Discount Bonds that purchase such Discount Bonds for a price that is higher or lower than the "adjusted issue price" of the Discount Bonds at the time of purchase should consult their tax advisors as to the effect on the accrual of original issue discount.

Backup Withholding

As a result of the enactment of the Tax Increase Prevention and Reconciliation Act of 2005, interest on federally tax-exempt obligations such as the Series 2025 Bonds is subject to information reporting in a manner similar to interest paid on taxable obligations. Backup withholding may be imposed on payments to any owner of the Series 2025 Bonds that fail to provide certain required information including an accurate taxpayer identification number to any person required to collect such information pursuant to Section 6049 of the Code. The reporting requirement does not in and of itself affect or alter the excludability of interest on the Series 2025 Bonds from gross income for federal income tax purposes or any other federal tax consequence of purchasing, holding or selling federally tax-exempt obligations.

Changes in Federal and State Tax Law

From time to time, there are legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to under this heading "TAX MATTERS" or adversely affect the market value of the Series 2025 Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value of the Series 2025 Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Series 2025 Bonds or the market value thereof would be impacted thereby. Purchasers of the Series 2025 Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based on existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Series 2025 Bonds, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any pending legislation, regulatory initiatives or litigation.

PROSPECTIVE PURCHASERS OF THE SERIES 2025 BONDS ARE ADVISED TO CONSULT THEIR OWN TAX ADVISORS PRIOR TO ANY PURCHASE OF THE SERIES 2025 BONDS AS TO THE IMPACT OF THE CODE UPON THEIR ACQUISITION, HOLDING OR DISPOSITION OF THE SERIES 2025 BONDS.

LEGAL MATTERS

Certain legal matters incident to the authorization and issuance of the Series 2025 Bonds by the Issuer are subject to the approval of Bond Counsel whose approving opinion will be delivered concurrently with the delivery of Series 2025 Bonds. Certain legal matters will be passed upon for the Issuer by its counsel, Balch & Bingham LLP, Jackson, Mississippi and for the City by its counsel, Ben Logan, Esquire, Tupelo, Mississippi.

Butler Snow LLP, Ridgeland, Mississippi, is also serving as bond counsel for the City in connection with the issuance and sale of the City Bond.

The remedies available to the Trustee, to the Issuer or to the owners of the Series 2025 Bonds upon an Event of Default under the Indenture or under the terms of the City Bond purchased by the Issuer are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, including specifically the Bankruptcy Code, the remedies provided in the Indenture and under the City Bond may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Series 2025 Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally (regardless of whether such enforceability is considered in a proceeding in equity or in law), by general principles of equity (regardless of whether such proceeding is considered in a proceeding in equity or at law) and by the valid exercise of the constitutional powers of the State and the United States of America.

RATING

Moody's Investors Services, Inc. ("**Moody's**") has assigned an underlying rating of "Aa2" to the Series 2025 Bonds. Information on the rating may be obtained from the Executive Director of the Issuer or the City Clerk of the City. Such rating reflects only the view of such organization, and an explanation

of the significance of the rating may be obtained only from said rating agency. The rating may be changed, suspended or withdrawn as a result of changes in, or unavailability of, information. Any downward revision, suspension or withdrawal of such rating may have an adverse effect on the market price of the Series 2025 Bonds.

PENSION PLAN

The City has no pension plan or retirement plan for employees. City employees are members of and contribute to the Mississippi Public Employees' Retirement System (PERS), a cost-sharing, multiple employer retirement system administered by the State for the benefit of its local governments and State personnel. Benefit provisions are established by State statute and may be amended from time to time only by the State Legislature.

In June 2012, the Government Accounting Standards Board issued Statement No. 68, Accounting and Financial Reporting for Pensions ("**GASB-68**"). The objective of GASB-68 is to improve accounting and financial reporting of government pensions. Also, GASB-68 improves information provided by government employers about financial support for pensions that is provided by other entities. Requirements of GASB-68 are effective for financial statements whose fiscal year begins after June 15, 2014 (Fiscal Year 2015 for the City).

PERS members are required to contribute 9.00% of their annual covered salary, and the City is required to contribute at an actuarially determined rate. The rate at September 30, 2018 was 15.75% of annual covered payroll. On June 26, 2018, the PERS Board of Trustees voted to increase the employer contribution rate from 15.75 to 17.40 percent, effective July 1, 2019. On August 22, 2023, the PERS Board of Trustees voted to phase in an employer contribution rate increase by 2% each State fiscal year beginning July 1, 2024, and thereafter until the rate reaches the amount recommended by the PERS actuary and approved by the Board of Trustees, which is currently estimated to be 27.40%. During the 2024 legislative session, the State Legislature passed Senate Bill 3231 which rescinded this increase and gives the State Legislature sole authority to approve any future rate increases, stripping away that power from the Board of Trustees. Senate Bill 3231 provides for a 0.5% increase in the employer's contribution rate annually on July 1 of each year from 2024 through 2028. It also states that the State Legislature is committed to maintaining current benefits for retirees and current PERS members and expresses an intent to create a new PERS tier for future members with a different payment and benefits structure. The City contributions (employer share only) to PERS for the years ending September 30, 2024, 2023 and 2022 were \$3,584,056, \$3,381,778 and \$3,239,937, respectively, which equaled the required contributions for each year.

As of September 30, 2024, the City reported a liability of \$68,559,718 for its proportionate share of the net pension liability. See Page 61 in the City's 2024 Audited Financial Statements included in "APPENDIX B - FINANCIAL INFORMATION OF THE CITY."

POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

Effective with the fiscal year ended September 30, 2018 audit, the City will be required to apply GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pension* ("**GASB 75**"), to its audited financial statements. GASB 75 changes accounting and financial reporting for OPEB. Fund level statements, including the General Fund statements, will not be impacted by the GASB 75 reporting.

INDEPENDENT AUDITORS

The audited financial statements of the City for the year ended September 30, 2024, included in this Official Statement as APPENDIX B, have been audited by Jarrell Group, PLLC Certified Public Accountants, Tupelo, Mississippi ("**JG**"), as stated in the report appearing therein (the "**audit report**").

The City has not requested and will not obtain a consent letter from its auditor for the inclusion of the audit report in this Official Statement. JG, the City's independent auditor, has not been engaged to perform, and has not performed, since the date of its report included, herein, any procedures on the financial statements addressed in that report. JG, also has not performed any procedures relating to this Official Statement.

CONTINUING DISCLOSURE

The City will execute a continuing disclosure agreement (the "**Disclosure Certificate**") at the time of the closing for the Bonds. The Disclosure Certificate will be executed for the benefit of the beneficial owners of the Bonds and the City has covenanted in the Bond Resolution to comply with its terms. The Disclosure Certificate will provide that so long as the Bonds remain outstanding, the City will provide the following information to the Municipal Securities Rulemaking Board, acting through its Electronic Municipal Market Access ("**EMMA**") system: (i) annually, certain financial information and operating data, as described in the Disclosure Certificate; and (ii) timely notice of the occurrence of certain listed events; all as specified in the Disclosure Certificate. The form of the Disclosure Certificate is attached hereto as APPENDIX F.

The City has previously entered into continuing disclosure undertakings with respect to bonds it has issued or for which it is the "obligated person" within the meaning of Securities and Exchange Commission Rule 15c2-12(b)(5) (the "**Rule**"). The City has reviewed the last five years of filings and continuing disclosure undertakings with respect to any outstanding bonds within the meaning of the Rule.

Without a determination as to materiality, there may have been instances in which some tables included in the City's prior continuing disclosure undertakings were not included in every filing on EMMA. In addition, some of the past filings required of the City may not have been filed under all outstanding CUSIPs and may have been misfiled under the wrong CUSIP or under the wrong heading within the CUSIP.

The City adopted policies and procedures on November 4, 2014 (the "**Policy**") to ensure timely filing of its Annual Report, together with any required Accompanying Information. The City has hired a dissemination agent to file the City's required Annual Report, together with any required Accompanying Information.

For a summary of the City's undertaking, see **APPENDIX F - FORM OF CONTINUING DISCLOSURE CERTIFICATE** attached hereto.

MUNICIPAL ADVISOR

The Issuer has retained the firm of Government Consultants, Inc. as Municipal Advisor to the Issuer in connection with the issuance of the Series 2025 Bonds. In such capacity the Municipal Advisor has provided recommendations and other financial guidance to the Issuer and the City with respect to the preparation of documents, the preparation for the sale of the Series 2025 Bonds and the time of the sale, market conditions and other factors related to the sale of the Series 2025 Bonds.

Although the Municipal Advisor performed an active role in the drafting of this Official Statement, it has not independently verified any of the information set forth herein. The information contained in this Official Statement has been obtained primarily from the Issuer and the City's records and from other sources which are believed to be reliable, including financial records of the City and other entities, which records may be subject to interpretation. No guarantee is made as to the accuracy or completeness of any information obtained from sources other than the Issuer and the City. Any summaries or excerpts of statutes, ordinances, resolutions or other documents do not purport to be complete statements of the same and reference is made to such original sources in all respects.

UNDERWRITING

The Series 2025 Bonds are being purchased by Raymond James & Associates, Inc. (the "**Underwriter**"). The Underwriter has agreed, subject to certain conditions, to purchase all of the Series 2025 Bonds from the Issuer at a purchase price of \$_____, which is equal to the principal amount thereof plus an original issue premium of \$_____ and minus the Underwriter's discount of \$_____. The Underwriter is obligated to purchase all the Series 2025 Bonds, if any are purchased, the obligation to make such purchases being subject to certain terms and conditions set forth in the Bond Purchase Agreement with respect to the Series 2025 Bonds, the approval of certain legal matters by counsel and certain other conditions.

VALIDATION

The Series 2025 Bonds were validated before the Chancery Court of the First Judicial District of Hinds County, Mississippi, as provided by Sections 31-13-1 to 31-13-11, Mississippi Code of 1972, as amended. Prior to issuance, the City Bond was validated before the Chancery Court of Lee County, Mississippi, as provided by Sections 31-13-1 to 31-13-11, Mississippi Code of 1972, as amended.

MISCELLANEOUS

The Issuer's offices are located at 735 Riverside Drive, Suite 300, Jackson, Mississippi 39202, telephone (601) 355-6232.

All quotations from, and summaries and explanations of, the Act, the Indenture and the City Bond Resolution contained in this Official Statement do not purport to be complete, and reference is made to each such document or instrument for full and complete statements of its provisions. The attached APPENDICES are an integral part of this Official Statement and must be read together with all of the foregoing statements. Copies in reasonable quantity of the Act, the Indenture, the City Bond Resolution and the supplemental materials furnished to the Issuer by the City may be obtained upon written request to the Issuer.

Neither any advertisement of the Series 2025 Bonds nor this Official Statement is to be construed as constituting an agreement with the purchasers of the Series 2025 Bonds. So far as any statements are made in this Official Statement involving matters of opinion, whether or not expressly so stated, they are intended merely as such and not as representations of fact.

This Official Statement has been duly approved, executed and delivered by the Issuer. The Issuer will provide copies of this Official Statement to be distributed to the purchasers of the Series 2025 Bonds.

MISSISSIPPI DEVELOPMENT BANK

By: _____
Executive Director

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APPENDIX A
INFORMATION ON THE CITY

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**ECONOMIC AND DEMOGRAPHIC INFORMATION
CITY OF TUPELO, MISSISSIPPI
FISCAL YEAR 2024**

General Description

The City of Tupelo (the "**City**"), the county seat of Lee County, Mississippi (the "**County**"), was incorporated on July 20, 1870, and occupies an area of approximately 23 square miles in the central section of the County in the prairie soil area of the northeastern portion of the State of Mississippi (the "**State**"). The City lies 104 miles southeast of Memphis, Tennessee, 142 miles northwest of Birmingham, Alabama, 170 miles northeast of Jackson, the capital city of the State, 274 miles northwest of Mobile, Alabama, and 340 miles northeast of New Orleans, Louisiana.

Population

The population of the City has been recorded as follows:

1990	2000	2010	2020	2023 Estimate
30,985	34,211	34,546	37,923	37,675

SOURCE: Census data at website: www.census.gov; June 2025.

Government

The City, which operates under the Mayor-City Council form of government, is divided into seven wards or voting precincts, with one City Council member elected from each ward, and the Mayor and two additional City Council members elected from the City at large. The Mayor and City Council members are elected for concurrent four-year terms, set to expire next in July 2029. The current Mayor and members of the City Council are as follows:

Name	Position	Position Held Since
Todd Jordan	Mayor	July 2021
Chad Mims	Ward 1 Council Member	July 2021
Lynn Bryan	Ward 2 Council Member	July 2013
Travis Beard	Ward 3 Council Member	July 2014
Nettie Y. Davis	Ward 4 Council Member	July 2001
Bentley Nolan	Ward 5 Council Member	July 2025
Janet Gaston	Ward 6 Council Member	July 2021
Rosie Jones	Ward 7 Council Member	July 2021

Transportation

The City is served by U.S. Highway 45, running north and south through the eastern portion of the City, which connects the City to Columbus, Mississippi, Meridian, Mississippi, and Mobile, Alabama to the south and Corinth, Mississippi and western Tennessee to the north. U.S. Highway 78, running northwest and southeast through the northern portion of the City, connects the City with Memphis, Tennessee and Birmingham, Alabama. State Highway 6 connects the City with Oxford, Mississippi, the site of the University of Mississippi, and Interstate Highway 55 to the West.

The Burlington Northern Santa Fe Railroad Company, running northwest and southeast through the center of the City, connects the City with Memphis, Tennessee and Birmingham, Alabama. The Kansas City Southern Railroad Company runs north and south through the center of the City and connects the City to Meridian, Mississippi to the south and Corinth, Mississippi to the north.

Tupelo Regional Airport (C.D. Lemons Field) is a federally certified, fully instrumental; all-weather commercial service airport located three miles west of the center of the City. The municipal airport provides a full range of general aviation flight and aircraft services. The airport also serves as a base for a major Army National Guard Aviation Company, which employs several hundred personnel.

The City is located 18 miles from the Port of Fulton on the Tennessee-Tombigbee Waterway (the "**Waterway**"). The Waterway was constructed at a cost of \$1.4 billion to connect the Tombigbee River with the Tennessee River, reducing the water distance from the Gulf of Mexico to many inland ports by as much as 819 miles. The Waterway provides low cost water transportation to much of northeast Mississippi.

Approximately twenty motor freight carriers have terminal facilities in the City. Convenient parcel delivery service is provided to residents of the area by six commercial carriers. Parcels may also be shipped on the bus lines serving the City, and local taxi companies provide additional local delivery services.

Per Capita Income

The following represents per capita income annually for the County, for State of Mississippi, and for the United States of America:

Year	County	Mississippi	United States	County as % Of U.S.
2023	54,255	49,652	69,810	78%
2022	52,029	47,134	66,244	79%
2021	52,704	46,869	64,460	82%
2020	47,105	42,448	59,123	80%
2019	44,112	39,143	55,566	79%

SOURCE: Bureau of Economic Analysis, *Regional Economic Accounts – Per Capita Personal Income*, (data last updated November 14, 2024). June 2025.

Retail Sales for the City

State Fiscal Year Ended June 30	Amount
2024	\$2,189,453,074
2023	2,181,384,115
2022	2,119,559,837
2021	2,076,409,480
2020	1,811,415,732

SOURCE: Annual Reports for years indicated, Mississippi Department of Revenue's website: www.dor.ms.gov; information available as of June 2025.

Major Employers

The following is a listing of the City's major employers, their products or services and their approximate number of employees:

Employer	Employees	Product/Service
North Mississippi Health Services	7,100	Healthcare
Cooper Tire & Rubber Company	1,720	Manufacturing
Tupelo Public School District	1,200	Education
MTD Products	1,050	Manufacturing
JESCO, Inc.	1,000	Construction
Lee County School District	1,000	Education
BancorpSouth, Inc.	800	Financial Services

SOURCE: Community Development Corporation website www.cdfms.org, information available as of June 2025.

Banking Institutions

Institutions	Total Assets
Regions Bank ⁷	\$156,385,000,000
Cadence Bank ⁸	49,204,933,000
Trustmark National Bank ⁹	18,478,007,000
Renasant Bank ¹⁰	17,961,003,000
Community Bank of Mississippi ¹¹	4,883,695,000
BankPlus ¹²	7,931,820,000
FNB Oxford Bank ¹³	797,208,000

SOURCE: Federal Deposit Insurance Corporation BankFind database at www.fdic.gov. All assets are stated as of September 30, 2024; June 2025.

⁷ Headquarters located in Birmingham, Alabama.

⁸ Headquartered in Tupelo, Mississippi. Formerly known as BancorpSouth Bank.

⁹ Headquarters located in Jackson, Mississippi.

¹⁰ Headquarters located in Tupelo, Mississippi.

¹¹ Headquarters located in Forrest, Mississippi.

¹² Headquarters located in Belzoni, Mississippi.

¹³ Headquarters located in Oxford, Mississippi.

Unemployment Statistics of the County

Year	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Annual Averages
2020	4.5	4.3	6.2	22.0	13.4	11.1	9.7	6.7	6.8	5.7	5.5	5.4	8.4
2021	5.9	5.5	5.8	4.8	5.0	5.8	5.1	4.8	4.0	3.5	3.0	2.9	4.7
2022	3.9	3.4	2.9	2.8	3.1	4.0	3.9	3.6	3.3	3.1	2.9	3.0	3.3
2023	3.2	2.8	2.6	2.3	2.8	3.6	3.5	3.2	2.7	2.4	2.1	2.2	2.8
2024	2.8	2.4	2.2	1.7	2.5	3.5	3.4	3.2	3.0	3.1	3.0	3.1	2.8
2025	3.3	3.7	3.6										3.5

SOURCE: Mississippi Department of Employment Security: Labor Market Data at website: www.mdes.ms.gov; information available as of June 2025.

Employment Statistics of the County

	2019	2020	2021	2022	2023
RESIDENCE BASED EMPLOYMENT					
I. Civilian Labor Force	41,540	40,840	41,260	40,550	39,020
II. Unemployed	1,850	3,270	1,860	1,320	1,090
Rate	4.5	8.0	4.5	3.3	2.8
III. Employed	39,690	37,570	39,400	39,230	37,930

SOURCE: Mississippi Department of Employment Security (“MDES”): Annual Averages: Labor Force and Establishment Based Employment 2011-2019, Labor Market Information Department at website: www.mdes.ms.gov; Last revision date of information May 2022. Annual Averages 2020 Forward, released April 2024, are limited to “Residence Based Employment” and MDES no longer provides “Establishment Based Employment” data. Information available as of June 2025.

Educational Facilities

The Tupelo Public School District (the "**District**") serves the entire City and a large rural area west of the City. The District currently operates one early childhood center, nine elementary schools, one middle school, one career center, one discipline center, and one high school, and employs approximately 584 certified teachers and/or certified personnel and approximately 531 support personnel.

Enrollment figures for the District for the current scholastic year and for the four preceding years are as follows:

Scholastic Year	Enrollment
2024-25	7,192
2023-24	7,134
2022-23	7,132
2021-22	7,151
2020-21	7,005

SOURCE: Office of Research and Statistics, Mississippi Department of Education; information available as of June 2025.

TAX INFORMATION

Assessed Valuation¹⁴

Assessment Year	Real Property	Personal Property	Automobiles	Public Utility Property	Total
2024	\$511,013,093	\$116,144,247	\$65,912,046	\$10,380,394	\$703,449,780
2023	427,119,842	124,056,709	61,684,307	9,813,938	622,674,796
2022	414,644,736	107,936,199	62,270,198	7,372,664	591,219,853
2021	409,140,242	96,334,235	63,739,836	5,665,764	574,880,077
2020	407,562,279	94,400,740	58,199,758	5,665,764	565,828,541

SOURCE: Office of the City Clerk; June 2025.

¹⁴ The total assessed valuation is approved in the September preceding the beginning of the fiscal year of the City and represents the value of real property, personal property and public utility property for the year indicated on which taxes are assessed for the following fiscal year's budget. For example, the taxes for the assessed valuation figures for 2024 are collected starting in January 2025 for the 2024-25 fiscal year budget of the City.

Assessed valuations are based upon the following assessment ratios:

- (a) Real and personal property (excluding single-family owner-occupied residential real property and motor vehicles, respectively), fifteen percent (15%) of true value;
- (b) Single-family owner-occupied residential real property, ten percent (10%) of true value;
- (c) Motor vehicles and public utility property, thirty percent (30%) of true value.

The 1986 Session of the Mississippi Legislature adopted House Concurrent Resolution No. 41 (the "**Resolution**"), pursuant to which there was proposed an amendment to the Mississippi Constitution of 1890 (the "**Amendment**"). The Amendment provided, *inter alia*, that the assessment ratio of any one class of property shall not be more than three times the assessment ratio on any other class of property.

The Amendment set forth five classes of property and the assessment ratios which would be applicable thereto upon the adoption of the Amendment. The assessment ratios set forth in the Amendment are identical to those established by Section 27-35-4, Mississippi Code of 1972, as it existed prior to the Amendment, except that the assessment ratio for single-family owner-occupied residential real property under the Amendment is set at ten percent (10%) of true value as opposed to fifteen percent (15%) of true value under previously existing law.

The assessed valuation figures above do include property exempt from all municipal ad valorem tax for periods of up to ten years, primarily for new or expanded manufacturing facilities.

Procedure for Property Assessments

The Tax Assessor of Lee County assesses all real and personal property subject to taxation in the County, including property in the City, except motor vehicles and property owned by public service corporations, both of which are required by law to be assessed by the Mississippi Department of Revenue.

Section 21-33-9, Mississippi Code of 1972, as amended, provides that the governing authorities of a municipality which is located within a county having completed a county-wide reappraisal approved by the Mississippi Department of Revenue and which has been furnished a true copy of that part of the County assessment roll containing the property located within a municipality as provided in Section 27-35-167, Mississippi Code of 1972, as amended, shall adopt such assessment rolls for its assessment purposes. The City is utilizing the assessment rolls of the County.

The City may not correct or revise such assessment rolls except for the purpose of conforming the municipal assessment roll to corrections or revisions made to the County assessment roll. All objections to the municipal assessment roll may be heard by the Board of Supervisors of the County at the time and in the manner that objections to the County assessment roll are heard. The Board of Supervisors shall notify, in writing, the Governing Body and the Tax Assessor of the City of any corrections or revisions made by it to the part of the County assessment roll adopted as the municipal assessment roll.

Tax Levy per \$1,000 Valuation¹⁵

	2024-25	2023-24	2022-23	2021-22	2020-21
GENERAL PURPOSES					
Special Levy for Street Improvements	10.00	10.00	10.00	10.00	10.00
General Fund	12.96	13.11	11.79	11.73	12.97
Firemen & Policemen Retirement Fund	1.61	1.61	1.61	1.61	1.61
Municipal Bond & Interest Fund	7.05	7.05	8.20	8.20	6.95
Library Fund	.85	.70	.87	.93	0.94
SUBTOTAL	32.47	32.47	32.47	32.47	32.47
SCHOOL PURPOSES					
School Maintenance Fund	54.73	55.00	55.00	55.00	55.00
School Bond & Interest Fund	6.07	6.10	6.10	6.10	6.10
School Notes Payable Fund	0.00	0.00	0.00	0.00	0.00
Tupelo/Lee County Vo-Tech Fund	0.00	0.00	0.00	0.00	0.00
Shortfall Note 2008	0.00	0.00	0.00	0.00	0.00
Short Term Debt	2.99	3.00	3.00	3.00	3.00
SUBTOTAL	63.79	64.10	64.10	64.10	64.10
TOTAL TAX LEVY	96.26	96.57	98.57	96.57	96.57

SOURCE: Office of the City Clerk; June 2025.

¹⁵ Tax levy is given in mills.

Ad Valorem Tax Collection

Fiscal Year Ended September 30	Amount Budgeted	Amount Collected	Difference Over (Under)
2024	\$18,808,172	\$18,778,618	(29,554)
2023	17,751,201	18,033,178	281,977
2022	17,114,091	17,390,783	276,692
2021	16,828,529	17,212,489	383,960
2020	15,995,659	16,435,136	439,477

SOURCE: Office of the City Clerk; June 2025.

Procedure for Tax Collections

The Governing Body is required to levy a special tax upon all of the taxable property within the geographical limits of the City each year sufficient to provide for the payment of the principal of and interest on the City's general obligation bonds. If any taxpayer neglects or refuses to pay his taxes on the due date thereof, the unpaid taxes bear interest at the rate of one percent (1%) per month or fractional part thereof from the delinquent date to the date of payment of such taxes. When enforcement officers take action to collect delinquent taxes, other fees, penalties and costs may accrue. Both real property and personal property are subject to public tax sale.

Section 21-33-63, Mississippi Code of 1972, as may be amended from time to time, and related statutes provide that after the 15th day of December and after the 15th day of August in each year, the tax collector for each municipality shall advertise all lands in such municipality on which all the taxes due and in arrears have not been paid, as well as all land liable for sale on the first Monday of April or the third Monday of September following, as the case may be.

Reappraisal of Property and Limitation on Ad Valorem Levies

Senate Bill No. 2672, General Laws of Mississippi, Regular Session 1980, codified in part as Sections 27-35-49 and 27-35-50, Mississippi Code of 1972 (the "Reappraisal Act"), provides that all real and personal property in the State shall be appraised at true value and assessed in proportion to true value. To ensure that property taxes do not increase dramatically as the counties complete reappraisals, the Reappraisal Act provides for the limit on increase in tax revenues discussed below.

The statute limits ad valorem tax levies by the City subsequent to October 1, 1980, to a rate which will result in an increase in total receipts of not greater than ten percent (10%) over the previous year's receipts, excluding revenue from ad valorem taxes on any newly constructed properties, any existing properties added to the tax rolls or any properties previously exempt which were not assessed in the next preceding year. This limitation does not apply to levies for the payment of the principal of and the interest on general obligation bonds issued by the City or to certain other specified levies. The limitation may be increased only if the proposed increase is approved by a majority of those voting in an election held on such question.

On August 20, 1980, the Mississippi Supreme Court rendered its decision in State Tax Commission v. Fondren, 387 So.2d 712, affirming the decree of the Chancery Court of the First Judicial District of Hinds County, Mississippi, wherein the Mississippi Department of Revenue (formerly the State Tax Commission) was enjoined from accepting and approving assessment rolls from any county in the State for the tax year 1983 unless the Mississippi Department of Revenue equalized the assessment rolls of all of the counties. Due to the intervening passage of the Reappraisal Act, the Supreme Court reversed that part of the lower court's decree ordering the assessment of property at true value (although it must still be appraised at true value), holding instead that assessed

value may be expressed as a percentage of true value. Pursuant to the Supreme Court modification of the Chancellor's decree, on November 15, 1980, the Mississippi Department of Revenue filed a master plan to assist counties in determining true value. On December 7, 1983, the Chancery Court granted an extension until July 1, 1984, of its previous deadline past which the Mississippi Department of Revenue could not accept and approve tax rolls from counties which had not yet reappraised. The City has completed reappraisal.

Homestead Exemption

The Mississippi Homestead Exemption Law of 1946 reduces the local tax burden on homes qualifying by law and substitutes revenues from other sources of taxation on the State level as a reimbursement to the local taxing units for such tax loss. Provisions of the homestead exemption law determine qualification, define ownership and limit the amount of property that may come within the exemption. The exemption is not applicable to taxes levied for the payment of the Bonds, except as hereinafter noted.

Those homeowners who qualify for the homestead exemption and who have reached the age of sixty-five (65) years on or before January 1 of the year for which the exemption is claimed, service-connected, totally disabled American veterans who were honorably discharged from military service and those qualified as disabled under the federal Social Security Act are exempt from any and all ad valorem taxes on qualifying homesteads not in excess of \$7,500 of assessed value thereof.

The tax loss resulting to local taxing units from properly qualified homestead exemptions is reimbursed by the Mississippi Department of Revenue. Beginning with the 1984 supplemental ad valorem tax roll and for each roll thereafter, no taxing unit shall be reimbursed an amount in excess of one hundred six percent (106%) of the total net reimbursement made to such taxing unit in the next proceeding year.

Ten Largest Taxpayers

The ten largest taxpayers in the City for assessment year 2024 are as follows:

Taxpayer	Assessed Valuation	Taxes Collected¹⁶
GOODYEAR	\$25,413,431.00	\$3,390,141.34
CLEVELAND PROPERTIES LLC	\$7,413,986.00	\$1,037,495.66
TUP 130 LLC	\$6,932,669.00	\$1,003,230.39
CADENCE BANK	\$6,684,803.00	\$908,865.91
ATMOS ENERGY CORP	\$6,040,629.00	\$811,212.31
RENASANT BANK	\$5,838,798.00	\$795,676.24
MALONEY DEVELOPMENT PROPERTIES LLC	\$4,078,541.00	\$556,299.28
NS RETAIL HOLDINGS LLC	\$3,949,901.00	\$551,000.69
PINNACLE POINT AT TUPELO LLC	\$3,629,341.00	\$493,445.75
LOWES	\$3,229,754.00	\$453,971.63
Totals	\$73,211,853.00	\$10,001,339.20

SOURCE: Office of the City Clerk; June 2025.

¹⁶ City taxes only, does not include school taxes.

DEBT INFORMATION

Legal Debt Limit Statement

(As of June 1, 2025)

	15% Limit	20% Limit
Authorized Debt Limit (Last Completed Assessment for Taxation - \$703,449,780)	\$105,517,467	\$140,689,956
Present Debt Subject to Debt Limits¹⁷	46,620,000	46,620,000
Margin for Further Debt Under Debt Limits	\$58,897,467	\$94,069,956
Less the Series 2025 Bonds ¹⁸	(8,000,000)	(8,000,000)
Margin for Further Debt Under Debt Limits	\$50,897,467	\$86,069,956

Statutory Debt Limits

The City is subject to a general statutory debt limitation under which no municipality in the State may incur general obligation bonded indebtedness in an amount which will exceed 15 percent of the assessed value of the taxable property within such municipality according to the last completed assessment for taxation.

In computing general obligation bonded indebtedness for purposes of such 15 percent limitation, there may be deducted all bonds or other evidences of indebtedness issued for school, water and sewerage systems, gas and light and power purposes and for the construction of special improvements primarily chargeable to the property benefited, or for the purpose of paying a municipality's proportion of any betterment program, a portion of which is primarily chargeable to the property benefited. However, in no case may a municipality contract any indebtedness payable in whole or in part from proceeds of ad valorem taxes which, when added to all of its outstanding general obligation indebtedness, both bonded and floating, exceeds 20 percent of the assessed value of the taxable property within such municipality.

In arriving at the limitations set forth above, bonds issued for school purposes, bonds payable exclusively from the revenues of any municipally-owned utility, the Series 2008 Bonds, general obligation industrial bonds issued under the provisions of Sections 57-1-1 to 57-1-51, Mississippi Code of 1972, as amended, and special assessment improvement bonds issued under the provisions of Sections 21-41-1 to 21-41-53, Mississippi Code of 1972, as amended, are not included. Also excluded from both limitations are contract obligations subject to annual appropriations.

¹⁷ The City's Series 2008 GO Water Bonds, and the Series 2019 GO Water Refunding Bonds are not subject to the debt limitation as such debt is paid by a Special Sales Tax and revenues of the System.

¹⁸ Preliminary, subject to change.

Outstanding General Obligation Bonded Debt Subject to Debt Limits

(As of June 1, 2025)

Issue	Date of Issue	Outstanding Principal
General Obligation Water Bonds	12/17/08	675,000 ¹⁹
General Obligation Bonds	12/01/11	1,890,000
General Obligation Bonds	11/01/12	3,340,000
General Obligation Bonds	04/01/13	3,340,000
General Obligation Bonds	09/01/13	940,000
General Obligation Bonds (MDB)	07/28/15	1,500,000
General Obligation Bond (MDB)	05/12/16	4,500,000
General Obligation Refunding Bonds	08/04/16	610,000
General Obligation Bonds (MDB)	11/14/17	8,800,000
General Obligation Water Refunding Bonds ²⁰	5/31/19	4,085,000
General Obligation Bonds (MDB)	5/07/20	9,700,000
General Obligation Bonds (MDB)	3/14/24	12,000,000
TOTAL		\$51,380,000

¹⁹ Reflects the principal amount of the December 1, 2033 maturity. The 2019 through 2032 maturities were refunded on June 1, 2019 with the proceeds of the Series 2019 Bonds. Not subject to the debt limitation as such debt is paid by a Special Sales Tax and revenues of the System and shall not be included when computing any limitation of indebtedness of the City.

²⁰ Not subject to debt limitation as such debt is paid by a Special Sales Tax and revenues of the System and shall not be conserved when computing any limitation of indebtedness of the City.

Tax Increment Bonds²¹

(As of June 1, 2025)

Issue	Date of Issue	Outstanding Principal
Tax Increment Limited Obligation Bonds	6/15/21	500,000
Total		\$500,000

Other Outstanding Long-Term Debt

(As of June 1, 2025)

Issue	Date of Issue	Outstanding Principal
Promissory Note (Tupelo, Mississippi Revenue Project)	4/12/18	9,925,000
Promissory Note (Tupelo, Mississippi Revenue Project)	7/18/19	14,695,000
Total		\$24,620,000

SOURCE: Office of the City Clerk.

²¹ These bonds are payable as to principal and interest solely from the avails of a tax increment resulting from the taxation by the City of the "captured assessed value" of the project, and the property on which it is located, for which the improvements financed with the proceeds from these bonds benefited.

Annual Debt Service Requirements

FY Ending September 30	General Obligation Debt		
	Principal	Interest	Total
2025	3,480,000.00	1,965,366.77	5,445,366.77
2026	3,595,000.00	1,854,075.52	5,449,075.52
2027	3,360,000.00	1,738,570.52	5,098,570.52
2028	3,495,000.00	1,629,183.02	5,124,183.02
2029	3,555,000.00	1,506,919.27	5,061,919.27
2030	3,400,000.00	1,383,051.77	4,783,051.77
2031	3,615,000.00	1,261,591.77	4,876,591.77
2032	3,910,000.00	1,149,904.26	5,059,904.26
2033	4,300,000.00	1,016,626.13	5,316,626.13
2034	3,595,000.00	880,798.00	4,475,798.00
2035	3,140,000.00	735,360.00	3,875,360.00
2036	3,240,000.00	606,310.00	3,846,310.00
2037	2,880,000.00	482,525.00	3,362,525.00
2038	2,880,000.00	373,175.00	3,253,175.00
2039	2,280,000.00	264,000.00	2,544,000.00
2040	2,040,000.00	150,000.00	2,190,000.00
2041	300,000.00	48,000.00	348,000.00
2042	300,000.00	36,000.00	336,000.00
2043	300,000.00	24,000.00	324,000.00
2044	300,000.00	12,000.00	312,000.00
Totals	\$53,965,000.00	\$17,117,457.03	\$71,082,457.03

General Obligation Bonded Debt

	Fiscal Year Ended September 30				
	2024	2023	2022	2021	2020
G.O. Water Bonds (12/17/08)	675,000 ²²	675,000	675,000	675,000	675,000
G.O. Bonds, Series 2011 (12/01/11)	2,160,000	2,425,000	2,685,000	2,850,000	3,015,000
G.O. Bonds, Series 2012 (12/04/12)	3,740,000	4,140,000	4,140,000	4,670,000	4,920,000
G.O. Bonds, Series 2013 (4/01/13)	3,740,000	4,140,000	4,410,000	4,670,000	4,920,000
G.O. Bonds, Series 2013 (9/01/13)	940,000	1,160,000	1,370,000	1,575,000	1,775,000
G. O. Bonds (MDB), Series 2015 (7/28/15)	1,500,000	1,900,000	2,300,000	2,700,000	3,100,000
G. O. Refunding Bonds, Series 2016 (1/28/16)	-0-	-0-	-0-	715,000	1,525,000
G. O. Bonds (MDB), Series 2016 (5/12/16)	4,800,000	5,100,000	5,400,000	5,500,000	5,600,000
G. O. Refunding Bonds, Series 2016 (8/04/16)	610,000	915,000	1,215,000	2,685,000	4,085,000
G. O. Bonds (MDB), Series 2017 (11/14/17)	9,300,000	9,600,000	9,600,000	10,000,000	10,000,000
G.O. Water Refunding Bonds, Series 2019 (5/31/19)	4,500,000	4,915,000	5,310,000	5,685,000	6,045,000
G. O. Bonds (MDB) Series 2020 (5/07/20)	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
G. O. Bonds (MDB) Series 2024 (3/14/24)	12,000,000	-0-	-0-	-0-	-0-
Totals	\$53,965,000	\$44,970,000	\$47,105,000	\$51,725,000	\$55,560,000

²² Reflects the principal amount of the December 1, 2033 maturity. The 2019 through 2032 maturities were refunded on June 1, 2019, with the proceeds of the Series 2019 Bonds.

Debt Ratios

FY Ended September 30	General Obligation Debt	General Obligation Debt to Assessed Value
2024	\$53,965,000	7.67%
2023	44,970,000	7.22
2022	47,105,000	7.97
2021	51,725,000	8.99
2020	55,560,000	9.82

Overlapping/Underlying General Obligation Indebtedness

	2023 Population Estimate	General Obligation Bonded Debt	General Obligation Bonded Debt Per Capita
Lee County	82,799	\$16,070,000 ²³	\$194.08

	Total General Obligation Bonded Debt
Tupelo Public School District	\$25,900,000 ²⁴

²³ Source: Office of the Lee County, MS Chancery Clerk, September 2024.

²⁴ Source: 2022 Audited Financial Statement of the District. Balance at fiscal year ending June 30, 2024.

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APPENDIX B
FINANCIAL INFORMATION FOR THE CITY

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FINANCIAL STATEMENT FOR FISCAL YEAR
ENDED SEPTEMBER 30, 2024

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City of Tupelo, Mississippi

Financial Statements For the year ended September 30, 2024

Jarrell Group, PLLC
Tupelo, Mississippi
Certified Public Accountants

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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, 2024, 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, 2024, 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 6 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, 2023 and ending June 30, 2024.

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 1, 2025 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 1, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

CITY OF TUPELO, MISSISSIPPI MANAGEMENT'S DISCUSSION AND ANALYSIS

Required Supplemental Information for the year ended September 30, 2024

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, 2024. 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 \$313,372,884. This compares to the previous year when assets and deferred outflows exceeded liabilities and deferred inflows by \$297,499,912.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$80,547,024, an increase of \$17,472,699 in comparison to the prior year. Approximately 28% of the combined fund balances, \$22,344,787 is considered unassigned and is available for spending at the City's discretion.
- The City's total debt is \$122,906,565. Debt in the amount of \$20,730,325 was issued in the current fiscal year; all of which was used for capital acquisition or capital projects. Debt in the amount of \$7,784,325 was repaid during the current fiscal year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts—management's discussion and analysis (this section), the basic financial statements, required supplementary information, and an optional section that presents combining statements for non-major governmental funds. The basic financial statements include two kinds of statements that present different views of the City.

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the City's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the City's operations in more detail than the government-wide statements.
- The Governmental Funds statements tell how general government services such as public safety were financed in the short-term as well as what remains for future spending. The City has four Governmental Fund types: the General Fund, Special Revenue Funds, Debt Service Funds and Capital Projects Funds.

Proprietary fund statements offer short- and long-term financial information about the activities the government operates in a similar manner as businesses, and include the Electric, Water & Sewer, Solid Waste funds and the Northeast Mississippi Regional Water Supply District.

CITY OF TUPELO, MISSISSIPPI MANAGEMENT'S DISCUSSION AND ANALYSIS

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. In addition to these required elements, we have included a section with combining statements that provide details about our non-major governmental funds, each of which are added together and are presented in single columns in the basic financial statements.

Figure A-1 summarizes the major features of the City's financial statements, including the portion of the City they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

Figure A-1

Major Features of the City of Tupelo's Government-wide and Fund Financial Statements

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

CITY OF TUPELO, MISSISSIPPI

MANAGEMENT'S DISCUSSION AND ANALYSIS

Government-wide Statements

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

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

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

Fund Financial Statements

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

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

CITY OF TUPELO, MISSISSIPPI MANAGEMENT'S DISCUSSION AND ANALYSIS

The City of Tupelo has two types of funds:

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

Government-wide Financial Analysis

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

The City's assets and deferred outflows exceeded liabilities and deferred inflows by \$313,372,884 at the close of the most recent fiscal year. This is a \$15,872,972 increase over last year's net position of \$297,499,912. Tables A-1 and A-2 provide a summary of the City's net position at September 30, 2024 and 2023.

CITY OF TUPELO, MISSISSIPPI MANAGEMENT'S DISCUSSION AND ANALYSIS

A large portion, 90.3% and 88.3%, 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, 2024 and 2023, 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>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Current & Other Assets	\$ 94,459,244	\$ 80,108,957	\$ 27,055,472	\$ 28,785,950	\$ 121,514,716	\$ 108,894,907
Capital Assets	213,008,886	202,773,067	213,606,441	198,438,802	426,615,327	401,211,869
Total Assets	307,468,130	282,882,024	240,661,913	227,224,752	548,130,043	510,106,776
Total Deferred Outflows	9,375,682	13,708,989	2,648,932	2,240,680	12,024,614	15,949,669
Current Liabilities	17,515,902	19,475,196	19,650,221	16,776,486	37,166,123	36,251,682
Noncurrent Liabilities	145,231,577	135,687,414	58,111,089	52,342,640	203,342,666	188,030,054
Total Liabilities	162,747,479	155,162,610	77,761,310	69,119,126	240,508,789	224,281,736
Total Deferred Inflows	5,228,137	3,154,048	1,044,847	1,120,749	6,272,984	4,274,797
Net Position:						
Net Investment in						
Capital Assets	135,805,974	135,113,855	147,239,672	127,573,557	283,045,646	262,687,412
Restricted	31,110,993	22,443,471	20,967,284	30,531,095	52,078,277	52,974,566
Unrestricted (Deficit)	(18,048,771)	(19,282,971)	(3,702,268)	1,120,905	(21,751,039)	(18,162,066)
Total Net Position	\$ 148,868,196	\$ 138,274,355	\$ 164,504,688	\$ 159,225,557	\$ 313,372,884	297,499,912

There is a deficit of \$21,751,039 in unrestricted net position due to recording of unfunded pension liabilities under GASB 68. Please refer to Note 14.

Changes in net position: Approximately 10.6% of the City's total revenues come from property taxes, with 37.8% of all revenue coming from some type of tax. (See Table A-2.) This compares to 10.9% and 39.2% for the fiscal year ended September 30, 2023. Another 48.0% comes from fees charged for services, and the balance is from operating and capital grants and contributions and investment earnings.

CITY OF TUPELO, MISSISSIPPI

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

Table A-2

Changes in the City of Tupelo's Net Position

	Governmental Activities		Business-Type Activities		Total Primary Government	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Revenues						
Program Revenues:						
Charges for Services	\$ 5,202,512	\$ 6,639,823	\$ 80,968,598	\$ 81,750,605	\$ 86,171,110	\$ 88,390,428
Operating Grants & Contributions	1,400,521	1,819,339	-	-	1,400,521	1,819,339
Capital Grants & Contributions	12,376,887	1,013,487	4,523,981	5,784,593	16,900,868	6,798,080
General Revenues:						
Property Taxes	19,114,171	18,263,189	-	-	19,114,171	18,263,189
Other Taxes	48,686,866	47,618,833	-	-	48,686,866	47,618,833
Investment Income (Loss)	3,415,151	1,598,003	1,477,787	(28,849)	4,892,938	1,569,154
Gain on (Loss) Disposal of Assets	(500,386)	130,762	14,700	97,500	(485,686)	228,262
Other	2,894,458	3,483,878	-	-	2,894,458	3,483,878
Total Revenues	92,590,180	80,567,314	86,985,066	87,603,849	179,575,246	168,171,163
Expenses						
General Government	8,765,522	7,735,641	-	-	8,765,522	7,735,641
Public Safety	27,697,923	26,283,025	-	-	27,697,923	26,283,025
Public Works	13,066,894	12,686,177	-	-	13,066,894	12,686,177
Culture & Recreation	13,136,065	14,261,720	-	-	13,136,065	14,261,720
Other Functions	4,794,480	4,637,327	-	-	4,794,480	4,637,327
Capital Projects	8,011,752	6,165,255	-	-	8,011,752	6,165,255
Interest on Long-Term Debt	2,192,133	2,018,274	-	-	2,192,133	2,018,274
Water & Sewer	-	-	13,991,773	14,261,559	13,991,773	14,261,559
Electric	-	-	57,423,357	59,265,625	57,423,357	59,265,625
Solid Waste Management	-	-	4,101,015	4,082,842	4,101,015	4,082,842
N. MS Reg. Water Supp. Dist.	-	-	4,886,093	4,794,390	4,886,093	4,794,390
Total Expenses	77,664,769	73,787,419	80,402,238	82,404,416	158,067,007	156,191,835
Excess of Revenue Over Exp.	14,925,411	6,779,895	6,582,828	5,199,433	21,508,239	11,979,328
Transfers	(4,331,570)	(4,326,121)	(1,303,697)	(1,162,054)	(5,635,267)	(5,488,175)
Change in Net Position	10,593,841	2,453,774	5,279,131	4,037,379	15,872,972	6,491,153
Net Position—Beginning	138,274,355	135,820,581	159,225,557	155,188,178	297,499,912	291,008,759
Net Position—Ending	\$148,868,196	\$138,274,355	\$164,504,688	\$159,225,557	\$313,372,884	\$297,499,912

CITY OF TUPELO, MISSISSIPPI

MANAGEMENT'S DISCUSSION AND ANALYSIS

Governmental Activities

Governmental activities increased the City's net position by \$10,593,841. Key elements of this increase are as follows:

- Capital grants totaling \$12,095,523 contributed to the increase in net position.
- Property and sales taxes increased by \$1,136,293 from the prior year.
- Interest income increased by \$1,817,148 from the prior year.
- GASB 68 pension expense decreased net position by \$6,803,090. Please refer to Note 14.

The largest funding sources for the City's governmental activities, as a percent of total revenues, are sales tax 39.7%, property taxes 20.4% and charges for services 5.6%.

The largest expense categories for the City's governmental activities are public safety 35.7% and culture and recreation 16.9%.

Business-type Activities

Business-type activities increased the City's net position by \$5,279,131.

Charges for services are the major revenue categories for the enterprise funds. Total business-type revenues are comprised of \$15,263,769 for water and sewer, \$57,665,314 for electric, \$4,409,408 for solid waste management and \$3,630,107 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 \$22,344,787, which comprised 93.7% 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 59.2% of total fund expenditures. The fund balance of the City's general fund increased by \$396,887 during the current fiscal year.

Debt Service Fund—The debt service fund has a total fund balance of \$7,868,064, all of which is restricted for the payment of debt service. The net increase in fund balance during the current year was \$219,575.

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 \$35,542,843.

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 \$13,297,700, 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 \$164,504,688. Changes in net position, which totaled \$5,279,131, were as follows: the electric fund increased by \$374,441, the water & sewer fund increased by \$285,664, the solid waste management fund increased by \$374,599 and Northeast Mississippi Regional Water Supply District increased by \$4,244,427.

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 2023 – 2024 general fund budget increased by \$7,066,394 and an overall operating budget increased by \$5,923,667. The increase includes the State diverted use tax funds of \$4,500,000 that has never been included in the initial budget until fiscal year 2024. The overall operating budget increased only by \$2,522,894.

CAPITAL ASSET AND DEBT ADMINISTRATION

The City anticipates spending \$62,800,378 in capital projects from fiscal years 2025 – 2028. The sources of revenue include federal grants, G.O. Bonds, State of Mississippi funds and general fund revenues. An intent was issued for \$20 million of G.O. Bonds in July 2023 with the City anticipating issuing \$8 million in fiscal year 2025. The City of Tupelo also anticipates spending remaining ARPA funds in fiscal year 2025 and 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, 2024, 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>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Land	\$ 14,820,005	\$ 15,267,497	\$ 1,864,705	\$ 1,864,705	\$ 16,684,710	\$ 17,132,202
Infrastructure	183,697,349	170,099,780	-	-	183,697,349	170,099,780
Plant, Buildings, Improvements	144,966,152	135,894,839	271,797,680	265,991,601	416,764,012	401,886,440
Sanitary & Sewer Lagoons	-	-	6,896,810	6,896,810	6,896,810	6,896,810
Machinery & Equipment	33,489,680	31,655,590	30,238,091	29,910,461	63,727,771	61,566,051
Construction in Progress	10,799,958	13,884,745	35,550,991	8,210,490	46,350,949	22,095,235
Accumulated Depreciation	(174,835,071)	(164,100,198)	(149,835,758)	(141,213,827)	(324,670,829)	(305,314,025)
Total	\$ 212,938,073	\$ 202,702,253	\$ 196,512,699	\$ 171,660,240	\$ 409,450,772	\$ 374,362,493

CITY OF TUPELO, MISSISSIPPI MANAGEMENT'S DISCUSSION AND ANALYSIS

Long-term Debt—At year-end, the City had \$122,906,565 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>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
General Obligation Bonds	\$ 31,965,000	\$ 34,970,000	\$ -	\$ -	\$ 31,965,000	\$ 34,970,000
Special Obligation Bonds	-	-	9,925,000	10,780,000	9,925,000	10,780,000
Tax Increment Bonds	500,000	604,000	-	-	500,000	604,000
State Revolving Loans	-	-	-	-	-	-
Special Obligation Bonds	36,695,000	25,000,000	-	-	36,695,000	25,000,000
Notes Payable	2,195,506	2,448,751	34,959,379	29,491,434	37,154,885	31,940,185
Bond Premium	5,776,593	4,565,647	890,087	996,992	6,666,680	5,562,639
Total	\$ 77,132,099	\$ 67,588,398	\$ 45,774,466	\$ 41,268,426	\$122,906,565	\$108,856,824

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Key assumptions for revenue forecasts for fiscal year 2025 are summarized as follows:

1. Sales tax revenues will remain flat
2. Property tax revenue will increase 12.3%
3. Interest rates will slightly decline

This contributed to the following projections:

1. Property tax revenue will increase.
2. Millage rates remained the same at 32.47 for the City's 2025 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, despite the decrease 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, 2024

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Tupelo Airport Authority
<u>ASSETS:</u>				
Current Assets:				
Cash	\$ 80,467,688	\$ 10,824,193	\$ 91,291,881	\$ 1,196,423
Cash - Restricted	-	2,789,459	2,789,459	-
Certificate of Deposit - Restricted	-	50,827	50,827	-
Investments	3,870,171	-	3,870,171	-
General Property Taxes Receivable	755,470	-	755,470	-
Other Receivables	663,610	581,422	1,245,032	6,302
Accounts Receivable, Net	1,376,100	7,503,345	8,879,445	22,222
Accounts Receivable - Restricted	-	354,797	354,797	-
Unbilled Revenue	-	1,990,347	1,990,347	-
Due from Other Funds	1,890,000	12,692	1,902,692	-
Due from Other Governmental Units	4,966,608	1,203,460	6,170,068	1,032,773
Due from Component Units	44,394	-	44,394	-
Inventories	76,462	1,439,222	1,515,684	-
Prepaid Items	348,741	161,867	510,608	1,718
Other Current Assets	-	143,841	143,841	-
TOTAL CURRENT ASSETS	94,459,244	27,055,472	121,514,716	2,259,438
Noncurrent Assets:				
Cash - Restricted	-	3,910,428	3,910,428	-
Investments - Restricted	-	12,926,255	12,926,255	-
Notes Receivable	70,813	6,519	77,332	-
Other Receivables	-	155,531	155,531	-
Other Assets	-	95,009	95,009	-
Capital Assets:				
Land	14,820,005	1,864,705	16,684,710	6,099,049
Plant, Buildings and Improvements	144,966,152	271,797,860	416,764,012	52,414,884
Sanitary and Sewer Lagoons	-	6,896,810	6,896,810	-
Machinery and Equipment	33,489,680	30,238,091	63,727,771	2,655,291
Infrastructure	183,697,349	-	183,697,349	-
Construction in Progress	10,799,958	35,550,991	46,350,949	3,090,860
Accumulated Depreciation	(174,835,071)	(149,835,758)	(324,670,829)	(34,797,254)
TOTAL NONCURRENT ASSETS	213,008,886	213,606,441	426,615,327	29,462,830
TOTAL ASSETS	307,468,130	240,661,913	548,130,043	31,722,268
<u>DEFERRED OUTFLOWS OF RESOURCES</u>				
Deferred Outflows Related to Pensions	9,375,682	2,648,932	12,024,614	477,213
TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$ 9,375,682	\$ 2,648,932	\$ 12,024,614	\$ 477,213

CITY OF TUPELO, MISSISSIPPI
STATEMENT OF NET POSITION
September 30, 2024

-Continued-

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Tupelo Airport Authority
<u>LIABILITIES:</u>				
Current Liabilities:				
Accounts Payable	\$ 2,877,889	\$ 6,617,344	\$ 9,495,233	\$ 681,544
Equity in Pooled Cash Deficit	1,542,007	1,984,855	3,526,862	-
Accrued Expenses	841,957	295,079	1,137,036	84,028
Accrued Interest Payable	680,079	158,272	838,351	-
Due to Other Funds	-	2,112,593	2,112,593	-
Due to Other Governmental Units and Entities	-	-	-	1,598,797
Unearned Revenues	7,316,505	-	7,316,505	4,144
Long-Term Debt: Due Within One Year	4,228,890	4,196,442	8,425,332	-
Customer and Event Deposits	28,575	4,285,636	4,314,211	-
TOTAL CURRENT LIABILITIES	17,515,902	19,650,221	37,166,123	2,368,513
Noncurrent Liabilities:				
Advances TVA - Home Insulation Loans	-	7,633	7,633	-
Accrued Compensated Absences	1,276,086	140,034	1,416,120	-
Due to Other Funds	-	2,200,834	2,200,834	-
Net Pension Liability	71,052,282	14,184,564	85,236,846	2,063,112
Long-Term Debt: Due in More Than One Year	72,903,209	41,578,024	114,481,233	-
TOTAL NONCURRENT LIABILITIES	145,231,577	58,111,089	203,342,666	2,063,112
TOTAL LIABILITIES	162,747,479	77,761,310	240,508,789	4,431,625
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Inflows Related to Pensions	5,228,137	1,044,847	6,272,984	-
TOTAL DEFERRED INFLOWS OF RESOURCES	5,228,137	1,044,847	6,272,984	-
<u>NET POSITION</u>				
Net Investment in Capital Assets	135,805,974	147,239,672	283,045,646	29,159,185
Restricted for:				
Capital Projects	12,288,533	18,084,110	30,372,643	-
Debt Service	7,868,064	2,883,174	10,751,238	-
Special Revenue	9,813,455	-	9,813,455	-
Water Reserve	600,491	-	600,491	-
Home Grant	540,450	-	540,450	-
Unrestricted (Deficit)	(18,048,771)	(3,702,268)	(21,751,039)	(1,391,329)
TOTAL NET POSITION	\$ 148,868,196	\$ 164,504,688	\$ 313,372,884	\$ 27,767,856

See accompanying notes to financial statements.

CITY OF TUPELO, MISSISSIPPI
STATEMENT OF ACTIVITIES
For the year ended September 30, 2024

-23-

						Net (Expense) Revenue and Changes in Net Position			COMPONENT UNIT Tupelo Airport Authority
FUNCTIONS/ PROGRAMS	Expenses	PROGRAM REVENUES				PRIMARY GOVERNMENT			
		Charge for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total	Governmental Activities	Business-Type Activities	Total	
PRIMARY GOVERNMENT									
Government Activities:									
General Government	\$ 8,765,522	\$ 678,074	\$ 669,770	\$ -	\$ 1,347,844	\$ (7,417,678)	\$ -	\$ (7,417,678)	\$ -
Public Safety	27,697,923	354,763	20,556	281,364	656,683	(27,041,240)	-	(27,041,240)	-
Public Works	13,066,894	-	-	-	-	(13,066,894)	-	(13,066,894)	-
Culture and Recreation	13,136,065	4,169,675	710,195	-	4,879,870	(8,256,195)	-	(8,256,195)	-
Other Functions	4,794,480	-	-	-	-	(4,794,480)	-	(4,794,480)	-
Capital Projects	8,011,752	-	-	12,095,523	12,095,523	4,083,771	-	4,083,771	-
Interest on Long-Term Debt	2,192,133	-	-	-	-	(2,192,133)	-	(2,192,133)	-
TOTAL GOVERNMENTAL ACTIVITIES	77,664,769	5,202,512	1,400,521	12,376,887	18,979,920	(58,684,849)	-	(58,684,849)	-
Business-Type Activities:									
Water and Sewer	13,991,773	15,263,769	-	219,038	15,482,807	-	1,491,034	1,491,034	-
Electric	57,423,357	57,665,314	-	-	57,665,314	-	241,957	241,957	-
Northeast MS Regional Water Supply Dist.	4,886,093	3,630,107	-	4,304,943	7,935,050	-	3,048,957	3,048,957	-
Solid Waste Management	4,101,015	4,409,408	-	-	4,409,408	-	308,393	308,393	-
TOTAL BUSINESS-TYPE ACTIVITIES	80,402,238	80,968,598	-	4,523,981	85,492,579	-	5,090,341	5,090,341	-
TOTAL PRIMARY GOVERNMENT	\$ 158,067,007	\$ 86,171,110	\$ 1,400,521	\$ 16,900,868	\$ 104,472,499	\$ (58,684,849)	\$ 5,090,341	\$ (53,594,508)	\$ -
COMPONENT UNITS									
Tupelo Airport Authority	\$ 3,737,131	\$ 929,574	\$ 224,743	\$ 2,660,477	\$ 3,814,794	\$ -	\$ -	\$ -	\$ 77,663
GENERAL REVENUES:									
Taxes:									
Property Taxes, Levied for General Purposes						\$ 7,629,923	\$ -	\$ 7,629,923	\$ -
Property Taxes, Levied for Capital Outlay						5,823,989	-	5,823,989	-
Property Taxes, Levied for Special Revenue						1,346,078	-	1,346,078	-
Property Taxes, Levied for Debt Service						4,314,181	-	4,314,181	-
Sales Taxes						36,740,749	-	36,740,749	-
County Pro Rata Taxes						1,433,255	-	1,433,255	-
Franchise Taxes						475,779	-	475,779	-
In Lieu Taxes						4,929,581	-	4,929,581	-
Other Taxes						5,107,502	-	5,107,502	-
Homestead Reimbursement						738,875	-	738,875	-
Fire Protection Allocation						245,010	-	245,010	-
Interest Income and Unrealized Gain (Loss) on Investments						3,415,151	1,477,787	4,892,938	71,428
Gain (Loss) on Disposal of Assets						(500,386)	14,700	(485,686)	-
Miscellaneous						1,910,573	-	1,910,573	-
Transfers (to) from Component Units						(4,331,570)	(1,303,697)	(5,635,267)	-
Transfers						-	-	-	-
TOTAL GENERAL REVENUES AND TRANSFERS						69,278,690	188,790	69,467,480	71,428
CHANGE IN NET POSITION						10,593,841	5,279,131	15,872,972	149,091
NET POSITION--BEGINNING						138,274,355	159,225,557	297,499,912	27,618,765
NET POSITION--ENDING						\$ 148,868,196	\$ 164,504,688	\$ 313,372,884	\$ 27,767,856

See accompanying notes to financial statements.

CITY OF TUPELO, MISSISSIPPI
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2024

	General Fund	City Infrastructure Fund	Non-Major Governmental Funds	Total Governmental Funds
<u>ASSETS:</u>				
Cash	\$ 23,976,877	\$ 29,626,501	\$ 26,864,310	\$ 80,467,688
Investments	-	-	3,870,171	3,870,171
General Property Taxes Receivable	316,949	-	438,521	755,470
Other Receivable	167,261	-	496,349	663,610
Notes Receivable	-	-	70,813	70,813
Due from Other Funds	1,890,000	-	-	1,890,000
Due from Other Government Units	2,679,280	136,378	2,150,950	4,966,608
Due from Component Units	44,394	-	-	44,394
Prepaid Items	325,815	-	22,926	348,741
Inventories	26,874	-	49,588	76,462
TOTAL ASSETS	\$ 29,427,450	\$ 29,762,879	\$ 33,963,628	\$ 93,153,957
<u>LIABILITIES AND FUND BALANCES:</u>				
<u>LIABILITIES:</u>				
Accounts Payable	\$ 666,604	\$ 1,872,779	\$ 338,506	\$ 2,877,889
Equity in Pooled Cash Deficit	-	-	1,542,007	1,542,007
Accrued Expenses	814,549	-	27,408	841,957
Unearned Revenues	4,107,880	-	3,208,625	7,316,505
Event Deposits	-	-	28,575	28,575
TOTAL LIABILITIES	5,589,033	1,872,779	5,145,121	12,606,933
<u>FUND BALANCES:</u>				
Nonspendable				
Prepaid Items	325,815	-	25,752	351,567
Inventory	26,874	-	39,128	66,002
Restricted for				
Library	-	-	-	-
Tourism Promotion	-	-	8,676,546	8,676,546
Public Safety Retirement	-	-	36,464	36,464
Law Enforcement	-	-	1,100,445	1,100,445
Const. Acquisition of Capital Assets	-	5,410,380	6,787,716	12,198,096
Public Safety Equipment	-	-	90,437	90,437
Debt Service	-	-	7,868,064	7,868,064
Home Grant	540,450	-	-	540,450
Water Reserve	600,491	-	-	600,491
Committed to				
Rental Rehabilitation	-	-	72,822	72,822
Fairpark Infrastructure	-	-	710,647	710,647
Const. Acquisition of Capital Assets	-	22,479,720	63,943	22,543,663
Assigned to				
Coliseum Projects	-	-	1,643,025	1,643,025
Coliseum Operations	-	-	1,703,518	1,703,518
Unassigned	22,344,787	-	-	22,344,787
TOTAL FUND BALANCES	23,838,417	27,890,100	28,818,507	80,547,024
TOTAL LIABILITIES AND FUND BALANCES	\$ 29,427,450	\$ 29,762,879	\$ 33,963,628	\$ 93,153,957

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, 2024

TOTAL FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 80,547,024
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.	212,938,073
Long-term liabilities, including bonds and accrued interest, are not due and payable in the current period and therefore they are not reported in the governmental funds balance sheet.	(77,812,178)
Accrued compensated absences are not due and payable in the current period and therefore they are not reported in the governmental funds balance sheet.	(1,276,086)
Net pension liability are not due and payable in the current period and therefore they are not reported in the governmental funds balance sheet.	(71,052,282)
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	9,375,682
Deferred inflows of resources related to defined benefit pension plan	(5,228,137)
Accrual of court fine revenues to qualify as financial resources.	<u>1,376,100</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 148,868,196</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, 2024

	General Fund	City Infrastructure Fund	Non-Major Governmental Funds	Total Governmental Funds
REVENUES:				
Taxes	\$ 9,048,684	\$ -	\$ 11,484,248	\$ 20,532,932
Licenses and Permits	1,153,853	-	-	1,153,853
Intergovernmental Revenues	39,668,114	5,316,378	16,524,534	61,509,026
Charges for Services	731,797	-	3,757,997	4,489,794
Fines and Forfeitures	557,754	-	59,324	617,078
Miscellaneous Revenues	2,107,628	838,175	2,617,849	5,563,652
TOTAL REVENUES	53,267,830	6,154,553	34,443,952	93,866,335
EXPENDITURES:				
Current:				
General Government	6,525,215	-	-	6,525,215
Public Safety	21,311,067	-	1,264,562	22,575,629
Public Works	5,575,101	-	-	5,575,101
Culture and Recreation	5,157,738	-	6,540,802	11,698,540
Other Functions	1,373,079	-	3,482,351	4,855,430
Capital Projects	-	19,482,660	8,720,099	28,202,759
Debt Service	324,855	-	5,902,197	6,227,052
TOTAL EXPENDITURES	40,267,055	19,482,660	25,910,011	85,659,726
EXCESS (DEFICIT) OF REVENUES OVER (UNDER) EXPENDITURES	13,000,775	(13,328,107)	8,533,941	8,206,609
OTHER FINANCING SOURCES (USES)				
Transfers to Other Funds	(12,657,010)	-	(4,742,495)	(17,399,505)
Transfers from Other Funds	53,122	12,222,154	5,124,229	17,399,505
Transfers to Component Units	-	-	(4,645,896)	(4,645,896)
Transfers from Component Units	-	-	314,326	314,326
Bond Premium Received	-	1,597,660	-	1,597,660
Proceeds from Debt Issued	-	12,000,000	-	12,000,000
TOTAL OTHER FINANCING SOURCES (USES)	(12,603,888)	25,819,814	(3,949,836)	9,266,090
NET CHANGE IN FUND BALANCES	396,887	12,491,707	4,584,105	17,472,699
FUND BALANCES - Beginning	23,441,530	15,398,393	24,234,402	63,074,325
FUND BALANCES - Ending	\$ 23,838,417	\$ 27,890,100	\$ 28,818,507	\$ 80,547,024

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, 2024

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 17,472,699
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.	22,673,162
Donations of capital assets increase net assets in the statement of activities, but do not appear in the governmental funds because they are not financial resources.	177,152
Depreciation expense on capital assets is reported in the statement of activities, but they do not require the use of current financial resources. Therefore, depreciation expense is not reported as expenditures in the governmental funds.	(11,920,773)
Revenues in the statement of activities that do not provide current financial resources and are not reported as revenues in the funds.	(582,434)
The amortization of the discounts and premiums are reported as a reduction to expense on the statement of activities.	386,714
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.	(693,721)
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.	(6,803,090)
The change in accrued interest payable is reported as an expense on the statement of activities.	(19,040)
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.	3,667,245
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	(12,000,000)
Premium on issuance of bonds	(1,597,660)
Decrease in accrual of compensated absences.	<u>(166,413)</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 10,593,841</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, 2024

	Budget			Variance with
	Original	Final	Actual	Final Budget (Unfavorable)
REVENUES:				
Taxes	\$ 8,768,760	\$ 8,768,760	\$ 9,043,352	\$ 274,592
Licenses and Permits	1,075,000	1,075,000	1,153,853	78,853
Intergovernmental Revenues	36,359,138	39,691,089	39,701,163	10,074
Charges for Services	664,000	664,000	731,797	67,797
Fines and Forfeitures	577,000	647,227	557,754	(89,473)
Miscellaneous Revenues	1,117,428	1,599,777	2,102,175	502,398
TOTAL REVENUES	48,561,326	52,445,853	53,290,094	844,241
EXPENDITURES:				
Current:				
General Government	7,158,974	7,190,616	6,525,215	665,401
Public Safety	21,015,283	22,329,440	21,311,067	1,018,373
Public Works	5,941,432	6,138,269	5,575,101	563,168
Culture and Recreation	5,255,340	5,460,808	5,157,738	303,070
Other Functions	1,065,600	1,374,613	1,373,079	1,534
Debt Service	325,480	325,480	324,855	625
TOTAL EXPENDITURES	40,762,109	42,819,226	40,267,055	2,552,171
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	7,799,217	9,626,627	13,023,039	3,396,412
OTHER FINANCING SOURCES (USES):				
Transfers from Other Funds	144,209	144,209	53,122	(91,087)
Transfers to Other Funds	(7,225,845)	(13,114,368)	(12,657,010)	457,358
TOTAL OTHER FINANCING SOURCES (USES)	(7,081,636)	(12,970,159)	(12,603,888)	366,271
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER FINANCING AND OTHER USES	\$ 717,581	\$ (3,343,532)	\$ 419,151	\$ 3,762,683

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, 2024

	Budget			Variance with Final Budget (Unfavorable)
	Original	Final	Actual	
REVENUES:				
Intergovernmental Revenues:				
Federal Grants	\$ 540,000	\$ 676,378	\$ 216,378	\$ (460,000)
State Grants	1,052,972	1,052,972	5,046,842	3,993,870
Miscellaneous Revenues:				
Interest	22,500	22,500	808,447	785,947
Other	-	19,728	29,728	10,000
TOTAL REVENUES	<u>1,615,472</u>	<u>1,771,578</u>	<u>6,101,395</u>	<u>4,329,817</u>
EXPENDITURES:				
Bond Issue Costs	438,590	438,590	438,590	-
Other Services and Charges	10,225,289	8,924,990	5,790,721	3,134,269
Capital Outlay	<u>24,184,299</u>	<u>26,635,762</u>	<u>13,253,349</u>	<u>13,382,413</u>
TOTAL EXPENDITURES	<u>34,848,178</u>	<u>35,999,342</u>	<u>19,482,660</u>	<u>16,516,682</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(33,232,706)</u>	<u>(34,227,764)</u>	<u>(13,381,265)</u>	<u>20,846,499</u>
OTHER FINANCING SOURCES (USES):				
Proceeds from General Obligation				
Bonds or Debt Issued	12,000,000	12,000,000	12,000,000	-
Bond Premium Received	1,597,660	1,597,660	1,597,660	-
Transfers from Other Funds	<u>8,410,725</u>	<u>10,706,835</u>	<u>12,222,154</u>	<u>1,515,319</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>22,008,385</u>	<u>24,304,495</u>	<u>25,819,814</u>	<u>1,515,319</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER FINANCING AND OTHER USES	<u>\$ (11,224,321)</u>	<u>\$ (9,923,269)</u>	<u>\$ 12,438,549</u>	<u>\$ 22,361,818</u>

See accompanying notes to financial statements.

CITY OF TUPELO
STATEMENT OF NET POSITION -
PROPRIETARY FUND TYPES
September 30, 2024

	Business-Type Activities--Enterprise Funds				
	Electric Fund	Water and Sewer Fund	Northeast Mississippi Regional Water Supply District	Solid Waste Fund (Non-Major)	Total
ASSETS					
Current Assets - Unrestricted					
Cash	\$ 7,299,958	\$ 1,290,866	\$ 174	\$ 2,233,195	\$ 10,824,193
Receivables, Net					
Accounts Receivable	7,503,345	-	-	-	7,503,345
Unbilled Revenue	1,668,471	321,876	-	-	1,990,347
Other Receivables	492,069	89,353	-	-	581,422
Due from Other Funds	3,762	7,207	-	1,723	12,692
Inventories	1,287,814	67,278	84,130	-	1,439,222
Prepaid Expenses	92,402	27,810	41,655	-	161,867
Other Current Assets	143,841	-	-	-	143,841
Current Amount of Restricted Assets	-	-	4,398,543	-	4,398,543
Total Current Assets	<u>18,491,662</u>	<u>1,804,390</u>	<u>4,524,502</u>	<u>2,234,918</u>	<u>27,055,472</u>
Restricted Assets					
Cash	-	-	6,699,887	-	6,699,887
Certificate of Deposit	-	-	50,827	-	50,827
Investments	-	-	12,926,255	-	12,926,255
Interest Receivable on Investments	-	-	43,967	-	43,967
Accounts Receivable	-	-	354,797	-	354,797
Intergovernmental Receivable	-	-	1,203,460	-	1,203,460
Total Restricted Assets	-	-	21,279,193	-	21,279,193
Current Amounts Above	-	-	(4,398,543)	-	(4,398,543)
Total Non-Current Restricted Assets	-	-	16,880,650	-	16,880,650
Capital Assets					
Plant and Equipment	72,764,002	154,815,375	73,388,835	1,067,739	302,035,951
Land and Land Rights	333,013	775,109	756,583	-	1,864,705
Sanitary and Sewer Lagoons	-	6,896,810	-	-	6,896,810
Construction in Progress	2,180,634	13,614,643	19,755,714	-	35,550,991
Total	<u>75,277,649</u>	<u>176,101,937</u>	<u>93,901,132</u>	<u>1,067,739</u>	<u>346,348,457</u>
Less: Accumulated Depreciation	<u>41,251,489</u>	<u>76,841,267</u>	<u>31,143,858</u>	<u>599,144</u>	<u>149,835,758</u>
Net Capital Assets	<u>\$ 34,026,160</u>	<u>\$ 99,260,670</u>	<u>\$ 62,757,274</u>	<u>\$ 468,595</u>	<u>\$ 196,512,699</u>

NOTE -- Amounts for the Electric Fund are at June 30, 2024.

CITY OF TUPELO
STATEMENT OF NET POSITION -
PROPRIETARY FUND TYPES
September 30, 2024

-Continued-

	Business-Type Activities--Enterprise Funds				
	Electric Fund	Water and Sewer Fund	Northeast Mississippi Regional Water Supply District	Solid Waste Fund (Non-Major)	Total
Other Assets					
Other Assets	\$ -	\$ 8,900	\$ 42,142	\$ -	\$ 51,042
Receivable from Customers for Energy Conservation Loans	6,519	-	-	-	6,519
Receivable from CSA	155,531	-	-	-	155,531
Total Other Assets	162,050	8,900	42,142	-	213,092
Total Assets	52,679,872	101,073,960	84,204,568	2,703,513	240,661,913
DEFERRED OUTFLOWS OF RESOURCES	1,809,276	726,636	36,293	76,727	2,648,932
LIABILITIES					
CURRENT LIABILITIES					
Payable from Unrestricted					
Current Assets:					
Accounts Payable	4,882,591	319,350	-	250,038	5,451,979
Equity in Pooled Cash Deficit	-	1,984,855	-	-	1,984,855
Customer and Other Deposits	3,357,551	928,085	-	-	4,285,636
Accrued Interest	32,334	125,938	-	-	158,272
Accrued Expenses	292,734	-	-	-	292,734
Due to Other Funds	8,467	1,890,376	-	-	1,898,843
Total Payable from Unrestricted Current Assets	8,573,677	5,248,604	-	250,038	14,072,319
Payable from Restricted					
Current Assets:					
Due to City of Tupelo Water					
G.O. Bond Fund	-	-	213,750	-	213,750
Accounts Payable	-	-	81,388	-	81,388
Accrued Payroll and Payroll Taxes	-	-	2,345	-	2,345
Construction / Retainage Payable	-	-	1,083,977	-	1,083,977
Bonds, Notes, and Loans Payable	350,000	3,846,442	-	-	4,196,442
Total Payable from Restricted Current Assets	350,000	3,846,442	1,381,460	-	5,577,902
Total Current Liabilities	\$ 8,923,677	\$ 9,095,046	\$ 1,381,460	\$ 250,038	\$ 19,650,221

NOTE -- Amounts for the Electric Fund are at June 30, 2024.

CITY OF TUPELO
STATEMENT OF NET POSITION -
PROPRIETARY FUND TYPES
September 30, 2024

-Continued-

	Business-Type Activities--Enterprise Funds				
	Electric Fund	Water and Sewer Fund	Northeast Mississippi Regional Water Supply District	Solid Waste Fund (Non-Major)	Total
Long-Term Liabilities - Net of Current Maturities					
Net Pension Liability	\$ 7,831,429	\$ 5,510,703	\$ 259,674	\$ 582,758	\$ 14,184,564
Accrued Compensated Absences Due to City of Tupelo	87,753	52,281	-	-	140,034
Water G. O. Bond Fund	-	-	2,200,834	-	2,200,834
Advances from TVA	7,633	-	-	-	7,633
Bonds, Notes, and Loans Payable	<u>3,899,366</u>	<u>37,678,658</u>	<u>-</u>	<u>-</u>	<u>41,578,024</u>
Total Long-Term Liabilities	<u>11,826,181</u>	<u>43,241,642</u>	<u>2,460,508</u>	<u>582,758</u>	<u>58,111,089</u>
Total Liabilities	<u>20,749,858</u>	<u>52,336,688</u>	<u>3,841,968</u>	<u>832,796</u>	<u>77,761,310</u>
DEFERRED INFLOWS OF RESOURCES	<u>581,821</u>	<u>414,338</u>	<u>4,795</u>	<u>43,893</u>	<u>1,044,847</u>
Net Position					
Net Investment in Capital Assets	29,776,794	57,735,570	59,258,713	468,595	147,239,672
Restricted for:					
Capital Projects	-	-	18,084,110	-	18,084,110
Operations and Debt Service	-	-	2,883,174	-	2,883,174
Unrestricted (Deficit)	<u>3,380,675</u>	<u>(8,686,000)</u>	<u>168,101</u>	<u>1,434,956</u>	<u>(3,702,268)</u>
Total Net Position	<u>\$ 33,157,469</u>	<u>\$ 49,049,570</u>	<u>\$ 80,394,098</u>	<u>\$ 1,903,551</u>	<u>\$ 164,504,688</u>

NOTE -- Amounts for the Electric Fund are at June 30, 2024.

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, 2024

Business-Type Activities--Enterprise Funds					
	Electric Fund	Water and Sewer Fund	Northeast Mississippi Regional Water Supply District	Solid Waste Fund (Non-Major)	Total
OPERATING REVENUES					
Charges for Services	\$ 56,614,831	\$ 15,030,362	\$ 3,630,107	\$ 4,167,908	\$ 79,443,208
Rents	399,485	120,446	-	-	519,931
Other Revenues	650,998	112,961	-	241,500	1,005,459
Total Operating Revenues	57,665,314	15,263,769	3,630,107	4,409,408	80,968,598
OPERATING EXPENSES					
General and Administrative	1,673,071	830,146	335,762	-	2,838,979
Power Purchased	46,288,721	-	-	-	46,288,721
Transmission Mains	-	1,571,072	-	-	1,571,072
Water Operations	-	1,641,215	2,958,735	-	4,599,950
Sewer Operations	-	3,613,647	-	-	3,613,647
Electric Operations	853,639	-	-	-	853,639
Sanitation Operations	-	-	-	4,035,391	4,035,391
Customer Accounting and Collecting	495,160	883,340	-	-	1,378,500
Customer Service and Information	35,453	-	-	-	35,453
Maintenance and Repair	1,488,741	-	-	-	1,488,741
Sales Expense	43,400	-	-	-	43,400
Taxes and Equivalents	3,655,490	-	-	-	3,655,490
Amortization and Depreciation	2,723,539	4,674,217	1,484,770	59,348	8,941,874
Total Operating Expenses	57,257,214	13,213,637	4,779,267	4,094,739	79,344,857
Net Operating Income	408,100	2,050,132	(1,149,160)	314,669	1,623,741
NON-OPERATING REVENUES (EXPENSES)					
Interest Income	132,484	83,627	845,515	66,206	1,127,832
Gain (Loss) on Disposal of Capital Assets	-	14,700	-	-	14,700
Bad Debts	-	(17,782)	-	(6,276)	(24,058)
Interest Expense	(166,143)	(760,354)	(106,826)	-	(1,033,323)
Unrealized Gain (Loss) on Investments	-	-	349,955	-	349,955
Total Non-operating Revenues (Expenses)	(33,659)	(679,809)	1,088,644	59,930	435,106
Income (Loss) before Operating Transfers	\$ 374,441	\$ 1,370,323	\$ (60,516)	\$ 374,599	\$ 2,058,847

NOTE -- Amounts for the Electric Fund are for fiscal year ended June 30, 2024.

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

For the year ended September 30, 2024

-Continued-

	Business-Type Activities--Enterprise Funds				
	Electric Fund	Water and Sewer Fund	Northeast Mississippi Regional Water Supply District	Solid Waste Fund (Non-Major)	Total
OPERATING TRANSFERS IN (OUT)					
Transfer (to) from Northeast MS Regional Water Supply District for Debt Service	\$ -	\$ (1,303,697)	\$ -	\$ -	\$ (1,303,697)
Total Operating Transfers In (Out)	-	(1,303,697)	-	-	(1,303,697)
Increase (Decrease) in Net Assets Before Capital Contributions	374,441	66,626	(60,516)	374,599	755,150
Capital Grants and Contributions	-	219,038	4,304,943	-	4,523,981
Change in Net Position	374,441	285,664	4,244,427	374,599	5,279,131
TOTAL NET POSITION -					
Beginning of Year	32,783,028	48,763,906	76,149,671	1,528,952	159,225,557
TOTAL NET POSITION -					
End of Year	\$ 33,157,469	\$ 49,049,570	\$ 80,394,098	\$ 1,903,551	\$ 164,504,688

NOTE -- Amounts for the Electric Fund are for fiscal year ended June 30, 2024.

See accompanying notes to financial statements.

CITY OF TUPELO
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
For the year ended September 30, 2024

	Business-Type Activities--Enterprise Funds				
	Electric Fund	Water and Sewer Fund	Northeast Mississippi Regional Water Supply District	Solid Waste Fund (Non-Major)	Total
Cash Flows From Operating Activities:					
Receipts from Customers	\$ 56,910,464	\$ 15,337,788	\$ 3,589,926	\$ 4,403,132	\$ 80,241,310
Payments to Suppliers	(47,926,924)	(6,368,372)	(3,191,299)	(3,728,776)	(61,215,371)
Payments to Employees	(2,255,254)	(1,823,684)	(65,277)	(258,343)	(4,402,558)
Payments for Other Services and Charges	(3,352,698)	-	-	-	(3,352,698)
Other Receipts (Payments)	16,379	(5,773)	-	-	10,606
Net Cash Provided by (Used in) Operating Activities	3,391,967	7,139,959	333,350	416,013	11,281,289
Cash Flows from Noncapital Financing Activities:					
Due To (From) Municipality	(133,504)	(213,935)	-	81	(347,358)
Transfers In (Out)	-	(1,303,697)	-	-	(1,303,697)
Net Cash Provided by (Used In) Noncapital Financing Activities	(133,504)	(1,517,632)	-	81	(1,651,055)
Cash Flows from Capital and Related Financing Activities:					
Capital Contributions	-	781,699	4,227,544	-	5,009,243
Proceeds from Bonds and Notes Payable	-	8,730,325	-	-	8,730,325
Payments to City of Tupelo Water G. O. Bonds Fund	-	-	(207,500)	-	(207,500)
Payments for Debt	(335,000)	(3,782,380)	-	-	(4,117,380)
Purchase of Capital Assets	(2,879,496)	(14,863,112)	(15,085,398)	-	(32,828,006)
Cost of Removal of Fixed Assets, Net of Salvage	(78,521)	-	-	-	(78,521)
Proceeds from Sale of Capital Assets	-	14,700	-	-	14,700
Conservation Advances from TVA	(20,196)	-	-	-	(20,196)
Interest Paid	(210,750)	(836,279)	(106,826)	-	(1,153,855)
Net Cash Provided by (Used In) Capital and Related Financing Activities	(3,523,963)	(9,955,047)	(11,172,180)	-	(24,651,190)
Cash Flows from Investing Activities:					
Receivable from Customers for Energy Conservation Loans	19,023	-	-	-	19,023
(Increase) Decrease in Receivable from CSA	(34,211)	-	-	-	(34,211)
Proceeds from Maturities / Sales of Investments	-	-	9,000,000	-	9,000,000
Purchase of Investments	-	-	(1,741,776)	-	(1,741,776)
Interest and Dividends	132,484	83,627	898,575	66,206	1,180,892
Net Cash Provided by (Used In) Investing Activities	117,296	83,627	8,156,799	66,206	8,423,928
Net Increase (Decrease) In Cash and Cash Equivalents	(148,204)	(4,249,093)	(2,682,031)	482,300	(6,597,028)
Cash and Cash Equivalents--Beginning	7,448,162	3,555,104	9,382,092	1,750,895	22,136,253
Cash and Cash Equivalents--Ending	\$ 7,299,958	\$ (693,989)	\$ 6,700,061	\$ 2,233,195	\$ 15,539,225

NOTE -- Amounts for the Electric Fund are for fiscal year ended June 30, 2024.

CITY OF TUPELO
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
For the year ended September 30, 2024

	Business-Type Activities--Enterprise Funds				
	Electric Fund	Water and Sewer Fund	Northeast Mississippi Regional Water Supply District	Solid Waste Fund (Non-Major)	Total
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Operating Income (Loss)	\$ 408,100	\$ 2,050,132	\$ (1,149,160)	\$ 314,669	\$ 1,623,741
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:					
Depreciation Expense	2,723,539	4,674,217	1,484,770	59,348	8,941,874
Net Pension Expense	547,654	459,179	27,566	32,583	1,066,982
Provision for Uncollectible Accounts	(34,098)	(17,782)	-	(6,276)	(58,156)
Decrease (Increase) in Assets:					
Accounts Receivable	(572,290)	-	(40,181)	-	(612,471)
Unbilled Revenue	(148,404)	26,368	-	-	(122,036)
Other Receivables	(32,981)	(4,637)	-	-	(37,618)
Inventory	124,559	38,670	3,382	-	166,611
Prepaid Expenses	(24,710)	(5,773)	(2,194)	-	(32,677)
Other Current Assets	49,302	-	(1,675)	-	47,627
Increase (Decrease) in Liabilities:					
Accounts Payable	310,824	(158,471)	10,732	15,689	178,774
Customer and Other Deposits	43,085	70,070	-	-	113,155
Accrued Expenses	(2,613)	7,986	110	-	5,483
Total Adjustments	2,983,867	5,089,827	1,482,510	101,344	9,657,548
Net Cash Provided by (Used in) Operating Activities	\$ 3,391,967	\$ 7,139,959	\$ 333,350	\$ 416,013	\$ 11,281,289

NOTE -- Amounts for the Electric Fund are for fiscal year ended June 30, 2024.

See accompanying notes to financial statements.

**CITY OF TUPELO
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
September 30, 2024**

	Agency Funds
ASSETS	
Cash	\$ 1,240,607
Investments	<u>500</u>
TOTAL ASSETS	\$ <u>1,241,107</u>
 LIABILITIES	
Accounts Payable	\$ 50,235
Due to Complainants	6,964
Due to Insured Employees	563,303
Seized Money Held	<u>620,605</u>
TOTAL LIABILITIES	\$ <u>1,241,107</u>

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2024

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, 2024

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, 2024

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, 2024

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, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

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

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

DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets and liabilities, the statement of financial position will sometimes report a separate section for deferred outflows and deferred inflows of resources. These separate financial statement elements, deferred inflows and deferred outflows, represent a consumption of net position that applies to future periods (deferred outflows) or an acquisition of net position that applies to future periods (deferred inflows). The City has deferred outflows and inflows related to pensions. See Note 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, 2024

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, 2024

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, 2024

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, 2024

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 \$98,042,595, and the bank balance was \$98,746,983. The carrying amount for the Tupelo Airport Authority was \$1,196,423, and the bank balance was \$1,306,267.

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

The certificate of deposit of \$50,827 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, 2024, 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>3,870,671</u>	\$ <u>3,870,671</u>
Total				\$ <u>3,870,671</u>	\$ <u>3,870,671</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, 2024

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

During fiscal year 2024, 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, 2024, 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	\$ 9,959,369	\$ 9,959,369
Money Market	1	<u>2,966,886</u>	<u>2,966,886</u>
Total		\$ <u>12,926,255</u>	\$ <u>12,926,255</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, 2024

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, 2024, consist of allocations of general property ad valorem taxes of \$937,665 and homestead exemption reimbursement of \$36,637 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>4,218,355</u>
Assumed Rate of Return Used in Plan Evaluation	7.55%
Plan Evaluation Date	June 30, 2024
Plan Assets Available for Benefits as of June 30, 2024	\$ <u>3,961,000</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, 2024

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, 2024

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, 2024 is as follows:

	<u>City</u>	<u>TPSD</u>
Real Property	\$ 393,807,357	\$ 19,796,826
Personal Property - Other Than Motor Vehicles & Mobile Homes	127,473,456	6,588,414
Personal Property - Motor Vehicles & Mobile Homes	<u>70,148,236</u>	<u>4,632,283</u>
	<u>\$ 591,429,049</u>	<u>\$ 31,017,523</u>

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

	<u>City</u>	<u>TPSD</u>
General Fund	13.11	0.00
Library Fund	0.70	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	6.10
Short-Term Debt	0.00	3.00
School Maintenance Fund	<u>0.00</u>	<u>55.00</u>
	<u>32.47</u>	<u>64.10</u>

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2024

NOTE 5 - GENERAL PROPERTY TAXES – continued

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

NOTE 6 - CAPITAL ASSETS

The following is a summary of capital asset activity as of September 30, 2024:

	<u>Balance Oct. 1, 2023</u>	<u>Acquisitions</u>	<u>Capitalized Construction, Sales, or Retirements</u>	<u>Balance Sept. 30, 2024</u>
Governmental Activities:				
Capital Assets, not being Depreciated:				
Land	\$ 15,267,497	\$ 50,571	\$ (498,063)	\$ 14,820,005
Construction in Progress	<u>13,884,745</u>	<u>17,765,898</u>	<u>(20,850,685)</u>	<u>10,799,958</u>
Total Capital Assets, not being Depreciated:	29,152,242	17,816,469	(21,348,748)	25,619,963
Capital Assets being Depreciated:				
Buildings and Improvements	135,894,839	1,818,197	7,253,116	144,966,152
Machinery and Equipment	31,655,590	3,215,648	(1,381,558)	33,489,680
Infrastructure	<u>170,099,780</u>	<u>-</u>	<u>13,597,569</u>	<u>183,697,349</u>
Total Capital Assets, being Depreciated	337,650,209	5,033,845	19,469,127	362,153,181
Less Accumulated Depreciation for:				
Buildings and Improvements	(41,480,602)	(3,629,938)	-	(45,110,540)
Machinery and Equipment	(22,575,174)	(2,322,369)	1,185,900	(23,711,643)
Infrastructure	<u>(100,044,422)</u>	<u>(5,968,466)</u>	<u>-</u>	<u>(106,012,888)</u>
Total Accumulated Depreciation	<u>(164,100,198)</u>	<u>(11,920,773)</u>	<u>1,185,900</u>	<u>(174,835,071)</u>
Total Governmental Activities				
Capital Assets, net	\$ <u>202,702,253</u>	\$ <u>10,929,541</u>	\$ <u>(693,721)</u>	\$ <u>212,938,073</u>

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2024

NOTE 6 - CAPITAL ASSETS – continued

	<u>Balance Oct. 1, 2023</u>	<u>Acquisitions</u>	<u>Capitalized Construction, Sales, or Retirements</u>	<u>Balance Sept. 30, 2024</u>
Business-Type Activities:				
Capital Assets, not being Depreciated:				
Land	\$ 1,864,705	\$ -	\$ -	\$ 1,864,705
Construction in Progress	<u>8,210,490</u>	<u>31,323,709</u>	<u>(3,983,208)</u>	<u>35,550,991</u>
Total Capital Assets, not being Depreciated:	10,075,195	31,323,709	(3,983,208)	37,415,696
Capital Assets being Depreciated:				
Buildings and Improvements	272,888,409	2,010,484	3,795,777	278,694,760
Machinery and Equipment	<u>29,910,461</u>	<u>488,260</u>	<u>(160,630)</u>	<u>30,238,091</u>
Total Capital Assets, being Depreciated	302,798,870	2,498,744	3,635,147	308,932,761
Less Accumulated Depreciation for:				
Buildings and Improvements	(121,595,550)	(7,141,814)	280,713	(128,456,651)
Machinery and Equipment	<u>(19,618,277)</u>	<u>(1,800,060)</u>	<u>39,230</u>	<u>(21,379,107)</u>
Total Accumulated Depreciation	<u>(141,213,827)</u>	<u>(8,941,874)</u>	<u>319,943</u>	<u>(149,835,758)</u>
Total Business-Type Activities				
Capital Assets, net	\$ <u>171,660,238</u>	\$ <u>24,880,579</u>	\$ <u>(28,118)</u>	\$ <u>196,512,699</u>
Discretely Presented				
Component Unit:				
Capital Assets, not being Depreciated:				
Land	\$ 6,099,049	\$ -	\$ -	\$ 6,099,049
Construction in Progress	<u>1,413,784</u>	<u>2,595,801</u>	<u>(918,725)</u>	<u>3,090,860</u>
Total Capital Assets, not being Depreciated:	7,512,833	2,595,801	(918,725)	9,189,909
Capital Assets being Depreciated:				
Buildings and Improvements	51,484,259	930,625	-	52,414,884
Machinery and Equipment	<u>2,596,942</u>	<u>76,949</u>	<u>(18,600)</u>	<u>2,655,291</u>
Total Capital Assets, being Depreciated	54,081,201	1,007,574	(18,600)	55,070,175
Less Accumulated Depreciation for:				
Buildings and Improvements	(31,844,058)	(1,316,148)	-	(33,160,206)
Machinery and Equipment	<u>(1,484,148)</u>	<u>(171,500)</u>	<u>18,600</u>	<u>(1,637,048)</u>
Total Accumulated Depreciation	<u>(33,328,206)</u>	<u>(1,487,648)</u>	<u>18,600</u>	<u>(34,797,254)</u>
Total Component Unit				
Capital Assets, net	\$ <u>28,265,828</u>	\$ <u>2,115,727</u>	\$ <u>(918,725)</u>	\$ <u>29,462,830</u>
Total Capital Assets	\$ <u>402,628,319</u>	\$ <u>37,925,847</u>	\$ <u>(1,640,564)</u>	\$ <u>438,913,602</u>

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2024

NOTE 6 - CAPITAL ASSETS – continued

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

Governmental Activities:

General Government	\$ 1,209,740
Public Safety	1,609,958
Public Works	6,856,004
Culture and Recreation	<u>2,245,071</u>

Total Depreciation Expense - Governmental Activities	\$ <u>11,920,773</u>
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Business-Type Activities:

Electric Department	\$ 2,763,853
Water and Sewer	4,673,319
Northeast Mississippi Regional Water Supply District	59,348
Solid Waste	<u>1,484,770</u>

Total Depreciation Expense - Business-Type Activities	\$ <u>8,981,290</u>
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Total Depreciation Expense - Discretely Presented Component Unit	\$ <u>1,487,648</u>
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NOTE 7 - LONG-TERM DEBT

BONDS PAYABLE

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

During 2024, the City issued special obligation bonds, series 2024, in the amount of \$12,000,000. The purpose of this bond issue is to provide funds for park improvements, sidewalks, and drainage.

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

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

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2024

NOTE 7 - LONG-TERM DEBT – continued

NOTES PAYABLE AND STATE REVOLVING LOANS

Fifteen different capital improvement revolving loans make up the September 30, 2024 notes payable balance and are included in both governmental activities and business-type activities. Fourteen of the loans are in repayment status with a total outstanding balance of \$28,424,560. The remaining in progress note totals \$8,730,325.

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

CHANGES IN LONG-TERM LIABILITIES

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

	Fund Debt Retired By	Balances Oct. 1,	Additions	Reductions	Balances Sept. 30	Current Portion
Governmental Activities:						
General Obligation	Debt Service	\$34,970,000	\$ -	\$ 3,005,000	\$31,965,000	\$3,120,000
Limited Obligations						
Tax Increment	Debt Service	604,000	-	104,000	500,000	46,000
Special Obligation Bonds	Debt Service	25,000,000	12,000,000	305,000	36,695,000	680,000
Notes Payable	General	2,448,751	-	253,245	2,195,506	382,890
Bond Premiums		<u>4,565,647</u>	<u>1,597,660</u>	<u>386,714</u>	<u>5,776,593</u>	<u>-</u>
Total Governmental Activities		<u>\$67,588,398</u>	<u>\$13,597,660</u>	<u>\$ 4,053,959</u>	<u>\$77,132,099</u>	<u>\$4,228,890</u>

	Fund Debt Retired By	Balances Oct. 1,	Additions	Reductions	Balances Sept. 30	Current Portion
Business-Type Activities:						
Special Obligation Bonds	Water/Sewer	\$ 6,565,000	\$ -	\$ 520,000	\$ 6,045,000	\$ 550,000
Special Obligation Bonds	Electric*	4,215,000	-	335,000	3,880,000	350,000
Notes Payable	Water/Sewer	29,491,434	8,730,325	3,262,380	34,959,379	3,296,442
Bond Premiums		<u>996,992</u>	<u>-</u>	<u>106,905</u>	<u>890,087</u>	<u>-</u>
Total Business-Type Activities		<u>\$41,268,426</u>	<u>\$ 8,730,355</u>	<u>\$ 4,224,285</u>	<u>\$45,774,466</u>	<u>\$4,196,442</u>

*Amounts for Electric Fund are at June 30, 2024.

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2024

NOTE 7 - LONG-TERM DEBT – continued

DEBT SERVICE REQUIREMENTS TO MATURITY

Annual debt service requirements to maturity are as follows:

Governmental Activities						
Year Ending September 30,	General Obligation	Limited Obligations Tax Increment	Special Obligation	Notes Payable	Interest	Total
2025	\$ 3,120,000	\$ 46,000	\$ 680,000	\$ 382,890	\$ 2,723,708	\$ 6,952,598
2026	3,235,000	48,000	695,000	146,796	2,582,521	6,707,317
2027	3,000,000	50,000	715,000	151,261	2,443,251	6,359,512
2028	3,035,000	53,000	830,000	155,861	2,308,913	6,382,774
2029	2,935,000	56,000	1,010,000	160,602	2,160,702	6,322,304
2030-2034	12,640,000	247,000	8,445,000	706,181	8,502,328	30,540,509
2035-2039	4,000,000	-	13,225,000	458,655	4,670,039	22,353,694
2040-2044	-	-	6,705,000	33,260	1,778,883	8,517,143
2045-2049	-	-	4,390,000	-	588,100	4,978,100
Total	\$ 31,965,000	\$ 500,000	\$36,695,000	\$ 2,195,506	\$ 27,758,445	\$ 99,113,951

Business-Type Activities				
Year Ending September 30,	Special Obligation	Notes Payable	Interest	Total
2025	\$ 900,000	\$ 3,296,442	\$ 940,935	\$ 5,137,377
2026	945,000	3,202,458	837,094	4,984,552
2027	995,000	2,954,549	735,461	4,685,010
2028	1,040,000	1,768,334	640,692	3,449,026
2029	1,095,000	1,547,327	560,368	3,202,695
2030-2034	4,950,000	8,171,345	1,489,179	14,610,524
2035-2039	-	5,187,759	189,497	5,377,256
2040-2044	-	100,840	663	101,503
Total	\$ 9,925,000	\$ 26,229,054	\$ 5,393,889	\$ 41,547,943

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2024

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>
2025	\$ 213,750	\$ 99,115	\$ 312,865
2026	225,417	90,564	315,981
2027	235,833	81,548	317,381
2028	247,917	72,115	320,032
2029	258,333	62,198	320,531
2030-2034	<u>1,233,334</u>	<u>143,314</u>	<u>1,376,648</u>
	\$ <u>2,414,584</u>	\$ <u>548,854</u>	\$ <u>2,963,438</u>

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2024

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, 2024:

<u>Year Ending September 30,</u>	
2025	\$ 448,571
2026	407,539
2027	401,216
2028	388,388
2029	271,757
2030-2034	971,029
2035-2037	<u>422,586</u>
Total Minimum Future Rentals	\$ <u>3,311,086</u>

NOTE 9 - TVA HOME INSULATION PROGRAM - ELECTRIC FUND

Other Assets of the Electric Fund include \$7,633 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, 2024 were:

<u>Fund</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$ 1,890,000	\$ -
Proprietary Funds:		
Electric Fund	376	8,930
Water and Sewer Fund	7,207	1,890,376
Solid Waste Management Fund	<u>1,723</u>	<u>-</u>
Total	\$ <u>1,899,306</u>	\$ <u>1,899,306</u>

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2024

NOTE 11 - NONCURRENT ASSETS

The following receivable at September 30, 2024 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

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

GASB Statement No. 87, *Leases*, was adopted by the City beginning with its fiscal year ending September 30, 2023. Statement No. 87 establishes a single approach to accounting for and reporting leases by local governments. Under this statement, a governmental entity that is a lessee must recognize (1) a lease liability and (2) an intangible asset representing the lessee's right to use the leased asset. In addition, the City must recognize (1) amortization expense for using the asset over the shorter of the term of the lease or the useful life of the underlying asset, (2) interest expense on the lease liability and (3) note disclosures about the lease. For the year ended September 30, 2024, 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, 2024, the City only had short-term contracts of 12 months or less and are excluded from the recognition requirements.

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2024

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, 2023 was as follows:

Inactive Members or Beneficiaries Currently	
Receiving Benefits	115,890
Inactive Members Assumed Eligible for a	
Benefit at Retirement Date	17,191
Inactive Members Assumed Not to Receive	
Service Retirement Benefits	78,809
Active Members	145,985
Total	<u>357,875</u>

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2024

NOTE 14 - DEFINED BENEFIT PENSION PLAN – continued

Contributions - The contribution requirements of PERS members and employers are established and may be amended only by the State of Mississippi Legislature. PERS members are required to contribute 9.00% of their annual covered salary and the City of Tupelo is required to contribute at an actuarially determined rate. The current rate is 17.90% 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, 2024). 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, 2024, the City of Tupelo's total payroll for all employees was \$20,839,221. Total covered payroll was \$20,470,796.

For the year ended September 30, 2024, the Coliseum Project Fund's total payroll for all employees was \$933,000. Total covered payroll was \$906,557.

For the year ended September 30, 2024, the Water District's total payroll for all employees was \$52,124. Total covered payroll was also \$52,124.

For the year ended September 30, 2024, the Tupelo Airport Authority's total payroll for all employees was \$722,902. Total covered payroll was \$646,559.

For the year ended September 30, 2024, the Water and Sewer Fund's total payroll for all employees was \$1,660,875. Total covered payroll was \$1,660,875.

For the year ended June 30, 2024, the Electric Fund's total payroll for all employees was \$2,252,641. Total covered payroll was \$2,252,641.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions - At September 30, 2024, the City of Tupelo reported a liability of \$68,559,718 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 \$3,075,322 for its proportionate share. The Water District reported \$259,674, the Tupelo Airport Authority reported \$2,063,112, and the Water and Sewer Fund reported \$5,510,703. The Electric Fund as of June 30, 2024, reported a liability of \$7,831,429 for its proportionate share of the net pension liability.

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2024

NOTE 14 - DEFINED BENEFIT PENSION PLAN – continued

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. 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, 2024, the City of Tupelo's proportion was 0.26402 percent. At June 30, 2024, the proportionate share for the Coliseum Project Fund was 0.011843 percent. At June 30, 2024, the proportionate share for the Water District was 0.0010 percent. At June 30, 2024, the proportionate share for the Tupelo Airport Authority was 0.007945 percent. At June 30, 2024, the proportionate share for the Water and Sewer Fund was 0.021222 percent.

For the Electric Fund, the net pension liability was measured as of June 30, 2023, and the total pension liability percentage used to calculate the net pension liability was determined by an actuarial valuation as of that date. At June 30, 2024, the Electric Fund's proportion was 0.031137 percent.

For the year ended September 30, 2024, the City of Tupelo (including the Solid Waste Fund) recognized pension expense of \$6,568,601. At September 30, 2024, 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	\$ 3,688,783	\$ -
Net Difference Between Projected and Actual Investment Earnings	227,196	-
City Pension Contributions Subsequent to the Measurement Date	864,124	-
Changes of Assumptions	4,246,578	-
Changes in Proportion and Differences in Actual Earnings on Pension Plan Assets	-	5,163,884
Total	\$ <u>9,026,681</u>	\$ <u>5,163,884</u>

The \$864,124 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, 2025. 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
2025	\$ 663,416
2026	3,666,849
2027	(774,645)
2028	(556,947)
Total	\$ <u>2,998,673</u>

For the year ended September 30, 2024, the Coliseum Project Fund recognized pension expense of \$267,072. At September 30, 2024, 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, 2024

NOTE 14 - DEFINED BENEFIT PENSION PLAN – continued

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 165,464	\$ -
Net Difference Between Projected and Actual Investment Earnings	10,191	-
Coliseum Pension Contributions Subsequent to the Measurement Date	38,473	-
Changes of Assumptions	190,486	-
Changes in Proportion and Differences in Actual Earnings on Pension Plan Assets	21,114	108,146
Total	\$ <u>425,728</u>	\$ <u>108,146</u>

The \$38,473 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, 2025. 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
2025	\$ 126,895
2026	198,734
2027	(21,538)
2028	(24,982)
Total	\$ <u>279,109</u>

For the year ended September 30, 2024, the Water District recognized pension expense of \$36,701. At September 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 14,407	\$ -
Net Difference Between Projected and Actual Investment Earnings	861	-
Water District Pension Contributions Subsequent to the Measurement Date	2,394	-
Changes of Assumptions	16,084	-
Changes in Proportion and Differences in Actual Earnings on Pension Plan Assets	2,547	4,795
Total	\$ <u>36,293</u>	\$ <u>4,795</u>

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2024

NOTE 14 - DEFINED BENEFIT PENSION PLAN – continued

The \$2,394 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, 2025. 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
2025	\$ 11,696
2026	20,162
2027	(644)
2028	<u>(2,110)</u>
Total	<u>\$ 29,104</u>

For the year ended September 30, 2024, the Tupelo Airport Authority recognized pension expense of \$321,582. At September 30, 2024, the Tupelo Airport Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 111,003	\$ -
Net Difference Between Projected and Actual Investment Earnings	6,837	-
TAA's Pension Contributions Subsequent to the Measurement Date	30,936	-
Changes of Assumptions	127,789	-
Changes in Proportion and Differences in Actual Earnings on Pension Plan Assets	<u>200,648</u>	<u>-</u>
Total	<u>\$ 477,213</u>	<u>\$ -</u>

The \$30,936 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, 2025. 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
2025	\$ 217,432
2026	217,414
2027	28,190
2028	<u>(16,760)</u>
Total	<u>\$ 446,276</u>

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2024

NOTE 14 - DEFINED BENEFIT PENSION PLAN – continued

For the year ended September 30, 2024, the Water and Sewer Fund recognized pension expense of \$459,179. At September 30, 2024, 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	\$ 296,498	\$ -
Net Difference Between Projected and Actual Investment Earnings	18,262	-
Water and Sewer Fund Pension Contributions Subsequent to the Measurement Date	70,545	-
Changes of Assumptions	341,331	-
Changes in Proportion and Differences in Actual Earnings on Pension Plan Assets	-	414,338
Total	\$ <u>726,636</u>	\$ <u>414,338</u>

The \$70,545 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, 2025. 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
2025	\$ (433)
2026	316,871
2027	(29,917)
2028	(44,768)
Total	\$ <u>241,753</u>

For the year ended June 30, 2024, the Electric Fund recognized pension expense of \$547,654. At June 30, 2024, 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, 2024

NOTE 14 - DEFINED BENEFIT PENSION PLAN – continued

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 196,087	\$ -
Net Difference Between Projected and Actual Investment Earnings	306,401	-
Electric Fund's Pension Contributions Subsequent to the Measurement Date	387,231	-
Changes of Assumptions	919,557	-
Changes in Proportion and Differences in Actual Earnings on Pension Plan Assets	-	581,821
Total	\$ <u>1,809,276</u>	\$ <u>581,821</u>

The \$387,231 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, 2025. 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
2025	\$ 195,407
2026	128,846
2027	513,644
2028	2,327
Total	\$ <u>840,224</u>

Actuarial Assumptions - The City of Tupelo total 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

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

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

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2024

NOTE 14 - DEFINED BENEFIT PENSION PLAN – continued

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

The actuarial assumptions are based on the experience investigation for the four-year period ending June 30, 2022 for the City and June 30, 2022 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	25.00	%	5.15	%
International Equity	20.00		5.00	
Global Equity	12.00		5.15	
Fixed Income	18.00		2.75	
Real Estate	10.00		3.50	
Private Equity	10.00		6.25	
Infrastructure	2.00		3.85	
Private Credit	2.00		4.90	
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, 2024

NOTE 14 - DEFINED BENEFIT PENSION PLAN – continued

Sensitivity of the City of Tupelo's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following presents the City of Tupelo's and the additional September 30, 2023 funds proportionate share of the net pension liability using the discount rate of 7.00 percent, as well as what the City of Tupelo's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	Discount Rate	City of Tupelo's Proportionate Share of Net Pension Liability
1% Decrease	6.00%	\$ 88,863,371
Current Discount Rate	7.00%	68,559,718
1% Increase	8.00%	51,942,714

	Discount Rate	Coliseum Project Fund's Proportionate Share of Net Pension Liability
1% Decrease	6.00%	\$ 3,986,065
Current Discount Rate	7.00%	3,075,322
1% Increase	8.00%	2,329,948

	Discount Rate	Northeast MS Regional Water District's Proportionate Share of Net Pension Liability
1% Decrease	6.00%	\$ 336,576
Current Discount Rate	7.00%	259,674
1% Increase	8.00%	196,736

	Discount Rate	Tupelo Airport Authority's Proportionate Share of Net Pension Liability
1% Decrease	6.00%	\$ 2,674,093
Current Discount Rate	7.00%	2,063,112
1% Increase	8.00%	1,563,070

	Discount Rate	Water and Sewer Fund's Proportionate Share of Net Pension Liability
1% Decrease	6.00%	\$ 7,142,673
Current Discount Rate	7.00%	5,510,703
1% Increase	8.00%	4,175,059

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2024

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%	\$ 10,098,827
Current Discount Rate	7.00%	7,831,429
1% Increase	8.00%	5,970,778

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

<u>Fund</u>	Transfers to Other Funds	Transfers from Other Funds
General Fund	\$ 13,319,094	\$ 715,206
Special Revenue Funds:		
Library Fund		22,736
CVB Fund	1,830,026	-
Coliseum Project Fund	2,886,373	2,215,120
Coliseum Operating Fund	-	1,891,004
Narcotics Fund	26,096	-
Debt Service Funds:		
Special Obligation Debt Service Fund	-	995,369
Capital Projects Funds:		
City Infrastructure Fund	-	12,222,154
Total	<u>\$ 18,061,589</u>	<u>\$ 18,061,589</u>
	Transfers to Blended Component Unit	Transfers from Blended Component Unit
Debt Service Fund:		
Water G.O. Bond Fund	\$ 4,645,896	\$ 314,326
Enterprise Fund:		
Water and Sewer Fund	1,303,697	-
Total	<u>\$ 5,949,593</u>	<u>\$ 314,326</u>

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2024

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	\$ 314,326
Transfers to Water District reported as Water Sales by Water District	(1,303,697)
Transfer to Water District reported as Contributed Capital by Water District	<u>(4,645,896)</u>
Difference	<u>\$ (5,635,267)</u>

NOTE 16 - LIABILITY FOR COMPENSATED ABSENCES

The General Fund did not have any liability at September 30, 2024, for vested, but unused, vacation or overtime since none of the City's liability at that date applicable to employees whose compensation is reflected as an expenditure in its governmental funds is expected to be liquidated with expendable available financial resources.

A liability for vested, but unused, vacation and overtime did exist at September 30, 2024, for the Government-Wide Financial Statements, the Combined Water and Sewer Fund, and the Tupelo Airport Authority, and at June 30, 2024, for the Electric Fund and has been reflected in these financial statements.

As provided by Statement No. 16 of the Governmental Accounting Standards Board, *Accounting for Compensated Absences*, the primary government and the Airport Authority do not have any liability for unused sick leave accumulated by its employees since the employees do not have a vested right to receive sick pay benefits; i.e., the employees' rights to receive compensation for future absences for sick leave is contingent on the absences being caused by the employee's future illness resulting prior to termination of his/her employment with the City or the Airport Authority.

NOTE 17 - ACCOUNTS RECEIVABLE

Receivables for accounts of the Electric Fund (an Enterprise Fund) have been reduced by \$68,410 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 \$23,114,762 to reflect the provision for uncollectible fines.

NOTE 18 - SOLID WASTE DISPOSAL SERVICE AGREEMENT

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

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2024

NOTE 19 - SOLID WASTE MANAGEMENT FUND

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

NOTE 20 - GENERAL OBLIGATION WATER BONDS

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

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

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

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

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

The Water District's billings for water include an amount to pay the remaining 50% of each debt service disbursement. The City of Tupelo treats this amount as a transfer to the Water District for debt service. The Water District reflects these payments as water revenues. Total water fees reported by the City as debt service transfers to the Water District for the year ended September 30, 2024 was \$1,303,697.

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2024

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, 2024 (its year-end) of \$6,412,559. This represented approximately 11.0% of the Department's revenues for the year.

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2024

NOTE 24 - USE OF ESTIMATES

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

NOTE 25 - BUDGET / GAAP RECONCILIATION

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

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

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

Governmental Fund Types			
		General Fund	City Infrastructure Fund
Budget (Cash Basis)	\$	419,151	\$ 12,438,549
Increase (Decrease)			
Net adjustments for revenue accruals		<u>(22,264)</u>	<u>53,158</u>
GAAP Basis	\$	<u>396,887</u>	<u>\$ 12,491,707</u>

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2024

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, 2024</u>	<u>Remaining Commitment at September 30, 2024</u>
Thoroughfare Fund:	N. Veterans Blvd. Imp.	\$ 1,814,124	\$ 1,820,376	\$ 3,765
Infrastructure Fund:	The Depot	1,907,522	-	1,907,522
	West Bristow Street	1,184,565	-	1,184,565
	Haven Acres Ditch Improv.	903,271	268,917	634,354
	Danielle Cove Drainage	455,794	-	455,794
	Chickasaw Trail Drainage	390,009	-	390,009
	Fairpark Restroom Pavilion	316,648	-	316,648
	Gun Club Road	<u>1,250,588</u>	<u>1,241,963</u>	<u>13,454</u>
		<u>\$ 8,222,521</u>	<u>\$ 3,331,256</u>	<u>\$ 4,906,111</u>

NOTE 27 - INTERFUND TRANSACTIONS

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

CITY OF TUPELO
NOTES TO FINANCIAL STATEMENTS
September 30, 2024

NOTE 28 - TAX ABATEMENTS

The City enters into property tax abatement agreements with local businesses for economic development purposes. The abatements may be granted to any business located within or promising to locate within the city limits. The abatements are negotiated on an individual basis. Each abatement is for 10 years. The City had fifty-four tax abatement agreements with twenty-four entities as of September 30, 2024.

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

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

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

Category	Amount of taxes abated during the fiscal year
New and expanded industrial enterprises	\$342,541

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

NOTE 29 - SUBSEQUENT EVENTS

Events that occur after the statement of net position date, but before the financial statements are available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the statement of net position date require recognition in the financial statements. Subsequent events that provide evidence about conditions that existed after the statement of net position date require disclosure in the notes to the financial statements. Management evaluated the activity of the City through May 1, 2025, (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 March 2025, the City approved a resolution authorizing the issuance of Tax Increment Limited Obligation Bonds, Series 2025, in the amount of \$2,350,000 for various infrastructure 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, 2024*

	2024	2023	2022	2021	2020
City's proportion of net pension liability (%)	0.26402	0.27158 %	0.25909 %	0.26497 %	0.26392 %
City's proportionate share of net pension liability	\$ 68,559,718	\$ 68,305,200	\$ 53,329,121	\$ 39,163,576	\$ 51,091,459
City's covered payroll	\$ 20,470,796	\$ 19,435,506	\$ 18,620,328	\$ 17,547,057	\$ 17,694,218
City's proportionate share of net pension liability as a percentage of its covered payroll (%)	334.92	351.45 %	286.40 %	223.19 %	288.75 %
Coliseum's proportion of net pension liability (%)	0.01184	0.01177 %	0.01087 %	0.00952 %	0.01283 %
Coliseum's proportionate share of net pension liability	\$ 3,075,322	\$ 2,959,304	\$ 2,237,853	\$ 1,406,950	\$ 2,484,126
Coliseum's covered payroll	\$ 906,557	\$ 881,253	\$ 760,385	\$ 665,764	\$ 801,408
Coliseum's proportionate share of net pension liability as a percentage of its covered payroll (%)	339.23	335.81 %	294.31 %	211.33 %	309.97 %
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	\$ 259,674	\$ 251,512	\$ 205,835	\$ 147,804	\$ 193,588
District's covered payroll	\$ 52,124	\$ 49,850	\$ 47,342	\$ 63,884	\$ 65,951
District's proportionate share of net pension liability as a percentage of its covered payroll (%)	498.19	504.54 %	434.78 %	231.36 %	293.53 %
TAA's proportion of net pension liability (%)	0.00795	0.00705 %	0.00683 %	0.00516 %	0.00532 %
TAA's proportionate share of net pension liability	\$ 2,063,112	\$ 1,773,921	\$ 1,406,687	\$ 762,523	\$ 1,030,084
TAA's covered payroll	\$ 646,559	\$ 522,267	\$ 515,167	\$ 360,190	\$ 357,046
TAA's proportionate share of net pension liability as a percentage of its covered payroll (%)	319.09	339.66 %	273.05 %	211.70 %	288.50 %
W&S's proportion of net pension liability (%)	0.02122	0.02164 %	0.02138 %	0.02198 %	0.02211 %
W&S's proportionate share of net pension liability	\$ 5,510,703	\$ 5,442,180	\$ 4,400,078	\$ 3,248,876	\$ 4,279,380
W&S's covered payroll	\$ 1,660,875	\$ 1,623,667	\$ 1,425,431	\$ 1,314,874	\$ 1,409,609
W&S's proportionate share of net pension liability as a percentage of its covered payroll (%)	331.80	335.18 %	308.68 %	220.47 %	303.59 %
**Electric's proportion of net pension liability (%)	0.03114	0.03076 %	0.03163 %	0.03181 %	0.03278 %
Electric's proportionate share of net pension liability	\$ 7,831,429	\$ 6,331,820	\$ 4,675,212	\$ 6,158,132	\$ 5,766,823
Electric's covered payroll	\$ 2,252,641	\$ 2,227,849	\$ 2,187,126	\$ 2,127,897	\$ 2,118,167
Electric's proportionate share of net pension liability as a percentage of its covered payroll (%)	347.66	284.21 %	213.76 %	289.40 %	272.26 %
Plan fiduciary net position as a % of total pension liability	56.30	55.70 %	59.93 %	70.44 %	58.97 %

* The amounts presented have a measurement date of June 30. ** Amounts for the Electric Fund are at June 30, 2024.

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, 2024*
-Continued-

		2019		2018		2017		2016		2015	
City's proportion of net pension liability (%)	%	0.25816	%	0.26055	%	0.25163	%	0.24688	%	0.24395	%
City's proportionate share of net pension liability	\$	45,415,438		43,336,374	\$	41,829,447	\$	44,099,290	\$	37,934,001	
City's covered payroll	\$	143,766		16,638,298	\$	16,142,216	\$	16,119,683	\$	15,387,575	
City's proportionate share of net pension liability as a percentage of its covered payroll (%)	%	271.29	%	260.46	%	259.13	%	273.57	%	246.52	%
Coliseum's proportion of net pension liability (%)	%	0.01410	%	0.01339	%	0.01201	%	0.01180	%	0.01220	%
Coliseum's proportionate share of net pension liability	\$	2,480,116		2,225,540	\$	1,996,802	\$	2,114,562	\$	1,885,789	
Coliseum's covered payroll	\$	10,342		854,965	\$	770,559	\$	789,663	\$	753,435	
Coliseum's proportionate share of net pension liability as a percentage of its covered payroll (%)	%	278.58	%	260.31	%	259.14	%	267.78	%	250.30	%
District's proportion of net pension liability (%)	%	0.00100	%	0.00100	%	0.00100	%	0.00100	%	0.00100	%
District's proportionate share of net pension liability	\$	175,916		166,326	\$	166,232	\$	178,624	\$	154,580	
District's covered payroll	\$	57,878		61,937	\$	60,311	\$	58,578	\$	57,200	
District's proportionate share of net pension liability as a percentage of its covered payroll (%)	%	274.99	%	268.54	%	275.62	%	304.94	%	270.25	%
TAA's proportion of net pension liability (%)	%	0.00557	%	0.00539	%	0.00565	%	0.00458	%	0.00528	%
TAA's proportionate share of net pension liability	\$	979,345		895,685	\$	938,557	\$	818,460	\$	815,566	
TAA's covered payroll	\$	236,701		348,787	\$	343,048	\$	309,149	\$	314,616	
TAA's proportionate share of net pension liability as a percentage of its covered payroll (%)	%	272.68	%	256.80	%	273.59	%	264.75	%	259.23	%
W&S's proportion of net pension liability (%)	%	0.02278	%	0.02268	%	0.02203	%	0.02119	%	0.02120	%
W&S's proportionate share of net pension liability	\$	4,007,453		3,770,794	\$	3,662,767	\$	3,784,849	\$	3,273,406	
W&S's covered payroll	\$	331,537		1,448,571	\$	1,413,467	\$	1,385,638	\$	1,332,497	
W&S's proportionate share of net pension liability as a percentage of its covered payroll (%)	%	273.95	%	260.31	%	259.13	%	273.15	%	245.66	%
**Electric's proportion of net pension liability (%)	%	0.03264	%	0.03171	%	0.03049	%	0.03047	%	0.03201	%
Electric's proportionate share of net pension liability	\$	5,429,391		5,270,811	\$	5,446,490	\$	4,560,118	\$	3,580,761	
Electric's covered payroll	\$	-		2,065,238	\$	2,074,070	\$	1,967,778	\$	1,903,784	
Electric's proportionate share of net pension liability as a percentage of its covered payroll (%)	%	257.93	%	255.22	%	262.60	%	231.74	%	188.09	%
Plan fiduciary net position as a % of total pension liability	%	61.59	%	62.54	%	61.49	%	57.47	%	61.70	%

* The amounts presented have a measurement date of June 30. ** Amounts for the Electric Fund are at June 30, 2024.

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, 2024*

		2024	2023	2022	2021	2020	
City of Tupelo							
Statutorily required contributions	\$	3,586,056	\$ 3,381,778	\$ 3,239,937	\$ 3,053,188	\$ 3,078,794	
Actual contributions	\$	3,586,056	\$ 3,381,778	\$ 3,239,937	\$ 3,053,188	\$ 3,078,794	
Contribution deficiency (excess)	\$	-	\$ -	\$ -	\$ -	\$ -	
City of Tupelo's covered payroll	\$	20,470,796	\$ 19,435,506	\$ 18,620,328	\$ 17,547,057	\$ 17,694,218	
Contributions as a % of covered payroll		17.53	17.40	% 17.40	% 17.40	% 17.40	%
Coliseum Project Fund							
Statutorily required contributions	\$	158,816	\$ 153,338	\$ 132,307	\$ 115,843	\$ 139,445	
Actual contributions	\$	158,816	\$ 153,338	\$ 132,307	\$ 115,843	\$ 139,445	
Contribution deficiency (excess)	\$	-	\$ -	\$ -	\$ -	\$ -	
Coliseum's covered payroll	\$	906,557	\$ 881,253	\$ 760,385	\$ 665,764	\$ 801,408	
Contributions as a % of covered payroll		17.53	17.40	% 17.40	% 17.40	% 17.40	%
Water District							
Statutorily required contributions	\$	9,136	\$ 8,674	\$ 8,237	\$ 11,116	\$ 11,475	
Actual contributions	\$	9,136	\$ 8,674	\$ 8,237	\$ 11,116	\$ 11,475	
Contribution deficiency (excess)	\$	-	\$ -	\$ -	\$ -	\$ -	
Water District's covered payroll	\$	52,124	\$ 49,850	\$ 47,342	\$ 63,884	\$ 65,951	
Contributions as a % of covered payroll		17.53	17.40	% 17.40	% 17.40	% 17.40	%
Tupelo Airport Authority							
Statutorily required contributions	\$	113,365	\$ 90,874	\$ 89,639	\$ 62,673	\$ 62,126	
Actual contributions	\$	113,365	\$ 90,874	\$ 88,174	\$ 62,673	\$ 62,126	
Contribution deficiency (excess)	\$	-	\$ -	\$ 1,465	\$ -	\$ -	
TAA's covered payroll	\$	646,559	\$ 522,267	\$ 515,167	\$ 360,190	\$ 357,046	
Contributions as a % of covered payroll		17.53	17.40	% 17.40	% 17.40	% 17.40	%
Water and Sewer Fund							
Statutorily required contributions	\$	290,963	\$ 282,518	\$ 248,025	\$ 228,788	\$ 245,272	
Actual contributions	\$	290,963	\$ 282,518	\$ 248,025	\$ 228,788	\$ 245,272	
Contribution deficiency (excess)	\$	-	\$ -	\$ -	\$ -	\$ -	
W&S's covered payroll	\$	1,660,875	\$ 1,623,667	\$ 1,425,431	\$ 1,314,874	\$ 1,409,609	
Contributions as a % of covered payroll		17.53	17.40	% 17.40	% 17.40	% 17.40	%
Electric Fund*							
Statutorily required contributions	\$	391,960	\$ 387,645	\$ 380,560	\$ 370,254	\$ 368,561	
Actual contributions	\$	391,960	\$ 387,645	\$ 380,560	\$ 370,254	\$ 368,561	
Contribution deficiency (excess)	\$	-	\$ -	\$ -	\$ -	\$ -	
Electric Department's covered payroll	\$	2,252,641	\$ 2,227,849	\$ 2,187,126	\$ 2,127,897	\$ 2,118,167	
Contributions as a % of covered payroll		17.40	17.40	% 17.40	% 17.40	% 17.40	%

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, 2024.

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, 2024*

-Continued-

		2019		2018		2017		2016		2015	
	City of Tupelo										
	Statutorily required contributions	\$	2,710,110	\$	2,620,532	\$	2,542,399	\$	2,538,850	\$	2,423,543
	Actual contributions	\$	2,710,110	\$	2,620,532	\$	2,542,399	\$	2,538,850	\$	2,423,543
	Contribution deficiency (excess)	\$	-	\$	-	\$	-	\$	-	\$	-
	City of Tupelo's covered payroll	\$	16,740,741	\$	16,638,298	\$	16,142,216	\$	16,119,683	\$	15,387,575
	Contributions as a % of covered payroll		16.19 %		15.75 %		15.75 %		15.75 %		15.75 %
	Coliseum Project Fund										
	Statutorily required contributions	\$	143,766	\$	134,657	\$	121,363	\$	124,372	\$	118,666
	Actual contributions	\$	143,766	\$	134,657	\$	121,363	\$	124,372	\$	118,666
	Contribution deficiency (excess)	\$	-	\$	-	\$	-	\$	-	\$	-
	Coliseum's covered payroll	\$	890,265	\$	854,965	\$	770,559	\$	789,663	\$	753,435
	Contributions as a % of covered payroll		16.15 %		15.75 %		15.75 %		15.75 %		15.75 %
	Water District										
	Statutorily required contributions	\$	10,342	\$	9,755	\$	9,499	\$	9,226	\$	9,009
	Actual contributions	\$	10,342	\$	9,755	\$	9,499	\$	9,226	\$	9,009
	Contribution deficiency (excess)	\$	-	\$	-	\$	-	\$	-	\$	-
	Water District's covered payroll	\$	63,973	\$	61,937	\$	60,311	\$	58,578	\$	57,200
	Contributions as a % of covered payroll		16.17 %		15.75 %		15.75 %		15.75 %		15.75 %
	Tupelo Airport Authority										
	Statutorily required contributions	\$	57,878	\$	54,934	\$	54,030	\$	48,691	\$	49,552
	Actual contributions	\$	57,878	\$	54,934	\$	54,030	\$	48,691	\$	49,552
	Contribution deficiency (excess)	\$	-	\$	-	\$	-	\$	-	\$	-
	TAA's covered payroll	\$	359,150	\$	348,787	\$	343,048	\$	309,149	\$	314,616
	Contributions as a % of covered payroll		16.12 %		15.75 %		15.75 %		15.75 %		15.75 %
	Water and Sewer Fund										
	Statutorily required contributions	\$	236,701	\$	228,150	\$	222,621	\$	218,238	\$	209,868
	Actual contributions	\$	236,701	\$	228,150	\$	222,621	\$	218,238	\$	209,868
	Contribution deficiency (excess)	\$	-	\$	-	\$	-	\$	-	\$	-
	W&S's covered payroll	\$	1,462,847	\$	1,448,571	\$	1,413,467	\$	1,385,638	\$	1,332,493
	Contributions as a % of covered payroll		16.18 %		15.75 %		15.75 %		15.75 %		15.75 %
	Electric Fund*										
	Statutorily required contributions	\$	331,537	\$	325,275	\$	326,666	\$	309,925	\$	299,846
	Actual contributions	\$	331,537	\$	325,275	\$	326,666	\$	309,925	\$	299,846
	Contribution deficiency (excess)	\$	-	\$	-	\$	-	\$	-	\$	-
	Electric Department's covered payroll	\$	2,104,997	\$	2,065,238	\$	2,074,070	\$	1,967,778	\$	1,903,784
	Contributions as a % of covered payroll		15.75 %		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, 2024.

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, 2024

Changes of Assumptions

2023:

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

2021:

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

CITY OF TUPELO, MISSISSIPPI
Notes to the Required Supplementary Information
For the Year Ended September 30, 2024

Changes of Assumptions (continued)

2019:

- The expectation of retired life mortality was changed to the PubS.H-2010(B) Retiree Table with the following adjustments:
 - For males, 112% of male rates from ages 18 to 75 scaled down to 105% for ages 80 to 119.
 - For females, 85% of the female rates from ages 18 to 65 scaled up to 102% for ages 75 to 119.
 - Projection scale MP-2018 will be used to project future improvements in life expectancy generationally.
- The expectation of disabled mortality was changed to PubT.H-2010 Disabled Retiree Table for disabled retirees with the following adjustments:
 - For males, 137% of male rates at all ages.
 - For females, 115% of female rates at all ages.
 - Projection scale MP-2018 will be used to project future improvements in life expectancy generationally.
- The price inflation assumption was reduced from 3.00% to 2.75%.
- The wage inflation assumption was reduced from 3.25% to 3.00%.
- Withdrawal rates, pre-retirement mortality rates, and service retirement rates were also adjusted to more closely reflect actual experience.
- The percentage of active member disabilities assumed to be in the line of duty was increased from 7% to 9%.

2017:

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

2016:

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

2015:

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

CITY OF TUPELO, MISSISSIPPI
Notes to the Required Supplementary Information
For the Year Ended September 30, 2024

Changes of Assumptions 2015 (continued)

- The price inflation and investment rate of return assumptions were changed from 3.50% to 3.00% and 8.00% to 7.75%, respectively.

Changes of Benefit Provisions

2016:

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

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS

CITY OF TUPELO, MISSISSIPPI
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
September 30, 2024

	Non-Major Special Revenue	Non-Major Capital Projects	Non-Major Debt Service	Total Non-Major Governmental Funds
<u>ASSETS:</u>				
Cash	\$ 15,556,754	\$ 7,467,125	\$ 3,840,431	\$ 26,864,310
Investments	-	-	3,870,171	3,870,171
General Property Taxes Receivable	52,326	226,483	159,712	438,521
Other Receivable	455,133	41,216	-	496,349
Notes Receivable	70,813	-	-	70,813
Due from Other Government Units	527,117	1,623,833	-	2,150,950
Inventories	49,588	-	-	49,588
Prepaid Items	22,926	-	-	22,926
TOTAL ASSETS	\$ 16,734,657	\$ 9,358,657	\$ 7,870,314	\$ 33,963,628
<u>LIABILITIES AND FUND BALANCES:</u>				
<u>Liabilities:</u>				
Accounts Payable	\$ 156,487	\$ 179,769	\$ 2,250	\$ 338,506
Equity in Pooled Cash Deficit	15,862	1,526,145	-	1,542,007
Accrued Expenses	27,408	-	-	27,408
Unearned Revenues	3,208,625	-	-	3,208,625
Event Deposits	28,575	-	-	28,575
TOTAL LIABILITIES	3,436,957	1,705,914	2,250	5,145,121
<u>FUND BALANCES:</u>				
Nonspendable				
Prepaid Expenses	25,752	-	-	25,752
Inventory	39,128	-	-	39,128
Restricted for				
Library	-	-	-	-
Tourism Promotion	8,676,546	-	-	8,676,546
Public Safety Retirement	36,464	-	-	36,464
Law Enforcement	1,100,445	-	-	1,100,445
Construction Acquisition of Capital Assets	-	6,787,716	-	6,787,716
Public Safety Equipment	-	90,437	-	90,437
Debt Service	-	-	7,868,064	7,868,064
Committed to				
Rental Rehabilitation	72,822	-	-	72,822
Fairpark Infrastructure	-	710,647	-	710,647
Construction Acquisition of Capital Assets	-	63,943	-	63,943
Assigned to				
Coliseum Projects	1,643,025	-	-	1,643,025
Coliseum Operations	1,703,518	-	-	1,703,518
TOTAL FUND BALANCES	13,297,700	7,652,743	7,868,064	28,818,507
TOTAL LIABILITIES AND FUND BALANCE	\$ 16,734,657	\$ 9,358,657	\$ 7,870,314	\$ 33,963,628

CITY OF TUPELO, MISSISSIPPI
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR GOVERNMENTAL FUNDS
Year Ended September 30, 2024

	Non-Major Special Revenue	Non-Major Capital Projects	Non-Major Debt Service	Total Non-Major Governmental Funds
REVENUES:				
Taxes	\$ 1,346,078	\$ 5,823,989	\$ 4,314,181	\$ 11,484,248
Intergovernmental Revenues	6,957,561	4,760,650	4,806,323	16,524,534
Fines and Forfeitures	59,324	-	-	59,324
Charges for Services	3,757,997	-	-	3,757,997
Miscellaneous Revenues	1,781,363	499,017	337,469	2,617,849
TOTAL REVENUES	13,902,323	11,083,656	9,457,973	34,443,952
EXPENDITURES:				
Current:				
Public Safety	1,264,562	-	-	1,264,562
Culture and Recreation	6,540,802	-	-	6,540,802
Other Functions	3,482,351	-	-	3,482,351
Capital Projects	-	8,720,099	-	8,720,099
Debt Service	-	-	5,902,197	5,902,197
TOTAL EXPENDITURES	11,287,715	8,720,099	5,902,197	25,910,011
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	2,614,608	2,363,557	3,555,776	8,533,941
OTHER FINANCING SOURCES (USES)				
Transfers from Other Funds	4,128,860	-	995,369	5,124,229
Transfers to Other Funds	(4,742,495)	-	-	(4,742,495)
Transfer from Northeast MS Regional Water Supply District	-	-	314,326	314,326
Transfer to Northeast MS Regional Water Supply District	-	-	(4,645,896)	(4,645,896)
TOTAL OTHER FINANCING SOURCES (USES)	(613,635)	-	(3,336,201)	(3,949,836)
NET CHANGE IN FUND BALANCES	2,000,973	2,363,557	219,575	4,584,105
FUND BALANCES - Beginning	11,296,727	5,289,186	7,648,489	24,234,402
FUND BALANCES - Ending	\$ 13,297,700	\$ 7,652,743	\$ 7,868,064	\$ 28,818,507

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

September 30, 2024
With Comparative Totals for September 30, 2023

	Library Fund	Convention and Visitors Bureau Fund	Firemen & Policemen Retirement Fund	Coliseum Project Fund	Rental Rehabil- itation Fund	Coliseum Operating Fund	Narcotics Fund	Totals	
								9/30/2024	9/30/2023
ASSETS									
Cash	\$ -	\$ 10,421,372	\$ -	\$ 1,643,025	\$ 2,009	\$ 2,359,054	\$ 1,131,294	\$ 15,556,754	\$ 12,842,173
Receivables:									
Notes	-	-	-	-	70,813	-	-	70,813	70,814
Other	-	1,629	-	-	-	453,504	-	455,133	309,100
General Property Taxes	15,862	-	36,464	-	-	-	-	52,326	60,933
Due from Other									
Governmental Units	-	527,117	-	-	-	-	-	527,117	483,304
Due from Other Funds	-	-	-	-	-	-	-	-	37,302
Inventories	-	-	-	-	-	49,588	-	49,588	39,128
Prepaid Items	-	-	-	-	-	22,926	-	22,926	25,752
TOTAL ASSETS	\$ 15,862	\$ 10,950,118	\$ 36,464	\$ 1,643,025	\$ 72,822	\$ 2,885,072	\$ 1,131,294	\$ 16,734,657	\$ 13,868,506
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts Payable	\$ -	\$ 77,777	\$ -	\$ -	\$ -	\$ 47,861	\$ 30,849	\$ 156,487	\$ 145,497
Equity in Pooled Cash Deficit	15,862	-	-	-	-	-	-	15,862	-
Accrued Expenses	-	-	-	-	-	27,408	-	27,408	75,636
Unearned Revenues	-	2,195,795	-	-	-	1,012,830	-	3,208,625	2,324,896
Event Deposits	-	-	-	-	-	28,575	-	28,575	25,750
Total Liabilities	<u>15,862</u>	<u>2,273,572</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,116,674</u>	<u>30,849</u>	<u>3,436,957</u>	<u>2,571,779</u>
Fund Balances:									
Nonspendable									
Prepaid Expenses	-	-	-	-	-	25,752	-	25,752	25,752
Inventory	-	-	-	-	-	39,128	-	39,128	39,128
Restricted for									
Library	-	-	-	-	-	-	-	-	91,826
Tourism Promotion	-	8,676,546	-	-	-	-	-	8,676,546	6,223,667
Public Safety Retirement	-	-	36,464	-	-	-	-	36,464	42,537
Law Enforcement	-	-	-	-	-	-	1,100,445	1,100,445	1,165,941
Committed to									
Rental Rehabilitation	-	-	-	-	72,822	-	-	72,822	72,757
Assigned to									
Coliseum Projects	-	-	-	1,643,025	-	-	-	1,643,025	2,221,929
Coliseum Operations	-	-	-	-	-	1,703,518	-	1,703,518	1,413,190
Total Fund Balances	<u>-</u>	<u>8,676,546</u>	<u>36,464</u>	<u>1,643,025</u>	<u>72,822</u>	<u>1,768,398</u>	<u>1,100,445</u>	<u>13,297,700</u>	<u>11,296,727</u>
TOTAL LIABILITIES AND FUND BALANCES	\$ 15,862	\$ 10,950,118	\$ 36,464	\$ 1,643,025	\$ 72,822	\$ 2,885,072	\$ 1,131,294	\$ 16,734,657	\$ 13,868,506

CITY OF TUPELO
NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
Year Ended September 30, 2024
With Comparative Totals for Year Ended September 30, 2023

	Library Fund	Convention and Visitors Bureau Fund	Firemen & Policemen Retirement Fund	Coliseum Project Fund	Rental Rehabil- itation Fund	Coliseum Operating Fund	Narcotics Fund	Totals	
								9/30/2024	9/30/2023
REVENUES									
Taxes:									
General Property Taxes	\$ 408,413	\$ -	\$ 937,665	\$ -	\$ -	\$ -	\$ -	1,346,078	1,384,545
Intergovernmental Revenues:									
Federal Shared Revenues	-	-	-	-	-	-	77,251	77,251	5,460
State Shared Revenues	15,929	6,221,049	36,637	-	-	-	-	6,273,615	6,400,055
Federal Grants	-	606,695	-	-	-	-	-	606,695	862,824
Fines and Forfeitures	-	-	-	-	-	-	59,324	59,324	311,732
Charges for Sales & Services:									
Commissions	-	-	-	-	-	33,338	-	33,338	27,401
Concessions & Other Sales	-	-	-	-	-	783,983	-	783,983	934,285
Direct Show Revenue	-	-	-	-	-	61,579	-	61,579	30,686
Parking	-	-	-	-	-	1,895	-	1,895	1,750
Service Charge	-	-	-	-	-	455,868	-	455,868	649,983
Rental Revenue	-	-	-	-	-	2,194,036	-	2,194,036	2,123,754
Personnel Service Fees	-	-	-	-	-	227,298	-	227,298	406,390
Miscellaneous Revenues:									
Interest	-	383,868	-	92,349	65	62,445	54,024	592,751	125,374
Advertising Agency Fee	-	13,500	-	-	-	577,558	-	591,058	483,146
Donations	-	-	-	-	-	-	-	-	1,500
Other	-	1,240	-	-	-	542,126	54,188	597,554	1,315,349
TOTAL REVENUES	<u>424,342</u>	<u>7,226,352</u>	<u>974,302</u>	<u>92,349</u>	<u>65</u>	<u>4,940,126</u>	<u>244,787</u>	<u>13,902,323</u>	<u>15,064,234</u>

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

Year Ended September 30, 2024
With Comparative Totals for Year Ended September 30, 2023
-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	
								9/30/2024	9/30/2023
EXPENDITURES									
Public Safety:									
Police Department:									
Personnel Services	\$ -	\$ -	\$ 686,262	\$ -	\$ -	\$ -	\$ -	\$ 686,262	\$ 647,500
Supplies	-	-	-	-	-	-	38,502	38,502	29,728
Other Services & Charges	-	-	-	-	-	-	216,537	216,537	261,419
Capital Outlay	-	-	-	-	-	-	29,148	29,148	28,535
Fire Department:									
Personnel Services	-	-	294,113	-	-	-	-	294,113	277,500
Total Public Safety	-	-	980,375	-	-	-	284,187	1,264,562	1,244,682
Culture and Recreation:									
Tupelo Coliseum:									
Personnel Services	-	-	-	-	-	1,285,167	-	1,285,167	1,289,843
Supplies	-	-	-	-	-	425,268	-	425,268	482,120
Other Services and Charges	-	-	-	-	-	3,208,380	-	3,208,380	4,648,323
Capital Outlay	-	-	-	-	-	1,621,987	-	1,621,987	1,383,920
Total Culture & Recreation	-	-	-	-	-	6,540,802	-	6,540,802	7,804,206
Other Functions:									
Community Services:									
Personnel Services	\$ -	\$ 828,801	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 828,801	\$ 692,260
Supplies	-	15,665	-	-	-	-	-	15,665	14,549
Other Services and Charges	538,904	2,052,026	-	-	-	-	-	2,590,930	2,061,825
Capital Outlay	-	46,955	-	-	-	-	-	46,955	51,514
Total Other Functions	538,904	2,943,447	-	-	-	-	-	3,482,351	2,820,148
TOTAL EXPENDITURES	538,904	2,943,447	980,375	-	-	6,540,802	284,187	11,287,715	11,869,036

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

Year Ended September 30, 2024
With Comparative Totals for Year Ended September 30, 2023

-Continued-

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	Library Fund	Convention and Visitors Bureau Fund	Firemen & Policemen Retirement Fund	Coliseum Project Fund	Rental Rehabil- itation Fund	Coliseum Operating Fund	Narcotics Fund	Totals	
								9/30/2024	9/30/2023
EXCESS OF REVENUES									
REVENUES OVER (UNDER)									
EXPENDITURES	(114,562)	4,282,905	(6,073)	92,349	65	(1,600,676)	(39,400)	2,614,608	3,195,198
OTHER FINANCING									
SOURCES (USES)									
Transfers from Other Funds	\$ 22,736	\$ -	\$ -	\$ 2,215,120	\$ -	\$ 1,891,004	\$ -	\$ 4,128,860	\$ 3,702,510
Transfers to Other Funds	-	(1,830,026)	-	(2,886,373)	-	-	(26,096)	(4,742,495)	(7,094,009)
TOTAL OTHER									
FINANCING									
SOURCES (USES)	22,736	(1,830,026)	-	(671,253)	-	1,891,004	(26,096)	(613,635)	(3,391,499)
EXCESS OF REVENUES OVER									
(UNDER) EXPENDITURES									
AND OTHER									
SOURCES (USES)	(91,826)	2,452,879	(6,073)	(578,904)	65	290,328	(65,496)	2,000,973	(196,301)
FUND BALANCES -									
Beginning of Year	91,826	6,223,667	42,537	2,221,929	72,757	1,478,070	1,165,941	11,296,727	11,493,028
FUND BALANCES -									
End of Year	\$ -	\$ 8,676,546	\$ 36,464	\$ 1,643,025	\$ 72,822	\$ 1,768,398	\$ 1,100,445	\$ 13,297,700	\$ 11,296,727

CITY OF TUPELO
NON-MAJOR CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
September 30, 2024
With Comparative Totals for September 30, 2023

	City Capital Project Fund	Fairgrounds Construction Fund	ARPA Project Fund	Thoroughfare Fund Phase VII	Totals	
					9/30/2024	9/30/2023
ASSETS						
Cash	\$ 154,380	\$ 710,647	\$ -	\$ 6,602,098	\$ 7,467,125	\$ 5,975,375
General Property Taxes Receivable	-	-	-	226,483	226,483	245,658
Other Receivables	-	-	-	41,216	41,216	-
Due from Other Governmental Entities	-	-	1,623,833	-	1,623,833	75,147
Due from Other Funds	-	-	-	-	-	37,302
TOTAL ASSETS	\$ 154,380	\$ 710,647	\$ 1,623,833	\$ 6,869,797	\$ 9,358,657	\$ 6,333,482
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts Payable	\$ -	\$ -	\$ 97,688	\$ 82,081	\$ 179,769	\$ 969,149
Equity in Pooled Cash Deficit	-	-	1,526,145	-	1,526,145	75,147
Total Liabilities	-	-	1,623,833	82,081	1,705,914	1,044,296
Fund Balances:						
Restricted for						
Construction Acquisition of Capital Assets	-	-	-	6,787,716	6,787,716	4,398,590
Public Safety Equipment	90,437	-	-	-	90,437	166,541
Committed to						
Fairpark Infrastructure	-	710,647	-	-	710,647	680,503
Construction Acquisition of Capital Assets	63,943	-	-	-	63,943	43,552
Total Fund Balances	154,380	710,647	-	6,787,716	7,652,743	5,289,186
TOTAL LIABILITIES AND FUND BALANCES	\$ 154,380	\$ 710,647	\$ 1,623,833	\$ 6,869,797	\$ 9,358,657	\$ 6,333,482

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

Year Ended September 30, 2024
With Comparative Totals for Year Ended September 30, 2023

	City Capital Project Fund	Fairgrounds Construction Fund	ARPA Project Fund	Thoroughfare Fund Phase VII	Totals	
					9/30/2024	9/30/2023
REVENUES						
Taxes:						
General Property Taxes	\$ -	\$ -	\$ -	\$ 5,823,989	\$ 5,823,989	\$ 5,582,129
Intergovernmental Revenues:						
State Shared Revenues	-	-	-	227,556	227,556	223,861
Federal Grants	-	-	4,533,094		4,533,094	150,294
Miscellaneous Revenues:						
Interest	6,814	24,879	-	321,042	352,735	120,838
Donations	-	175			175	-
Other	-	146,107	-	-	146,107	233,194
TOTAL REVENUES	6,814	171,161	4,533,094	6,372,587	11,083,656	6,310,316
EXPENDITURES						
Personnel Services	-	-	-	114,728	114,728	110,741
Other Services and Charges	-	102,452	-	1,565,261	1,667,713	1,092,239
Capital Outlay	62,527	38,565	4,533,094	2,303,472	6,937,658	5,728,526
TOTAL EXPENDITURES	62,527	141,017	4,533,094	3,983,461	8,720,099	6,931,506
EXCESS (DEFICIT) OF REVENUES OVER (UNDER) EXPENDITURES	(55,713)	30,144	-	2,389,126	2,363,557	(621,190)

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

Year Ended September 30, 2024
With Comparative Totals for Year Ended September 30, 2023
-Continued-

	City Capital Project Fund	Fairgrounds Construction Fund	ARPA Project Fund	Thoroughfare Fund Phase VII	Totals	
					9/30/2024	9/30/2023
OTHER FINANCING SOURCES (USES)						
Transfers from Other Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers to Other Funds	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)	(55,713)	30,144	-	2,389,126	2,363,557	(621,190)
FUND BALANCES- Beginning of Year	210,093	680,503	-	4,398,590	5,289,186	5,910,376
FUND BALANCES- End of Year	\$ 154,380	\$ 710,647	\$ -	\$ 6,787,716	\$ 7,652,743	\$ 5,289,186

CITY OF TUPELO
NON-MAJOR DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
September 30, 2024
With Comparative Totals for September 30, 2023

	City Bond and Interest Fund	Water G. O. Bonds Fund	Special Assessments Bond and Interest Fund	City Tax Increment Debt Fund	Special Obligation Debt Service Fund	Totals	
						9/30/2024	9/30/2023
ASSETS							
Cash	\$ 2,610,062	\$ -	\$ -	\$ 1,230,369	\$ -	\$ 3,840,431	\$ 3,444,431
Investments	6,999	3,861,408	-	-	1,764	3,870,171	4,006,469
Receivables:							
General Property Taxes	159,712	-	-	-	-	159,712	201,339
TOTAL ASSETS	\$ 2,776,773	\$ 3,861,408	\$ -	\$ 1,230,369	\$ 1,764	\$ 7,870,314	\$ 7,652,239
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts Payable	\$ 2,250	\$ -	\$ -	\$ -	\$ -	\$ 2,250	\$ 3,750
Total Liabilities	2,250	-	-	-	-	2,250	3,750
Fund Balances:							
Restricted for Debt Service	2,774,523	3,861,408	-	1,230,369	1,764	7,868,064	7,648,489
Total Fund Balances	2,774,523	3,861,408	-	1,230,369	1,764	7,868,064	7,648,489
TOTAL LIABILITIES AND FUND BALANCES	\$ 2,776,773	\$ 3,861,408	\$ -	\$ 1,230,369	\$ 1,764	\$ 7,870,314	\$ 7,652,239

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

Year Ended September 30, 2024
With Comparative Totals for Year Ended September 30, 2023

	City Bond and Interest Fund	Water G. O. Bonds Fund	Special Assessments Bond and Interest Fund	City Tax Increment Debt Fund	Special Obligation Debt Service Fund	Totals	
						9/30/2024	9/30/2023
REVENUES							
Taxes:							
General Property Taxes	\$ 4,110,493	\$ -	\$ -	\$ 203,688	\$ -	\$ 4,314,181	\$ 4,715,182
Intergovernmental Revenues:							
State Shared Revenues	160,427	4,645,896	-	-	-	4,806,323	4,508,350
Miscellaneous Revenues:							
Interest	106,370	188,114	-	40,218	2,767	337,469	160,382
TOTAL REVENUES	4,377,290	4,834,010	-	243,906	2,767	9,457,973	9,383,914
EXPENDITURES							
Debt Service:							
General Obligations:							
Bonds Redeemed	2,590,000	415,000	-	104,000	-	3,109,000	2,702,000
Interest	1,515,167	220,363	-	29,900	-	1,765,430	1,581,375
Paying Agent Fees	18,410	11,420	-	850	-	30,680	29,680
Special Obligations:							
Bonds Redeemed	-	-	-	-	305,000	305,000	-
Interest	-	-	-	-	688,837	688,837	688,838
Paying Agent Fees	-	-	-	-	3,250	3,250	2,000
TOTAL EXPENDITURES	4,123,577	646,783	-	134,750	997,087	5,902,197	5,003,893
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	253,713	4,187,227	-	109,156	(994,320)	3,555,776	4,380,021

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

Year Ended September 30, 2024
With Comparative Totals for Year Ended September 30, 2023

-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	Totals	
						9/30/2024	9/30/2023
OTHER FINANCING SOURCES (USES):							
Transfers from Other Funds	\$ -	\$ -	\$ -	\$ -	\$ 995,369	\$ 995,369	\$ 690,212
Transfer from Northeast MS							
Regional Water Supply District	-	314,326	-	-		314,326	328,031
Transfer to Northeast MS							
Regional Water Supply District	-	(4,645,896)	-	-	-	(4,645,896)	(4,654,152)
TOTAL OTHER FINANCING SOURCES (USES)	-	(4,331,570)	-	-	995,369	(3,336,201)	(3,635,909)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)	253,713	(144,343)	-	109,156	1,049	219,575	744,112
FUND BALANCES-							
Beginning of Year	2,520,810	4,005,751	-	1,121,213	715	7,648,489	6,904,377
FUND BALANCES-							
End of Year	\$ 2,774,523	\$ 3,861,408	\$ -	\$ 1,230,369	\$ 1,764	\$ 7,868,064	\$ 7,648,489

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, 2024 and 2023

	9/30/24	9/30/23
ASSETS		
Cash	\$ 23,976,877	\$ 27,755,208
Receivables:		
General Property Taxes	316,949	311,617
Other	167,261	161,808
Due from Other Government Units	2,679,280	2,725,208
Due from Component Unit	44,394	44,057
Due from Other Funds	1,890,000	2,104,000
Prepaid Items	325,815	357,235
Inventories	<u>26,874</u>	<u>38,398</u>
TOTAL ASSETS	\$ <u>29,427,450</u>	\$ <u>33,497,531</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts Payable	\$ 666,604	\$ 535,046
Unearned Revenues	4,107,880	8,697,358
Due to Other Funds	-	74,604
Accrued Expenses	<u>814,549</u>	<u>748,993</u>
Total Liabilities	<u>5,589,033</u>	<u>10,056,001</u>
Fund Balance:		
Nonspendable		
Prepaid Items	325,815	357,235
Inventory	26,874	38,398
Restricted for		
Home Grant	540,450	540,450
Water Reserve	600,491	580,921
Unassigned	<u>22,344,787</u>	<u>21,924,526</u>
Total Fund Balance	<u>23,838,417</u>	<u>23,441,530</u>
TOTAL LIABILITIES AND FUND BALANCE	\$ <u>29,427,450</u>	\$ <u>33,497,531</u>

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

For the Years Ended September 30, 2024 and 2023

	F.Y.E. 9/30/24	F.Y.E. 9/30/23
REVENUES		
Taxes:		
General Property Taxes	\$ 7,629,923	\$ 6,581,333
Payments in Lieu of Taxes	1,379,581	1,138,414
Penalties and Interest on Delinquent Taxes	39,180	39,847
Total Taxes	<u>9,048,684</u>	<u>7,759,594</u>
Licenses and Permits:		
Privilege License	370,232	315,564
Building Permits	292,722	358,727
Other Permits	15,120	7,745
Franchise Fees	475,779	407,924
Total Licenses and Permits	<u>1,153,853</u>	<u>1,089,960</u>
Intergovernmental Revenues:		
Federal Grants	2,547,796	596,097
State Grants	38,955	239,468
Other Grants	573,466	366,902
State Shared Revenues	31,524,642	31,139,617
Municipality Shared Revenues	3,550,000	3,400,000
County Shared Revenues	1,433,255	1,372,499
Total Intergovernmental Revenues	<u>39,668,114</u>	<u>37,114,583</u>
Charges for Services:		
Public Safety	229,882	217,512
Highways and Streets	67,146	51,687
Crime Lab Fees	23,091	28,618
Culture and Recreation Fees	411,678	412,466
Total Charges for Services	<u>731,797</u>	<u>710,283</u>
Fines and Forfeitures:		
Police Fines and Fees	556,964	462,018
Parking Fines and Fees	790	12,630
Total Fines and Forfeitures	<u>557,754</u>	<u>474,648</u>

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

For the Years Ended September 30, 2024 and 2023

-Continued-

	F.Y.E. 9/30/24	F.Y.E. 9/30/23
REVENUES-Continued		
Miscellaneous Revenues:		
Interest	\$ 1,323,749	\$ 1,185,735
Donations	147,349	162,500
Rents	186,760	197,148
Billings to Other Departments	271,600	312,310
Other	178,170	275,991
Total Miscellaneous Revenues	2,107,628	2,133,684
TOTAL REVENUES	53,267,830	49,282,752
EXPENDITURES		
General Government:		
Legislative Department:		
Personnel Services	304,895	283,114
Supplies	3,277	4,513
Other Services and Charges	194,895	203,999
Total Legislative Department	503,067	491,626
Executive Department:		
Personnel Services	1,058,731	935,994
Supplies	16,450	22,844
Other Services and Charges	289,124	267,106
Total Executive Department	1,364,305	1,225,944
City Court:		
Personnel Services	973,802	903,168
Supplies	19,542	24,768
Other Services and Charges	93,864	88,823
Total City Court	1,087,208	1,016,759
Convention and Visitors Bureau Director:		
Personnel Services	-	135,502
Total Convention and Visitors Bureau Director	-	135,502

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

For the Years Ended September 30, 2024 and 2023

-Continued-

	F.Y.E. 9/30/24	F.Y.E. 9/30/23
EXPENDITURES-Continued		
Budget and Accounting Department:		
Personnel Services	\$ 776,866	\$ 767,498
Supplies	18,685	15,784
Other Services and Charges	611,967	540,561
Capital Outlay	259,305	173,005
Total Budget and Accounting Department	<u>1,666,823</u>	<u>1,496,848</u>
Personnel Department:		
Personnel Services	221,801	237,929
Supplies	1,462	2,067
Other Services and Charges	130,904	123,931
Total Personnel Department	<u>354,167</u>	<u>363,927</u>
Planning Department:		
Personnel Services	1,278,689	1,256,601
Supplies	36,239	40,754
Other Services and Charges	234,717	114,867
Capital Outlay	-	2,002
Total Community Development Department	<u>1,549,645</u>	<u>1,414,224</u>
Total General Government	<u>6,525,215</u>	<u>6,144,830</u>
Public Safety:		
Police Department:		
Personnel Services	9,287,573	9,157,614
Supplies	722,799	743,471
Other Services and Charges	2,476,045	1,953,920
Capital Outlay	461,537	417,065
Total Police Department	<u>12,947,954</u>	<u>12,272,070</u>
Fire Department:		
Personnel Services	7,523,459	6,864,515
Supplies	418,661	385,916
Other Services and Charges	420,993	347,585
Total Fire Department	<u>8,363,113</u>	<u>7,598,016</u>
Total Public Safety	<u>21,311,067</u>	<u>19,870,086</u>

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

For the Years Ended September 30, 2024 and 2023

-Continued-

	F.Y.E. 9/30/24	F.Y.E. 9/30/23
EXPENDITURES-Continued		
Public Services:		
Public Works Department:		
Personnel Services	\$ 2,841,685	\$ 2,754,720
Supplies	356,275	351,228
Other Services and Charges	2,362,838	2,235,875
Capital Outlay	14,303	33,987
Total Public Works Department	5,575,101	5,375,810
Culture and Recreation:		
Park and Recreation Department:		
Personnel Services	2,222,722	2,082,488
Supplies	462,534	462,361
Other Services and Charges	1,233,506	1,144,997
Capital Outlay	31,546	126,920
Total Park and Recreation Department	3,950,308	3,816,766
Aquatic Center:		
Personnel Services	495,950	455,477
Supplies	103,477	104,625
Other Services and Charges	478,756	461,443
Capital Outlay	17,374	7,565
Total Aquatic Center	1,095,557	1,029,110
Museum Department:		
Personnel Services	76,352	121,841
Supplies	3,705	7,829
Other Services and Charges	31,816	15,354
Capital Outlay	-	3,076
Total Museum Department	111,873	148,100
Total Culture and Recreation	5,157,738	4,993,976
Other Functions:		
Community Services:		
Other Services and Charges	1,373,079	1,051,466
Total Community Services	1,373,079	1,051,466

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

For the Years Ended September 30, 2024 and 2023

-Continued-

	F.Y.E. 9/30/24	F.Y.E. 9/30/23
EXPENDITURES-Continued		
Debt Service:		
Principal on Long Term Debt	\$ 253,245	\$ 245,476
Interest	<u>71,610</u>	<u>79,378</u>
Total Debt Service	<u>324,855</u>	<u>324,854</u>
TOTAL EXPENDITURES	<u>40,267,055</u>	<u>37,761,022</u>
EXCESS OF REVENUES		
OVER EXPENDITURES	<u>13,000,775</u>	<u>11,521,730</u>
OTHER FINANCING SOURCES (USES):		
Transfers Out	(12,657,010)	(13,470,115)
Transfers In	<u>53,122</u>	<u>143,075</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(12,603,888)</u>	<u>(13,327,040)</u>
EXCESS (DEFICIT) OF REVENUES AND OTHER		
SOURCES OVER (UNDER) EXPENDITURES		
AND OTHER (USES)	<u>396,887</u>	<u>(1,805,310)</u>
FUND BALANCE - Beginning of year	<u>23,441,530</u>	<u>25,246,840</u>
FUND BALANCE - End of year	\$ <u><u>23,838,417</u></u>	\$ <u><u>23,441,530</u></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, 2024

With Comparative Totals for Year Ended September 30, 2023

	F.Y.E. 9/30/2024			F.Y.E. 9/30/2023 Actual
	Budget	Actual	Variance Favorable (Unfavorable)	
REVENUES				
Taxes:				
General Property Taxes	\$ 403,007	\$ 413,933	\$ 10,926	\$ 483,383
Intergovernmental:				
State Shared Revenues	13,733	15,929	2,196	19,476
TOTAL REVENUES	<u>416,740</u>	<u>429,862</u>	<u>13,122</u>	<u>502,859</u>
EXPENDITURES				
Community Services:				
Other Services and Charges	538,904	538,904	-	543,404
TOTAL EXPENDITURES	<u>538,904</u>	<u>538,904</u>	<u>-</u>	<u>543,404</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(122,164)</u>	<u>(109,042)</u>	<u>13,122</u>	<u>(40,545)</u>
OTHER FINANCING SOURCES				
Transfers In	-	22,736	22,736	-
TOTAL OTHER FINANCING SOURCES	<u>-</u>	<u>22,736</u>	<u>22,736</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)	<u>(122,164)</u>	<u>(86,306)</u>	<u>35,858</u>	<u>(40,545)</u>
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -				
Beginning of Year	<u>91,826</u>	<u>91,826</u>	<u>-</u>	<u>129,933</u>
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -				
End of Year	<u>\$ (30,338)</u>	<u>5,520</u>	<u>\$ 13,122</u>	<u>89,388</u>
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		<u>(5,520)</u>		<u>2,438</u>
FUND BALANCE (GAAP BASIS) -				
End of Year		<u>\$ 0</u>		<u>\$ 91,826</u>

With Comparative Totals for Year Ended September 30, 2023

	F.Y.E. 9/30/2024			F.Y.E. 9/30/2023
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
REVENUES				
Intergovernmental:				
State Shared Revenues	\$ 5,941,848	\$ 6,177,236	\$ 235,388	\$ 6,341,193
Federal Grants	-	606,695	606,695	60,887
Miscellaneous Revenues:				
Interest	81,096	383,868	302,772	121,363
Donations	-	13,500	13,500	1,500
Other	-	1,240	1,240	13,319
TOTAL REVENUES	<u>6,022,944</u>	<u>7,182,539</u>	<u>1,159,595</u>	<u>6,538,262</u>
EXPENDITURES				
Other Functions:				
Community Services:				
Personnel Services	974,070	828,801	145,269	692,260
Supplies	19,500	15,665	3,835	14,549
Other Services and Charges	3,111,252	2,052,026	1,059,226	1,518,421
Capital Expenditures	<u>62,500</u>	<u>46,955</u>	<u>15,545</u>	<u>51,514</u>
Total Community Services	<u>4,167,322</u>	<u>2,943,447</u>	<u>1,223,875</u>	<u>2,276,744</u>
Total Other Functions	<u>4,167,322</u>	<u>2,943,447</u>	<u>1,223,875</u>	<u>2,276,744</u>
TOTAL EXPENDITURES	<u>4,167,322</u>	<u>2,943,447</u>	<u>1,223,875</u>	<u>2,276,744</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,855,622	4,239,092	2,383,470	4,261,518

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, 2024

With Comparative Totals for Year Ended September 30, 2023

-Continued-

	F.Y.E. 9/30/2024			F.Y.E. 9/30/2023 Actual
	Budget	Actual	Variance Favorable (Unfavorable)	
OTHER FINANCING SOURCES (USES):				
Transfers Out	\$ (1,855,622)	\$ (1,830,026)	\$ 25,596	\$ (4,893,743)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,855,622)</u>	<u>(1,830,026)</u>	<u>25,596</u>	<u>(4,893,743)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)	-	2,409,066	2,409,066	(632,225)
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -				
Beginning of Year	<u>6,223,667</u>	<u>6,223,667</u>	-	<u>6,852,548</u>
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -				
End of Year	\$ <u><u>6,223,667</u></u>	8,632,733	\$ <u><u>2,409,066</u></u>	6,220,323
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		<u>43,813</u>		<u>3,344</u>
FUND BALANCE (GAAP BASIS) -				
End of Year		\$ <u><u>8,676,546</u></u>		\$ <u><u>6,223,667</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, 2024

With Comparative Totals for Year Ended September 30, 2023

	F.Y.E. 9/30/2024			F.Y.E. 9/30/2023 Actual
	Budget	Actual	Variance Favorable (Unfavorable)	
REVENUES				
Taxes:				
General Property Taxes	\$ 926,918	\$ 940,752	\$ 13,834	\$ 891,944
Intergovernmental Revenues:				
State Shared Revenues	31,585	36,637	5,052	36,042
TOTAL REVENUES	<u>958,503</u>	<u>977,389</u>	<u>18,886</u>	<u>927,986</u>
EXPENDITURES				
Public Safety:				
Police Department:				
Personnel Services	700,000	686,263	13,738	647,500
Total Police Department	<u>700,000</u>	<u>686,263</u>	<u>13,738</u>	<u>647,500</u>
Fire Department:				
Personnel Services	300,000	294,113	5,888	277,500
Total Fire Department	<u>300,000</u>	<u>294,113</u>	<u>5,888</u>	<u>277,500</u>
Total Public Safety	<u>1,000,000</u>	<u>980,375</u>	<u>19,625</u>	<u>925,000</u>
TOTAL EXPENDITURES	<u>1,000,000</u>	<u>980,375</u>	<u>19,625</u>	<u>925,000</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(41,497)	(2,986)	38,511	2,986
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -				
Beginning of Year	42,537	42,537	-	32,771
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -				
End of Year	\$ <u>1,040</u>	39,551	\$ <u>38,511</u>	35,757
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		(3,087)		6,780
FUND BALANCE (GAAP BASIS) -				
End of Year		\$ <u>36,464</u>		\$ <u>42,537</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, 2024
With Comparative Totals for Year Ended September 30, 2023

	F.Y.E. 9/30/2024			F.Y.E.
	Budget	Actual	Variance Favorable (Unfavorable)	9/30/2023 Actual
REVENUES				
Miscellaneous Revenues:				
Interest	\$ -	\$ 92,349	\$ 92,349	\$ 1,416
TOTAL REVENUES	-	92,349	92,349	1,416
EXPENDITURES				
Culture and Recreation:				
Tupelo Coliseum:				
Other Services and Charges	-	-	-	-
Total Tupelo Coliseum	-	-	-	-
Total Culture and Recreation	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	92,349	92,349	1,416

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, 2024

With Comparative Totals for Year Ended September 30, 2023

-Continued-

	F.Y.E. 9/30/2024			F.Y.E. 9/30/2023 Actual
	Budget	Actual	Variance Favorable (Unfavorable)	
OTHER FINANCING SOURCES (USES):				
Transfers In	\$ 2,215,120	\$ 2,215,120	\$ -	\$ 2,215,120
Transfers Out	<u>(3,468,443)</u>	<u>(2,886,373)</u>	<u>582,070</u>	<u>(2,177,602)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,253,323)</u>	<u>(671,253)</u>	<u>582,070</u>	<u>37,518</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)	(1,253,323)	(578,904)	674,419	38,934
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -				
Beginning of Year	<u>2,221,929</u>	<u>2,221,929</u>	<u>-</u>	<u>2,182,995</u>
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -				
End of Year	\$ <u>968,606</u>	1,643,025	\$ <u>674,419</u>	2,221,929
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		<u>-</u>		<u>-</u>
FUND BALANCE (GAAP BASIS)				
End of Year		\$ <u>1,643,025</u>		\$ <u>2,221,929</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, 2024
With Comparative Totals for Year Ended September 30, 2023

	F.Y.E. 9/30/2024			F.Y.E. 9/30/2023
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
REVENUES				
Miscellaneous:				
Interest	\$ -	\$ 65	\$ 65	\$ 1
TOTAL REVENUES	<u>-</u>	<u>65</u>	<u>65</u>	<u>1</u>
EXPENDITURES				
Other Services and Charges	<u>12,883</u>	<u>-</u>	<u>12,883</u>	<u>-</u>
TOTAL EXPENDITURES	<u>12,883</u>	<u>-</u>	<u>12,883</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(12,883)</u>	<u>65</u>	<u>12,948</u>	<u>1</u>
OTHER FINANCING SOURCES (USES):				
Transfer to General Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)	<u>(12,883)</u>	<u>65</u>	<u>12,948</u>	<u>1</u>
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -				
Beginning of Year	<u>72,757</u>	<u>72,757</u>	<u>-</u>	<u>72,756</u>
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -				
End of Year	\$ <u>59,874</u>	72,822	\$ <u>12,948</u>	72,757
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		<u>-</u>		<u>-</u>
FUND BALANCE (GAAP BASIS)				
End of Year		\$ <u>72,822</u>		\$ <u>72,757</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, 2024
With Comparative Totals for Year Ended September 30, 2023

	F.Y.E. 9/30/2024			F.Y.E.
	Budget	Actual	Variance Favorable (Unfavorable)	9/30/2023 Actual
REVENUES				
Intergovernmental Revenues:				
Federal Grants	\$ -	\$ -	\$ -	\$ 801,937
Charges for Sales & Services:				
Commissions	37,500	33,338	(4,162)	27,401
Concessions & Other Sales	1,075,000	783,983	(291,017)	934,285
Direct Show Revenue	55,000	61,579	6,579	30,686
Parking	-	1,895	1,895	1,750
Service Charge	510,000	455,868	(54,132)	649,983
Rental Revenue	2,034,500	2,046,926	12,426	2,044,975
Personnel Service Fees	400,000	227,298	(172,702)	406,390
Miscellaneous Revenues:				
Advertising Agency Fee	575,000	577,558	2,558	483,146
Other	475,000	542,126	67,126	1,257,278
Interest	10,000	62,445	52,445	1,462
TOTAL REVENUES	5,172,000	4,793,016	(378,984)	6,639,293
EXPENDITURES				
Culture and Recreation:				
Coliseum Operations:				
Personnel Services	1,617,080	1,285,167	331,913	1,289,843
Supplies	508,000	425,268	82,732	482,120
Other Services and Charges	3,422,750	3,208,380	214,370	4,648,323
Capital Outlay	1,901,000	1,621,987	279,013	1,383,920
Total Coliseum Operations	7,448,830	6,540,802	908,028	7,804,206
TOTAL EXPENDITURES	7,448,830	6,540,802	908,028	7,804,206
EXCESS OF REVENUES OVER (UNDER)				
EXPENDITURES	(2,276,830)	(1,747,786)	529,044	(1,164,913)

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, 2024

With Comparative Totals for Year Ended September 30, 2023

-Continued-

F.Y.E. 9/30/2024				
	Budget	Actual	Variance Favorable (Unfavorable)	F.Y.E. 9/30/2023 Actual
OTHER FINANCING SOURCES (USES):				
Transfer from Coliseum Project	\$ 2,276,830	\$ 1,891,004	\$ (385,826)	\$ 1,487,390
TOTAL OTHER FINANCING SOURCES (USES)	<u>2,276,830</u>	<u>1,891,004</u>	<u>(385,826)</u>	<u>1,487,390</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)	-	143,218	143,218	322,477
FUND BALANCE (DEFICIT) (NON-GAAP BUDGETARY BASIS) -				
Beginning of Year	<u>1,478,070</u>	<u>1,478,070</u>	<u>-</u>	<u>1,076,814</u>
FUND BALANCE (DEFICIT) (NON-GAAP BUDGETARY BASIS) -				
End of Year	<u>\$ 1,478,070</u>	1,621,288	<u>\$ 143,218</u>	1,399,291
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		<u>147,110</u>		<u>78,779</u>
FUND BALANCE (DEFICIT) (GAAP BASIS)				
End of Year		<u>\$ 1,768,398</u>		<u>\$ 1,478,070</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, 2024
With Comparative Totals for Year Ended September 30, 2023

F.Y.E. 9/30/2024				
	Budget	Actual	Variance Favorable (Unfavorable)	F.Y.E. 9/30/2023 Actual
REVENUES				
Intergovernmental Revenues:				
Federal Shared Revenue	\$ 10,000	\$ 77,251	\$ 67,251	\$ 5,460
Fines and Forfeitures	125,000	59,324	(65,676)	311,732
Miscellaneous Revenues:				
Interest	4,500	54,024	49,524	1,132
Other	70,000	54,188	(15,812)	44,752
TOTAL REVENUES	209,500	244,787	35,287	363,076
EXPENDITURES				
Public Safety:				
Police Department:				
Supplies	69,773	38,502	31,271	29,728
Other Services and Charges	341,500	216,537	124,963	261,419
Capital Outlay	172,000	29,148	142,852	28,535
Total Police Department	583,273	284,187	299,086	319,682
TOTAL EXPENDITURES	583,273	284,187	299,086	319,682
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(373,773)	(39,400)	334,373	43,394
OTHER FINANCING SOURCES (USES):				
Transfer to General Fund	(48,087)	(26,096)	21,991	(22,664)
TOTAL OTHER FINANCING SOURCES (USES)	(48,087)	(26,096)	21,991	(22,664)

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

Year Ended September 30, 2024

With Comparative Totals for Year Ended September 30, 2023

-Continued-

F.Y.E. 9/30/2024				
	Budget	Actual	Variance Favorable (Unfavorable)	F.Y.E. 9/30/2023 Actual
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)	\$ (421,860)	\$ (65,496)	\$ 356,364	\$ 20,730
FUND BALANCE (DEFICIT) (NON-GAAP BUDGETARY BASIS) -				
Beginning of Year	1,165,941	1,165,941	-	1,145,211
FUND BALANCE (DEFICIT) (NON-GAAP BUDGETARY BASIS) -				
End of Year	\$ 744,081	1,100,445	\$ 356,364	1,165,941
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		-		-
FUND BALANCE (GAAP BASIS) -				
End of Year		\$ 1,100,445		\$ 1,165,941

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, 2024
With Comparative Actual Amounts for Year Ended September 30, 2023

	F.Y.E. 9/30/2024			F.Y.E. 9/30/2023 Actual
	Budget	Actual	Variance Favorable (Unfavorable)	
REVENUES				
Miscellaneous Revenues:				
Interest	\$ -	\$ 6,814	\$ 6,814	\$ 323
TOTAL REVENUES	<u>-</u>	<u>6,814</u>	<u>6,814</u>	<u>323</u>
EXPENDITURES				
Capital Outlay	<u>63,000</u>	<u>62,527</u>	<u>473</u>	<u>414,673</u>
TOTAL EXPENDITURES	<u>63,000</u>	<u>62,527</u>	<u>473</u>	<u>414,673</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(63,000)	(55,713)	7,287	(414,350)
FUND BALANCE (NON-GAAP BUDGETARY BASIS)-				
Beginning of Year	<u>210,093</u>	<u>210,093</u>	<u>-</u>	<u>624,443</u>
FUND BALANCE (NON-GAAP BUDGETARY BASIS)-				
End of Year	\$ <u><u>147,093</u></u>	154,380	\$ <u><u>7,287</u></u>	210,093
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		<u>-</u>		<u>-</u>
FUND BALANCE (GAAP BASIS)				
End of Year		\$ <u><u>154,380</u></u>		\$ <u><u>210,093</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, 2024
With Comparative Actual Amounts for Year Ended September 30, 2023

	F.Y.E. 9/30/2024			F.Y.E. 9/30/2023 Actual
	Budget	Actual	Variance Favorable (Unfavorable)	
REVENUES				
Miscellaneous Revenues:				
Interest	\$ -	\$ 24,879	\$ 24,879	\$ 493
Donations	-	175	175	-
Other	-	146,107	146,107	233,194
TOTAL REVENUES	-	171,161	171,161	233,687
EXPENDITURES				
Other Services and Charges	103,000	102,452	548	57,271
Capital Outlay	40,000	38,565	1,435	274,338
TOTAL EXPENDITURES	143,000	141,017	1,983	331,609
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(143,000)	30,144	173,144	(97,922)
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -				
Beginning of Year	680,503	680,503	-	778,425
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -				
End of Year	\$ 537,503	710,647	\$ 173,144	680,503
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		-		-
FUND BALANCE (GAAP BASIS)				
End of Year		\$ 710,647		\$ 680,503

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, 2024
With Comparative Actual Amounts for Year Ended September 30, 2023

	F.Y.E. 9/30/2024			F.Y.E. 9/30/2023 Actual
	Budget	Actual	Variance Favorable (Unfavorable)	
REVENUES				
Taxes:				
General Property Taxes	\$ 5,757,254	\$ 5,843,164	\$ 85,910	\$ 5,540,017
Intergovernmental Revenues:				
State Shared Revenues	196,181	227,556	31,375	223,861
Miscellaneous Revenues:				
Interest	2,687	321,042	318,355	120,022
TOTAL REVENUES	<u>5,956,122</u>	<u>6,391,762</u>	<u>435,640</u>	<u>5,883,900</u>
EXPENDITURES				
Personnel Services	120,322	114,728	5,594	110,741
Other Services and Charges	2,737,860	1,565,261	1,172,599	1,034,968
Capital Outlay	8,749,751	2,303,472	6,446,279	4,889,221
TOTAL EXPENDITURES	<u>11,607,933</u>	<u>3,983,461</u>	<u>7,624,472</u>	<u>6,034,930</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(5,651,811)</u>	<u>2,408,301</u>	<u>8,060,112</u>	<u>(151,030)</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)	<u>(5,651,811)</u>	<u>2,408,301</u>	<u>8,060,112</u>	<u>(151,030)</u>
FUND BALANCE (NON-GAAP BUDGETARY BASIS)-				
Beginning of Year	<u>4,398,590</u>	<u>4,398,590</u>	<u>-</u>	<u>4,507,508</u>
FUND BALANCE (NON-GAAP BUDGETARY BASIS)-				
End of Year	\$ <u>(1,253,221)</u>	6,806,891	\$ <u>8,060,112</u>	4,356,478
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		(19,175)		42,112
FUND BALANCE (GAAP BASIS)				
End of Year		\$ <u>6,787,716</u>		\$ <u>4,398,590</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, 2024
With Comparative Actual Amounts for Year Ended September 30, 2023

	F.Y.E. 9/30/2024			F.Y.E. 9/30/2023 Actual
	Budget	Actual	Variance Favorable (Unfavorable)	
REVENUES				
Intergovernmental Revenues:				
Federal Grants	\$ 10,654,545	\$ 2,984,408	\$ (7,670,137)	\$ 75,147
TOTAL REVENUES	<u>10,654,545</u>	<u>2,984,408</u>	<u>(7,670,137)</u>	<u>75,147</u>
EXPENDITURES				
Capital Outlay	<u>10,654,545</u>	<u>4,533,094</u>	<u>6,121,451</u>	<u>150,294</u>
TOTAL EXPENDITURES	<u>10,654,545</u>	<u>4,533,094</u>	<u>6,121,451</u>	<u>150,294</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	(1,548,686)	(1,548,686)	(75,147)
OTHER FINANCING SOURCES (USES):				
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)	<u>-</u>	<u>(1,548,686)</u>	<u>(1,548,686)</u>	<u>(75,147)</u>
FUND BALANCE (NON-GAAP BUDGETARY BASIS)-				
Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE (NON-GAAP BUDGETARY BASIS)-				
End of Year	<u>\$ -</u>	<u>(1,548,686)</u>	<u>\$ (1,548,686)</u>	<u>(75,147)</u>
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		<u>-</u>		<u>75,147</u>
FUND BALANCE (GAAP BASIS)				
End of Year		<u>\$ (1,548,686)</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, 2024
With Comparative Actual Amounts for Year Ended September 30, 2023

	F.Y.E. 9/30/2024			F.Y.E. 9/30/2023
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
REVENUES				
Taxes:				
General Property Taxes	\$ 4,058,864	\$ 4,152,120	\$ 93,256	\$ 4,542,279
Intergovernmental Revenues:				
State Shared Revenues	138,308	160,427	22,119	183,566
Miscellaneous Revenues:				
Interest	-	106,370	106,370	2,187
TOTAL REVENUES	4,197,172	4,418,917	221,745	4,728,032
EXPENDITURES				
Debt Service:				
General Obligations:				
Bonds Redeemed	2,590,000	2,590,000	-	2,210,000
Interest	1,582,172	1,515,167	67,005	1,310,338
Paying Agent Fees	25,000	18,410	6,590	17,410
Total General Obligations	4,197,172	4,123,577	73,595	3,537,748
Total Debt Service	4,197,172	4,123,577	73,595	3,537,748
TOTAL EXPENDITURES	4,197,172	4,123,577	73,595	3,537,748
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	295,340	295,340	1,190,284
OTHER FINANCING SOURCES (USES):				
Transfers from Other Funds	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-

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, 2024

With Comparative Actual Amounts for Year Ended September 30, 2023

-Continued-

	F.Y.E. 9/30/2024		Variance Favorable (Unfavorable)	F.Y.E. 9/30/2023 Actual
	Budget	Actual		
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)	\$ -	\$ 295,340	\$ 295,340	\$ 1,190,284
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -				
Beginning of Year	<u>2,520,810</u>	<u>2,520,810</u>	<u>-</u>	<u>1,295,638</u>
FUND BALANCE (NON-GAAP BUDGETARY BASIS) -				
End of Year	\$ <u><u>2,520,810</u></u>	2,816,150	\$ <u><u>295,340</u></u>	2,485,922
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		<u>(41,627)</u>		<u>34,888</u>
FUND BALANCE (GAAP-BASIS) -				
End of Year		\$ <u><u>2,774,523</u></u>		\$ <u><u>2,520,810</u></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, 2024
With Comparative Actual Amounts for Year Ended September 30, 2023

	F.Y.E. 9/30/2024			F.Y.E. 9/30/2023
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
REVENUES				
Intergovernmental Revenues:				
State Shared Revenues	\$ 4,700,000	\$ 4,645,896	\$ (54,104)	\$ 4,324,784
Miscellaneous Revenues:				
Interest	<u>-</u>	<u>188,114</u>	<u>188,114</u>	<u>156,446</u>
TOTAL REVENUES	<u>4,700,000</u>	<u>4,834,010</u>	<u>134,010</u>	<u>4,481,230</u>
EXPENDITURES				
Debt Service:				
General Obligations:				
Bonds Redeemed	415,000	415,000	-	395,000
Interest	220,363	220,363	-	236,562
Paying Agent Fees	<u>15,000</u>	<u>11,420</u>	<u>3,580</u>	<u>11,420</u>
Total Debt Service	<u>650,363</u>	<u>646,783</u>	<u>3,580</u>	<u>642,982</u>
TOTAL EXPENDITURES	<u>650,363</u>	<u>646,783</u>	<u>3,580</u>	<u>642,982</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>4,049,637</u>	<u>4,187,227</u>	<u>137,590</u>	<u>3,838,248</u>
OTHER FINANCING SOURCES (USES):				
Transfer (to) from Northeast MS Regional Water Supply District to Water G.O. Bonds Fund	<u>(4,374,818)</u>	<u>(4,331,570)</u>	<u>43,248</u>	<u>(4,326,121)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(4,374,818)</u>	<u>(4,331,570)</u>	<u>43,248</u>	<u>(4,326,121)</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, 2024

With Comparative Actual Amounts for Year Ended September 30, 2023

-Continued-

	F.Y.E. 9/30/2024			F.Y.E. 9/30/2023 Actual
	Budget	Actual	Variance Favorable (Unfavorable)	
EXCESS OF REVENUES OVER (UNDER)				
EXPENDITURES AND				
OTHER SOURCES (USES)	\$ (325,181)	\$ (144,343)	\$ 180,838	\$ (487,873)
FUND BALANCE (NON-GAAP				
BUDGETARY BASIS) -				
Beginning of Year	<u>4,005,751</u>	<u>4,005,751</u>	<u>-</u>	<u>4,493,624</u>
FUND BALANCE (NON-GAAP				
BUDGETARY BASIS) -				
End of Year	\$ <u><u>3,680,570</u></u>	3,861,408	\$ <u><u>180,838</u></u>	4,005,751
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		<u>-</u>		<u>-</u>
FUND BALANCE (GAAP-BASIS) -				
End of Year		\$ <u><u>3,861,408</u></u>		\$ <u><u>4,005,751</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, 2024
With Comparative Actual Amounts for Year Ended September 30, 2023

	F.Y.E. 9/30/2024			F.Y.E. 9/30/2023
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
REVENUES				
Taxes:				
General Property Taxes	\$ 138,900	\$ 203,688	\$ 64,788	\$ 138,015
Miscellaneous Revenues:				
Interest	-	40,218	40,218	690
TOTAL REVENUES	138,900	243,906	105,006	138,705
EXPENDITURES				
Debt Service:				
General Obligations:				
Bonds Redeemed	104,000	104,000	-	97,000
Interest	29,900	29,900	-	34,475
Paying Agent Fees	5,000	850	4,150	850
Total Debt Service	138,900	134,750	4,150	132,325
TOTAL EXPENDITURES	138,900	134,750	4,150	132,325
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	109,156	109,156	6,380
OTHER FINANCING SOURCES (USES):				
Transfer to Other Funds	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-

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

Year Ended September 30, 2024

With Comparative Actual Amounts for Year Ended September 30, 2023

-Continued-

		F.Y.E. 9/30/2024		Variance	F.Y.E.
		Budget	Actual	Favorable	9/30/2023
				(Unfavorable)	Actual
EXCESS OF REVENUES OVER (UNDER)					
EXPENDITURES AND					
OTHER SOURCES (USES)	\$	-	\$ 109,156	\$ 109,156	\$ 6,380
FUND BALANCE (NON-GAAP					
BUDGETARY BASIS) -					
Beginning of Year		<u>1,121,213</u>	<u>1,121,213</u>	<u>-</u>	<u>1,114,833</u>
FUND BALANCE (NON-GAAP					
BUDGETARY BASIS) -					
End of Year	\$	<u><u>1,121,213</u></u>	1,230,369	\$ <u><u>109,156</u></u>	1,121,213
Adjustments to Generally Accepted					
Accounting Principles:					
Revenue Accruals			<u>-</u>		<u>-</u>
FUND BALANCE (GAAP-BASIS) -					
End of Year	\$		<u><u>1,230,369</u></u>		<u><u>1,121,213</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, 2024

With Comparative Actual Amounts for Year Ended September 30, 2023

	F.Y.E. 9/30/2024			F.Y.E.
	Budget	Actual	Variance Favorable (Unfavorable)	9/30/2023 Actual
REVENUES				
Miscellaneous Revenues:				
Interest	\$ -	\$ 2,767	\$ 2,767	\$ 1,059
TOTAL REVENUES	-	2,767	2,767	1,059
EXPENDITURES				
Debt Service:				
Special Obligations:				
Bonds Redeemed	305,000	305,000	-	-
Interest	688,838	688,837	1	688,838
Paying Agent Fees	20,000	3,250	16,750	2,000
Total Debt Service	1,013,838	997,087	16,751	690,838
TOTAL EXPENDITURES	1,013,838	997,087	16,751	690,838
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,013,838)	(994,320)	19,518	(689,779)
OTHER FINANCING SOURCES (USES):				
Transfers from Other Funds	1,013,838	995,369	(18,469)	690,212
TOTAL OTHER FINANCING SOURCES (USES)	1,013,838	995,369	(18,469)	690,212

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, 2024

With Comparative Actual Amounts for Year Ended September 30, 2023

-Continued-

	F.Y.E. 9/30/2024			F.Y.E. 9/30/2023 Actual
	Budget	Actual	Variance Favorable (Unfavorable)	
EXCESS OF REVENUES OVER (UNDER)				
EXPENDITURES AND				
OTHER SOURCES (USES)	\$ -	\$ 1,049	\$ 1,049	\$ 433
FUND BALANCE (NON-GAAP				
BUDGETARY BASIS) -				
Beginning of Year	715	715	-	282
FUND BALANCE (NON-GAAP				
BUDGETARY BASIS) -				
End of Year	\$ 715	1,764	\$ 1,049	715
Adjustments to Generally Accepted Accounting Principles:				
Revenue Accruals		-		-
FUND BALANCE (GAAP-BASIS) -				
End of Year		\$ 1,764		\$ 715

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, 2024

With Comparative Totals for September 30, 2023

	Metro Vice Seized Fund	City Court Restitution Fund	Self Insurance Fund	Totals	
				9/30/24	9/30/23
ASSETS					
Cash	\$ 620,605	\$ 6,964	\$ 613,038	\$ 1,240,607	863,509
Investments	<u>-</u>	<u>-</u>	<u>500</u>	<u>500</u>	<u>500</u>
TOTAL ASSETS	\$ <u>620,605</u>	\$ <u>6,964</u>	<u>613,538</u>	\$ <u>1,241,107</u>	\$ <u>864,009</u>
LIABILITIES					
Accounts Payable	\$ -	\$ -	\$ 50,235	\$ 50,235	\$ 50,820
Due to Complainants	-	6,964	-	6,964	6,964
Due to Insured Employees	-	-	563,303	563,303	400,096
Seized Money Held	<u>620,605</u>	<u>-</u>	<u>-</u>	<u>620,605</u>	<u>406,129</u>
TOTAL LIABILITIES	\$ <u>620,605</u>	\$ <u>6,964</u>	\$ <u>613,538</u>	\$ <u>1,241,107</u>	\$ <u>864,009</u>

CITY OF TUPELO
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
Year Ended September 30, 2024

	Balance September 30, 2023		Debits		Credits		Balance September 30, 2024
METRO VICE SEIZED FUND							
<u>ASSETS</u>							
Cash	\$ 406,129		\$ 383,792		\$ 169,316		\$ 620,605
<u>LIABILITIES</u>							
Accounts Payable	\$ -		\$ 35,714		\$ 35,714		\$ -
Seized Money Held	406,129		98,075		312,551		620,605
Total Liabilities	\$ 406,129		\$ 133,789		\$ 348,265		\$ 620,605
CITY COURT RESTITUTION FUND							
<u>ASSETS</u>							
Cash	\$ 6,964		\$ 437		\$ 437		\$ 6,964
<u>LIABILITIES</u>							
Due to Complainants	\$ 6,964		\$ -		\$ -		\$ 6,964

CITY OF TUPELO
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
Year Ended September 30, 2024
-Continued-

	Balance September 30, 2023	Debits	Credits	Balance September 30, 2024
SELF INSURANCE FUND				
<u>ASSETS</u>				
Cash	\$ 450,416	\$ 366,557	\$ 203,935	\$ 613,038
Investments	500	-	-	500
Total Assets	<u>\$ 450,916</u>	<u>\$ 366,557</u>	<u>\$ 203,935</u>	<u>\$ 613,538</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 50,820	\$ 28,508	\$ 27,923	\$ 50,235
Due to Insured Employees	400,096	27,923	191,130	563,303
Total Liabilities	<u>\$ 450,916</u>	<u>\$ 56,431</u>	<u>\$ 219,053</u>	<u>\$ 613,538</u>
TOTAL ALL AGENCY FUNDS				
<u>ASSETS</u>				
Cash	\$ 863,509	\$ 750,786	\$ 373,688	\$ 1,240,607
Investments	500	-	-	500
Total Assets	<u>\$ 864,009</u>	<u>\$ 750,786</u>	<u>\$ 373,688</u>	<u>\$ 1,241,107</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 50,820	\$ 64,222	\$ 63,637	\$ 50,235
Seized Money Held	406,129	98,075	312,551	620,605
Due to Complainants	6,964	-	-	6,964
Due to Insured Employees	400,096	27,923	191,130	563,303
Total Liabilities	<u>\$ 864,009</u>	<u>\$ 190,220</u>	<u>\$ 567,318</u>	<u>\$ 1,241,107</u>

SUPPLEMENTARY INFORMATION

CITY OF TUPELO
SCHEDULE OF INVESTMENTS
Year Ended September 30, 2024

INVESTMENT OWNED BY	TYPE OF INVESTMENT	DATE ACQ'D	MATURITY DATE	INTEREST RATE	CARRYING VALUE
GOVERNMENTAL FUNDS:					
Debt Service Funds:					
Water G. O. Bonds Fund	U.S. Government Securities Fund	Var	Var	Var	\$ 3,861,408
City Bond and Interest Fund	U.S. Government Securities Fund	Var	Var	Var	6,999
Special Obligation					
Debt Service Fund	U.S. Government Securities Fund	Var	Var	Var	<u>1,764</u>
	Total Investments - Governmental Funds				<u>3,870,171</u>
PROPRIETARY FUNDS:					
Northeast Mississippi Regional					
Water Supply District	U.S. Treasury Securities	Var	Var	Var	9,959,369
	Money Market	Var	N/A	Var	<u>2,966,886</u>
	Total Investments - Proprietary Funds				<u>12,926,255</u>
FIDUCIARY FUNDS:					
Agency Funds:					
Deferred Comp. Fund	Self-Insurance Trust Fund	Var	Var	N/A	<u>500</u>
	Total Investments - Fiduciary Funds				<u>500</u>
	Total Investments - All Funds				<u>\$ 16,796,926</u>

CITY OF TUPELO
SCHEDULE OF LONG-TERM DEBT
Year Ended September 30, 2024

	INTEREST RATE	ISSUE DATE	FINAL MATURITY DATE	BALANCE OUTSTANDING SEPTEMBER 30, 2023	ISSUED	(REDEEMED)	BALANCE OUTSTANDING SEPTEMBER 30, 2024	CURRENT MATURITIES	CURRENT INTEREST PAYABLE
GENERAL OBLIGATION BONDS:									
General City Bonds									
G.O. - Series 2012	2.00% - 2.375%	5/1/12	11/1/32	\$ 4,140,000	\$ -	\$ (400,000)	\$ 3,740,000	\$ 400,000	\$ 76,763
G.O. - Series 2013	2.10% - 3.00%	4/10/13	9/30/33	4,140,000	-	(400,000)	3,740,000	400,000	81,076
G.O. - Series 2013	2.50% - 3.25%	9/1/13	9/30/28	1,160,000	-	(220,000)	940,000	225,000	29,113
G.O. - Series 2011	2.10% - 2.875%	12/1/11	12/1/30	2,425,000	-	(265,000)	2,160,000	270,000	51,770
G.O. - Series 2015	1.31% - 3.28%	7/28/15	7/1/29	1,900,000	-	(400,000)	1,500,000	300,000	46,890
G.O. - Series 2016	2.313% - 2.685%	5/12/16	4/1/36	5,100,000	-	(300,000)	4,800,000	300,000	125,293
G.O. Combined Refunding-Series 2016	3.00% - 5.00%	8/4/16	7/1/26	915,000	-	(305,000)	610,000	310,000	18,300
G.O. - Series 2017	2.00% - 5.00%	11/14/17	11/1/37	9,600,000	-	(300,000)	9,300,000	500,000	285,200
G.O. Refunding - Series 2019	4.00%	5/31/19	12/1/32	4,915,000	-	(415,000)	4,500,000	415,000	171,700
Total General City Bonds				34,295,000	-	(3,005,000)	31,290,000	3,120,000	886,105
Water Bonds									
Series 2008- Refunding Bonds	3.91% - 5.51%	12/17/08	12/1/33	675,000	-	-	675,000	-	32,062
Total Water Bonds				675,000	-	-	675,000	-	32,062
TOTAL GENERAL OBLIGATION BONDS				34,970,000	-	(3,005,000)	31,965,000	3,120,000	918,167
OTHER LONG-TERM DEBT:									
General City Notes Payable									
Capital Improvements Revolving Loan	3.00%	8/24/09	2/1/33	804,587	-	(76,175)	728,412	78,493	20,885
Tupelo Airport Authority Capital Acquisition	3.00%	6/22/11	7/1/25	355,415	-	(114,988)	240,427	240,427	7,213
Capital Improvements Revolving Loan	3.00%	4/1/20	4/1/40	1,288,749	-	(62,082)	1,226,667	63,970	35,857
Total General City Notes Payable				2,448,751	-	(253,245)	2,195,506	382,890	63,955

CITY OF TUPELO
SCHEDULE OF LONG-TERM DEBT - Continued
Year Ended September 30, 2024

	INTEREST RATE	ISSUE DATE	FINAL MATURITY DATE	BALANCE OUTSTANDING SEPTEMBER 30, 2023	ISSUED	(REDEEMED)	BALANCE OUTSTANDING SEPTEMBER 30, 2024	CURRENT MATURITIES	CURRENT INTEREST PAYABLE
OTHER LONG-TERM DEBT - Continued:									
Water and Sewer Notes Payable									
Drinking Water Loan	4.00%	09/01/05	05/01/25	\$ 125,705	\$ -	\$ (74,416)	\$ 51,289	\$ 51,289	\$ 772
Drinking Water Loan	1.95%	06/14/06	12/01/27	125,777	-	(28,665)	97,112	29,229	1,633
Capital Improvements Revolving Loan	1.75%	11/19/04	06/01/26	1,081,388	-	(387,229)	694,159	394,060	8,997
Capital Improvements Revolving Loan	1.75%	09/30/04	11/01/27	5,821,369	-	(1,358,692)	4,462,677	1,382,660	67,042
SRF - MDA Revolving Loan	1.95%	06/01/16	12/01/35	2,545,298	-	(185,772)	2,359,526	189,428	44,324
SRF - Annexed Sewer Loan 2014	1.75%	08/01/16	12/01/35	2,993,379	-	(221,045)	2,772,334	224,945	46,717
SRF - Chemical Addition	1.75%	06/01/16	02/01/36	2,349,947	-	(170,944)	2,179,003	173,959	36,742
SRF - Annexed Water	1.95%	09/30/14	02/01/37	3,107,244	-	(204,630)	2,902,614	208,655	54,743
SRF - 2015 Water	1.95%	09/30/15	11/01/37	780,517	-	(48,310)	732,207	49,261	13,839
SRF - Annex Sewer 2014	1.75%	12/01/19	05/01/39	8,361,192	-	(468,000)	7,893,192	476,256	134,323
SRF - Life Station 2020	1.75%	01/01/21	05/01/40	2,199,618	-	(114,677)	2,084,941	116,700	35,553
SRF - Central Pumping Station	In progress			-	8,730,325	-	8,730,325	-	-
Total Water and Sewer Notes Payable				29,491,434	8,730,325	(3,262,380)	34,959,379	3,296,442	444,685
Special Obligation Bonds									
Series 2018 - Water and Sewer Dept.	2.00% - 5.00%	04/12/18	05/01/33	6,565,000	-	(520,000)	6,045,000	550,000	302,250
Series 2018 - Electric Department	2.00% - 5.00%	04/12/18	05/01/33	4,215,000	-	(335,000)	3,880,000	350,000	194,000
Series 2019 - General	4.00% - 5.00%	07/18/19	07/01/49	15,000,000	-	(305,000)	14,695,000	320,000	673,586
Series 2020 - General	3.00% - 5.00%	05/07/20	05/01/40	10,000,000	-	-	10,000,000	300,000	455,000
Series 2024 - General	5.00%	03/14/24	09/01/44	-	12,000,000	-	12,000,000	60,000	588,000
Total Special Obligation Bonds				35,780,000	12,000,000	(1,160,000)	46,620,000	1,580,000	2,212,836
Tax Increment Limited Obligation Bonds									
Series 2009	4.50%	05/13/09	05/01/24	60,000	-	(60,000)	-	-	-
Series 2021	5.00%	06/15/21	06/01/33	544,000	-	(44,000)	500,000	46,000	25,000
Total Special Obligation Bonds				604,000	-	(104,000)	500,000	46,000	25,000
TOTAL OTHER LONG-TERM DEBT				68,324,185	20,730,325	(4,779,625)	84,274,885	5,305,332	2,746,476
Bond Premiums				5,562,639	1,597,660	(493,619)	6,666,680	-	-
TOTAL LONG-TERM DEBT				\$ 108,856,824	\$ 22,327,985	\$ (8,278,244)	\$ 122,906,565	\$ 8,425,332	\$ 3,664,643

CITY OF TUPELO
RECONCILIATION OF ORIGINAL AD VALOREM TAX
ROLLS TO FUND COLLECTIONS
Year Ended September 30, 2024

	<u>MUNICIPAL</u>	<u>SCHOOL</u>	<u>TAX</u>
Adjusted Assessed Valuation:			
Realty	\$ 393,807,357	\$ 19,796,826	
Personal	127,473,456	6,588,414	
Personal - Auto (From County)	<u>70,148,236</u>	<u>4,632,283</u>	
Total Municipal at 96.57 Mills	\$ <u>591,429,049</u>		\$ 57,114,303
Total School at 64.10 Mills		\$ <u>31,017,523</u>	1,988,223
Collections Adjustments:			
Add:			
Municipal Homestead Reimbursement		\$ 738,876	
School Homestead Reimbursement		475,450	
Prior Year Tax Collections		409,469	
Penalties and Interest		39,180	
In-Lieu Taxes		1,241,142	
County Portion of TIF		<u>50,174</u>	2,954,291
Less:			
Cost of Collections		366,711	
School Homestead Loss		<u>783,912</u>	<u>1,150,623</u>
TOTAL TO BE ACCOUNTED FOR			\$ <u>60,906,194</u>

CITY OF TUPELO
RECONCILIATION OF ORIGINAL AD VALOREM TAX
ROLLS TO FUND COLLECTIONS
Year Ended September 30, 2024
-Continued-

	<u>TAXES</u>	<u>HOMESTEAD REIMBURSEMENT</u>	<u>TOTALS</u>
Collection Credits to Funds:			
Municipal General Fund	\$ 8,910,245	\$ 298,327	\$ 9,208,572
Tax Increment Bond Fund	203,688	-	203,688
City Bond & Interest Fund	4,110,493	160,427	4,270,920
Library Fund	408,413	15,929	424,342
Firemen & Policemen Retirement Fund	937,665	36,637	974,302
City Special Levy Street Improvements Fund	5,823,989	227,556	6,051,545
School Maintenance Fund	33,204,791	475,450	33,680,241
School Bond and Interest Fund	3,769,687	-	3,769,687
Tupelo/Lee County Vo-Tech	10	-	10
School Notes - Shortfall Note	<u>1,853,927</u>	<u>-</u>	<u>1,853,927</u>
Total Collections	\$ <u>59,222,908</u>	\$ <u>1,214,326</u>	60,437,234
Balance Represented By:			
Unpaid Property Taxes		\$ 468,958	
Unaccounted For (Over)		<u>2</u>	<u>468,960</u>
TOTAL ACCOUNTED FOR			\$ <u><u>60,906,194</u></u>

CITY OF TUPELO
SCHEDULE OF SURETY BONDS FOR MUNICIPAL OFFICIALS
September 30, 2024

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

CITY OF TUPELO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended September 30, 2024

Federal Grantor/ Pass Through Grantor/ Program Title	Grantor Agency ID Number	Federal Assistance Listing Number	Federal Expenditures
PRIMARY GOVERNMENT:			
U. S. Department of Justice			
Bulletproof Vest Partnership Program		16.607	\$ 6,184
U.S. Treasury	21-NOR-406-AFF/22-NOR-406-AFF	16.738	2,598
U.S. Marshall Service	JLEO-20-0410/MS041053N	16.Ukn	12,686
Total U.S. Department of Justice			\$ 21,468
U. S. Department of Transportation			
Passed through State Office of:			
Mississippi Department of Transportation			
Highway Planning and Construction Grant	CMKLXEA2MNDA	20.205	\$ 80,000
Total U. S. Department of Transportation			\$ 80,000
U. S. Department of the Treasury			
Passed through State Office of:			
Mississippi Department of Finance and Administration:			
American Rescue Plan Act*	RIN1505-AC81	21.027	\$ 7,400
American Rescue Plan Act*	179-2-CW-5.5	21.027	109,519
American Rescue Plan Act*	196-2-SW-5.6	21.027	842,372
American Rescue Plan Act*	198.2-SW-5.6	21.027	248,136
American Rescue Plan Act*	200-2-SW-5.6	21.027	205,179
American Rescue Plan Act*	202-2-SW-5.6	21.027	94,450
American Rescue Plan Act*	203-2-SW-5.6	21.027	190,512
American Rescue Plan Act*	204-2-SW-5.6	21.027	169,449
American Rescue Plan Act*	26-2-SW-5.6	21.027	176,459
American Rescue Plan Act*	27-2-SW-5.6	21.027	136,094
American Rescue Plan Act*	28-2-SW-5.6	21.027	48,844
American Rescue Plan Act*	30-2-SW-5.6	21.027	155,052
American Rescue Plan Act*	SLFR2621/ARPA-0265	21.027	5,221,237
Total U. S. Department of the Treasury			\$ 7,604,703
U. S. Environmental Protection Agency			
Passed through State Office of:			
Mississippi Department of Environmental Quality:			
Water Pollution Control Revolving Loan*	SRF-C280885-08	66.458	\$ 5,110,319
Total U. S. Environmental Protection Agency			\$ 5,110,319

CITY OF TUPELO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended September 30, 2024

Federal Grantor/ Pass Through Grantor/ Program Title	Grantor Agency ID Number	Federal Assistance Listing Number	Federal Expenditures
Executive Office of the President			
DEA State and Local Task Force Agreement	667265901D3D	95.001	\$ 5,272
Total Executive Office of the President			\$ 5,272
U. S. Department of Homeland Security			
Passed through State Office of:			
Mississippi Department of Public Safety:			
Homeland Security Grant	21HS366R	97.067	\$ 101,768
Homeland Security Grant	21PS2321	97.067	36,982
Homeland Security Grant	21PS2321	97.067	34,610
Homeland Security Grant	22LE366B	97.067	100,000
Homeland Security Grant	23LE366A	97.067	8,100
Homeland Security Grant	23LE366B	97.067	100,000
Homeland Security Grant	23LE366C	97.067	30,098
Total U. S. Department of Homeland Security			\$ 411,558
TOTAL FEDERAL EXPENDITURES			\$ 13,233,320

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, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

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

The City has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

* - Major Program

REPORTS ON COMPLIANCE AND INTERNAL CONTROL



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

Honorable Mayor and City Council
City of Tupelo, Mississippi

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Tupelo, Mississippi as of and for the year ended September 30, 2024, 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 1, 2025.

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 1, 2025

**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, 2024. 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, 2024.

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 1, 2025

CITY OF TUPELO, MISSISSIPPI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
September 30, 2024

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>
21.027	U.S. Department of the Treasury – American Rescue Plan Act
66.458	U.S. Environmental Protection Agency – Water Pollution Revolving Loan

Dollar threshold used to distinguish
between Type A and Type B programs: \$ 750,000

Auditee qualified as low-risk auditee? X Yes No

SECTION 2 – FINANCIAL STATEMENT FINDINGS:

None

SECTION 3 – FEDERAL AWARD FINDINGS:

None

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

Honorable Mayor and City Council
City of Tupelo, Mississippi

We have audited the financial statements of the City of Tupelo, Mississippi, as of and for the year ended September 30, 2024, and have issued our report thereon dated May 1, 2025. 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 1, 2025

ADOPTED BUDGET FOR FISCAL YEAR 2025

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**CITY OF TUPELO, MISSISSIPPI BUDGET
FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2025**

Under the provisions of Section 21-35-5 of Mississippi Code of 1982 Annotated, it is hereby ordered by the Mayor and the City Council of the City of Tupelo, Mississippi that the following Budget for the City of Tupelo, Mississippi ending September 30, 2025, be hereby fixed, adopted and approved, to wit:

	FY 2024 Budget Amounts	FY 2025 Budget Amounts
<u>General Fund Revenues</u>		
Local Taxes	8,718,760	9,745,838
Licenses & Permits	1,125,000	1,585,000
Intergovernmental Revenues:		
Federal Grants	100,000	100,000
State Grants	303,174	330,000
State Shared Revenues	30,684,964	31,030,000
In Lieu of Taxes	3,550,000	3,550,000
District Road Tax	1,435,000	1,555,000
Local Grants	306,000	443,333
Charges for Services	698,000	756,000
Fines & Forfeits	577,000	462,000
Interest Income & Misc Revenues	983,428	1,484,260
Other Financing Resources	224,209	89,500
Unreserved Fund Balance	0	0
Total General Fund Revenues	48,705,535	51,130,931
<u>General Fund Expenditures</u>		
<u>City Council</u>		
Personnel Cost	307,461	322,341
Supplies	6,000	6,000
Other Services	196,250	354,100
Capital Expenditures	0	3,600
Total City Council	509,711	686,041
<u>Executive Department</u>		
Personnel Cost	1,128,882	1,097,816
Supplies	23,500	23,500
Other Services	289,850	289,850
Capital Expenditures	0	0
Total Executive Department	1,442,232	1,411,166
<u>City Court</u>		
Personnel Cost	977,461	1,003,787
Supplies	32,300	32,300
Other Services	107,342	115,248
Capital Expenditures	0	0
Total City Court	1,117,103	1,151,335

General Fund Expenditures - Continued

	FY 2024	FY 2025
	Budget Amounts	Budget Amounts
<hr/>		
<u>Finance</u>		
Personnel Cost	872,613	897,854
Supplies	31,600	33,100
Other Services	624,325	672,966
Capital Expenditures	326,400	469,500
	<hr/>	<hr/>
Total Finance	1,854,938	2,073,420
	<hr/>	<hr/>
<u>Human Resources</u>		
Personnel Cost	342,060	355,123
Supplies	4,100	4,100
Other Services	131,400	136,875
Capital Expenditures	0	0
	<hr/>	<hr/>
Total Human Resources	477,560	496,098
	<hr/>	<hr/>
<u>Development Services</u>		
Personnel Cost	1,479,927	1,412,615
Supplies	47,000	48,000
Other Services	230,500	313,300
Capital Expenditures	0	0
	<hr/>	<hr/>
Total Development Services Dept	1,757,427	1,773,915
	<hr/>	<hr/>
<u>Police Department</u>		
Personnel Cost	9,808,674	10,170,958
Supplies	783,486	783,486
Other Services	2,335,455	2,633,384
Capital Expenditures	253,500	253,500
	<hr/>	<hr/>
Total Police Department	13,181,115	13,841,328
	<hr/>	<hr/>
<u>Fire Department</u>		
Personnel Cost	7,073,594	7,254,225
Supplies	410,474	446,474
Other Services	340,100	367,700
Capital Expenditures	10,000	10,000
	<hr/>	<hr/>
Total Department	7,834,168	8,078,399
	<hr/>	<hr/>

General Fund Expenditures - Continued

	FY 2024	FY 2025
	Budget Amounts	Budget Amounts
<u>Public Works Department</u>		
Personnel Cost	3,192,442	3,305,428
Supplies	406,100	419,100
Other Services	2,325,890	2,394,758
Capital Expenditures	17,000	17,000
Total Department	5,941,432	6,136,286
<u>Park & Recreation</u>		
Personnel Cost	2,323,289	2,435,973
Supplies	452,000	459,000
Other Services	1,159,533	1,289,600
Capital Expenditures	20,000	15,000
Total Park & Recreation	3,954,822	4,199,573
<u>Aquatics Facility</u>		
Personnel Cost	480,474	493,783
Supplies	103,500	117,500
Other Services	510,000	530,000
Capital Expenditures	10,000	10,000
Total Aquatics Facility	1,103,974	1,151,283
<u>Museum</u>		
Personnel Cost	145,944	140,031
Supplies	9,000	8,000
Other Services	37,600	36,900
Capital Expenditures	4,000	4,000
Total Museum	196,544	188,931
Community Services	1,065,600	1,132,825
Debt Service	325,480	485,257
Other Financing Uses	7,887,929	8,320,658
Reserves	55,500	4,416
Total General Fund Expenditures	48,705,535	51,130,931

Special Revenue Funds	FY 2024 Budget Amounts	FY 2025 Budget Amounts
Fund #101		
Library Fund		
Revenues		
Advalorem Taxes	416,740	568,753
Interest Income	-	-
Unreserved Fund Balance	122,164	14,151
Total Revenues	538,904	582,904
Expenditures		
Other Services & Charges	538,904	582,904
Total Expenditures	538,904	582,904
Fund #102		
Convention & Visitors Bureau		
Revenues		
Intergovernmental Revenues	5,941,848	6,162,435
Federal Grants	0	0
Interest Income	60,000	300,000
Unreserved Fund Balance	0	0
Total Revenues	6,001,848	6,462,435
Expenditures		
Personnel Services	952,974	973,381
Supplies	19,500	20,500
Other Services & Charges	3,614,252	4,161,054
Capital Outlay	62,500	7,500
Other Financing Uses	1,352,622	1,300,000
Reserve for Contingency	0	0
Total Expenditures	6,001,848	6,462,435
Fund #103		
Firemen and Policemen Retirement Fund		
Revenues		
Ad Valorem Taxes	958,503	1,077,284
Interest Income	0	0
Fund Balance	41,497	22,716
Total Revenues	1,000,000	1,100,000
Expenditures		
Personnel Services	1,000,000	1,100,000
Total Expenditures	1,000,000	1,100,000

Special Revenue Funds - Continued

	FY 2024	FY 2025
	Budget Amounts	Budget Amounts
<hr/>		
Fund #104		
Rental Rehabilitation Fund		
<hr/>		
Revenues		
Federal Grants	0	0
Interest Income	0	0
Unreserved Fund Balance	12,883	12,883
	<hr/>	<hr/>
Total Revenues	12,883	12,883
	<hr/>	<hr/>
Expenditures		
Other Services & Charges	12,883	12,883
Other Financing Uses	0	0
	<hr/>	<hr/>
Total Expenditures	12,883	12,883
	<hr/>	<hr/>
Fund #105		
Coliseum Project Fund		
<hr/>		
Revenues		
Other Financing Sources	2,215,120	2,215,120
Interest Income	0	0
Fund Balance	2,323	0
	<hr/>	<hr/>
Total Revenues	2,217,443	2,215,120
	<hr/>	<hr/>
Expenditures		
Capital Outlay	0	0
Other Financing Uses	2,217,443	2,215,120
Fund Balance	0	0
	<hr/>	<hr/>
Total Expenditures	2,217,443	2,215,120
	<hr/>	<hr/>

Special Revenue Funds - Continued

	FY 2024	FY 2025
	Budget Amounts	Budget Amounts
<hr/>		
Fund #109		
Coliseum Operating Fund		
<hr/>		
Revenues		
Charges For Services	4,562,000	4,563,000
Interest & Misc. Revenue	10,000	15,000
Other Financing Sources	1,025,830	1,025,830
Unreserved Fund Balance	0	0
	<hr/>	<hr/>
Total Revenues	5,597,830	5,603,830
	<hr/>	<hr/>
Expenditures		
Personnel Services	1,617,080	1,259,000
Supplies	508,000	462,500
Other Services & Charges	2,822,750	3,232,330
Capital Outlay	650,000	650,000
	<hr/>	<hr/>
Total Expenditures	5,597,830	5,603,830
	<hr/>	<hr/>
Fund #106		
North MS Narcotic Unit		
<hr/>		
Revenues		
Grants	10,000	10,000
Interest/Miscellaneous	74,500	85,000
Forfeited Funds	125,000	40,000
Other Financing Sources	0	0
Fund Balance	421,860	200,000
	<hr/>	<hr/>
Total Revenues	631,360	335,000
	<hr/>	<hr/>
Expenditures		
Personnel Services	0	0
Supplies	69,773	51,000
Other Services & Charges	341,500	252,000
Capital Outlay	172,000	12,500
Other Financing Uses	48,087	19,500
	<hr/>	<hr/>
Total Expenditures	631,360	335,000
	<hr/>	<hr/>

Debt Service Funds	FY 2024 Budget Amounts	FY 2025 Budget Amounts
Fund #200		
<u>Municipal Bond and Interest Fund</u>		
Revenues		
Ad Valorem Taxes	4,197,172	4,687,612
Interest & Misc Receivables	0	100,000
Other Financing Sources	0	0
Unreserved Fund Balance	0	80,993
Total Revenues	<u>4,197,172</u>	<u>4,868,605</u>
Expenditures		
Principal Payment	2,590,000	3,065,000
Interest Payment	1,582,172	1,773,605
Refunding Expense	0	0
Agent Fees	25,000	30,000
Total Expenditures	<u>4,197,172</u>	<u>4,868,605</u>
Fund #201		
<u>Water G.O. Bonds Fund</u>		
Revenues		
Intergovernmental Revenues	4,600,000	4,800,000
Interest	0	0
Transfer from NEMRWSD	325,182	316,881
Unreserved Fund Balance	325,181	316,882
Total Revenues	<u>5,250,363</u>	<u>5,433,763</u>
Expenditures		
Principal Payment	415,000	415,000
Interest Payment	220,363	203,763
Agent Fees	15,000	15,000
Transfer to NEMRWSD	4,600,000	4,800,000
Total Expenditures	<u>5,250,363</u>	<u>5,433,763</u>

Debt Service Funds - Continued

	FY 2024	FY 2025
	Budget Amounts	Budget Amounts
<hr/>		
Fund #224		
Tax Increment Debt Service		
<hr/>		
Revenues		
Tax Increment Taxes	138,900	73,700
Interest Income	0	0
Transfer from Capital Project Fund	0	0
Fund Balance	0	2,300
	<hr/>	<hr/>
Total Revenues	138,900	76,000
	<hr/>	<hr/>
Expenditures		
Principal Payment	104,000	46,000
Interest Payment	29,900	25,000
Agent Fees	5,000	5,000
	<hr/>	<hr/>
Total Expenditures	138,900	76,000
	<hr/>	<hr/>
Fund #226		
Special Obligation Bond Debt		
<hr/>		
Revenues		
Interest	0	0
Other Financing Sources	1,013,838	1,013,588
Unreserved Fund Balance	0	0
	<hr/>	<hr/>
Total Revenues	1,013,838	1,013,588
	<hr/>	<hr/>
Expenditures		
Sp Obligation-Principal	305,000	320,000
Special Oblig-Interest	688,838	673,588
Paying Agent Fees	20,000	20,000
	<hr/>	<hr/>
Total Expenditures	1,013,838	1,013,588
	<hr/>	<hr/>

Capital Project Funds	FY 2024 Budget Amounts	FY 2025 Budget Amounts
Fund #327		
Tupelo Capital & Infrastructure Fund		
Revenues		
Grants	1,092,972	1,092,972
Transfer from Other Funds	8,410,725	8,077,550
Bond Proceeds	14,035,000	5,900,000
State Funds	500,000	4,600,000
Lease Proceeds	-	-
Miscellaneous Income	22,500	-
Unreserved Fund Balance	16,852,316	25,663,081
Total Revenues	40,913,513	45,333,603
Expenditures		
Other Services & Charges		
Neighborhood Revitalization	1,035,940	1,540,298
Neighborhood-Traffic Calming	173,376	218,434
Maintenance Projects	591,275	722,471
Street Overlay	8,424,698	8,409,309
Contingencies/Match	-	-
Total Other Services & Charges	10,225,289	10,890,512
Capital		
Infrastructure Improvements	9,948,640	14,138,743
Property Purchase	61,918	11,364
Equipment	1,058,933	636,739
Building Improvements	8,264,849	10,156,544
Park Improvements	7,781,178	6,798,344
Vehicles	661,566	385,081
Police Vehicles & Equipment	630,000	1,148,592
Fire Equipment	2,281,140	2,333,675
Total Capital	30,688,224	35,609,082
Bond Cost	-	-
Total Expenditures	40,913,513	46,499,594

Capital Project Funds-Continued	FY 2024 Budget Amounts	FY 2025 Budget Amounts
Fund #316		
Capital Projects Fund		
Revenues		
Grants	0	0
Unreserved Fund Balance	88,000	27,555
Total Revenues	88,000	27,555
Expenditures		
Police Dept-DPS Funds	0	0
Police Dept-Tobacco Funds	88,000	27,555
Total Capital Expenditures	88,000	27,555
Fund #329		
ARPA Capital Project Fund		
Revenues		
ARPA Funds	5,538,817	3,500,000
ARPA - State Match	5,115,728	3,500,000
Miscellaneous Revenue	0	0
Other Financing Sources	0	0
Unreserved Fund Balance	0	0
Total Revenues	10,654,545	7,000,000
Expenditures		
Capital Outlay	10,654,545	7,000,000
Total Capital Expenditures	10,654,545	7,000,000
Fund #335		
Special Levy Street Improvement Phase VII		
Revenues		
Ad Valorem Taxes	5,757,254	6,467,617
Homestead Exemption	196,181	223,591
Interest & Misc Receivables	0	0
Unreserved Fund Balance	5,651,811	4,000,000
Total Revenues	11,605,246	10,691,208
Expenditures		
Personnel Costs	117,635	124,079
Other Services & Charges-Maintenance	2,737,860	2,172,802
Capital Outlay	8,749,751	8,394,327
Other Financing Uses	0	0
Total Expenditures	11,605,246	10,691,208

Capital Project Funds-Continued	FY 2024 Budget Amounts	FY 2025 Budget Amounts
Fund #317		
Fairgrounds Construction Fund		
Revenues		
Grants	0	0
Land Sales	150,000	0
Unreserved Fund Balance	685,495	700,000
Total Revenues	835,495	700,000
Expenditures		
Other Services & Charges	350,000	300,000
Capital Outlay	485,495	400,000
Other Financing Uses	0	0
Total Expenditures	835,495	700,000
 Internal Service Funds		
Fund #505		
Self-Insurance Fund		
Revenues		
Transfers From Other Funds	0	0
Fund Balance	300,000	200,000
Total Revenues	300,000	200,000
Expenditures		
Other Services & Charges	300,000	200,000
Total Expenditures	300,000	200,000

Propriety Funds	FY 2024 Budget Amounts	FY 2025 Budget Amounts
Fund #400		
Waterworks and Sewer System		
Revenues		
SRF Loans	13,000,000	12,000,000
Charges For Services	15,000,000	15,000,000
Interest & Miscellaneous Income	200,000	200,000
Retained Earning-Beginning	3,500,000	3,000,000
Total Revenues	31,700,000	30,200,000
Expenses		
Water & Sewer Expenditures		
Personnel Services	2,955,095	3,338,894
Supplies	626,800	626,800
Other Services & Charges	5,344,000	5,430,000
Capital	19,238,048	18,230,188
Total Water & Sewer Expenditures	28,163,943	27,625,882
Debt Service	833,027	746,935
Other Financing Uses	1,250,000	1,250,000
Fund Balance	1,453,030	577,183
Total Expenditures	31,700,000	30,200,000

Proprietary Funds - Continued	FY 2024 Budget Amounts	FY 2025 Budget Amounts
Fund #402		
Electric Fund		
Revenues		
Charges For Services	61,750,000	63,220,000
Fines & Forfeits	150,000	150,000
Interest & Miscellaneous Income	1,200,000	1,200,000
Retained Earnings	8,000,000	5,000,000
Total Revenues	71,100,000	69,570,000
Electric Expenditures		
Personnel Services	4,519,495	4,629,256
Supplies	386,000	411,000
Other Services & Charges	54,736,300	54,623,300
Capital	10,115,754	7,970,314
Debt Service	210,750	194,000
Total Operating Expenditures	69,968,299	67,827,870
Retained Earnings-Ending	1,131,701	1,742,130
Total Expenses	71,100,000	69,570,000
Fund #404		
Solid Waste Management Fund		
Revenues		
Charges For Services	3,865,425	3,877,860
Interest Income	1,000	48,000
Franchise Fees	210,000	230,000
Fund Balance	876,843	525,268
Total Revenues	4,953,268	4,681,128
Expenses		
Personnel Services	428,146	461,844
Other Services & Charges	3,825,122	3,969,284
Capital	700,000	250,000
Debt Service	0	0
Other Financing Uses-Transfers	0	0
Total Sanitation Fund	4,953,268	4,681,128

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APPENDIX C

FORM OF THE CITY BOND RESOLUTION AND THE CITY BOND

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The Mayor and the City Council of the City of Tupelo, Mississippi (the "**Governing Body**"), acting for and on behalf of the City of Tupelo, Mississippi (the "**City**") took up for consideration the matter of providing financing for certain capital improvements of the City, and after a discussion of the subject matter, the following resolution was presented for consideration:

RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF TUPELO, MISSISSIPPI AUTHORIZING THE ISSUANCE OF A GENERAL OBLIGATION BOND OF THE CITY, IN ONE OR MORE SERIES, IN A TOTAL AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$8,000,000 TO RAISE MONEY FOR THE PURPOSE OF PROVIDING CAPITAL PROJECTS AS DESCRIBED IN THIS RESOLUTION; DIRECTING THE PREPARATION, EXECUTION AND DELIVERY THEREOF; AUTHORIZING THE SALE OF SAID BOND, IN ONE OR MORE SERIES, TO THE MISSISSIPPI DEVELOPMENT BANK AND THE SALE OF THE NOT TO EXCEED \$8,000,000 MISSISSIPPI DEVELOPMENT BANK SPECIAL OBLIGATION BONDS, SERIES 2025 (CITY OF TUPELO, MISSISSIPPI PUBLIC IMPROVEMENT GENERAL OBLIGATION BOND PROJECT), IN ONE OR MORE SERIES; AND FOR RELATED PURPOSES.

WHEREAS, the Mayor and City Council of City of Tupelo, Mississippi (the "**Governing Body**"), acting for and on behalf of City of Tupelo, Mississippi (the "**City**"), is authorized by Sections 21-33-301 et seq., Mississippi Code of 1972, as amended and supplemented from time to time (the "**City Bond Act**"), to issue general obligation bonds for the purposes set forth therein, including certain capital projects in the City, which shall consist of any of (i) constructing, improving or paving streets, sidewalks, driveways, parkways, walkways or public parking facilities, and purchasing land therefor; (ii) erecting, repairing, improving, adorning and equipping municipal buildings and purchasing buildings and land therefor; (iii) purchasing land for parks, cemeteries and public playgrounds, and improving, equipping and adorning the same, including the constructing, repairing and equipping of swimming pools and other recreational facilities; (iv) purchasing fire-fighting equipment and apparatus, and providing housing for same, and purchasing land therefor; (v) erecting or purchasing waterworks, gas, electric and other public utility plants or distribution systems or franchises, and repairing, improving and extending the same; (vi) establishing sanitary, storm, drainage or sewerage systems, and repairing, improving and extending the same; (vii) protecting a municipality, its streets and sidewalks from overflow, caving banks and other like dangers; (viii) constructing bridges and culverts; (ix) purchasing machinery and equipment, including motor vehicles weighing not less than twelve thousand (12,000) pounds, which have an expected useful life in excess of ten (10) years which expected useful life shall exceed the life of the bonds financing such purchase; and (x) for other authorized purposes under the City Bond Act, including funding capitalized interest, if applicable, and paying the costs of borrowing (collectively, the "**City Project**"); and

WHEREAS, the Governing Body, acting for and on behalf of the City, is also authorized under the City Bond Act and Sections 31-25-1 et seq., Mississippi Code of 1972, as amended (the "**Issuer Act**"), and other applicable laws of the State of Mississippi (the "**State**"), to issue its general obligation bond for sale to the Mississippi Development Bank (the "**Issuer**") in such amount as it may find necessary and proper in order to provide funds to finance the costs of the

City Project and to secure such general obligation bond with the full faith, credit and taxing power of the City; and

WHEREAS, the City Project is in accordance with and in furtherance of the provisions of the City Bond Act and the Issuer Act (together, the “**Act**”); and

WHEREAS, the City is a “local governmental unit” under the Issuer Act; and

WHEREAS, on June 20, 2023, the Governing Body adopted a resolution (the “**Intent Resolution**”) declaring its intention to either (a) issue and sell general obligation bonds of the City pursuant to the City Bond Act in an aggregate principal amount not to exceed Twenty Million Dollars (\$20,000,000) in one or more series, and/or (b) issue and sell a general obligation bond of the City to the Issuer pursuant to the Act in an aggregate principal amount not to exceed Twenty Million Dollars (\$20,000,000) in one or more series, all in an amount not to exceed Twenty Million Dollars (\$20,000,000), all for the purpose of providing financing for the City Project; and

WHEREAS, as required by the Intent Resolution and the City Bond Act, a copy of the Intent Resolution (the “**Notice of Intent**”) was published in *Northeast Mississippi Daily Journal*, a newspaper published in the City, and having a general circulation in the City, and qualified under the provisions of Section 13-3-31, Mississippi Code of 1972, as amended, the first publication having been made not less than twenty-one (21) days before August 1, 2023, and the last publication to be not more than seven (7) days prior to such date, said notice was published in said newspaper on July 7, 14, 21 and 28, 2023; and

WHEREAS, as of the hour of 4:00 o'clock p.m. on August 1, 2023, (a) no qualified elector of the City had filed a written protest against the issuance of such general obligation bonds of the City and/or general obligation bond of the City to be sold to the Issuer, as described in the Intent Resolution, had been filed or presented by qualified electors of the City with the City Clerk of the City (the “**City Clerk**”) in her office located in City Hall, as required by the Intent Resolution, and (b) in accordance with the Notice of Intent, all persons present or represented by counsel or otherwise were given the opportunity to be heard concerning the issuance of such general obligation bond or bonds as described in the Notice of Intent pursuant to the Act and the purposes for which such borrowing is to be obtained and no protest or objection of any kind or character against such borrowing or the purposes for which it is to be obtained was presented; and

WHEREAS, at the hour of 6:00 o'clock p.m. on August 1, 2023, at the usual meeting place of the Governing Body, the Governing Body convened and adopted a resolution finding and determining that the Notice of Intent was duly published as required by law and that no written protest or other objection of any kind or character against the issuance of such general obligation bond or bonds was filed by qualified electors of the City and authorizing and approving the issuance of such general obligation bond or bonds to raise money for the City Project, all in accordance with the Act; and

WHEREAS, on March 14, 2024, the Issuer issued its first series of bonds titled the “\$12,000,000 Mississippi Development Bank Special Obligation Bonds, Series 2024 (City of Tupelo, Mississippi Public Improvement General Obligation Bond Project)”, dated March 14,

2024 pursuant to the Act to provide funds for the purpose of (a) purchasing the \$12,000,000 City of Tupelo, Mississippi Public Improvement General Obligation Bond, Series 2024, dated March 14, 2024 being issued by the City to pay a portion of the City Project, and (b) paying the costs of issuance thereof; and

WHEREAS, it would be in the best interest of the City for the Governing Body to provide funding for the costs of the City Project through the issuance of a second and final series general obligation bond of the City to be sold to the Issuer as provided for in the Intent Resolution, in an amount of not to exceed Eight Million Dollars (\$8,000,000) in accordance with the Act; and

WHEREAS, after careful study and investigation by the Governing Body, it appears to be in the best interest of the citizens of the City for the City to issue its Public Improvement General Obligation Bond, Series 2025, in one or more taxable or tax-exempt series, in the total aggregate principal amount of not to exceed Eight Million Dollars (\$8,000,000) (together, the “**City Bond**”) and to authorize the sale of the City Bond to the Issuer; and

WHEREAS, on May 14, 2024, the Issuer adopted a resolution authorizing and approving the issuance of its Special Obligation Bonds, Series 2025 (City of Tupelo, Mississippi Public Improvement General Obligation Bond Project), Series 2025 in the total aggregate principal amount of not to exceed Eight Million Dollars (\$8,000,000) (together, the “**Series 2025 Bonds**”), for the purpose of (a) purchasing the City Bond, and (b) paying the costs incurred by the City and the Issuer in connection with the sale and issuance of the Series 2025 Bonds and the City Bond (together with the City Project, the “**Project**”); and

WHEREAS, the issuance of the City Bond and the Series 2025 Bonds for the purpose of providing funding for the Project will result in a substantial public benefit to the citizens of the City; and

WHEREAS, the Governing Body is now desirous of proceeding with the issuance of the City Bond and the purchase thereof by the Issuer with the proceeds of the Series 2025 Bonds; and

WHEREAS, the Series 2025 Bonds will be issued pursuant to and secured by an Indenture of Trust (the “**Indenture**”), by and between the Issuer and The Peoples Bank, Biloxi, Mississippi; and

WHEREAS, the City Bond will be sold to the Issuer pursuant to the terms and provisions of this Bond Resolution (as defined herein), the Act and a City Bond Purchase Agreement by and between the Issuer and the City (the “**City Bond Purchase Agreement**”); and

WHEREAS, the City will make payments on the City Bond in amounts sufficient to pay the principal of, premium, if any, and interest on the Series 2025 Bonds, as and when the same shall become due and payable; and

WHEREAS, the Governing Body is now desirous of proceeding with the issuance of the City Bond pursuant to this Bond Resolution and the purchase thereof by the Issuer with the proceeds of the Series 2025 Bonds and authorizing the negotiation of the sale of the Series 2025 Bonds thereof to Raymond James & Associates, Inc., Memphis, Tennessee, as underwriter (the

“**Underwriter**”) pursuant to the terms and provisions of a Bond Purchase Agreement, to be dated as of the date of the sale of the Series 2025 Bonds (the “**Bond Purchase Agreement**”), by and among the Issuer, the Underwriter and the City; and

WHEREAS, there have been prepared and submitted to the Governing Body forms of:

(a) the Indenture under which the Series 2025 Bonds will be issued and by which they will be secured, and

(b) the City Bond Purchase Agreement providing for the sale of the City Bond to the Issuer, and

(c) the Bond Purchase Agreement providing for the sale of the Series 2025 Bonds to the Underwriter, and

(d) the Preliminary Official Statement, to be dated the date of distribution thereof (the “**Preliminary Official Statement**”) describing the Series 2025 Bonds, the City Bond, the terms of the Indenture and other matters in connection with the sale and issuance of the Series 2025 Bonds and the City Bond; and

(e) the Continuing Disclosure Certificate, to be dated the date of delivery thereof (the “**Continuing Disclosure Certificate**”), to be executed by the City in connection with the issuance of the Series 2025 Bonds, such Continuing Disclosure Certificate is provided as an appendix section in the Preliminary Official Statement; and

WHEREAS, it appears that each of the documents referred to above, which documents are now before the Governing Body, is in appropriate form and is an appropriate document for the purposes identified; and

WHEREAS, all conditions, acts and things required by the Act and the Constitution and laws of the State to have existed, to have happened and to have been performed precedent to and in connection with the adoption of this Bond Resolution, the sale and issuance of the City Bond to the Issuer, the sale and issuance of the Series 2025 Bonds, the execution by the City of the Bond Purchase Agreement, the City Bond Purchase Agreement and the distribution of the Preliminary Official Statement have happened and have been performed in regular and due time, form and manner as required by law; and

WHEREAS, it is proposed that the Governing Body should take all such additional actions, authorize the execution of such certificates, applications, reports and notices, and authorize such other actions and proceedings as shall be necessary in connection with the sale and issuance of the City Bond and the Series 2025 Bonds.

NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED BY THE MAYOR AND CITY COUNCIL OF THE CITY, ACTING FOR AND ON BEHALF OF THE CITY, AS FOLLOWS:

SECTION 1. All of the matters and things recited in the premises sections of this Bond Resolution are found and determined to be true and accurate.

SECTION 2. This Bond Resolution is adopted pursuant to the Act and the Constitution and laws of the State.

SECTION 3. In addition to any words and terms elsewhere defined herein, the following words and terms shall have the following meanings, unless some other meaning is plainly intended:

“Act” shall mean together the City Bond Act and the Issuer Act.

“Agent” shall mean any Paying Agent or Transfer Agent, whether serving in either or both capacities. The Agent shall initially be the Trustee.

“Authorized Officer” shall mean the Mayor of the City, the President of the Governing Body, the Clerk and any other officer designated from time to time as an Authorized Officer by resolution of the Governing Body, and when used with reference to any act or document also means any other Person authorized by resolution of the Governing Body to perform such act or sign such document.

“Issuer” shall mean the Mississippi Development Bank.

“Issuer Act” shall mean Sections 31-25-1 *et seq.*, Mississippi Code of 1972, as amended and supplemented from time to time.

“Bond Counsel” shall mean the law firm selected by the Governing Body in connection with the City Bond and the Series 2025 Bonds.

“Bond Resolution” shall mean this resolution, as may be amended and supplemented from time to time.

“Business Day” shall mean any day other than (a) a Saturday, (b) a Sunday, (c) any other day on which banking institutions in New York, New York, or Biloxi, Mississippi, are authorized or required not to be open for the transaction of regular banking business, (d) any day the City Courthouse in Tupelo, Mississippi is closed, or (e) a day on which the New York Stock Exchange is closed.

“City” shall mean City of Tupelo, Mississippi.

“City Bond” shall mean the not to exceed \$8,000,000 Public Improvement General Obligation Bond, Series 2025, of the City authorized and directed to be issued in one or more taxable or tax-exempt series by this Bond Resolution.

“City Bond Act” shall mean Sections 21-33-301 *et seq.*, Mississippi Code of 1972, as amended and supplemented from time to time.

“City Bond Payments” shall mean the payments required of the City hereunder as provided in Sections 9 and 18 hereof.

“City Counsel” shall mean Ben Logan, Esquire, Tupelo, Mississippi.

“City Project” shall mean providing funds for the purposes financing certain capital projects in the City, which shall consist of any of (i) constructing, improving or paving streets, sidewalks, driveways, parkways, walkways or public parking facilities, and purchasing land therefor; (ii) erecting, repairing, improving, adorning and equipping municipal buildings and purchasing buildings and land therefor; (iii) purchasing land for parks, cemeteries and public playgrounds, and improving, equipping and adorning the same, including the constructing, repairing and equipping of swimming pools and other recreational facilities; (iv) purchasing fire-fighting equipment and apparatus, and providing housing for same, and purchasing land therefor; (v) erecting or purchasing waterworks, gas, electric and other public utility plants or distribution systems or franchises, and repairing, improving and extending the same; (vi) establishing sanitary, storm, drainage or sewerage systems, and repairing, improving and extending the same; (vii) protecting a municipality, its streets and sidewalks from overflow, caving banks and other like dangers; (viii) constructing bridges and culverts; (ix) purchasing machinery and equipment, including motor vehicles weighing not less than twelve thousand (12,000) pounds, which have an expected useful life in excess of ten (10) years which expected useful life shall exceed the life of the bonds financing such purchase; and (x) for other authorized purposes under the City Bond Act, including funding capitalized interest, if applicable, and paying the costs of borrowing.

“Clerk” shall mean the City Clerk of the City.

“Code” shall mean the Internal Revenue Code of 1986 in effect on the date of issuance of the Series 2025 Bonds and the City Bond, and the applicable regulations or rulings promulgated or proposed thereunder, and any successor thereto, as such may be amended from time to time.

“Governing Body” shall mean the Mayor and the City Council of the City.

“Interest Payment Date” shall mean the interest payment dates for the Series 2025 Bonds as described in the Indenture.

“Mayor” shall mean the Mayor of the City.

“Municipal Advisor” shall mean Government Consultants, Inc., as Independent Registered Municipal Advisor to the City.

“Paying Agent” shall mean any bank, trust company or other institution hereafter designated by the Governing Body for the payment of the principal of and interest on the City Bond. The Paying Agent shall initially be the Trustee.

“Person” shall mean an individual, partnership, corporation, limited liability company, trust or unincorporated organization and a government or agency or political subdivision thereof.

“President” shall mean the President of the Governing Body, or such other member of the Governing Body authorized by law to act in the capacity as president of the Governing Body in the event the Mayor is unavailable or otherwise unable to act.

“Project” shall mean providing funds to finance (a) the costs of the City Project, and (b) the costs of issuance of the City Bond and the Series 2025 Bonds.

“Record Date Registered Owner” shall mean the Registered Owner of the City Bond as of the Record Date.

“Record Date” shall have the meaning given to it in the Indenture.

“Registered Owner” or **“Bondholder”** shall mean the Person whose name shall appear in the registration records of the City maintained by the Transfer Agent and shall initially be the Trustee as assignee of the Issuer as provided for in the Indenture.

“Series 2025 Bonds” shall mean the not to exceed \$8,000,000 Mississippi Development Bank Special Obligation Bonds, Series 2025 (City of Tupelo, Mississippi Public Improvement General Obligation Bond Project), authorized to be issued in one or more taxable or tax-exempt series by the Issuer pursuant to the Issuer Act and the terms and conditions of the Indenture.

“State” shall mean the State of Mississippi.

“Transfer Agent” shall mean any bank, trust company or other institution hereafter designated by the Governing Body for the registration of the owner of the City Bond and for the performance of such other duties as may be herein or hereafter specified by the Governing Body. The Transfer Agent shall initially be the Trustee.

“Trustee” shall mean a bank or other financial institution to be determined upon sale of the Series 2025 Bonds, which financial institution will have corporate trust powers and be qualified to act as Trustee under the Indenture, and which shall initially be The Peoples Bank, Biloxi, Mississippi.

“Underwriter” shall mean Raymond James & Associates, Inc., Memphis, Tennessee.

“2025 Bond Fund” shall mean City of Tupelo, Mississippi Public Improvement General Obligation Bond, Series 2025 Bond Fund provided for in Section 18 hereof.

“2025 Construction Fund” shall mean City of Tupelo, Mississippi Public Improvement General Obligation Bond, Series 2025 Construction Fund provided for in Section 19 hereof.

Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, words and terms herein defined shall be equally applicable to the plural as well as the singular form of any such word or term.

SECTION 4. The Governing Body, acting for and on behalf of the City, does hereby find and declare that the sale and issuance of the City Bond pursuant to the Act in an aggregate principal amount of not to exceed Eight Million Dollars (\$8,000,000) is necessary and advisable and conforms to the City Bond Act.

SECTION 5. The City Bond is hereby authorized and ordered to be prepared and issued in one or more taxable or tax-exempt series in a principal amount of not to exceed Eight Million Dollars (\$8,000,000) to provide financing for the Project as authorized by the Act. The Governing Body is authorized and empowered by the provisions of the City Bond Act to issue

the City Bond without an election on the question of the issuance thereof and is authorized to issue the City Bond pursuant to the Act or as may otherwise be provided by law.

SECTION 6. The Governing Body hereby further authorizes and approves the sale of the City Bond to the Issuer pursuant to the terms and provisions of the City Bond Purchase Agreement and based upon the terms and conditions of the sale of the Series 2025 Bonds to the Underwriter.

SECTION 7. The Governing Body does hereby find and determine that the City Bond and the Series 2025 Bonds are being issued to provide financing for the costs of the Project.

SECTION 8. In consideration of the purchase and acceptance of the City Bond by those who shall hold the same from time to time, this Bond Resolution shall constitute a contract between the City and the Registered Owner from time to time of the City Bond. The pledge made herein and the covenants and agreements herein set forth to be performed on behalf of the City for the benefit of the Registered Owner shall be for the equal benefit, protection and security of the Registered Owner, all of which, regardless of the time or times of its authentication and delivery or maturity, shall be of equal rank without preference, priority or distinction.

SECTION 9. (a) Payments of interest on the City Bond shall be made to the Record Date Registered Owner, and payments of principal shall be made to the Record Date Registered Owner in lawful money of the United States of America upon presentation of the City Bond at the corporate trust office of the Paying Agent.

(b) The City Bond shall be dated the date of its delivery; shall be issued as a fully registered bond in a single denomination equal to the principal amount thereof; shall be numbered 1; shall bear interest from the date thereof at the federally taxable or tax-exempt rate or rates borne by the Series 2025 Bonds (as provided in the Indenture) which federally taxable or tax-exempt rate or rates shall be reviewed by the Municipal Advisor and determined to be reasonable under then current market conditions, payable on each Interest Payment Date, subject to the limitation that the City Bond shall not bear a greater overall interest rate to maturity than eleven percent (11%) per annum; and shall mature and become due and payable in the same manner and at the same dates and times as provided for the Series 2025 Bonds in the Indenture; provided, however, that the final maturity for the City Bond shall be no later than twenty-five (25) years from its date of issuance unless earlier redeemed as provided for in this Bond Resolution and the Indenture.

(c) The City Bond is subject to redemption prior to maturity only at the times, to the extent, in the manner and as otherwise provided for the Series 2025 Bonds in the Indenture. If applicable, the City shall provide proper notices to the Issuer and the Trustee as provided in the Indenture in the event the City elects to redeem the City Bond or any portion thereof, and redemption of the City Bond or any portion thereof shall be as provided in this Section 9 and Article IV of the Indenture. It is intended that redemption of the City Bond may only occur through the processes provided in the Indenture, and the City hereby accepts such redemption provisions by this reference.

(d) A default in the due and punctual payment of any interest or principal on the City Bond or a default by the City under this Bond Resolution is an Event of Default (as defined in the Indenture) under the Indenture entitling the Trustee to exercise certain remedies under the Indenture, including, but not limited to, the acceleration of all principal and interest due and owing on the Series 2025 Bonds outstanding. In the event the Trustee exercises such remedies under the Indenture, the principal and interest due and owing on the City Bond may be accelerated in accordance with the Indenture and the City shall cause the City Bond to be redeemed and paid in full.

SECTION 10. (a) When the City Bond shall have been validated and executed as herein provided, it shall be registered as an obligation of the City in the office of the Clerk in a record maintained for that purpose, and the Clerk shall cause to be imprinted upon the City Bond, over such official's manual or facsimile signature and manual or facsimile seal, its certificate in substantially the form set out in Section 12 hereof.

(b) The City Bond shall be executed by the manual or facsimile signature of the Mayor and countersigned by the manual or facsimile signature of the Clerk, with the seal of the City imprinted or affixed thereto; provided, however all signatures and seals appearing on the City Bond, other than the signature of an authorized officer of the Transfer Agent hereafter provided for, may be facsimile and shall have the same force and effect as if manually signed or impressed. In case any official of the City whose signature or a facsimile of whose signature shall appear on the City Bond shall cease to be such official before the delivery or reissuance thereof, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes, the same as if such official had remained in office until delivery or reissuance.

(c) The City Bond shall be delivered to the Issuer upon payment of the purchase price therefor in accordance with the terms and conditions of the Indenture and the City Bond Purchase Agreement, together with a complete certified transcript of the proceedings had and done in the matter of the authorization, issuance, sale and validation of the City Bond, and the final, unqualified approving opinion of Bond Counsel.

(d) Prior to or simultaneously with the delivery of the City Bond by the Transfer Agent, the City shall file with the Transfer Agent:

(i) a copy, certified by the Clerk, of the transcript of proceedings of the Governing Body in connection with the authorization, issuance, sale and validation of the City Bond;

(ii) an authorization to the Transfer Agent, signed by the Mayor or the President, to authenticate and deliver the City Bond to the Issuer; and

(iii) such other documentation, if any, as may be required by this Bond Resolution, the Bond Purchase Agreement, Bond Counsel and the Indenture.

(e) At delivery, the Transfer Agent shall authenticate the City Bond and deliver it to the Issuer upon payment of the purchase price of the City Bond to the City in accordance with the City Bond Purchase Agreement.

SECTION 11. (a) The City hereby designates the Trustee as the Paying Agent and Transfer Agent for the City Bond. The City specifically reserves the right to hereafter designate a separate Paying Agent and Transfer Agent in its discretion, subject, however to the terms and conditions of the Indenture, and as hereinafter provided.

(b) So long as the City Bond shall remain outstanding, the City shall maintain with the Agent records for the registration and transfer of the City Bond. The Agent is hereby appointed registrar for the City Bond, in which capacity the Agent shall register in such records and permit to be transferred thereon, under such reasonable regulations as may be prescribed, the City Bond if entitled to registration or transfer.

(c) The City shall pay or reimburse the Agent for reasonable fees and expenses for services normally rendered and expenses normally incurred and customarily paid to paying agents, transfer agents and bond registrars, unless otherwise agreed to by the City and the Agent. Fees and reimbursements for extraordinary services and expenses, so long as not occasioned by the negligence, misconduct or willful default of the Agent, shall be made by the City on a case-by-case basis, subject, where not prevented by emergency or other exigent circumstances, to the prior written approval of the Governing Body.

(d) An Agent may at any time resign and be discharged of the duties and obligations of the function of Trustee, Paying Agent and Transfer Agent pursuant to the terms and conditions stated in Sections 11.05 and 11.06 of the Indenture.

(e) In the event of the resignation or removal of the Agent, a successor Agent shall be selected as provided in Section 11.07 of the Indenture.

(f) In the event of a change of Agent, the predecessor Agent shall cease to be custodian of any funds held pursuant to this Bond Resolution in connection with its role as such Agent, and the successor Agent shall become such custodian; provided, however, that before any such delivery is required to be made, all fees, advances and expenses of the retiring or removed Agent shall be fully paid. Every predecessor Agent shall deliver to its successor Agent all records of account, registration records, list of Registered Owner and all other records, documents and instruments relating to its duties as such Agent.

(g) The provisions of Sections 11.07 and 11.08 of the Indenture shall govern the acceptance of any appointment of a successor Agent.

(h) Should any transfer, assignment or instrument in writing be required by any successor Agent from the City to more fully and certainly vest in such successor Agent the estates, rights, powers and duties hereby vested or intended to be vested in the predecessor Agent, any such transfer, assignment and written instruments shall, on request, be executed, acknowledged and delivered by the City.

(i) The City will provide any successor Agent with certified copies of all resolutions, orders and other proceedings adopted by the Governing Body relating to the City Bond.

(j) All duties and obligations imposed hereby on an Agent or successor Agent shall terminate upon the accomplishment of all duties, obligations and responsibilities imposed by law or required to be performed by this Bond Resolution.

SECTION 12. The City Bond shall be in substantially the following form and the Mayor and the Clerk be and are hereby authorized and directed to make such changes, insertions and omissions therein as may in their opinions be required:

[CITY BOND FORM]

THIS CITY BOND HAS BEEN ASSIGNED TO THE PEOPLES BANK, AS TRUSTEE (THE “TRUSTEE”) UNDER AN INDENTURE OF TRUST (THE “INDENTURE”) DATED JULY 29, 2025, BY AND BETWEEN THE MISSISSIPPI DEVELOPMENT BANK AND THE TRUSTEE. THIS CITY BOND IS REGISTERED IN THE NAME OF THE TRUSTEE AND IS NON-TRANSFERRABLE EXCEPT AS PERMITTED IN THE INDENTURE.

**UNITED STATES OF AMERICA
STATE OF MISSISSIPPI**

**CITY OF TUPELO, MISSISSIPPI
PUBLIC IMPROVEMENT GENERAL OBLIGATION BOND,
SERIES 2025**

NO. 1

\$8,000,000

Rate of Interest

Maturity

Date of Original Issue

*Payable
as set forth herein*

July 1, ____

July 29, 2025

**REGISTERED OWNER: THE PEOPLES BANK,
As Assignee of the Mississippi Development Bank**

PRINCIPAL AMOUNT: EIGHT MILLION AND NO/100THS DOLLARS

The City of Tupelo, Mississippi (the “City”), a body politic existing under the Constitution and laws of the State of Mississippi, acknowledges itself to owe and for value received, promises to pay in lawful money of the United States of America to the Registered Owner identified above, upon the presentation and surrender hereof, at the corporate trust office of The Peoples Bank, in Biloxi, Mississippi, or its successor, as paying agent (the “Paying Agent”) for the Public Improvement General Obligation Bond, Series 2025 of the City (this “City Bond”), on the maturity date identified above, the principal amount identified above. Payment of the principal amount of this City Bond shall be made to the Registered Owner hereof who shall appear in the registration records of the City maintained by The Peoples Bank, in Biloxi, Mississippi, or its successor, as transfer agent for the City Bond (the “Transfer Agent”) at the times and periods as provided in the Indenture (as defined herein).

The City further promises to pay interest on such principal amount from the date of this City Bond as hereinafter provided until said principal sum is paid to the Registered Owner hereof who shall appear in the registration records of the City maintained by the Transfer Agent as of the Record Date (as defined in the Indenture).

Payments of principal of and interest on this City Bond shall be made by check or draft mailed to such Registered Owner at its address as such address appears on such registration records in time to reach the Registered Owner at least five (5) days prior to an Interest Payment Date (as defined in the Bond Resolution, as hereinafter defined).

This City Bond is issued under the authority of the Constitution and statutes of the State of Mississippi, including Sections 21-33-301 *et seq.*, Mississippi Code of 1972, as amended, and Sections 31-25-1 *et seq.*, Mississippi Code of 1972, as amended (together, the “**Act**”), and by the further authority of proceedings duly had by the Mayor and City Council of the City, including a resolution adopted on June 17, 2025 (the “**Bond Resolution**”).

This City Bond is issued in the aggregate authorized principal amount of Eight Million Dollars (\$8,000,000) to provide funds to the City for the purposes set forth in the Bond Resolution, including, but not limited to, (i) constructing, improving or paving streets, sidewalks, driveways, parkways, walkways or public parking facilities, and purchasing land therefor; (ii) erecting, repairing, improving, adorning and equipping municipal buildings and purchasing buildings and land therefor; (iii) purchasing land for parks, cemeteries and public playgrounds, and improving, equipping and adorning the same, including the constructing, repairing and equipping of swimming pools and other recreational facilities; (iv) purchasing fire-fighting equipment and apparatus, and providing housing for same, and purchasing land therefor; (v) erecting or purchasing waterworks, gas, electric and other public utility plants or distribution systems or franchises, and repairing, improving and extending the same; (vi) establishing sanitary, storm, drainage or sewerage systems, and repairing, improving and extending the same; (vii) protecting a municipality, its streets and sidewalks from overflow, caving banks and other like dangers; (viii) constructing bridges and culverts; (ix) purchasing machinery and equipment, including motor vehicles weighing not less than twelve thousand (12,000) pounds, which have an expected useful life in excess of ten (10) years which expected useful life shall exceed the life of the bonds financing such purchase; and (x) for other authorized purposes under the City Bond Act, including funding capitalized interest, if applicable, and paying the costs of borrowing.

The City will duly and punctually pay the principal of, premium, if any, and interest on this City Bond at the dates and the places and in the manner mentioned in the Bond Resolution, according to the true intent and meaning thereof. Notwithstanding any schedule of payments upon the City Bond, the City agrees to make payments upon the City Bond and be liable therefor at such times and in such amounts (including principal, premium, if any, and interest) so as to provide for payment of the principal of, premium, if any, and interest on the \$8,000,000 Mississippi Development Bank Special Obligation Bonds, Series 2025 (City of Tupelo, Mississippi Public Improvement General Obligation Bond Project) (the “**Series 2025 Bonds**”), outstanding under the Indenture of Trust, by and between the Mississippi Development Bank and The Peoples Bank, as trustee (the “**Trustee**”), dated as of July 29, 2025 (the “**Indenture**”), when due whether upon a scheduled interest payment date, redemption or at maturity.

Reference is hereby made to the Bond Resolution and to all amendments and supplements thereto for the provisions, among others, with respect to the nature and extent of the security for the bondholder, the rights, duties and obligations of the City and the bondholder and the terms upon which this City Bond is or may be issued and secured.

The City and the Paying Agent may deem and treat the Registered Owner hereof as the absolute owner for the purpose of receiving payment of principal hereof and interest due hereon and for all other purposes and neither the City nor the Paying Agent shall be affected by any notice to the contrary.

This City Bond shall be a general obligation of the City payable as to principal of, premium, if any, and interest out of and secured by a special tax to be levied annually by the City, without limitation as to time, rate or amount, upon all of the taxable property within the geographical boundaries of the City adequate and sufficient to provide for the payment of the principal of, premium, if any, and interest on the City Bond as the same becomes due. Said tax shall be extended upon the tax rolls and collected in the same manner and at the same time as other taxes of the City are collected, and the rate of the tax which shall be so extended shall be sufficient in each year fully to produce the sums required as aforesaid, without limitation as to time, rate or amount; provided, however, that such tax levy for any year shall be abated *pro tanto* to the extent the City on or prior to September 1 of that year has transferred money to the 2025 Bond Fund (as defined in the Bond Resolution), or has made other provisions for funds, to be applied toward the payment of the principal of and interest on the City Bond due during the ensuing fiscal year of the City, in accordance with the provisions of the Bond Resolution. The avails of said tax are irrevocably pledged by the City under the Bond Resolution for the payment of the principal of, premium, if any, and interest on the City Bond as the same shall mature and accrue. Should there be a failure in any year to comply with the requirements, such failure shall not impair the right of the holder of the City Bond in any subsequent year to have adequate taxes levied and collected to meet the obligations of the City Bond, as to principal of, premium, if any, and interest.

This City Bond is the only evidence of indebtedness issued and outstanding under the Bond Resolution. This City Bond has been purchased by the Mississippi Development Bank and has been assigned to the Trustee under the Indenture. This City Bond is registered in the name of the Trustee and is non-transferrable except as provided in the Indenture.

The City and the Transfer Agent may deem and treat the Person in whose name this City Bond is registered as the absolute owner hereof, whether this City Bond shall be overdue or not, for the purpose of receiving payment of the principal of, premium, if any, and interest on this City Bond and for all other purposes. All such payments so made to the Registered Owner shall be valid and effectual to satisfy and discharge the liability upon this City Bond to the extent of the sum or sums paid, and neither the City nor the Transfer Agent shall be affected by any notice to the contrary.

Upon a default in payment under this City Bond, the Trustee may, as provided in the Indenture and the Bond Resolution, declare the principal of and accrued interest on this City Bond to be due and payable immediately.

This City Bond shall only be redeemed under the Bond Resolution to the extent and in the manner required to redeem the Series 2025 Bonds pursuant to the provisions of the Indenture.

Modifications or alterations of the Bond Resolution may be made only to the extent and under the circumstances permitted by the Indenture.

This City Bond shall not be valid or become obligatory for any purpose or be entitled to any benefit or security under the Bond Resolution until the certificate of registration and authentication hereon shall have been signed by the Transfer Agent.

Capitalized terms used herein, but not defined herein, shall have the meanings given to such terms in the Bond Resolution and the Indenture.

IT IS HEREBY CERTIFIED, RECITED AND REPRESENTED that all conditions, acts and things required by law to exist, to have happened and to have been performed precedent to and in the issuance of this City Bond, in order to make the same a legal and binding general obligation of the City, according to the terms thereof, do exist, have happened and have been performed in regular and due time, form and manner as required by law. For the performance in apt time and manner of every official act herein required, and for the prompt payment of this City Bond, including principal, premium, if any, and interest, the full faith, credit and taxing power of the City are hereby irrevocably pledged.

IN WITNESS WHEREOF, the City has caused this City Bond to be executed in its name by the manual or facsimile signature of the Mayor of the City, countersigned by the manual or facsimile signature of the City Clerk of the City, under the manual or facsimile seal of the City, which said manual or facsimile signatures and seal said officials adopt as and for their own proper signatures and seal, on this the 29th day of July 2025.

(SEAL)

CITY OF TUPELO, MISSISSIPPI

By _____
Mayor

ATTEST:

City Clerk

CERTIFICATE OF REGISTRATION AND AUTHENTICATION

This City Bond is the City Bond described in the within mentioned Bond Resolution and is the Public Improvement General Obligation Bond, Series 2025, of City of Tupelo, Mississippi.

THE PEOPLES BANK, as Transfer Agent

By _____
Authorized Signatory

Date of Registration and Authentication: July 29, 2025

REGISTRATION AND VALIDATION CERTIFICATE

**STATE OF MISSISSIPPI
COUNTY OF LEE**

I, the undersigned City Clerk of City of Tupelo, Mississippi, do hereby certify that the within City Bond has been duly registered by me as an obligation of said City pursuant to law in a record kept in my office for that purpose, and has been validated and confirmed by Decree of the Chancery Court of Lee County, Mississippi, rendered on the _____ day of _____, 2025.

(SEAL)

City Clerk

[END OF CITY BOND FORM]

SECTION 13. In case the City Bond shall become mutilated or be stolen, destroyed or lost, the City shall, if not then prohibited by law, cause to be authenticated and delivered a new City Bond of like date, number, maturity and tenor in exchange and substitution for and upon cancellation of such mutilated City Bond, or in lieu of and in substitution for such City Bond stolen, destroyed or lost, upon the Registered Owner's paying the reasonable expenses and charges of the City in connection therewith, and in case of a City Bond stolen, destroyed or lost, such Registered Owner's filing with the City or Transfer Agent evidence satisfactory to them that the City Bond was stolen, destroyed or lost, and of its ownership thereof, and furnishing the City or the Transfer Agent with such security and/or indemnity as may be required by law or by them to save each of them harmless from all risks, however remote.

SECTION 14. This City Bond shall be a general obligation of the City and the City hereby irrevocably pledges its full faith, credit and taxing power for the purpose of effectuating and providing for the payment of the principal of, premium, if any, and interest on the City Bond as the same shall respectively mature and accrue. There shall be levied annually by the City, without limitation as to time, rate or amount, upon all of the taxable property within the geographical boundaries of the City adequate and sufficient to provide for the payment of the principal of, premium, if any, and interest on the City Bond as the same becomes due. Said tax shall be extended upon the tax rolls and collected in the same manner and at the same time as other taxes of the City are collected, and the rate of the tax which shall be so extended shall be sufficient in each year fully to produce the sums required as aforesaid, without limitation as to time, rate or amount; provided, however, that such tax levy for any year shall be abated *pro tanto* to the extent the City on or prior to September 1 of that year has transferred money to the 2025

Bond Fund, or has made other provisions for funds, to be applied toward the payment of the principal of and interest on the City Bond due during the ensuing fiscal year of the City, in accordance with the provisions of this Bond Resolution. The avails of said tax are hereby irrevocably pledged for the payment of the principal of, premium, if any, and interest on the City Bond as the same shall mature and accrue. Should there be a failure in any year to comply with the requirements, such failure shall not impair the right of the holder of the City Bond in any subsequent year to have adequate taxes levied and collected to meet the obligations the City Bond, as to principal of, premium, if any, and interest.

SECTION 15. Only if the City Bond shall have endorsed thereon a certificate of registration and authentication in substantially the form hereinabove set forth, duly executed by the Transfer Agent, shall the City Bond be entitled to the rights, benefits and security of this Bond Resolution. The City Bond shall not be valid or obligatory for any purpose unless and until such certificate of registration and authentication shall have been duly executed by the Transfer Agent, which executed certificate shall be conclusive evidence of registration, authentication and delivery under this Bond Resolution. The Transfer Agent's certificate of registration and authentication on the City Bond shall be deemed to have been duly executed if signed by an authorized officer of the Transfer Agent; provided, however, it shall not be necessary that the same officer sign said certificate on every City Bond that may be issued hereunder.

SECTION 16. Ownership of the City Bond shall be in the Issuer or its assignee. The Person in whose name the City Bond shall be registered in the records of the City maintained by the Transfer Agent may be deemed the absolute owner thereof for all purposes, and payment of or on account of the principal of, premium, if any, or interest on the City Bond shall be made only to or upon the order of the Registered Owner thereof, or its legal representative, but such registration may be changed as hereinafter provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon the City Bond to the extent of the sum or sums so paid.

SECTION 17. The City Bond shall be transferable only as provided in the Indenture. Upon the transfer of the City Bond, the City, acting through the Transfer Agent, shall issue in the name of the transferee a new City Bond of the same aggregate principal amount and maturity and rate of interest as the surrendered City Bond.

SECTION 18. (a) The City hereby establishes the “City of Tupelo, Mississippi Public Improvement General Obligation Bond, Series 2025 Bond Fund” (the “**2025 Bond Fund**”) which shall be maintained with a qualified depository in its name for the payment of the principal of, premium, if any, and interest on the City Bond, and the payment of the Agent's fees in connection therewith. There shall be deposited into the 2025 Bond Fund as and when received:

- (i) The avails of any of the taxes levied and collected pursuant to Section 14 hereof;
- (ii) Any income received from the investment of monies in the 2025 Bond Fund; and

(iii) Any other funds available to the City which may be lawfully used for payment of the principal of, premium, if any, and interest on the City Bond or for other obligations of the City which may be due under the Indenture, and which the Governing Body, in its discretion, may direct to be deposited into the 2025 Bond Fund.

(b) As long as any principal of, premium, if any, and interest on the City Bond or the Series 2025 Bonds remain outstanding and/or other obligations of the City remain outstanding hereunder or under the Indenture, the Clerk is hereby irrevocably authorized and directed to withdraw from the 2025 Bond Fund sufficient monies to make the payments necessary (the **“City Bond Payments”**) to pay (i) the principal of, premium, if any, and interest coming due on the Series 2025 Bonds, and (ii) any additional payments necessary and required as obligations of the City hereunder or under the Indenture, including, but not limited to Program Expenses (as such term is defined in the Indenture), and to transfer same to the account of the Trustee in time to reach the Trustee at least five (5) days prior to the date on which said interest, principal or premium, if any, on the Series 2025 Bonds shall become due, or in such time as may be required for any other payments regarding the Series 2025 Bonds shall become due. The Trustee shall deposit all City Bond Payments received in the General Account of the General Fund of the Indenture (as such terms are defined in the Indenture), or such other fund or account as the Trustee is so directed in the Indenture. Funds on deposit in the 2025 Bond Fund may be invested in Investment Securities (as defined in the Indenture), to the extent they are authorized by the Act and applicable provisions of State law, which Investment Securities shall mature not later than the respective dates when the money held for the credit of the 2025 Bond Fund will be required for the purposes intended. The Mayor, the President of the Governing Body or the Clerk are authorized for and on behalf of the City to execute an engagement letter with Raymond James & Associates, Inc., for the pricing and acquisition of direct United States obligations or other permitted investments of amounts in the 2025 Bond Fund and to execute all other related documents and to take other actions necessary or desirable to accomplish the investment of amounts in the 2025 Bond Fund, if applicable.

SECTION 19. (a) The City hereby establishes the “City of Tupelo, Mississippi Public Improvement General Obligation Bond, Series 2025 Construction Fund” (the **“2025 Construction Fund”**) which shall be maintained with a qualified depository in its name. A portion of the proceeds received upon the sale of the City Bond as provided in Section 6.07 of the Indenture shall be transferred by the Trustee and deposited in the 2025 Construction Fund. Monies deposited in the 2025 Construction Fund shall be used, to the extent permitted by law, (i) to pay, or to reimburse the City, for all costs related to implementation and completion of all necessary expenditures for and in connection with the City Project; (ii) to pay, or to reimburse the City, for architectural, engineering, fiscal, paying agent, printing, accounting, construction manager, feasibility consultant, legal expenses and development expenses incurred in connection with the City Project; and (iii) to pay costs related to any suits and proceedings in connection with the City Project, including any costs of settlement thereof.

Any income received from investment of monies in the 2025 Construction Fund shall be deposited in the 2025 Construction Fund and shall be used for the costs of the Project. Funds on deposit in the 2025 Construction Fund may be invested in Investment Securities (as defined in the Indenture), to the extent they are authorized by the Act and applicable provisions of State law, which Investment Securities shall mature not later than the respective dates when the money held for the credit of the 2025 Construction Fund will be required for the purposes intended. The

Mayor, President of the Governing Body or the Clerk are authorized for and on behalf of the City to execute an engagement letter with Raymond James & Associates, Inc., for the pricing and acquisition of direct United States obligations or other permitted investments of amounts in the 2025 Construction Fund and to execute all other related documents and to take other actions necessary or desirable to accomplish the investment of amounts in the 2025 Construction Fund.

(b) Any amounts which remain in the 2025 Construction Fund after the completion of the Project shall be transferred to the 2025 Bond Fund and used as permitted under State law.

(c) The balance of the proceeds derived from the sale of the City Bond following the deposit to be made pursuant to this Section 19 shall be retained by the Issuer and deposited with the Trustee under the Indenture to be used for the payment of the costs of issuance and sale of the City Bond and the costs of issuance and sale of the Series 2025 Bonds, all as provided in the Indenture.

SECTION 20. (a) Payment of principal on the City Bond shall be made, upon presentation of the City Bond at the corporate trust office of the Paying Agent, to the Record Date Registered Owner thereof who shall appear in the registration records of the City maintained by the Transfer Agent as of the Record Date.

(b) Payment of each installment of interest on the City Bond shall be made to the Record Date Registered Owner thereof whose name shall appear in the registration records of the City maintained by the Transfer Agent as of the Record Date. Interest shall be payable in the aforesaid manner irrespective of any transfer or exchange of such City Bond subsequent to the Record Date and prior to the due date of the interest.

(c) Principal of and interest on the City Bond shall be paid by the Paying Agent by check or draft mailed to the Registered Owner at the address appearing in the registration records of the Transfer Agent in time to reach the Registered Owner at least five (5) days prior to an Interest Payment Date. Any such address may be changed by written notice from the Registered Owner to the Transfer Agent by certified mail, return receipt requested, or such other method and at the times as may be subsequently prescribed by the Transfer Agent.

SECTION 21. The City may issue refunding bonds, in one or more series, with the consent of the Issuer pursuant to a supplement to this Bond Resolution or a separate resolution to provide funds for the refunding of all or a portion of the City Bond so long as: (a) no default has occurred and is continuing under this Bond Resolution or the Indenture; and (b) there shall have been filed with the City and the Trustee an opinion of Bond Counsel that the exclusion from gross income for federal income tax purposes of interest on the Series 2025 Bonds then outstanding under the Indenture shall not be adversely affected, if applicable.

Such refunding bonds shall be appropriately designated, shall be dated, shall bear interest at a rate or rates not exceeding the maximum rate then permitted by law, shall be numbered, shall have such paying agents and shall have such maturities and redemption provisions, all as may be provided in the supplement to this Bond Resolution or separate resolution of the Governing Body authorizing the issuance of such refunding bonds.

It is intended that this Section 21 allow for the provision of refunding bonds commensurate with the ability of the Issuer to issue its refunding bonds as provided in Section 2.05 of the Indenture.

SECTION 22. The City Bond shall be submitted to validation in the Chancery Court of Lee County, Mississippi, in the manner and with the force and effect provided by Sections 31-13-1 *et seq.*, Mississippi Code of 1972, as amended. The Clerk is hereby directed to prepare a transcript of all legal papers and proceedings relating to the City Bond and to certify and forward the same to the State's Bond Attorney for the institution of validation proceedings.

SECTION 23. The City covenants to comply, if applicable, with each requirement of the Code and the regulations promulgated thereunder necessary to maintain the exclusion of interest on the Series 2025 Bonds from gross income for federal income tax purposes, and in furtherance thereof, to comply, if applicable, with a certificate of the City to be executed and delivered concurrently with the issuance of the City Bond and the Series 2025 Bonds, or such other covenants as may, from time to time, be required to be complied with in order to maintain the exclusion of interest on the Series 2025 Bonds from gross income for federal income tax purposes, if applicable. The City shall not use or permit the use of any of the proceeds of the City Bond or the Series 2025 Bonds, or any other funds of the City, directly or indirectly, to acquire any securities, obligations or other investment property, and shall not take or permit to be taken any other action or actions, which would cause any Series 2025 Bond to be an "arbitrage bond" as defined in Section 148 of the Code, if and as applicable. Notwithstanding any other provisions to the contrary, so long as necessary in order to maintain the exclusion of interest on the Series 2025 Bonds from gross income for federal income tax purposes under the Code, if applicable, the covenants contained in this Section 23 shall survive the payment of the City Bond and the Series 2025 Bonds and the interest thereon, including any payment or defeasance thereof.

SECTION 24. The City represents as follows, if and as applicable to the Series 2025 Bonds and the City Bond:

(a) The City shall take no action that would cause the Series 2025 Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code;

(b) The City shall take all necessary action to have the Series 2025 Bonds registered within the meaning of Section 149(a) of the Code; and

(c) The City will not employ any device or abusive transaction with respect to the investment of the proceeds of the Series 2025 Bonds and, to the extent necessary, the City Bond.

SECTION 25. The City hereby covenants that, if applicable, in connection with the Series 2025 Bonds it shall make, or cause to be timely made to the United States of America, any rebate payment required by Section 148(f) of the Code and the regulations promulgated thereunder and to that end, will enter into the Arbitrage Rebate Agreement (as defined in the Indenture) (or similar agreement respecting such federal income tax matters) with the Issuer and the Trustee.

SECTION 26. The Mayor, the President and Clerk are each hereby authorized to sign and file or cause to be filed a completed I.R.S. Form 8038-G "Information Return for Governmental Obligations" if required by Section 149(e) of the Code.

SECTION 27. The Mayor, the President and Clerk are each hereby authorized to execute a non-arbitrage certification in order to comply with Section 148 of the Code and the applicable regulations thereunder.

SECTION 28. Pursuant to SEC Rule 15c2-12(b)(5) (the “**Rule**”), the City, as an “obligated person” under the Rule, hereby covenants and agrees to enter into the Continuing Disclosure Certificate, setting forth the City 's agreement with regard to continuing disclosure and to comply with the covenants set forth therein and carry out all of the provisions of the Continuing Disclosure Certificate. In the event the City fails to comply with the provisions of the Continuing Disclosure Certificate, the beneficial owners of the Series 2025 Bonds may take such actions as may be necessary and appropriate, including mandamus or specific performance by court order, to cause the City to comply with its obligations set forth in the Continuing Disclosure Certificate and this Section.

SECTION 29. (a) The Issuer and the City, without the consent of the owners of any of the Series 2025 Bonds outstanding under the Indenture, may enter into supplements to this Bond Resolution which shall not be inconsistent with the terms and provisions hereof for any of the purposes heretofore specifically authorized in this Bond Resolution or the Indenture, and in addition thereto for the following purposes:

- (i) To cure any ambiguity or formal defect or omission in the Indenture;
- (ii) To grant to or confer upon the Trustee for the benefit of the Bondholders any additional benefits, rights, remedies, powers or authorities that may lawfully be granted to or conferred upon the Bondholders or the Trustee, or to make any change which, in the opinion of Bond Counsel, does not materially and adversely affect the interest of the owner of the City Bond and does not require unanimous consent of the Bondholders pursuant to Section 12.01 of the Indenture;
- (iii) To subject to the Indenture additional Revenues (as such term is defined in the Indenture), properties or collateral;
- (iv) To modify, amend or supplement this Resolution in such manner as required to permit the qualification hereof under the Trust Indenture Act of 1939, as amended, or any similar federal statute hereafter in effect, to permit qualification of the City Bond or the Series 2025 Bonds for sale as exempt securities or in exempt transactions under the Securities Act, the Exchange Act or the securities laws of any state or to avoid registration under the Investment Company Act of 1940, as amended, or any similar federal statute hereafter in effect, or to permit compliance with the Code;
- (v) To conform the text herein to any description or summary of this Resolution in any official statement or other offering document with respect to the City Bond or the Series 2025 Bonds to the extent that such description or summary was intended to be a verbatim recitation of a provision herein; and
- (vi) To evidence the appointment of a separate or co-trustee or the succession of a new Trustee under the Indenture or the succession of a new registrar and/or paying agent.

(b) The provisions of this Bond Resolution may be amended in any particular with the written consent of the Issuer to the extent authorized by the Indenture; provided, however, that no such amendment may be adopted which decreases the percentage of owners of Series 2025 Bonds required to approve any amendment, or which permits a change in the date of payment of the principal of or interest on any Series 2025 Bonds or of any redemption price thereof or the rate of interest thereon.

(c) If at any time the Issuer and the City shall request the Trustee to consent to a proposed amendment of this Bond Resolution for any of the purposes of this Section 29, the Trustee shall, upon being satisfactorily indemnified and/or secured with respect to expenses, cause notice of the proposed execution of such proposed amendment to be given in the manner required by the Indenture to redeem Series 2025 Bonds. Such notice shall briefly set forth the nature of the proposed amendment and shall state that copies thereof are on file at the principal corporate trust office of the Trustee for inspection by all holders of Series 2025 Bonds. If, within sixty (60) days or such longer period as shall be prescribed by the Issuer following such notice, the owners of not less than a majority in aggregate principal amount of the Series 2025 Bonds outstanding at the time of the execution of any such proposed amendment shall have consented to and approved the execution thereof as herein provided, no owner of any Series 2025 Bond shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee, the City or the Issuer from executing or approving the same or from taking any action pursuant to the provisions thereof. Upon the execution of any such proposed amendment permitted and provided in this Section, this Bond Resolution shall be modified and amended in accordance therewith.

(d) Copies of any such supplement or amendment shall be filed with the Trustee and delivered to the Issuer and the City before such supplement or amendment may become effective.

SECTION 30. The Indenture, in the form submitted as **Exhibit A** hereto to this meeting, is hereby made part of this Bond Resolution as though set forth in full herein and shall be, and the same hereby is, approved in substantially said form. The Mayor, the Clerk, an Authorized Officer or other member of the Governing Body be, and hereby is, authorized to approve such additional changes as may be requested by the Issuer. The City hereby approves and acknowledges the Indenture and the terms and provisions thereof and recognizes that many items governing the terms and conditions of the City Bond are based upon terms, limitations and conditions provided in the Indenture.

SECTION 31. The City Bond Purchase Agreement, in the form submitted as **Exhibit B** hereto to this meeting, is hereby made part of this Bond Resolution as though set forth in full herein and shall be, and the same hereby is, approved in substantially said form. The Mayor and the Clerk, an Authorized Officer, or any other member of the Governing Body, are hereby authorized and directed to execute and deliver the City Bond Purchase Agreement with such changes, insertions and omissions as may be approved by such officers, said execution being conclusive evidence of such approval.

SECTION 32. The Governing Body of the City hereby authorizes, due to the character of the Series 2025 Bonds, the complexity of structuring the Series 2025 Bonds and prevailing

market conditions, to negotiate for the sale of the Series 2025 Bonds with the Underwriter and to approve the submission of the form of the Bond Purchase Agreement for the sale of the Series 2025 Bonds to the Issuer and the City, for approval at a subsequent date to be determined by the Municipal Advisor and the City to be the most financially advantageous to the City and the Issuer and hereby gives authority to the Mayor, the Clerk and an Authorized Officer of the Governing Body to approve the sale of the Series 2025 Bonds and to make the final decisions regarding (i) the aggregate principal amounts of the Series 2025 Bonds, (ii) the redemption provisions of the Series 2025 Bonds, (c) the interest rates to be borne by the Series 2025 Bonds, (iii) the maturity dates of the Series 2025 Bonds, (iv) the principal and interest payment dates for the Series 2025 Bonds, and (v) to make all final determinations necessary to structure the Series 2025 Bonds; provided that the terms of the City Bond will mirror said terms of the Series 2025 Bonds. The Bond Purchase Agreement, in the form attached hereto as **Exhibit C** and when presented for execution, is hereby approved in all respects, subject to the following conditions or as may be provided in the Term Sheet: (1) the par amount of the Series 2025 Bonds will not exceed \$8,000,000; (2) the net interest cost of the Series 2025 Bonds will not exceed 11.00%; (3) the Series 2025 Bonds will mature no later than twenty-five (25) years from the date of issuance thereof; (4) the net proceeds of the City Bond shall be applied to the costs of the City Project and pay for the costs of issuance of the Series 2025 Bonds and the City Bond; and (5) terms and provisions of the Series 2025 Bonds in compliance with the Issuer Act, and the City Bond in compliance with the City Bond Act. The form of the Bond Purchase Agreement in substantially form is hereby approved in all respects and the Mayor or the Clerk or an Authorized Officer or any other member of the Governing Body are each hereby authorized and directed to execute and deliver the Bond Purchase Agreement for and on behalf of and in the name of the City for the sale of the Series 2025 Bonds, with such changes, omissions, insertions and revisions, as may be approved by either such officer, said execution being conclusive evidence of such approval

SECTION 33. (a) The form of the Preliminary Official Statement is submitted to this meeting and made a part of this resolution as though set forth in full herein shall be, and the same hereby are, approved in substantially said form. The Mayor, the Clerk and an Authorized Officer of the Governing Body are hereby authorized and directed to execute and deliver, as applicable, the Preliminary Official Statement with such changes, insertions and omissions as may be approved by such officer, said execution being conclusive evidence of such approval. The Preliminary Official Statement is hereby "deemed final" by the City as described in the Rule. The Mayor, the Clerk and an Authorized Officer of the Governing Body are hereby authorized and directed to execute and deliver the Official Statement in connection with the Series 2025 Bonds with such changes from the Preliminary Official Statement as he/she may approve. Said Preliminary Official Statement is attached hereto as **Exhibit D**.

(b) If in the opinion of the Bond Counsel, the Underwriter and the Municipal Advisor, a supplement or amendment to the Preliminary Official Statement and/or Official Statement is necessary to provide proper disclosure for the Series 2025 Bonds, the Governing Body of the City hereby authorizes (a) Bond Counsel to prepare and distribute such supplement or amendment to the Preliminary Official Statement and/or the Official Statement in a form and in a manner approved by the Underwriter, and (b) the Underwriter to provide distribution of such supplement or amendment to the Preliminary Official Statement and/or Official Statement, as the case may be, in connection with the sale of the Series 2025 Bonds, with the distribution of such supplement or amendment being conclusive evidence of the approval of the Governing Body.

(c) The Continuing Disclosure Certificate, in the form attached to the Preliminary Official Statement as submitted to this meeting, is hereby made part of this Bond Resolution as though set forth in full herein and shall be, and the same hereby is, approved in substantially said form. The Mayor, the Clerk and an Authorized Officer are hereby authorized and directed to execute and deliver the Continuing Disclosure Certificate with such changes, insertions and omissions as may be approved by such officers, said execution being conclusive evidence of such approval.

SECTION 34. Copies of the documents provided for in Sections 30 through 33 of this Bond Resolution in the forms submitted to this meeting and approved in substantially said forms by this Bond Resolution are on file in the office of the Clerk.

SECTION 35. The Mayor and the Clerk are authorized and directed to execute and deliver any additional documents, agreements, instruments, requisitions and certificates, which are required in connection with the sale and issuance of the Series 2025 Bonds and the City Bond. If the date of the issuance and delivery of the Series 2025 Bonds or the City Bond, or the execution and delivery of any of the documents adopted hereby occurs after December, 2025, then the Mayor and the Clerk are hereby fully authorized to approve all applicable and necessary changes to the documents approved hereby or otherwise and related to such change to provide for the dating of documents for the appropriate month of 2025 (including the Series 2025 Bonds and the City Bond), the execution of said documents being conclusive evidence of such approval, and no further action shall be required of the Governing Body to approve such date changes. Notwithstanding any other provision herein or in any attachments hereto, the Governing Body further authorizes any necessary changes to the name or title or series and year designation of the Series 2025 Bonds or the City Bond and corresponding changes to any of the related documents approved hereby if it is determined, after consultation with the Municipal Advisor, that it is in the best interest of the City for the Series 2025 Bonds to be issued at a later date, pursuant to a different structure, or in one or more tax-exempt or taxable series, as a private placement transaction as the municipal bond market conditions may dictate.

SECTION 36. If the City Project or any improvements located thereon shall be damaged or destroyed (in whole or in part) at any time while any of the City Bond remains outstanding, there shall be no abatement or reduction in the amount payable by the City hereunder and under the City Bond. Also, if at any time while any Series 2025 Bonds remain outstanding, and the whole or any part of title to, or the use of, the City Project shall be taken by condemnation, there shall be no abatement or reduction in the amount payable by the City hereunder.

SECTION 37. Except as otherwise expressly provided herein, nothing in this Bond Resolution, express or implied, is intended or shall be construed to confer upon any Person or firm or corporation other than the City, the Issuer and the Trustee, any right, remedy or claim, legal or equitable, under and by reason of this Bond Resolution or any of the provisions hereof or the Indenture or any provision thereof. This Bond Resolution, the Indenture and all of their provisions are intended to be and shall be for the sole and exclusive benefit of the City, the Trustee and the Issuer.

SECTION 38. The Mayor and Clerk are each hereby authorized and directed to sign requisitions and perform such other acts as may be necessary to authorize the payment by the

Trustee under the Indenture on the date of issuance and delivery of the Series 2025 Bonds, the costs of issuance for the Series 2025 Bonds and costs of issuance for the City Bond.

SECTION 39. The Governing Body hereby approves the designation of Raymond James & Associates, Inc., Memphis, Tennessee as Underwriter, and The Peoples Bank, Biloxi, Mississippi, as the Paying Agent and Trustee for the Series 2025 Bonds under the Indenture.

SECTION 40. The Authorized Officers are authorized to execute and deliver such resolutions, agreements, certificates and other documents as are required for the sale, issuance and delivery of the City Bond, including the approval of the final Official Statement in connection with the Series 2025 Bonds. The Governing Body further authorizes Bond Counsel, City Counsel, the Underwriter and the Municipal Advisor, to prepare and distribute all necessary documents and to do all things required in order to negotiate the sale of the Series 2025 Bonds and to effectuate the sale and issuance of the City Bond and the Series 2025 Bonds.

SECTION 41. The Mayor and/or the Clerk are further authorized and directed to execute and deliver such additional documents and certificates which are required in connection with this Bond Resolution to provide for the sale, issuance and delivery of the City Bond and the Series 2025 Bonds.

SECTION 42. The Governing Body of the City hereby agrees that it will, to the fullest extent permitted by State law, protect, indemnify and save the Issuer and the Trustee and their elected and appointed officials, board members, officers, agents, and employees and any person who controls the Issuer or the Trustee within the meaning of the Securities Act of 1933, harmless from and against all liabilities, losses, damages, costs, expenses (including attorneys' fees and expenses of the Issuer), taxes, causes of action, suits, claims, demands and judgments of any nature arising from:

(a) violation of any agreement, provision or condition of this Bond Resolution, the Series 2025 Bonds or the Indenture except a violation by the Issuer;

(b) any statement or information relating to the expenditure of the proceeds of the Series 2025 Bonds contained in the Tax Certificate or similar document furnished by the City to the Issuer which, at the time made, is misleading, untrue or incorrect in any material respect; and

(c) any untrue statement or alleged untrue statement of a material fact contained in any offering material relating to the sale of the Series 2025 Bonds (as from time to time amended or supplemented) or arising out of or based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary in order to make the statements therein not misleading, or failure to properly register or otherwise qualify the sale of the Series 2025 Bonds or failure to comply with any licensing or other law or regulation which would affect the manner whereby or to whom the Series 2025 Bonds could be sold.

Promptly after receipt by the Bank or any such other indemnified person, as the case may be, of notice of the commencement of any action with respect to which indemnity may be sought against the City under this Section, such person will notify the City in writing of the commencement thereof, and, subject to the provisions hereinafter stated, the City shall assume the defense of such action (including the employment of counsel, who shall be counsel reasonably satisfactory to the Issuer, or such other person as the case may be, and the payment of

expenses). Insofar as such action shall relate to any alleged liability with respect to which indemnity may be sought against the City, the Issuer or any such other indemnified person shall have the right to employ separate counsel in any such action and to participate in the defense thereof, but the fees and expenses of such counsel shall not be at the expense of the City unless the employment of such Counsel has been specifically authorized by the City. The City shall not be liable to indemnify any person for any settlement of any such action effected without its consent.

SECTION 43. If the Municipal Advisor deems it in the bests interest of the City and the Issuer to apply for municipal bond insurance for the Series 2025 Bonds, the Governing Body hereby approves the execution of a commitment for the provision of municipal bond insurance for the Series 2025 Bonds and any additional documents and certificates which are required by any provider of such municipal bond insurance selected to provide credit enhancement in connection with the issuance of the Series 2025 Bonds. The Mayor or the Clerk are hereby authorized to approve any changes, insertions and omissions as may be required by the provider of the municipal bond insurance to the Bond Purchase Agreement, the Preliminary Official Statement and Official Statement, the Indenture and the City Bond Purchase Agreement, as are approved by the Mayor or the Clerk, evidenced by his/her execution of the commitment for said municipal bond insurance and other additional documents and certificates. In addition, the executive director of the Issuer and/or an authorized officer of the Issuer are hereby authorized to apply for municipal bond insurance and execute a commitment for the provision of municipal bond insurance and any additional documents and certificates which are required by any provider of such municipal bond insurance selected to provide credit enhancement in connection with the issuance of the Series 2025 Bonds.

SECTION 44. If the Municipal Advisor deems it in the best interest of the Issuer to sell the Series 2025 Bonds as a privately placed transaction (the “**Private Placement Transaction**”) due to municipal bond market conditions, the Governing Body authorizes and approves: (a) the Private Placement Transaction in order to conform to such determination by the Municipal Advisor; (b) the Private Placement Agreement in the form submitted to this meeting and attached hereto as **EXHIBIT E**; (c) Raymond James & Associates, Inc., as placement agent for the Private Placement Transaction (the “**Placement Agent**”); and (d) any term sheet, if applicable, of a purchaser or purchasers (the “**Lender**”) in connection with the Private Placement Transaction.

SECTION 45. If the Series 2025 Bonds are sold as a Private Placement Transaction the following shall apply: (a) the Series 2025 Bonds shall be initially issued as fully registered bonds in the principal denomination of \$100,000 and increments of \$1,000 each thereafter, or integral multiples thereof up to the amount of a single maturity, (b) shall be subject to redemption in the manner, to the extent and with such notice as stated in the Private Placement Agreement and the Term Sheet, (c) shall be delivered to the Lender upon payment of the purchase price therefor in accordance with the terms and conditions of the Private Placement Agreement and the Term Sheet, (d) shall be authenticated and delivered to, upon the order of or as directed by the Lender thereof upon payment of the purchase price of the Series 2025 Bonds to the Trustee in accordance with the Private Placement Agreement and the Term Sheet, and (e) may or may not have CUSIP numbers assigned thereto as specified in the Private Placement Agreement and the Term Sheet.

SECTION 46. If any one or more of the provisions of this Bond Resolution shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any of the other provisions of this Bond Resolution, but this Bond Resolution shall be construed and enforced as if such illegal or invalid provision or provisions had not been contained herein.

SECTION 47. All resolutions and orders or parts thereof in conflict herewith are, to the extent of such conflicts, hereby repealed, and this Bond Resolution shall become effective immediately.

The above and foregoing resolution, after having been first reduced to writing, was introduced by Council Member _____, seconded by Council Member _____ and was adopted by the following roll call vote, to wit:

YEAS:

NAYS:

ABSENT:

The President thereby declared the motion carried and the resolution adopted, this the 17th day of June 2025.

ATTEST:

ADOPTED:

/s/
CLERK OF COUNCIL

/s/
PRESIDENT

The above and foregoing resolution having been submitted to and approved by the Mayor this the 17th day of June 2025.

/s/
CITY CLERK

/s/
MAYOR

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APPENDIX D
FORM OF BOND COUNSEL OPINION

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**UPON THE DELIVERY OF THE SERIES 2025 BONDS, BUTLER SNOW LLP PROPOSES TO DELIVER
AN OPINION IN SUBSTANTIALLY THE FOLLOWING FORM:**

Mississippi Development Bank
Jackson, Mississippi

Re: \$8,000,000* Mississippi Development Bank Special Obligation Bonds, Series 2025 (Tupelo, Mississippi Public Improvement General Obligation Bond Project), dated the date of delivery thereof (the "**Series 2025 Bonds**")

Ladies and Gentlemen:

We have acted as Bond Counsel in connection with the issuance by the Mississippi Development Bank (the "**Issuer**") of the above-described Series 2025 Bonds, pursuant to an Indenture of Trust (the "**Indenture**"), dated July 29, 2025, by and between the Issuer and The Peoples Bank, as trustee (the "**Trustee**"). We have examined the law and a certified transcript of proceedings of the Issuer relative to the authorization, issuance and sale of the Series 2025 Bonds and such other papers as we have deemed necessary to render the opinions in this letter, including the Issuer's tax covenants and representations made in the Indenture and tax certificates and the tax covenants and representations made by City of Tupelo, Mississippi (the "**City**") in tax certificates and in a resolution (the "**City Bond Resolution**") adopted by the Mayor and the City Council of the City on June 17, 2025 (collectively, the "**Tax Representations and Covenants**").

The Series 2025 Bonds are being issued under the authority of Sections 31-25-1 *et seq.*, Mississippi Code of 1972, as amended and supplemented from time to time (the "**Issuer Act**"), and Sections 21-33-301 *et seq.*, Mississippi Code of 1972, as amended and supplemented from time to time (the "**City's Bond Act**") and together with the Issuer Act, the "**Act**"), a resolution of the Board of Directors of the Issuer adopted on May 14, 2025, and the City Bond Resolution (together, the "**Resolution**").

The Resolutions provide that the Series 2025 Bonds are being issued for the purpose of providing funds to finance the costs of purchasing the \$8,000,000* City of Tupelo, Mississippi Public Improvement General Obligation Bond, Series 2025 (the "**City Bond**"), and paying the costs incident to the sale, issuance, and delivery of the Series 2025 Bonds and the City Bond. The City will use the proceeds of the City Bond to finance various capital improvements within the City, as more particularly described in the City Bond Resolution.

As to questions of fact material to our opinions, we have relied upon representations of the City and the Issuer, certified proceedings and other certifications of the City and the Issuer and other public officials furnished to us, including the Tax Representations and Covenants, without undertaking to verify the same by independent investigation. In all such examinations, we have assumed the genuineness of all signatures, the authenticity of all documents presented to us as originals, and the conformity to original documents of all copies submitted to us as certified, conformed, or photographic copies. As to certificates, we have assumed the same to be properly given and to be accurate.

Based on the foregoing and subject to the qualifications, statements of reliance and assumptions herein, we are of the opinion on the date hereof that:

1. Assuming the due authentication thereof by the Trustee, the Series 2025 Bonds are legal, valid and binding limited obligations of the Issuer enforceable against the Issuer. The Series 2025 Bonds are payable from and secured only by the certain payments and funds to be received by the Issuer and the Trustee and pledged to the Series 2025 Bonds under the Indenture.

* Preliminary, subject to change.

2. The Indenture is a valid and binding agreement of the Issuer enforceable against the Issuer. The Indenture creates a valid pledge in the Funds and Accounts and the City Bond, including the investments thereof (excepting therefrom the Rebate Fund), subject to the application thereof to the purposes and on the conditions permitted by the Indenture.

3. Under existing statutes, regulations, rulings and court decisions, subject to the assumptions stated below, interest on the Series 2025 Bonds is excludable from gross income for federal income tax purposes and is not a specific item of tax preference in the calculation of federal alternative minimum taxable income as defined in Section 55(b)(2) of the Internal Revenue Code of 1986, as amended (the "**Code**"); however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Code) for the purpose of computing the alternative minimum tax imposed on such corporations. We express no opinion regarding other federal tax consequences resulting from the ownership of, receipt or accrual of interest on, or disposition of the Series 2025 Bonds. In rendering the opinion contained in this paragraph numbered 3, we have assumed continuing compliance with the requirements of Code that must be met by the Issuer and the City after the issuance of the Series 2025 Bonds, including the Tax Representations and Covenants, in order that interest on the Series 2025 Bonds not be included in gross income for federal income tax purposes. The failure to meet such requirements may cause interest on the Series 2025 Bonds to be includable in gross income for federal income tax purposes retroactive to the date of issuance of the Series 2025 Bonds. The City and the Issuer have covenanted in the Tax Representations and Covenants to comply with or to require compliance with the requirements of the Code in order to maintain the excludability of interest on the Series 2025 Bonds from gross income for federal income tax purposes.

4. Under and pursuant to the Act, the Series 2025 Bonds and interest thereon are exempt from all income taxes imposed by the State of Mississippi (the "**State**").

It is to be understood that the rights of the holders of the Series 2025 Bonds and the enforceability of the Series 2025 Bonds and the Indenture may be subject to bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights heretofore or hereinafter enacted and that their enforcement may be subject to the exercise of judicial discretion in accordance with general principles of equity.

Owners of the Series 2025 Bonds should consult their own tax advisors as to the applicability and effect on their federal income taxes of any other collateral federal income tax consequences.

In this opinion letter, issued in our capacity as Bond Counsel, we are opining only upon those matters specifically set forth herein, and we are not passing upon the accuracy, adequacy or completeness of the Issuer's Official Statement or other representations, warranties or statements made in connection with any offer or sale of the Series 2025 Bonds or upon any federal or state tax consequences arising from the receipt or accrual of interest on or the ownership or disposition of the Series 2025 Bonds, except those specifically addressed herein, or upon any federal or state securities law with respect to the sale or distribution of the Series 2025 Bonds.

This opinion letter is an expression of professional judgment regarding the matters expressly addressed herein. It is neither a guarantee of result nor an insurance policy with respect to the transaction or the future actions or performance of any party or entity. Our services have not included any financial or other non-legal advice. We express no opinion other than as herein expressly stated in this letter, and no expansion of our opinion may be made by implication or otherwise. The opinions herein are given as of the date hereof and are based upon statutes, regulations, rulings and court decisions in effect on the date hereof and not as of any future date. It should be noted that material changes regarding matters of fact and applicable law may hereafter occur. We expressly disclaim any undertaking or responsibility to review, revise, update or supplement this opinion letter subsequent to its date for any reason or to advise you of any change in the law, whether by reason of legislative or regulatory action, by judicial decision or otherwise, or of any change of facts or circumstances or of any facts or circumstances that may hereafter come to our attention or for any other reason.

In rendering the foregoing opinions, we have assumed the accuracy and truthfulness of all public records and of all certificates, resolutions, documents and other proceedings examined by us that have been executed or certified by public officials acting within the scope of their official capacities and have not verified the accuracy or truthfulness thereof. We also have assumed the genuineness of the signatures appearing upon such public records, certifications, resolutions, documents and proceedings. In rendering this opinion, we have relied upon the opinion

of Balch & Bingham, LLP, Jackson, Mississippi, counsel for the Issuer, dated the date hereof, as to the due authorization and execution by and enforceability against the Issuer as to the Series 2025 Bonds and the Indenture.

Very truly yours,

BUTLER SNOW LLP

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APPENDIX E
DEFINITIONS

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1. DEFINITIONS

In addition to any words and terms elsewhere defined herein, the following words and terms shall have the following meanings, unless the context or use in this Official Statement otherwise requires. Words of the masculine gender should be deemed and constructed to include correlative words of the female and neuter gender. Capitalized terms used and not defined herein shall have the meanings ascribed to them in the Indenture and the City Bond Resolution, as the case may be.

Accounts

"Accounts" means the accounts created pursuant to Article VI of the Indenture.

Act

"Act" means together the Issuer Act and the City Bond Act.

Authorized Officer

"Authorized Officer" means the President, Vice President, Executive Director, Secretary or Assistant Secretary of the Issuer or such other person or persons who are duly authorized to act on behalf of the Issuer.

Beneficial Owner

"Beneficial Owner" means, whenever used with respect to a Bond, the person in whose name such Bond is recorded as the beneficial owner of such Bond by a DTC participant on the records of such DTC participant, or such person's subrogee.

Bond Counsel

"Bond Counsel" means an attorney or firm of attorneys approved by the City and the Issuer nationally recognized in the area of municipal law and matters relating to the exclusion of interest on state and local government bonds from gross income under federal tax law, including particularly compliance with Section 148(f) of the Code. Butler Snow LLP, Ridgeland, Mississippi, is serving as Bond Counsel in connection with the sale and issuance of the Series 2025 Bonds.

Bond Issuance Expense Account

"Bond Issuance Expense Account" means the account by that name created pursuant to the Indenture.

Bond Register

"Bond Register" means the registration records of the Issuer kept by the Trustee to evidence the registration and transfer of the Bonds.

Bondholder

"Bondholder" or "holder of Bonds" or "owner of Bonds" or any similar term means the Registered Owner of any Bond.

Bonds

"Bonds" means the Series 2025 Bonds and any Refunding Bonds issued pursuant to the Indenture.

Business Day

"Business Day" means any day other than (a) a Saturday, (b) a Sunday, (c) any other day on which banking institutions in New York, New York or Biloxi, Mississippi, are authorized or required not to be open for the transaction of regular banking business, (d) any day the City Courthouse in Tupelo, Mississippi is closed, or (e) a day on which the New York Stock Exchange is closed.

City

"City" means the City of Tupelo, Mississippi, a "local governmental unit" under the Issuer Act.

City Bond

"City Bond" means the \$8,000,000* City of Tupelo, Mississippi Public Improvement General Obligation Bond, Series 2025, issued by the City pursuant to the City Bond Resolution and registered to the Trustee as assignee of the Issuer pursuant to the Indenture.

City Bond Act

"City Bond Act" means the provisions of Mississippi Code of 1972, Sections 21-33-301 *et seq.*, Mississippi Code of 1972, as amended or supplemented from time to time.

City Bond Payment

"City Bond Payment" means the amounts paid or required to be paid, from time to time, for principal, premium, if any, and interest on the City Bond held by the Trustee pursuant to the Indenture.

City Bond Purchase Agreement

"City Bond Purchase Agreement" means that certain City Bond Purchase Agreement, dated July __, 2025, by and between the City and the Issuer in connection with the issuance and sale of the City Bond.

City Bond Resolution

"City Bond Resolution" means that certain resolution adopted by the Mayor and the City Council of the City on June 17, 2025, in connection with the issuance of the City Bond.

Code

"Code" or "Internal Revenue Code" means the Internal Revenue Code of 1986, as amended, and all applicable Treasury Regulations promulgated thereunder.

City Project

"City Project" means any of (i) constructing, improving or paving streets, sidewalks, driveways, parkways, walkways or public parking facilities, and purchasing land therefor; (ii) erecting, repairing, improving, adorning and equipping municipal buildings and purchasing buildings and land therefor; (iii) purchasing land for parks, cemeteries and public playgrounds, and improving, equipping and adorning the same, including the constructing, repairing and equipping of swimming pools and other recreational facilities; (iv) purchasing fire-fighting equipment

* Preliminary, subject to change.

and apparatus, and providing housing for same, and purchasing land therefor; (v) erecting or purchasing waterworks, gas, electric and other public utility plants or distribution systems or franchises, and repairing, improving and extending the same; (vi) establishing sanitary, storm, drainage or sewerage systems, and repairing, improving and extending the same; (vii) protecting a municipality, its streets and sidewalks from overflow, caving banks and other like dangers; (viii) constructing bridges and culverts; (ix) purchasing machinery and equipment, including motor vehicles weighing not less than twelve thousand (12,000) pounds, which have an expected useful life in excess of ten (10) years which expected useful life shall exceed the life of the bonds financing such purchase; and (x) for other authorized purposes under the City Bond Act, including paying the costs of borrowing.

Costs of Issuance

"Costs of Issuance" means items of expense payable or reimbursable, directly or indirectly, by the Issuer and related to the authorization, sale, validation, issuance and/or delivery of the Series 2025 Bonds and the City Bond, which items of expense shall include, but not be limited to, printing costs, costs of reproducing documents, filing and recording fees, initial fees and charges of the Trustee, legal fees and charges (including Bond Counsel fees), financial/municipal advisory and professional consultants' fees, costs of credit ratings, fees and charges for execution, transportation and safekeeping of the Series 2025 Bonds, credit enhancements or liquidity facility fees, and other costs, charges and fees in connection with the foregoing.

Counsel

"Counsel" means an attorney or firm of attorneys duly admitted to practice law before the highest court of any state and approved by the Issuer, the City and the Trustee, as applicable.

Default

"Default" means an event or condition the occurrence of which, with the lapse of time or the giving of notice or both, would become an Event of Default under the Indenture.

DTC

"DTC" means The Depository Trust Company, New York, New York.

DTC Participants

"DTC Participants" shall have the meaning ascribed thereto in the Indenture.

Event of Default

"Event of Default" means any occurrence or event specified in the Indenture.

Fiscal Year

"Fiscal Year" means, when used with respect to the Issuer, the Issuer's fiscal year being the twelve (12) month period from July 1 through the following June 30 or such other fiscal year as may be established by the Issuer.

Funds

"Funds" means the funds created pursuant to Article VI of the Indenture (other than the Rebate Fund).

General Account

"General Account" means the account by that name created by the Indenture.

General Fund

"General Fund" means the fund by that name created by the Indenture.

Governmental Obligations

"Governmental Obligations" means to the extent permitted by State law (a) direct obligations of the United States of America; (b) obligations guaranteed as to principal and interest by the United States of America or any federal agency whose obligations are backed by the full faith and credit of the United States of America, including but not limited to: Department of Housing and Urban Development, Export-Import Bank, Farmers Home Administration (or successor thereto), Federal Financing Bank, Federal Housing Administration, Maritime Administration, Small Business Administration, which obligations include but are not limited to certificates or receipts representing direct ownership of future interest or principal payments on obligations described in clause (a) or in this clause (b) and which are held by a custodian in safekeeping on behalf of the holders of such receipts; and (c) obligations of any state of the United States of America or any political subdivision thereof, the full payment of principal of, premium, if any, and interest on which (i) is fully and unconditionally guaranteed or insured by the United States of America, or (ii) is provided for by an irrevocable deposit of the securities described in clause (i) to the extent such investments are permitted by State law.

Indenture

"Indenture" means the Indenture of Trust, and all supplements and amendments hereto entered into pursuant to Article XII of the Indenture.

Interest Payment Date

"Interest Payment Date" means any date on which interest is payable on the Bonds, and for the Series 2025 Bonds, means each January 1 and July 1, commencing January 1, 2026[†].

Investment Securities

"Investment Securities" means any and all securities, instruments and the like in which the Issuer is authorized from time to time to invest its funds under State law, including but not limited to Governmental Obligations.

Issuer

"Issuer" means the Mississippi Development Bank, a body corporate and politic exercising essential public functions, or any successor to its functions organized under the Issuer Act.

Issuer Act

"Issuer Act" means the provisions of Sections 31-25-1 *et seq.*, Mississippi Code of 1972, as amended or supplemented from time to time.

[†] Preliminary, subject to change.

Local Governmental Unit

"Local Governmental Unit" means (a) any county, municipality, utility district, regional solid waste authority, county cooperative service district or political subdivision of the State, (b) the State or any agency thereof, (c) the institutions of higher learning of the State, (d) any education building corporation established for institutions of higher learning, or (e) any other governmental unit created under state law, such as the City. The City is a Local Governmental Unit under the Issuer Act.

Moody's

"Moody's" means Moody's Investors Service, Inc., a Delaware corporation, its successors and assigns, and, if such corporation shall for any reason no longer perform the functions of a securities rating agency, "Moody's" shall be deemed to refer to any other nationally recognized securities rating agency designated by the City (with the approval of the Issuer), with written notice to the Trustee.

Opinion of Bond Counsel

"Opinion of Bond Counsel" means an opinion by a nationally recognized firm experienced in matters relating to the tax exemption for interest payable on obligations of states and their instrumentalities and political subdivisions under federal law, and which is acceptable to the Issuer and the Trustee.

Outstanding

"Outstanding" or "Bonds Outstanding" means all Bonds, which have been authenticated and delivered by the Trustee under this Indenture, including Bonds held by the Issuer, except:

- (a) Bonds canceled after purchase in the open market or because of payment at or redemption prior to maturity;
- (b) Bonds deemed paid under Article IX of the Indenture; and
- (c) Bonds in lieu of which other Bonds have been authenticated under Section 3.5, 3.6 or 3.10 of the Indenture.

Paying Agent

"Paying Agent" means the Trustee or any successor thereto, acting as the Paying Agent under the City Bond Resolution.

Principal Office

"Principal Office" means, as it relates to the Trustee, the address for the Trustee set forth under the definition of Notice Address in the Indenture.

Program

"Program" means the program for purchasing Securities of Local Governmental Units by the Issuer pursuant to the Issuer Act.

Program Expenses

"Program Expenses" means all of the fees and expenses of the Trustee relating to the Bonds or the City Bond and costs of determining the amount rebatable, if any, to the United States of America under the Indenture, all to the extent properly allocable to the Program and approved in writing by the Issuer.

Project

"Project" means using the proceeds of the Series 2025 Bonds to provide financing (a) to the City for the City Project, and (b) to pay the Costs of Issuance for the City Bond and the Series 2025 Bonds.

Purchase Account

"Purchase Account" means the account by that name created by the Indenture.

Rebate Fund

"Rebate Fund" means the fund by that name created by the Indenture.

Record Date

"Record Date" means, with respect to any Interest Payment Date, the fifteenth day of the calendar month next preceding such Interest Payment Date.

Redemption Account

"Redemption Account" means the account by that name created by the Indenture.

Redemption Price

"Redemption Price" means, with respect to any Bond, the principal amount thereof, plus premium, if any, and accrued interest payable upon redemption prior to maturity.

Refunding Bonds

"Refunding Bonds" means bonds issued pursuant to the Indenture and any Supplemental Indenture.

Registered Owner

"Registered Owner" means the person or persons in whose name any Bond shall be registered on the Bond Register.

Revenues

"Revenues" means the Funds and Accounts (except for the Rebate Fund) and all income, revenues and profits of the Funds and Accounts (except for the Rebate Fund) referred to in the granting clauses of the Indenture including, without limitation, all City Bond Payments and any additional amounts paid to the Trustee under the City Bond Resolution or from any other source whatsoever.

S&P

"S&P" means Standard & Poor's Ratings Group, a division of The McGraw Hill Companies, its successors and assigns, and, if dissolved or liquidated or if it no longer performs the functions of a securities rating agency, "S&P" shall be deemed to refer to any other nationally recognized securities rating agency designated by the City (with the approval of the Issuer), by written notice to the Trustee.

Securities

"Securities" means bonds, notes or other evidences of indebtedness issued by a Local Governmental Unit pursuant to the Issuer Act including the City Bond.

Series 2025 Bonds

"Series 2025 Bonds" means the \$8,000,000[‡] Mississippi Development Bank Special Obligation Bonds, Series 2025 (City of Tupelo, Mississippi Public Improvement General Obligation Bond Project) issued pursuant to the Indenture.

State

"State" means the State of Mississippi.

Supplemental Indenture

"Supplemental Indenture" means an indenture supplemental to or amendatory of the Indenture, executed by the Issuer and the Trustee in accordance with the Indenture.

Trust Estate

"Trust Estate" means the property, rights, and amounts pledged and assigned to the Trustee as security for the Bonds, pursuant to the granting clauses of the Indenture.

Trustee

"Trustee" means the state banking corporation or national banking association with corporate trust powers qualified to act as Trustee under this Indenture which may be designated (originally or as a successor) as Trustee for the owners of the Bonds issued and secured under the terms of this Indenture, and which shall initially be The Peoples Bank, Biloxi, Mississippi.

Underwriter

"Underwriter" means Raymond James & Associates, Inc., Memphis, Tennessee.

[‡]Preliminary, subject to change.

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APPENDIX F

FORM OF CONTINUING DISCLOSURE CERTIFICATE

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CONTINUING DISCLOSURE CERTIFICATE

THIS CONTINUING DISCLOSURE CERTIFICATE (this "**Disclosure Certificate**") is executed and delivered by the City of Tupelo, Mississippi (the "**City**") in connection with the issuance of \$8,000,000 Mississippi Development Bank Special Obligation Bonds, Series 2025 (City of Tupelo, Mississippi Public Improvement General Obligation Bond Project), dated the date of delivery thereof (the "**Series 2025 Bonds**"). The Series 2025 Bonds are being issued pursuant to an Indenture of Trust (the "**Indenture**"), dated July 29, 2025, between the Mississippi Development Bank (the "**Issuer**") and The Peoples Bank, Biloxi, Mississippi, as trustee (the "**Trustee**").

SECTION 1. Purpose of this Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the City for the benefit of the holders and beneficial owners of the Series 2025 Bonds and in order to assist the Participating Underwriter in complying with Rule 15c2-12(b)(5) of the Securities and Exchange Commission (the "**SEC**").

SECTION 2. Definitions. In addition to the definitions set forth in the Indenture or parenthetically defined herein, which apply to any capitalized terms used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"**Annual Report**" shall mean any Annual Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"**Dissemination Agent**" shall mean any Dissemination Agent designated in writing by the City and which has filed with the City a written acceptance of such designation.

"**Fiscal Year**" shall mean the period beginning on October 1 of and ending on September 30, or such other 12-month period as may be adopted by the City in accordance with law.

"**Listed Events**" shall mean any of the events listed in Section 5 of this Disclosure Certificate.

"**MSRB**" shall mean the Municipal Securities Rulemaking Board. As of the date hereof, the MSRB's required method of filing is electronically via its Electronic Municipal Market Access (EMMA) system, which is currently available at <http://emma.msrb.org>.

"**Official Statement**" means the final Official Statement prepared in connection with the Series 2025 Bonds.

"**Participating Underwriter**" shall mean Raymond James & Associates, Inc., the original underwriter of the Series 2025 Bonds required to comply with the Rule in connection with an offering of the Series 2025 Bonds.

"**Rule**" shall mean Rule 15c2-12(b)(5) adopted by the SEC under the Securities Exchange Act of 1934, as in effect on the date of this Disclosure Certificate.

SECTION 3. Provision of Annual Reports.

(a) The City shall, or shall cause the Dissemination Agent to, not later than twelve months after the end of each Fiscal Year (but no later than September 30 of each year), commencing twelve (12) months following the end of the City's Fiscal Year ending September 30, 2025, provide to the MSRB (in

an electronic format as prescribed by the MSRB), an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. Not later than five (5) business days prior to said date, the City shall provide the Annual Report to the Dissemination Agent (if the City has selected one). The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the City may be submitted separately from the balance of the Annual Report.

(b) If the City is unable to provide to the MSRB an Annual Report by the date required in subsection (a), the City shall, in a timely manner, file or cause to be filed with the MSRB a notice in substantially the form attached to this Disclosure Certificate as Exhibit “A.”

SECTION 4. Content of Annual Reports. The City’s Annual Report shall contain or incorporate by reference the following:

(a) A copy of its annual financial statements, if any, prepared in accordance with generally accepted accounting principles audited by a firm of certified public accountants. If audited annual financial statements are not available by the time specified in Section 3(a) above, the City shall provide reasonably available and accessible unaudited financial information (if any) describing the City’s financial situation for the prior Fiscal Year and audited financial statements within thirty (30) days from receipt thereof from the Office of the State Auditor and when such statements are made publicly available.

(b) An update of the type of information identified in Exhibit “B” hereto, which is contained in the tables in the Official Statement with respect to the Series 2025 Bonds.

Any or all of the items listed above may be incorporated by reference from other documents (including official statements), which are available to the public at the MSRB or filed with the SEC. The City shall clearly identify each such document incorporated by reference.

SECTION 5. Reporting of Listed Events. The City shall file or cause to be filed with the MSRB, in a timely manner not in excess of ten (10) business days after the occurrence of the event, notice of any of the events listed below with respect to the Series 2025 Bonds. All of the events currently mandated by the Rule are listed below; however, some may not apply to the Series 2025 Bonds.

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults, *if material*;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers or their failure to perform;

(6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Series 2025 Bonds, or other material events affecting the tax status of the Series 2025 Bonds;

- (7) Modifications to rights of bondholders, *if material*;

- (8) Series 2025 Bond calls, *if material*, and tender offers;
- (9) Defeasances;
- (10) Release, substitution or sale of property securing repayment of the Series 2025 Bonds, *if material*;
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership or similar event of the obligated person;¹
- (13) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, *if material*;
- (14) Appointment of a successor or additional trustee or the change of name of a trustee, *if material*;
- (15) Incurrence of a financial obligation² of the obligated person, *if material*, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the obligated person, any of which affect security holders, *if material*; and
- (16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation² of the obligated person, any of which reflect financial difficulties.

SECTION 6. Format; Identifying Information. All documents provided to the MSRB pursuant to this Disclosure Certificate shall be in the format prescribed by the MSRB and accompanied by identifying information as prescribed by the MSRB.

¹ For the purposes of the event identified in subparagraph (b)(5)(i)(C)(12) of the Rule, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and official or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

² For purposes of the events identified in subparagraphs (b)(5)(i)(C)(15) and (16) of the Rule, the term “financial obligation” is defined to mean a (A) debt obligation; (B) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (C) a guarantee of (A) or (B). The term “financial obligation” shall not include municipal securities as to which a final official statement has been otherwise provided to the MSRB consistent with the Rule. In complying with Listed Events (15) and (16), the County intends to apply the guidance provided by the Rule or other applicable federal securities law, SEC Release No. 34-83885 (August 20, 2018) and any future guidance provided by the SEC or its staff.

As of the date of this Disclosure Certificate, all documents submitted to the MSRB must be in portable document format (PDF) files configured to permit documents to be saved, viewed, printed and retransmitted by electronic means. In addition, such PDF files must be word-searchable, provided that diagrams, images and other non-textual elements are not required to be word-searchable.

SECTION 7. Termination of Reporting Obligation. The City's obligations under this Disclosure Certificate shall terminate upon the earliest of: (i) the date of legal defeasance, prior redemption or payment in full of all of the Series 2025 Bonds; (ii) the date that the City shall no longer constitute an "obligated person" within the meaning of the Rule; or (iii) the date on which those portions of the Rule which require this written undertaking are held to be invalid by a court of competent jurisdiction in a non-appealable action, have been repealed retroactively or otherwise do not apply to the Series 2025 Bonds.

SECTION 8. Dissemination Agent.

(a) The City may, from time to time, appoint or engage a Dissemination Agent to assist the City in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. If the City elects not to appoint a successor Dissemination Agent, it shall perform the duties thereof under this Disclosure Certificate. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate and any other agreement between the City and the Dissemination Agent.

(b) In addition to the filing duties on behalf of the City described in this Disclosure Certificate, the Dissemination Agent shall:

(1) each year, prior to the date for providing the Annual Report, determine the appropriate electronic format prescribed by the MSRB;

(2) send written notice to the City at least 45 days prior to the date the Annual Report is due stating that the Annual Report is due as provided in Section 3(a) hereof; and

(3) certify in writing to the City that the Annual Report has been provided pursuant to this Disclosure Certificate and the date it was provided.

(4) If the Annual Report (or any portion thereof) is not provided to the MSRB by the date required in Section (3)(a), the Dissemination Agent shall file with the MSRB a notice in substantially the form attached to this Disclosure Certificate as Exhibit A.

SECTION 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the City may amend this Disclosure Certificate and may waive any provision of this Disclosure Certificate, without the consent of the holders and beneficial owners of the Series 2025 Bonds, if such amendment or waiver does not, in and of itself, cause the undertakings herein (or action of any Participating Underwriter in reliance on the undertakings herein) to violate the Rule, but taking into account any subsequent change in or official interpretation of the Rule. The City will provide notice of such amendment or waiver to the MSRB.

SECTION 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth

in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the City chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the City shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 11. Default. In the event of a failure of the City to comply with any provision of this Disclosure Certificate, any holder or beneficial owner of the Series 2025 Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the City to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default under the Indenture, and the sole remedy under this Disclosure Certificate in the event of any failure of the City to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the City, any Dissemination Agent, the Participating Underwriter and the holders and beneficial owners from time to time of the Series 2025 Bonds, and shall create no rights in any other person or entity.

DATE: July 29, 2025

(SEAL)

CITY OF TUPELO, MISSISSIPPI

By _____
Mayor

ATTEST:

By _____
City Clerk

EXHIBIT A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Mississippi Development Bank
Name of Conduit Borrower: City of Tupelo, Mississippi (the "City")
Name of Bond Issue: \$8,000,000 Mississippi Development Bank Special Obligation Bonds, Series 2025 (City of Tupelo, Mississippi Public Improvement General Obligation Bond Project) (the "Series 2025 Bonds")
Date of Issuance: July 29, 2025
CUSIP Numbers:

NOTICE IS HEREBY GIVEN that the City has not provided an Annual Report with respect to the Bonds as required by the Continuing Disclosure Certificate executed on ___, 2025 by the City. The City anticipates that the Annual Report will be filed by _____, 20__.

Dated: _____, _____

EXHIBIT B

Name of Issuer: Mississippi Development Bank

Name of Conduit Borrower: City of Tupelo, Mississippi (the "City")

Name of Bond Issue: \$8,000,000 Mississippi Development Bank Special Obligation Bonds, Series 2025 (City of Tupelo, Mississippi Public Improvement General Obligation Bond Project) (the "Series 2025 Bonds")

Date of Issuance: July 29, 2025

CUSIP Numbers:

Government

Name	Occupation	Position Held Since

TAX INFORMATION

Assessed Valuation of the City¹

Assessment Year	Real Property	Personal Property	Public Utility Property	Mobile Homes	Auto- Mobiles	Total

Tax Levy Per \$1,000 Valuation²

City - General Purpose:					
Operating Millage					
Debt Millage					
Total for City:					

¹ The total assessed valuation is approved in September preceding the fiscal year of the City and represents the value of real property, personal property and public utility property for the year indicated on which taxes are assessed for the following fiscal year's budget. For example, the taxes for the assessed valuation figures for 20__ are collected starting in January, 20__ for the 20__-20__ fiscal year budget of the City.

² Tax levy figures given is mills. The County levies a tax of nine cents per acre on all timbered and/or uncultivated land located in the County.

Ad Valorem Tax Collections

Fiscal Year Ended September 30	Amount Budgeted	Amount Collected	Difference Over/(Under)

Outstanding General Obligation Bonded Debt

(as of _____)

Issue	Date of Issue	Outstanding Principal

Other Outstanding Debt

(as of _____)

Issue	Date of Issue	Outstanding Principal

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