

CITY OF BRANDON, MISSISSIPPI
REPORT ON AUDIT
OF
BASIC FINANCIAL STATEMENTS
For the Year Ended September 30, 2020

BARLOW & COMPANY, PLLC
CERTIFIED PUBLIC ACCOUNTANTS
BRANDON, MISSISSIPPI

CITY OF BRANDON
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For the year ended September 30, 2020

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Independent Auditor's Report

Honorable Mayor and Members of the Board of Aldermen
City of Brandon, Mississippi

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Brandon, Mississippi, as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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



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Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Brandon, Mississippi, as of September 30, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and the Schedule of the City's Proportionate Share of the Net Pension Liability and the Schedule of City's Contributions on pages 3-12 and 44-50 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Brandon, Mississippi's basic financial statements. The Schedule of Surety Bonds for Municipal Officials and other comparison schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The comparison schedules 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 comparison schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 23, 2021, on our consideration of the City of Brandon, Mississippi's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 Brandon, Mississippi'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 Brandon, Mississippi's internal control over financial reporting and compliance.



Brandon, Mississippi
March 23, 2021

**CITY OF BRANDON
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

The Discussion and Analysis of the City of Brandon financial performance provides an overall review of the City's financial activities for the year ended September 30, 2020. The intent of this discussion and analysis is to look at the City's financial performance as a whole. Please read it in conjunction with the City of Brandon's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

Key financial highlights for 2020 were as follows:

Total net position for 2020 increased \$7,726,895 or 19.5% from 2019. Total net position for 2019 increased \$4,264,077 or 12% from fiscal year 2018. The increase in 2020 resulted primarily from the increase in governmental activities cash and other assets and business-type activities increase in capital assets.

General revenues accounted for \$17,803,724 and \$17,820,392 in revenue, or 74% and 50% of all revenues for fiscal years 2020 and 2019 respectively. Program specific revenues in the form of charges for services and grants and contributions accounted for \$6,254,363 or 26% for 2020 and \$17,757,929 or 50% of total revenues for 2019.

In the business-type activity of sanitation, sanitation expenses were \$1,307,301 while charges for sanitation services were \$1,359,080. Water and sewer charges for services were \$9,756,692 with expenses of \$8,399,046. Investment income was \$93,836 for 2020. The City recognized \$9,435 as a gain on the sale of capital assets.

Long-term debt increased by \$376,854 for fiscal year 2020 and decreased by \$3,237,596 for fiscal year 2019. The increase in 2020 was due to issuance of new general obligation bonds with the decrease in 2019 due to no issuance of new bonds and capital leases. Additionally, the liability for compensated absences increased by \$46,039 in 2020 and increased by \$49,003 in 2019. The net pension liability was \$17,273,891 and \$18,157,028 for 2020 and 2019 respectively.

Overall, the book value of capital assets increased \$3,741,155 in 2020 and increased by \$14,153,876 for 2019. The changes were due to new construction in progress in 2020 and 2019.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, 3) notes to the financial statements, and 4) required supplementary information.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business. These statements are prepared using the accrual basis of accounting and include all assets and liabilities.

The statement of net position presents information on all the City's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal years.

The government-wide financial statements outline functions of the City that are principally supported by property taxes and intergovernmental revenues (governmental activities) and water, sewer, and sanitation charges (proprietary activities). The governmental activities of the City include general government, public safety, public works, and interest on long-term debt.

The government-wide financial statements are included in this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental and proprietary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on current spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the City current financing requirements. Government funds are reported using modified accrual accounting. This method of accounting measures cash and other assets that can be easily converted to cash. The Governmental Funds Statements provide a detailed short-term view of the City's operations.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's current financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. The reconciliations are presented elsewhere in the auditor's report.

The basic governmental fund financial statements can be found in this report.

Proprietary funds. The City of Brandon maintains one type of proprietary fund, the enterprise fund. The Enterprise fund is used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses the enterprise fund to account for its Water and Sewer operations as well as sanitation.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

The basic proprietary fund financial statements can be found in this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found in this report.

Required supplementary information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's budget process.

The City adopts an annual operating budget for all governmental funds and proprietary funds. Budgetary comparison statements have been provided for the General Fund and the Enterprise Fund. This required supplementary information is included elsewhere in this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The Statement of Net position and the Statement of Activities report information about the City as a whole and about its activities and may serve over time as a useful indicator of the City's financial position. These statements include all of the City's assets and liabilities resulting from the use of the accrual basis of accounting and economic resources focus of measurement.

Net position. The City's combined net position, on the accrual basis of accounting and economic resources measurement focus, increased from \$39,682,786 to \$47,409,681 between fiscal years 2019 and 2020. This increase is the result of the change in net position from operations of \$7,726,895.

Table 1 reflects condensed information on the City's net position.

Table 1 Net Position 2020							
	Governmental Activities		Business-type Activities		Total		Percent
	2020	2019	2020	2019	2020	2019	Change
Assets:							
Cash and other assets	\$ 17,335,796	9,362,895	7,964,827	10,502,764	25,300,623	19,865,659	27.36%
Capital assets, net	73,154,696	72,580,627	25,086,479	21,919,393	98,241,175	94,500,020	3.96%
Total Assets	90,490,492	81,943,522	33,051,306	32,422,157	123,541,798	114,365,679	8.02%
Deferred Outflows of Resources:							
Deferred outflows related to bond refunding	409,651	268,371			409,651	268,371	52.64%
Deferred outflows related to pensions	2,153,382	2,680,976	311,474	396,556	2,464,856	3,077,532	-19.91%
Total Deferred Outflows of Resources	2,563,033	2,949,347	311,474	396,556	2,874,507	3,345,903	-14.09%
Liabilities:							
Current and other liabilities	4,262,184	4,359,796	3,954,588	3,833,662	8,216,772	8,193,458	0.28%
Long-term liabilities	59,791,827	58,770,264	9,522,350	10,581,605	69,314,177	69,351,869	-0.05%
Total Liabilities	64,054,011	63,130,060	13,476,938	14,415,267	77,530,949	77,545,327	-0.02%
Deferred Inflows of Resources:							
Deferred inflows related to pensions	7,258	195,148	-7,258	23,042	0	218,190	-100.00%
Developer construction advances	31,509	31,509			31,509	31,509	0.00%
Deferred inflows - unearned revenues	1,444,166	233,770			1,444,166	233,770	517.77%
Total Deferred Inflows of Resources	1,482,933	460,427	-7,258	23,042	1,475,675	483,469	205.23%
Net Position							
Net investment in capital assets	27,171,914	28,243,409	19,001,556	15,000,634	46,173,470	43,244,043	6.77%
Restricted	11,763,727	5,230,873	2,638,993	3,771,109	14,402,720	9,001,982	59.99%
Unrestricted	-11,419,060	-12,171,900	-1,747,449	-391,339	-13,166,509	-12,563,239	4.80%
Total Net Position	\$ 27,516,581	21,302,382	19,893,100	18,380,404	47,409,681	39,682,786	19.47%
The City's total assets increased \$9,176,119 during 2020 with governmental activities showing an increase of \$8,546,970 and business-type activities showing an increase of \$629,149. The increase was primarily due to an increase in cash and other assets in governmental activities. Deferred outflows related to bond refunding increased \$141,280 and deferred outflows related to pensions decreased \$612,676.							
The City's total liabilities decreased \$14,378, due mainly to the decrease in capital lease obligations in business-type activities in 2020. Deferred inflows for developer construction advances was unchanged, deferred inflows related to pension decreased \$218,190, and unearned revenues increased \$1,210,396 in 2020.							
The City's net position increased \$7,726,895 due mainly to net increase in cash and other assets (restricted cash) and capital assets, net.							

Table 2 shows the Changes in Net Position for the September 30, 2020 year end.

A comparative analysis of government-wide data is as follows:

Table 2							
Changes in Net Position							
2020							
	Governmental Activities		Business-type Activities		Total		Percent
	2020	2019	2020	2019	2020	2019	Change
Revenues:							
Program revenues:							
Charges for services	\$ 2,589,812	6,146,021	11,115,772	10,733,700	13,705,584	16,879,721	-18.80%
Operating grants	97,873	82,578			97,873	82,578	18.52%
Capital grants	3,566,678	468,430		327,200	3,566,678	795,630	348.28%
General revenues:							
Sales and use taxes	7,529,139	7,533,876			7,529,139	7,533,876	-0.06%
Property taxes	7,575,593	7,462,874			7,575,593	7,462,874	1.51%
Other	2,698,992	2,682,978	103,271	140,664	2,802,263	2,823,642	-0.76%
Total Revenues	24,058,087	24,376,757	11,219,043	11,201,564	35,277,130	35,578,321	-0.85%
Program Expenses:							
General government	2,027,327	1,996,104			2,027,327	1,996,104	1.56%
Public safety	7,171,548	6,725,075			7,171,548	6,725,075	6.64%
Public services	2,570,406	2,516,645			2,570,406	2,516,645	2.14%
Culture and recreation	4,685,903	8,905,339			4,685,903	8,905,339	-47.38%
Economic development		21,726			0	21,726	-100.00%
Water and sewer			8,399,046	8,438,245	8,399,046	8,438,245	-0.46%
Sanitation			1,307,301	1,296,484	1,307,301	1,296,484	0.83%
Interest and fiscal charges	1,388,704	1,414,626			1,388,704	1,414,626	-1.83%
Total Expenses	17,843,888	21,579,515	9,706,347	9,734,729	27,550,235	31,314,244	-12.02%
Change in Net Position \$	6,214,199	2,797,242	1,512,696	1,466,835	7,726,895	4,264,077	81.21%
Net Position, beginning	21,302,382	18,505,140	18,380,404	16,913,569	39,682,786	35,418,709	12.04%
Net Position, ending \$	27,516,581	21,302,382	19,893,100	18,380,404	47,409,681	39,682,786	19.47%

Governmental Activities. Revenues for the City's governmental activities for the year ended September 30, 2020 were \$24,058,087 compared to \$24,376,757 in 2019. Program revenues decreased 6.6% primarily as a result of a decrease in charges for services in culture and recreation programs. General revenues are, for the most part, comprised of sales and use taxes and property taxes (85%).

The cost of providing all governmental activities for 2020 was \$17,843,888 and for 2019 was \$21,579,515, a decrease of \$3,735,627 for 2020 and an increase of \$298,813 for 2019. Of this amount, general government expenses increased \$31,223 in 2020 and increased \$141,804 in 2019; public safety expenses increased \$446,473 for 2020 and decreased \$829,659 for 2019; public services expenses increased \$53,761 in 2020 and decreased \$370,622 in 2019; culture and recreation expenses decreased \$4,219,436 in 2020 and increased \$1,688,770 in 2019; economic development expenses were \$0 in 2020 compared to \$21,726 in 2019; and interest on long-term debt expenses decreased \$25,922 in 2020 and decreased \$229,708 in 2019.

The City's largest programs are public safety, culture and recreation, public services, and general government. Expenses exceeding revenues are offset by general revenues generated by taxes, investment income and other general revenues.

Business-type Activities. Revenues for business-type activities are primarily comprised of charges for services (99%). Charges for services for the City's business-type activities were \$11,115,772 for 2020 and \$10,733,700 for 2019, an increase of \$382,072 in 2020 and an increase of \$568,980 for 2019. Revenue from capital grants was \$0 in 2020 compared to \$327,200 for 2019.

The costs of these business-type activities were \$9,706,347 and \$9,734,729 for 2020 and 2019 respectively, a decrease of \$28,382 in 2020 due to a decrease in water and sewer costs; and an increase of \$1,754,835 in 2019 due to increases in water and sewer costs.

FINANCIAL ANALYSIS OF THE CITY'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 current 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.

The financial performance of the City as a whole is reflected in its governmental funds. As the City completed the year, its governmental funds reported a combined fund balance of \$13,919,674, an increase of \$6,258,654. The fund balance consists of \$9,732,342 or 69.9% which is restricted for specific purposes which are externally imposed, \$16,649 or 0.1% is committed for specific purposes internally imposed by the City; \$37,397 or 0.3% is assigned for specific purposes that can be expressed by the Board of Alderman or by an official to which the Board delegates. At the

end of the year, the amount of fund balance unassigned, which is available for spending for any purpose, is \$4,133,286 or 29.7%.

BUDGETARY HIGHLIGHTS

The City's budget is prepared according to Mississippi law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

Over the course of the year, the City revised the annual operating budget. Schedules showing the original and final budget amounts compared to the City's actual financial activity for the General Fund and Enterprise Fund are provided in this report as required supplementary information.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets. As of September 30, 2020, the City's total capital assets were \$156,041,894 including land, city buildings, infrastructure, vehicles and furniture and equipment. This amount represents an increase of \$8,182,842 for 2019 to 2020 and an increase of \$6,993,555 for 2018 to 2019. The accumulated depreciation as of September 30, 2020 was \$57,800,719 and total depreciation expense for the year was \$4,812,480.

Table 3 Capital Assets at September 30, 2020 (Net of Depreciation)								
	Governmental Activities		Business-type Activities		Total		Percent	
	2020	2019	2020	2019	2020	2019	Change	
Land	\$ 3,073,607	3,073,607	130,377	130,377	3,203,984	3,203,984	0.00%	
Construction in Progress	4,651,733	5,012,248	7,983,485	3,731,083	12,635,218	8,743,331	44.51%	
Buildings	34,026,381	34,860,189	671,670	603,611	34,698,051	35,463,800	-2.16%	
Improvements other than bldg.	28,463,289	26,553,577	15,483,970	16,803,228	43,947,259	43,356,805	1.36%	
Machinery, equipment, vehicles	2,939,686	3,081,006	816,977	651,094	3,756,663	3,732,100	0.66%	
Total	\$ 73,154,696	72,580,627	25,086,479	21,919,393	98,241,175	94,500,020	3.96%	
Additional information on the City's capital assets can be found in the notes to the financial statements included in this report.								

Debt Administration. At September 30, 2020, the City had \$53,909,431 in general obligation bonds and other long-term debt outstanding as shown in the following table.

Table 4								
Outstanding Notes and Long Term Obligations at September 30, 2020								
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>		<u>Percent</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>Change</u>	
General obligation bonds	\$ 24,760,000	22,480,000			24,760,000	22,480,000	10.14%	
Special obligation bonds	19,055,000	19,420,000			19,055,000	19,420,000	-1.88%	
Revenue bonds			1,785,000	1,895,000	1,785,000	1,895,000	-5.80%	
Other long-term liabilities	400,000	900,000			400,000	900,000	-55.56%	
Capital loans	0	81,332	5,974,923	5,402,616	5,974,923	5,483,948	8.95%	
Compensated absences	405,141	375,587	92,008	75,523	497,149	451,110	10.21%	
Capital leases	31,216	78,040	1,406,143	2,778,440	1,437,359	2,856,480	-49.68%	
Total	\$ 44,651,357	43,334,959	9,258,074	10,151,579	53,909,431	53,486,538	0.79%	
Additional information on the City's long-term debt can be found in the notes to the financial statements included in this report.								

CURRENT ISSUES

WATER SYSTEM: The 500,000-gallon water tank on Old Lakeland/ North Street will be complete and online in the Spring of 2021. The Cain Circle water tank will be rehabilitated, upgraded, and raised 40 feet before the end of fiscal year 2021. Plans are underway for the Puckett Street well near downtown to be upgraded in 2021. The City has secured property for an additional new water well in the northeast corner of the City to provide water to customers not previously served by the City. The City has submitted construction documents to MSDH for the rehabilitation of three older wells on the west side of the City. The City obtained a loan in the amount of \$4,739,350 for the purpose of funding the aforementioned projects.

SEWER SYSTEM: The City has been awarded a Community Development Block Grant in the amount of \$600,000 which will provide approximately 50% of the funding for a \$1.2 million project for the rehabilitation and replacement of sewer lines in the Appleridge/Orr Drive area.

DRUG SEIZURE FUNDS: The City purchased upgraded vehicles for the Police Department using drug seizure funds.

PARKS AND RECREATION: The City was awarded MPO Transportation Alternative funding for projects to include the Boyce Thompson Bike Lane Project, and three signalization projects to include Louis Wilson Drive and Highway 18, West Government Street and Highpointe Drive and the West Government Street and Eastgate Drive intersections. Bids for the Boyce Thompson Bike Lane were received at the end of June 2020 and this project is scheduled for completion June 2021. The Quarry Park Trails ribbon cutting ceremony was held in March 2021.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, creditors, and investors with a general overview of the City of Brandon's finances and to show the City's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Angela Bean, City Clerk at (601) 825-5021.

CITY OF BRANDON
STATEMENT OF NET POSITION
September 30, 2020

	Primary Government		
	Governmental Activities	Business-Type Activities	Totals
ASSETS			
Cash and cash equivalents	\$ 2,518,966	\$ 2,859,803	\$ 5,378,769
Receivables:			
Accounts receivable, net of allowance for uncollectible accounts	-	1,468,433	1,468,433
Ad valorem	285,975	-	285,975
Current sales tax	1,338,438	-	1,338,438
Franchise tax	196,467	-	196,467
Other receivables	40,642	-	40,642
Due from other governments	1,008,374	-	1,008,374
Inventory	-	192,786	192,786
Internal balances	14,998	(14,998)	-
Prepaid expenses	136,700	-	136,700
Restricted cash and cash equivalents	11,795,236	3,458,803	15,254,039
Capital assets, net	73,154,696	25,086,479	98,241,175
Total assets	90,490,492	33,051,306	123,541,798
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to bond refunding	409,651	-	409,651
Deferred outflows related to pensions	2,153,382	311,474	2,464,856
Total deferred inflows of resources	\$ 2,563,033	\$ 311,474	\$ 2,874,507

See accompanying notes to financial statements.

CITY OF BRANDON
STATEMENT OF NET POSITION
September 30, 2020

	Primary Government		
	Governmental Activities	Business-Type Activities	Totals
LIABILITIES			
Accounts payable	\$ 759,751	\$ 1,194,002	\$ 1,953,753
Accrued payroll liabilities	282,422	41,281	323,703
Deposits payable	-	819,810	819,810
Liabilities payable from restricted assets:			
Accounts payable	793,084	-	793,084
Accrued interest payable	320,711	-	320,711
Long-term liabilities, due within one year:			
Capital improvement loan	-	383,352	383,352
Obligation under capital lease	31,216	1,406,143	1,437,359
Bonds payable	1,675,000	110,000	1,785,000
Other long-term liabilities	400,000	-	400,000
Due in more than one year:			
Capital improvement loan	-	5,591,571	5,591,571
Bonds payable	44,276,566	1,675,000	45,951,566
Compensated absences	405,141	92,008	497,149
Net pension liability	15,110,120	2,163,771	17,273,891
Total liabilities	<u>64,054,011</u>	<u>13,476,938</u>	<u>77,530,949</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	7,258	(7,258)	-
Developer construction advances	31,509	-	31,509
Deferred inflows - unearned revenues	1,444,166	-	1,444,166
Total deferred inflows of resources	<u>1,482,933</u>	<u>(7,258)</u>	<u>1,475,675</u>
NET POSITION			
Net investment in capital assets	27,171,914	19,001,556	46,173,470
Restricted			
Debt service	2,131,485	-	2,131,485
Capital activities	3,304,270	2,638,993	5,943,263
Other	6,327,972	-	6,327,972
Unrestricted	<u>(11,419,060)</u>	<u>(1,747,449)</u>	<u>(13,166,509)</u>
Total net position	<u>\$ 27,516,581</u>	<u>\$ 19,893,100</u>	<u>\$ 47,409,681</u>

See accompanying notes to financial statements.

CITY OF BRANDON
STATEMENT OF ACTIVITIES
For the year ended September 30, 2020

Function / Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Totals
Primary Government							
Governmental activities							
General government	\$ 2,027,327	\$ 61,725	\$ -	\$ -	\$ (1,965,602)	\$ -	\$ (1,965,602)
Public safety	7,171,548	1,649,027	75,075	152,020	(5,295,426)	-	(5,295,426)
Public services	2,570,406	219,929	-	3,204,757	854,280	-	854,280
Culture and recreation	4,685,903	659,131	22,798	209,901	(3,794,073)	-	(3,794,073)
Debt service - interest and fiscal charges	1,388,704	-	-	-	(1,388,704)	-	(1,388,704)
Total governmental activities	<u>17,843,888</u>	<u>2,589,812</u>	<u>97,873</u>	<u>3,566,678</u>	<u>(11,589,525)</u>	<u>-</u>	<u>(11,589,525)</u>
Business-type activities							
Water and sewer	8,399,046	9,756,692	-	-	-	1,357,646	1,357,646
Sanitation	1,307,301	1,359,080	-	-	-	51,779	51,779
Total business-type activities	<u>9,706,347</u>	<u>11,115,772</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,409,425</u>	<u>1,409,425</u>
Total primary government	<u>\$ 27,550,235</u>	<u>\$ 13,705,584</u>	<u>\$ 97,873</u>	<u>\$ 3,566,678</u>	<u>(11,589,525)</u>	<u>1,409,425</u>	<u>(10,180,100)</u>
General revenues							
Taxes							
Sales and use taxes					7,529,139	-	7,529,139
Property taxes					7,575,593	-	7,575,593
Franchise fees					862,353	-	862,353
Other taxes and shared revenue					1,252,935	-	1,252,935
Investment income					158,091	93,836	251,927
Gain (loss) on sale of assets					10,955	9,435	20,390
Other					414,658	-	414,658
Total general revenues and other					<u>17,803,724</u>	<u>103,271</u>	<u>17,906,995</u>
Change in net position					6,214,199	1,512,696	7,726,895
Net Position, September 30, 2019					<u>21,302,382</u>	<u>18,380,404</u>	<u>39,682,786</u>
Net Position, September 30, 2020					<u>\$ 27,516,581</u>	<u>\$ 19,893,100</u>	<u>\$ 47,409,681</u>

See accompanying notes to financial statements.

**CITY OF BRANDON
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2020**

	General Fund	Debt Service Fund	Capital Projects Fund	Amphitheater Fund	Other Nonmajor Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 2,533,751	\$ 1,941,705	\$ 4,096,644	\$ 883,881	965,498	\$ 10,421,479
Receivables						
Ad valorem and road taxes	184,425	101,550	-	-	-	285,975
Current sales tax	1,338,438	-	-	-	-	1,338,438
Franchise tax	196,467	-	-	-	-	196,467
Other receivables	1,014,016	-	-	92,124	-	1,106,140
Restricted cash	3,892,723	-	-	-	-	3,892,723
Internal Balances - due from other funds	87,453	-	-	-	-	87,453
Total Assets	<u>9,247,273</u>	<u>2,043,255</u>	<u>4,096,644</u>	<u>976,005</u>	<u>965,498</u>	<u>17,328,675</u>
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable	720,570	710	792,374	-	96,305	1,609,959
Accrued wages payable	277,888	-	-	4,533	-	282,421
Internal Balances - due to other funds	72,455	-	-	-	-	72,455
Unearned revenues	-	-	-	1,444,166	-	1,444,166
Total Liabilities	<u>1,070,913</u>	<u>710</u>	<u>792,374</u>	<u>1,448,699</u>	<u>96,305</u>	<u>3,409,001</u>
Fund Balance						
Restricted	3,892,723	2,042,545	3,304,270	(472,694)	965,498	9,732,342
Committed	16,649	-	-	-	-	16,649
Assigned	37,397	-	-	-	-	37,397
Unassigned	4,229,591	-	-	-	(96,305)	4,133,286
Total Fund Balances	<u>8,176,360</u>	<u>2,042,545</u>	<u>3,304,270</u>	<u>(472,694)</u>	<u>869,193</u>	<u>13,919,674</u>
Total Liabilities and Fund Balances	<u>\$ 9,247,273</u>	<u>\$ 2,043,255</u>	<u>\$ 4,096,644</u>	<u>\$ 976,005</u>	<u>965,498</u>	<u>\$ 17,328,675</u>

See accompanying notes to financial statements.

CITY OF BRANDON
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
September 30, 2020

Total fund balances - governmental funds		\$	13,919,674
Total net position reported for governmental activities in the statement of net position is different because:			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds:			
Governmental capital assets	104,604,615		
Less accumulated depreciation	<u>(31,449,919)</u>		73,154,696
Certain items are not available to pay for current period expenditures and, therefore, are either deferred or not applicable to funds.			
Prepaid expenses			136,700
Deferred outflows and inflows related to pensions			2,146,124
Deferred outflows related to bond refunding			409,651
Certain items are not due and payable in the current period and, therefore, are either deferred or not reported in the governmental funds.			
Interest payable			(320,711)
Deferred inflows for developer construction advances			(31,509)
Long-term liabilities (including current portion due) are not due and payable in the current period and accordingly are not reported in the governmental funds.			
			<u>(61,898,044)</u>
Net position of governmental activities		\$	<u>27,516,581</u>

See accompanying notes to financial statements.

CITY OF BRANDON
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the year ended September 30, 2020

	General Fund	Debt Service Fund	Capital Projects Fund	Amphitheater Fund	Other Nonmajor Funds	Total Governmental Funds
Revenues						
Property tax	\$ 4,729,020	\$ 3,075,277	\$ -	\$ -	\$ -	\$ 7,804,297
Sales tax	6,089,017	-	-	-	-	6,089,017
Sales tax - restaurants & hotels	1,220,589	-	-	-	-	1,220,589
Franchise tax	862,353	-	-	-	-	862,353
Licenses and permits	248,271	-	-	-	-	248,271
State shared revenues	1,531,222	-	-	-	197,353	1,728,575
County shared revenues	3,061,384	-	-	-	147,552	3,208,936
Charges for services	340,280	-	-	352,233	-	692,513
Fines and forfeitures	422,716	-	-	-	1,226,311	1,649,027
Other revenues	419,194	29,017	9,735	117,615	3,804	579,365
Total Revenues	18,924,046	3,104,294	9,735	469,848	1,575,020	24,082,943
Expenditures						
Current (operating)						
General government	1,963,092	-	-	-	-	1,963,092
Public safety	6,571,068	-	-	-	318,533	6,889,601
Public services	1,714,326	-	-	-	-	1,714,326
Culture and recreation	1,549,242	-	-	1,162,995	-	2,712,237
Capital outlay	2,411,196	-	1,262,214	145,082	390,339	4,208,831
Debt service						
Principal	626,434	2,085,000	-	-	-	2,711,434
Interest and fiscal charges	14,550	1,521,484	103,688	-	-	1,639,722
Total Expenditures	14,849,908	3,606,484	1,365,902	1,308,077	708,872	21,839,243
Excess of revenues over (under) expenditures	4,074,138	(502,190)	(1,356,167)	(838,229)	866,148	2,243,700
Other financing sources and uses, including transfers						
Proceeds from debt issuance	-	-	4,000,000	-	-	4,000,000
Proceeds from sale of assets	14,954	-	-	-	-	14,954
Transfers in (out)	(1,257,455)	657,455	-	600,000	-	-
Total other financing sources and (uses)	(1,242,501)	657,455	4,000,000	600,000	-	4,014,954
Net change in fund balances	2,831,637	155,265	2,643,833	(238,229)	866,148	6,258,654
Fund Balances, September 30, 2019	5,344,723	1,887,280	660,437	(234,465)	3,045	7,661,020
Fund Balances, September 30, 2020	\$ 8,176,360	\$ 2,042,545	\$ 3,304,270	\$ (472,694)	\$ 869,193	\$ 13,919,674

See accompanying notes to financial statements.

CITY OF BRANDON
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES
GOVERNMENTAL FUNDS

For the year ended September 30, 2020

Net change in fund balances - governmental funds	\$	6,258,654
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Amounts reported for governmental activities in Statement of
Activities are different because:

Governmental funds report capital outlays as expenditures.

However, in the statement of activities, the cost of capital assets
is depreciated over their estimated useful lives. In the current
period, these amounts are:

Capital outlay	\$	3,919,411	
Depreciation expense		(3,314,634)	604,777

Some revenues and expenses reported in the statement of activities are
not available for spending or do not require the use of current
resources, and, therefore are not reported as revenues or
expenditures in the governmental funds.

Change in compensated absences	(29,554)
Pension expense for the current period	420,792
Interest expense	147,330
Prepaid expenses	136,700
Other revenues (expenses)	(37,656)

The issuance of long-term debt (e.g., bonds, leases) provides
current financial resources to governmental funds, while the
repayment of the principal of long-term debt consumes the
current financial resources of governmental funds. Neither
transaction, however, has any effect on net position. Also,
governmental funds report the effect of premiums, discounts,
and similar items when debt is first issued, whereas these
amounts are deferred and amortized in the statement of activities.

Debt issuance proceeds	(4,000,000)		
Retirement of debt		2,713,156	(1,286,844)

Change in net position - governmental funds	\$	6,214,199
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See accompanying notes to financial statements.

CITY OF BRANDON
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2020

	Business-Type Activities Enterprise Funds		
	Water & Sewer Fund	Sanitation Fund	Totals
ASSETS			
Current assets			
Cash and cash equivalents	\$ 2,591,410	\$ 268,393	\$ 2,859,803
Receivables			
Accounts receivable, net of allowance for uncollectible accounts	1,283,848	184,585	1,468,433
Inventory	192,786	-	192,786
Total current assets	4,068,044	452,978	4,521,022
Noncurrent assets			
Restricted cash	3,458,803	-	3,458,803
Capital assets, net	25,072,602	13,877	25,086,479
Total noncurrent assets	28,531,405	13,877	28,545,282
Total assets	32,599,449	466,855	33,066,304
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflow related to pensions	269,594	41,880	311,474
Total deferred outflows of resources	269,594	41,880	311,474
LIABILITIES			
Current liabilities			
Accounts payable	1,193,334	668	1,194,002
Accrued payroll liabilities	39,525	1,756	41,281
Internal Balances - due to other funds	14,998	-	14,998
Meter deposits payable	819,810	-	819,810
Current portion of capital improvement loan	383,352	-	383,352
Current portion of capital lease payable	1,406,143	-	1,406,143
Current portion of revenue bonds	110,000	-	110,000
Total current liabilities	3,967,162	2,424	3,969,586
Noncurrent liabilities			
Compensated absences	88,590	3,418	92,008
Net pension liability	1,896,975	266,796	2,163,771
Capital improvement loan	5,591,571	-	5,591,571
Revenue bonds	1,675,000	-	1,675,000
Total noncurrent liabilities	9,252,136	270,214	9,522,350
Total liabilities	13,219,298	272,638	13,491,936
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	(9,156)	1,898	(7,258)
Total deferred inflows of resources	(9,156)	1,898	(7,258)
NET POSITION			
Net investment in capital assets	18,987,679	13,877	19,001,556
Restricted	2,638,993	-	2,638,993
Unrestricted	(1,967,771)	220,322	(1,747,449)
Total net position	\$ 19,658,901	\$ 234,199	\$ 19,893,100

See accompanying notes to financial statements.

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

For the year ended September 30, 2020

	Business-Type Activities Enterprise Funds		
	Water & Sewer Fund	Sanitation Fund	Totals
Operating Revenues			
Charges for services	\$ 9,756,692	\$ 1,359,080	\$ 11,115,772
Total operating revenues	9,756,692	1,359,080	11,115,772
Operating Expenses			
Personnel services	1,323,312	61,657	1,384,969
Supplies, services and other charges	5,371,876	1,236,499	6,608,375
Depreciation and amortization	1,488,700	9,145	1,497,845
Total operating expenses	8,183,888	1,307,301	9,491,189
Operating income (loss)	1,572,804	51,779	1,624,583
Nonoperating revenues (expenses)			
Interest income	91,736	2,100	93,836
Gain on sale of assets	7,955	1,480	9,435
Interest expense and bond fees	(215,158)	-	(215,158)
Total nonoperating revenues (expenses)	(115,467)	3,580	(111,887)
Change in net position	1,457,337	55,359	1,512,696
Net Position, September 30, 2019	18,201,564	178,840	18,380,404
Net Position, September 30, 2020	\$ 19,658,901	\$ 234,199	\$ 19,893,100

See accompanying notes to financial statements.

CITY OF BRANDON
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the year ended September 30, 2020

	Business-Type Activities Enterprise Funds		
	Water & Sewer Fund	Sanitation Fund	Totals
Cash flows from operating activities			
Cash received from customers	\$ 9,737,669	\$ 1,344,893	\$ 11,082,562
Cash payments for goods and services	(5,331,048)	(1,238,083)	(6,569,131)
Cash payments for personnel services	(1,393,463)	(64,198)	(1,457,661)
Net cash provided by operating activities	<u>3,013,158</u>	<u>42,612</u>	<u>3,055,770</u>
Cash flows from non-capital financing activities			
Receipts from other funds on internal balances	(72,337)	-	(72,337)
Net cash provided (used) by non-capital financing activities	<u>(72,337)</u>	<u>-</u>	<u>(72,337)</u>
Cash flows from capital and related financing activities			
Proceeds from capital loan and leases	992,659	-	992,659
Principal paid on notes payable and capital leases	(1,855,754)	-	(1,855,754)
Interest paid on notes and capital leases	(215,158)	-	(215,158)
Acquisition and construction of capital assets	(4,664,932)	-	(4,664,932)
Proceeds from sale of capital assets	-	1,480	1,480
Net cash used for capital and related financing activities	<u>(5,743,185)</u>	<u>1,480</u>	<u>(5,741,705)</u>
Cash flows from investing activities			
Interest on investments	91,736	2,103	93,839
Net cash provided (used) by investing activities	<u>91,736</u>	<u>2,103</u>	<u>93,839</u>
Net increase (decrease) in cash and cash equivalents	(2,710,628)	46,195	(2,664,433)
Cash and cash equivalents, October 1, 2019	<u>8,760,841</u>	<u>222,198</u>	<u>8,983,039</u>
Cash and cash equivalents, September 30, 2020	<u>\$ 6,050,213</u>	<u>\$ 268,393</u>	<u>\$ 6,318,606</u>
Cash and cash equivalents consists of the following statement of net position amounts			
Cash and cash equivalents	\$ 2,591,410	\$ 268,393	\$ 2,859,803
Restricted cash	<u>3,458,803</u>	<u>-</u>	<u>3,458,803</u>
Total cash and cash equivalents	<u>\$ 6,050,213</u>	<u>\$ 268,393</u>	<u>\$ 6,318,606</u>

See accompanying notes to financial statements.

CITY OF BRANDON
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the year ended September 30, 2020

	Business-Type Activities Enterprise Funds		
	Water & Sewer Fund	Sanitation Fund	Totals
Reconciliation of operating income to net cash provided by operating activities			
Operating income (loss)	\$ 1,572,804	\$ 51,779	\$ 1,624,583
Adjustments to reconcile operating income (loss) to net cash provided by operating activities			
Depreciation	1,488,700	9,145	1,497,845
Changes in assets and liabilities			
(Increase) decrease in accounts receivable, net	(39,972)	(14,187)	(54,159)
(Increase) deferred outflow of resources	82,123	2,959	85,082
Increase (decrease) in accounts payable	40,828	(1,584)	39,244
Increase (decrease) in customer meter deposits	20,949	-	20,949
Increase (decrease) in payroll liabilities	17,714	(721)	16,993
Increase (decrease) in compensated absences	15,943	542	16,485
Increase (decrease) in pension liability	(118,376)	(4,266)	(122,642)
Increase (decrease) in deferred inflows of resources	(67,555)	(1,054)	(68,609)
Net cash provided (used) by operating activities	\$ 3,013,158	\$ 42,612	\$ 3,055,770

See accompanying notes to financial statements.

CITY OF BRANDON
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2020

(1) Reporting Entity and Summary of Significant Accounting Policies

Reporting Entity

The City of Brandon was incorporated on December 19, 1831. The city operates under a mayor-board of aldermen form of government (also known as "code charter form") that provides all of the rights and privileges provided by statute for municipalities. The accounting policies of the City of Brandon conform to generally accepted accounting principles as applicable to governments.

Some organizations are included as component units because of their fiscal dependency on the primary government. An organization is fiscally dependent on the primary government if it is unable to adopt its own budget, levy taxes or set rates or charges, or issue bonded debt without approval by the primary government.

Based on the application of the criteria above, no component units of the City of Brandon were identified.

Financial Statement Presentation

The basic financial statements are prepared in conformity with GAAP, which requires the government-wide financial statements to be prepared using the accrual basis of accounting and the economic resources measurement focus. Government-wide financial statements do not provide information by fund, but distinguish between the City's governmental activities and business-type activities on the statement of net position and statement of activities. The City's statement of net position includes both noncurrent assets and noncurrent liabilities of the City. In addition, the government-wide statement of activities reflects depreciation expense on the City's capital assets, including infrastructure.

In addition to the government-wide financial statements, the City has prepared fund financial statements, which use the modified accrual basis of accounting and the current financial resources measurement focus for the governmental funds. The accrual basis of accounting is utilized by proprietary fund types. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

The Management's Discussion and Analysis provides an analytical overview of the City's financial activities. In addition, a budgetary comparison schedule is presented that compares the original adopted and final amended General Fund budget with actual results.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the primary government. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which primarily rely on fees and charges for services.

The statement of net position is designed to display the financial position of the primary government (governmental and business-type activities) and its component units. Governments will report all capital assets, including infrastructure, in the government-wide statement of net position and will report depreciation expense in the statement of activities.

The government-wide statement of activities reports expenses and revenues in a format that focuses on the cost of each of the government's functions. Direct expenses are those that are clearly identifiable with a specific activity or program. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given activity

CITY OF BRANDON
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2020

or program, and (2) grants and contributions restricted to meeting the operational or capital requirements of a particular activity or program. Taxes and other items not properly included among program revenues are reported as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Fund financial statements display the financial transactions and accounts of the City based on funds. The operation of each fund is considered to be an independent accounting entity. The fund financial statements also include a reconciliation to the government-wide statement.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The accounting and financial treatment applied to a fund is determined by its measurement focus. The government-wide financial statements, proprietary fund financial statements, and the fiduciary fund financial statements are all reported using the *economic resources measurement focus* and the accrual basis of accounting. Under this focus and basis, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of when the cash is received or expended.

Property tax, sales tax, franchise tax, intergovernmental revenue, and investment earnings are considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available when cash is received.

All governmental funds are accounted for using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized as soon as they are both measurable and available. The City considers revenues to be available if they are collected within 60 days of the end of the current fiscal year; taxpayer assessed income and sales taxes are considered "measurable" when received by intermediary collecting governments and are recognized as revenue at that time. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, if measurable, except for principal and interest payments on general long-term debt, which are recognized when due.

Major Governmental Funds

The General 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.

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

The Capital Projects Fund accounts for financial resources to be used for the acquisition of major capital facilities (other than those financed by proprietary funds).

The Amphitheater Fund is a special revenue fund which is used to account for revenues generated from and expenditures related to the operation of the Amphitheater.

Non-Major Governmental Fund Types

In addition to the major funds listed above, the City reports on the non-major governmental funds:

The Drug Seizure Fund is a special revenue fund which is used to account for revenues generated from sources such as grants, contributions and drug forfeitures. This fund expends those revenues for drug trafficking prevention.

CITY OF BRANDON
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2020

Major Proprietary Fund

The Water and Sewer Fund and the Sanitation Fund are used to account for the operations of the City's water and wastewater systems and waste disposal respectively, (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Proprietary funds distinguish operating revenues and expenses from nonoperating 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 of the Water and Sewer Fund and the Sanitation Fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Fund Balance

Governmental fund balance is reported in five separate categories: Nonspendable, restricted, committed, assigned, and unassigned. When both restricted and unrestricted fund balance is available for use, it is the City's policy to use restricted fund balance first. When expenditures qualify for more than one unrestricted fund balance classification, it is the City's policy to use resources in the following order: Committed, assigned, and then unassigned.

Nonspendable fund balance - amounts that are not in nonspendable form (such as inventory) or are required to be maintained intact.

Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

Committed fund balance - amounts constrained to specific purposes by the City itself, using its highest level of decision-making authority, the Board of Alderman. To be reported as committed, amounts cannot be used for any other purpose unless the City takes the same highest level action to remove or change the constraint.

Assigned fund balance - amounts the City intends to use for a specific purpose. Intent can be expressed by the Board of Alderman or by an official to which the Board delegates.

Unassigned fund balance - amounts that are available for any purpose.

Cash and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

For purposes of the Statement of Cash Flows, the Proprietary Funds consider all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

CITY OF BRANDON
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2020

Receivables and Payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Interfund loans or transactions between funds that are representative of lending/borrowing arrangements are reported as “advances from and to other funds.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances”.

Interfund receivables and payables between funds are eliminated in the government-wide financial statements on the Statement of Net Position.

Receivables are shown net of an allowance for doubtful accounts. The allowance for doubtful accounts is estimated based on professional judgment and historical information.

Property Tax

As of January 1 of each calendar year, property taxes attach as an enforceable lien on property. Taxes are levied as of January 1 and are payable on or before February 1. All property taxes are collected and remitted to the city by the county tax collector. The millage rate for the city for January through December 31, 2020, was 33 mills. Of that amount, 20 mills were for general fund and 13 mills for the debt service fund. The taxes were distributed to funds in accordance with prescribed tax levies. Remaining uncollected taxes were not accrued. An annual tax sale is held for uncollected taxes.

Inventory

No inventories are maintained in the General Fund. Supplies are recorded as expenditures when purchased. Inventories in the Proprietary Fund consist of supplies, which are recorded at cost (calculated on the first-in, first-out basis).

Restricted Assets

Certain resources of the City are classified as restricted assets on the balance sheet. These funds are maintained in separate accounts and their use is limited by applicable law, bond covenants or agreement.

Capital Assets

Capital assets purchased or acquired are carried at historical cost or estimated historical cost. Contributed assets are recorded at fair market value as of the date received. The City defines capital assets as assets with an estimated useful life in excess of two years and an initial cost of more than \$5,000. The cost of normal maintenance and repairs that do not add value to the asset or materially extend asset lives are not capitalized.

Capital assets are depreciated using the straight line method over the following useful lives:

Buildings	40 years
Building improvements	10-40 years
Computer Equipment and Peripherals	3 years
Heavy Equipment	10 years
Furniture and Fixtures	7 years
Improvements other than Buildings	10-20 years
Infrastructure	20-50 years
Vehicles and Equipment	5 years

CITY OF BRANDON
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2020

Compensated Absences

The City records the vested portion of accumulated unused compensated absences at year-end based on each employee's accumulated unused hours and rate of pay. All compensated absences are accrued when incurred in the governmental-wide and proprietary fund financial statements. Compensated absences expected to be liquidated with expendable available financial resources are reported as expenditures and fund liabilities of the governmental fund that will make the payments.

Deferred Outflows and Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time.

Long-term Debt

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

Bond Discounts, Premiums and Issuance Costs

In the fund financial statements, bond premiums, discounts and issuance costs are recognized as revenues/expenditures in the period incurred. In the government-wide financial statements, bond premiums and discounts are deferred and amortized over the term of the bonds payable using the straight-line method. Bond premiums and discounts are presented as additions/reductions to the face amount of the bonds payable. Bond issuance costs are recognized as an expense in the period incurred.

Pensions

Financial reporting information pertaining to the City's participation in the Public Employees' Retirement System of Mississippi ("PERS") is prepared in accordance with Governmental Accounting Standards Board ("GASB") Statement No. 68, Accounting and Financial Reporting for Pensions, as amended by GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date.

The fiduciary net position, as well as additions to and deductions from the fiduciary net position, of PERS have been determined on the same basis as they are reported by PERS. The financial statements were prepared using the accrual basis of accounting. Member and employer contributions are recognized when due, pursuant to formal commitments and statutory requirements. Benefits and refunds of employee contributions are recognized when due and payable in accordance with the statutes governing PERS. Expenses are recognized when the liability is incurred, regardless of when payment is made. Investments are reported at fair value on a trade date basis. The fiduciary net position is reflected in the measurement of the City's net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense.

CITY OF BRANDON
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2020

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Comparative Data

Comparative total data for the prior year have been presented in the supplemental comparison schedules in order to provide an understanding of changes in the respective funds' financial position and operations. However, comparative data have not been presented in all statements because their inclusion would make statements unduly complex and difficult to understand.

Reclassifications

Certain amounts have been reclassified in the comparison schedules of revenues, expenditures, and changes in fund balance for comparative purposes to conform with the presentation in the current-year financial statements.

(2) Budget and Budgetary Accounting

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

- Prior to September 1, the Mayor submits to the Board of Aldermen a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
- During September, the budget must be published in a newspaper published in the city (or the county if none is published by the city).
- Prior to the adoption of the budget, at least one public hearing is held by the Board of Aldermen to provide the general public with an opportunity to comment on the taxing and spending plan incorporated in the proposed budget. The public hearing must be held at least one week prior to the adoption of the budget with advance notice and held outside normal working hours.
- Prior to September 15, the budget is legally enacted through passage of an ordinance.
- Routine budget revisions may be made by the Board as often as necessary. However, when a department's total budget has been revised up or down by ten percent (10%) or more, public notice must be given of the change. Also, during the first three months of office, while operating under the prior Board's budget, the new Board is limited to one revision if a deficit is evident.
- It is the City's policy for the Board to approve all budget transfers between departments and/or funds.
- Formal budgetary integration is employed as a management control device during the year for the various funds. Budgeting data presented is as originally adopted or amended by the Board of Aldermen.
- Budgets for the various funds are not adopted on a basis consistent with generally accepted accounting principles (GAAP) but rather on a modified cash basis as required by State statutes.

CITY OF BRANDON
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2020

(3) Deposits and Investments

Mississippi Code Section 21-33-323 allows municipalities to maintain deposits in banks and savings and loan associations insured by the Federal Deposit Insurance Corporation. Municipalities may also invest in obligations of the United States of America or the State of Mississippi, or of any county, school district or municipal bonds that have been approved by a reputable bond attorney or have been validated by decree of the chancery court, or in obligations issued or guaranteed in full as to principal and interest by the United States of America which are subject to a repurchase agreement with a qualified depository.

Custodial Credit Risk

State statute requires that all deposits in financial institutions be collateralized in an amount at least equal to 105% of the amount not insured by the Federal Deposit Insurance Corporation (FDIC). The City participates in the State Treasurer's collateral pool. The City's deposits were fully insured or collateralized with securities held by this pool at September 30, 2020.

At September 30, 2020, the carrying amount of the City's deposits was \$20,632,809 and the bank balance was \$21,034,698.

(4) Receivables

Receivables of the proprietary funds are recorded net of uncollectible amounts.

Allowances for doubtful accounts are as follows:

Allowances related to Water and Sewer Fund receivables	\$ 624,478
Allowances related to Sanitation Fund receivables	67,500
Total	<u>\$ 691,978</u>

(5) Interfund Advances and Transfers

1. Individual fund interfund receivable and payable balances at September 30, 2020 were:

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
General Fund	Water & Sewer Fund	\$ 14,998
Net Internal Balances		<u>\$ 14,998</u>

Due from and due to balances result from interfund loans and are recorded as current assets and liabilities in the financial statements. The difference between the fund statement balances for due from/due to balances and the internal balances on the government-wide statements consolidates the amount due from the Sanitation Fund to the General Fund with the amount due from the General Fund to the Water and Sewer Fund.

2. Interfund transfers between the Capital Projects Fund, the Water and Sewer Fund and the Sanitation Fund reflect the transfer of assets and accumulated depreciation between the funds. Interfund transfers from the General Fund to the Debt Service Fund were made for the payment of debt service.

CITY OF BRANDON
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2020

(6) Capital Assets

A summary of changes in Capital Assets at September 30, 2020 follows:

	Balance 09/30/19	Increases	Decreases	CIP Completed	Balance 09/30/20
Governmental Activities					
Non-depreciable					
Land	\$ 3,073,607	\$ -	\$ -	\$ -	3,073,607
Construction in progress	5,012,248	3,158,047	-	(3,518,562)	4,651,733
Total	8,085,855	3,158,047	-	(3,518,562)	7,725,340
Depreciable					
Buildings	40,447,118	249,950	-	-	40,697,068
Improvement other than bldg.	42,411,742	-	-	3,518,562	45,930,304
Machinery, equip. & vehicles	10,051,114	511,414	(310,625)	-	10,251,903
Total	92,909,974	761,364	(310,625)	3,518,562	96,879,275
Less accum. depreciation					
Buildings	5,586,929	1,083,758	-	-	6,670,687
Improvement other than bldg.	15,858,166	1,608,849	-	-	17,467,015
Machinery, equip. & vehicles	6,970,107	622,027	(279,917)	-	7,312,217
Total	28,415,202	3,314,634	(279,917)	-	31,449,919
Governmental Activities, net	\$ 72,580,627	\$ 604,777	\$ (30,708)	\$ -	\$ 73,154,696

Depreciation expense was charged to governmental functions as follows:

General government	\$ 120,015
Public safety	399,723
Public service	839,082
Culture and recreation	1,955,814
	<u>\$ 3,314,634</u>

Business-type Activities

Non-depreciable					
Land	\$ 130,377	\$ -	\$ -	\$ -	130,377
Construction in progress	3,731,083	4,339,525	-	(87,123)	7,983,485
Total	3,861,460	4,339,525	-	(87,123)	8,113,862
Depreciable					
Buildings	1,022,391	-	-	87,123	1,109,514
Improvement other than bldg.	39,583,320	-	-	-	39,583,320
Machinery, equip. & vehicles	2,396,051	325,407	(90,875)	-	2,630,583
Total	43,001,762	325,407	(90,875)	87,123	43,323,417
Less accum. depreciation					
Buildings	418,780	19,064	-	-	437,844
Improvement other than bldg.	22,780,092	1,319,258	-	-	24,099,350
Machinery, equip. & vehicles	1,744,957	159,524	(90,875)	-	1,813,606
Total	24,943,829	1,497,846	(90,875)	-	26,350,800
Business-type Activities, net	\$ 21,919,393	\$ 3,167,086	\$ -	\$ -	\$ 25,086,479

CITY OF BRANDON
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2020

Obligations under capital lease

The City has entered into the following lease agreements as of September 30, 2020, which qualify as capital leases for accounting purposes:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Lease dated November 20, 2017, with PNC Equipment Finance for the acquisition of equipment in the amount of \$140,472 payable in 36 monthly payments of \$3,902.	31,216	-
Lease dated August 21, 2018, with BancLeasing, LLC for the acquisition of water meters in the amount of \$4,117,167 at 2.43% payable in 36 monthly payments of \$118,563.	-	1,406,143
Total obligations under capital leases	\$ 31,216	\$ 1,406,143

As of September 30, 2020, the City had future minimum payments under capital leases as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
September 30:		
2021	\$ 31,216	\$ 1,406,143
2022	-	-
2023	-	-
2024	-	-
2025	-	-
Total	31,216	1,406,143
Less amount representing interest	85	16,031
Present value of future minimum lease payments	\$ 31,131	\$ 1,390,112
Cost of equipment	\$ 140,472	\$ 3,659,514
Accumulated depreciation	\$ 81,942	-

CITY OF BRANDON
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2020

(7) Long-Term Debt

Transactions for the fiscal year ended September 30, 2020, are summarized as follows:

	Balance 09/30/19	Additions	Payments	Balance 09/30/20
Governmental Activities				
Capital improvement loans	\$ 81,332	\$ -	\$ 81,332	\$ -
General obligation bonds	22,480,000	4,000,000	1,720,000	24,760,000
Special obligation bonds	19,420,000	-	365,000	19,055,000
Other long-term liabilities	900,000	-	500,000	400,000
Obligations under capital lease	78,040	-	46,824	31,216
Compensated absences	375,587	-	(29,554)	405,141
Total governmental activities	43,334,959	4,000,000	2,683,602	44,651,357
Business-type Activities				
Capital improvement loans	5,402,616	945,764	373,457	5,974,923
Obligations under capital lease	2,778,440	-	1,372,297	1,406,143
Revenue bonds	1,895,000	-	110,000	1,785,000
Compensated absences	75,523	-	(16,485)	92,008
Total business-type activities	10,151,579	945,764	1,839,269	9,258,074
Total government-wide	\$ 53,486,538	\$ 4,945,764	\$ 4,522,871	\$ 53,909,431

For governmental activities, compensated absences and capital loans and leases payable are liquidated by the general fund. Bonds are liquidated by the debt service fund.

The annual requirements to amortize loans and bonds outstanding as of September 30, 2020, including interest payments are as follows:

Year Ended 30-Sep	Governmental Activities		Business-type Activities		Total
	Principal	Interest	Principal	Interest	
2021	\$ 2,854,944	\$ 1,367,482	\$ 493,205	\$ 150,150	\$ 4,865,781
2022	1,928,657	1,348,440	1,453,345	138,667	4,869,109
2023	2,199,349	1,304,709	522,132	126,855	4,153,045
2024	2,361,965	1,251,950	536,953	114,706	4,265,574
2025	2,831,388	1,192,350	552,021	102,150	4,677,909
2026-2030	7,803,496	4,859,433	2,366,100	323,573	15,352,602
2031-2035	11,723,927	2,961,101	1,387,903	109,297	16,182,228
2036-2040	6,311,274	1,522,415	448,264	12,628	8,294,581
2041-2045	4,150,000	762,603	-	-	4,912,603
2046-2047	2,050,000	42,201	-	-	2,092,201
Total	\$ 44,215,000	\$ 16,612,683	\$ 7,759,923	\$ 1,078,026	\$ 69,665,632

CITY OF BRANDON
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2020

Capital Improvement Loans

Capital improvement loans are funds provided to municipalities from state agencies for the improvement of public facilities and infrastructure to assist with business locations and expansions with community-based projects.

<u>Description</u>	<u>Governmental Activities</u>	<u>Business- type</u>
\$1,200,551 Water Pollution Control Revolving Loan for pollution control improvements through the Mississippi Department of Environmental Quality. Monthly payments of \$6,466 for a period of 235 months through 08/01/27. Interest is 2.5% APR.	\$ -	\$ 492,383
\$3,014,742 Water Pollution Control Revolving Loan for pollution control improvements through the Mississippi Department of Environmental Quality. Monthly payments of \$17,660 for a period of 236 months through 10/01/28. Interest is 2.75% APR.	-	1,464,642
\$800,000 Capital Improvement Revolving Loan for water and sewer improvements through the Mississippi Department of Economic and Community Development. Payments are \$4,047 monthly for 20 years through 11/1/2033. Interest is 2% APR.	-	554,138
\$500,000 Water Pollution Control Revolving Loan for pollution control improvements through the Mississippi Department of Environmental Quality. Monthly payments of \$2,773 for a period of 240 months through 04/01/37. Interest is 3% APR.	-	434,759
\$1,425,843 Water Pollution Control Revolving Loan for pollution control improvements through the Mississippi Department of Environmental Quality. Monthly payments of \$6,280 for a period of 234 months through 09/01/38. Interest is 1.75% APR.	-	1,162,829
\$990,384 Drinking Water State Revolving Loan for drinking water improvements through the Mississippi State Department of Health. Monthly payments of \$5,056 for a period of 236 months through 09/01/38. Interest is 1.95% APR.	-	920,379
\$5,213,285 Drinking Water State Revolving Loan for drinking water improvements through the Mississippi State Department of Health. Monthly payments of \$5,505 for a period of 237 months through 03/01/32. Interest is 1.95% APR.	-	945,794
Total Capital Improvement Loans	\$ -	\$ 5,974,924

CITY OF BRANDON
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2020

General Obligation Bonds

General obligation bonds are directed unlimited obligations issued on a pledge of the general taxing power for the payment of the debt obligations of the City.

Special Obligation Bonds

Special obligation bonds issued under Mississippi Code Section 31-25-28, the Mississippi Development Bank Act (Bank Act) do not constitute a general obligation of the City. Neither the full faith and credit nor the taxing power of the City has been pledged for the repayment of these bonds. Payments are to be paid from the City revenues. In addition, the Bank Act provides for the intercept of monies owed to the City and held by the Mississippi Department of Revenue or other agencies of the State if the City is deficient in its payments due under the note.

Bonds payable at September 30, 2020, are comprised of the following:

<u>General Obligation Bonds</u>	<u>Governmental Activities</u>	<u>Business- type</u>
\$2,535,000 2009 Refunding Bonds due in annual installments ranging from \$5,000 to \$360,000 for 12 years through April 2021, bearing interest of 2.875%.	\$ 360,000	\$ -
\$2,790,000 2013 Refunding Bonds due in annual installments ranging from \$40,000 to \$420,000 for 8 years through September 2021, bearing interest of 2.36%.	420,000	-
\$2,355,000 2015 Refunding Bonds due in annual installments ranging from \$20,000 to \$760,000 for 9 years through September 2024, with interest ranging from 2.0% to 3.0%.	1,445,000	-
\$13,680,000 2014 Public Improvement Bonds due in annual installments ranging from \$270,000 to \$1,130,000 for 18 years through November 2034, with interest ranging from 2.0% to 5.0%.	12,535,000	-
\$6,000,000 2016 Special Obligation Bonds, Series A (General Obligation Bond), due in annual installments ranging from \$0 to \$900,000 for 15 years through 2031, with interest ranging from 3.0% to 4.0%.	6,000,000	-
\$4,000,000 2020 General Obligation Bonds due in annual installments ranging from \$750,000 to \$850,000 for five years through 2025, with interest ranging from 1.10% to 1.25%.	4,000,000	-
Total General Obligation Bonds	<u>24,760,000</u>	<u>-</u>

CITY OF BRANDON
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2020

\$14,000,000 2016 Special Obligation Bonds, Series B, due in annual installments ranging from \$130,000 to \$6,200,000 for 30 years through 2046, with interest ranging from 3.0% to 4.0%.	13,510,000	-
\$2,000,000 Water and Sewer Revenue Bonds Sr.2017, due in semi-annual installments ranging from \$105,000 to \$170,000 for 15 years through 2033, with interest ranging from 1.9% to 2.7%.	-	1,785,000
\$6,000,000 2018 Special Obligation Bonds due in annual installments ranging from \$225,000 to \$400,000 for 20 years through 2038, with interest ranging from 2% to 4%.	5,545,000	-
Total Special Obligation Bonds	19,055,000	1,785,000
Total before premiums/(discounts), net	43,815,000	1,785,000
Premiums/(discounts), net	2,136,566	-
Total Bonds Payable	\$ 45,951,566	\$ 1,785,000

Other Long-term Liabilities

The City periodically obtains notes payable to finance the purchase of capital items.

Other Long-term Liabilities payable at September 30, 2020, are comprised of the following:

<u>Other Long-Term Liabilities</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>
\$2,000,000 General Obligation Note Payable to Community Bank for the construction of roads due in 5 annual installments of \$400,000 through June 2020, with an interest rate of 1.739%.	\$ 400,000	\$ -
Total Long-Term Liabilities	\$ 400,000	\$ -

Limitation of Indebtedness

Mississippi Code Section 21-33-303 prohibits any municipality from issuing bonds secured by a pledge of its full faith and credit for the purposes authorized by law in an amount which, when added to the then outstanding bonded indebtedness of such municipality shall exceed fifteen percent (15%) of the assessed value of the taxable property within such municipality, according to the last completed assessment for taxation.

In computing such indebtedness, there may be deducted all bonds or other evidence of indebtedness, heretofore or hereafter issued, for school, water, sewer 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 the municipality's proportion of any betterment program, a portion of which is primarily chargeable to the property benefited. However, in no case shall any municipality contract any indebtedness which, when added to all of the outstanding general obligation indebtedness, both bonded and floating, shall exceed twenty percent (20%) of the assessed value of all taxable property within such municipality according to the last completed assessment for taxation.

Any loan made pursuant to the provisions of Mississippi Code Section 31-25-28 shall not constitute an indebtedness of the local governmental unit within the meaning of any constitutional or statutory limitation or restriction.

CITY OF BRANDON
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2020

The following is a schedule of limitations on the indebtedness of the City as of September 30, 2020:

Authorized Debt Limit:	15 Percent	20 Percent
Assessed valuation for the fiscal year ended September 30, 2020 - \$ 251,211,147	\$ 37,681,672	\$ 50,242,229
Total long-term debt - governmental activities	44,651,357	44,651,357
Less amounts not subject to statutory limitation	(19,891,357)	(19,460,141)
Present debt subject to debt limitation	24,760,000	25,191,216
Margin for further general indebtedness	\$ 12,921,672	\$ 25,051,013

(8) Fund Balances and Restricted Net Position

In 2013, legislation was passed providing for a 2% sales tax of restaurant and bar food and beverage sales to be used by the City to fund the promotion of tourism, parks and recreation, which is set to be repealed after July 1, 2027. At September 30, 2020, the government-wide statement of net position reports \$6,327,972 of restricted net position, of which \$1,871,832 is restricted by this enabling legislation.

(9) Defined Benefit Pension Plan

Plan Description

The City contributes to the Public Employees' Retirement System of Mississippi ("PERS"). 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 PERS, and elected members of the State Legislature and the President of the Senate. PERS administers a cost-sharing, multiple-employer defined benefit pension plan as defined in Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans*.

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 2.00% 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 2.50% 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. 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.

CITY OF BRANDON
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2020

Contributions

The contributions 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% of their annual covered compensation and employers are required to contribute at an actuarially determined rate. The contributions are deducted from the employee's wages or salary and remitted by the City to PERS. The employer's contractually required contribution rate for the year ended September 30, 2020 was 17.4% of annual covered payroll, and when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City's contributions to PERS for the years ended September 30, 2020, 2019, and 2018 was \$1,250,773, \$1,110,145, and \$1,058,605, respectively, which was 100% of the required contribution for each year.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At September 30, 2020, the City reported a liability of \$17,273,891 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2020, the City's proportion was 0.089230 percent, which was a decrease of .013982 percent from its proportion measured as of June 30, 2019.

Changes in net pension liability are recognized in pension expense with the following exceptions:

Differences Between Expected and Actual Experience.

Differences between actual and expected experience with regard to economic or demographic factors were recognized in pension expense using a straight-line amortization method over the average of the expected remaining service lives of active and inactive members. For 2020, this was 3.66 years, which was an decrease of .10 years from the prior year average of 3.76.

Changes in Assumptions.

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%.

CITY OF BRANDON
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2020

2016

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

2015

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

Changes in 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.

For the year ended September 30, 2020, the City recognized pension expense of \$762,122, which included net amortization of deferred outflows and deferred inflows. Of this amount, \$656,286 was allocated to governmental activities and \$105,836 was allocated to business-type activities.

At September 30, 2020, the City reported \$2,464,856 in deferred outflows of resources and no deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 154,826	\$ -
Net difference between projected and actual earnings on pension plan investments	709,545	-
Change of assumptions	96,629	-
City contributions subsequent to the measurement date	343,308	-
Differences between City contributions and proportionate share of contributions	1,160,548	-
Total	\$ <u>2,464,856</u>	\$ <u>-</u>

The \$343,308 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, 2020. Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense in future years.

CITY OF BRANDON
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2020

Actuarial Assumptions

The total pension liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary increases	3.75-19% average, including inflation
Investment rate of return	7.75% net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2014 Healthy Annuitant Blue Collar Table projected with Scale BB to 2022, with male's rates set forward one year.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2012–June 30, 2016. The experience report is dated April 18, 2017.

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 target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2020 are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
U.S. Broad	27%	4.90%
International equity	22%	4.75%
Global	12%	5.00%
Fixed Income	20%	0.50%
Real Estate	10%	4.00%
Private equity	8%	6.25%
Cash	1%	0.00%
Total	100%	

Discount Rate

The discount rate used to measure the total pension liability was 7.75%. 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%) and that employer contributions will be made at the current employer contribution rate (17.4%). 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 BRANDON
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2020

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following table presents the net pension liability of the cost-sharing plan, calculated using the discount rate of 7.75%, as well as what the plan's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75%) or 1-percentage-point higher (8.75%) than the current rate:

	Discount Rate		
	1% Decrease	Current	1% Increase
	6.75 %	7.75 %	8.75 %
City's proportional share of the net pension liability	\$ 25,057,637	\$ 19,358,838	\$ 14,655,039

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 financial report. That information may be obtained by going to the PERS website, 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.

(10) Commitments and contingencies

Operating Leases

The City has entered into several operating lease agreements in the conduct of its day-to-day operations to provide for facilities and/or services. None of these operating leases are considered to be significant commitments. The City has also entered into 3 Sixteenth Section land leases with the Rankin County School District as detailed below:

1. Old Brandon Memorial Cemetery – 40 years at \$1,000 per year due each January through 2034.
2. Water tower on Highway 471 – 7 years at \$2,000 per year due each July.
3. Lights of Liberty Cemetery – 25 years at \$200 per year due each July through 2040.

Contingent Liabilities

The City participates in a number of federally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. Accordingly, the City's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

Various claims and lawsuits are pending against the City. In the opinion of City management, after consultation with legal counsel, there are no material unfavorable dispositions anticipated against the City.

CITY OF BRANDON
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2020

Construction and Other Significant Commitments

The remaining payments of construction contracts relating to construction or major repairs in progress aggregated approximately \$7,524,805. These contracts will be paid in future periods as work is performed. Payment will be made with proceeds remaining from past bond issues, operating revenues, Federal grants and restaurant sales tax receipts to be received.

The City has executed Development and Reimbursement Agreements with developers related to future Tax Increment Financing (TIF) for the ongoing Crossgates Crossing and Grants Ferry Parkway projects. The amount the financed will be determined when the projects are completed. The TIF debt will be paid from future revenues generated in the respective project areas. Crossgates Crossing TIF debt will be paid from future ad valorem receipts. Grants Ferry Parkway TIF debt will be paid with a combination of future ad valorem revenue and sales tax revenue (50%).

The City has approved tax abatements for which the amounts have not yet been established. The abatement of property taxes will be determined based on the difference in unimproved and improved property values upon completion of ongoing construction projects in the Downtown Historic District.

(11) Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Except as described below, the City carries commercial insurance for these risks. Settled claims resulting from these insured risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Participation in Public Entity Risk Pool

The City is a member of the Mississippi Municipal Workers' Compensation Group (MMWCG) and the Mississippi Municipal Liability Plan (MMLP), both of which are administered by Municipal Services, Inc. Both groups are risk-sharing pools; such a pool is frequently referred to as a self-insurance pool.

MMWCG covers risks of loss arising from injuries to the city's employees. The Mississippi Workers' Compensation Commission requires that an indemnity agreement be executed by each member in a workers' compensation self-insurance pool for the purpose of jointly and severally binding the pool and each of the employers comprising the group to meet the workers' compensation obligations of each member.

Each member of the MMWCG contributes quarterly to a fund held in trust. The funds in the trust account are used to pay any employee claim. If total claims during a year were to deplete the trust account, then the pool members would be required to pay for the deficiencies. The City has not had an additional assessment for excess losses incurred by the pool.

MMLP covers the risk of loss related to torts and other liability claims. The general policy limit is \$500,000 per occurrence, but the policy also tracks the Mississippi tort claims law for municipalities which limits the City's liability to \$250,000 per occurrence. The policy also covers up to \$1,000,000 in federal claims. As with the MMWCG, pool members would be required to pay for the deficiency should total claims for the year exceed member contributions. The City has received no assessments for excess losses incurred by the pool.

CITY OF BRANDON
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2020

Group Health Insurance

Fox Everett Insurance Company is the claims administrator for the City's health plan. The City self-funds the health plan, but purchases specific stop loss coverage. The specific stop loss insurance assumes the risk for claims on any individual in excess of \$60,000 paid during a calendar year. There was no change in the level of this coverage during the fiscal year.

(12) Subsequent Events

The City evaluated subsequent events through March 23, 2021, the date which the financial statements were available to be issued, noting the following subsequent events to be disclosed.

In October 2020, the City issued \$5,255,000 of General Obligation Refunding Bonds, Series 2020, with an average interest rate of 1.85% with annual maturities from November 2021 through November 2034. The net proceeds of \$5,066,188 (after issuance costs of \$188,811) were used to advance refund the general obligation portion of the Series 2014 bonds. As such, the amortization of debt payments at footnote 7 reflects the updated amortization of the new debt.

(13) COVID 19

During the 2020 fiscal year, the COVID 19 virus caused a nationwide pandemic. The City of Brandon experienced various interruptions in operations, including having to cancel the 2020 concert season at the Brandon Amphitheater. The future effects of COVID 19 on the City's operations have not been determined and the duration of the pandemic has yet to be determined.

CITY OF BRANDON
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended September 30, 2020

	Original Budget	Budget as Amended	Actual	Variance from Final Amended Budget Over (under)
Revenues:				
Taxes	\$ 4,584,278	\$ 4,584,278	\$ 4,766,173	\$ 181,895
Licenses and permits	1,110,760	1,110,760	1,106,449	(4,311)
State shared revenues	7,616,280	7,616,280	7,730,810	114,530
Grants	718,073	718,073	1,074,977	356,904
County shared revenues	938,546	938,546	3,045,308	2,106,762
Charges for services	368,302	368,302	358,419	(9,883)
Fines and forfeits	402,660	402,660	422,716	20,056
Other	184,198	184,198	419,194	234,996
Total Revenues	15,923,097	15,923,097	18,924,046	3,000,949
Expenditures:				
City court				
Personnel costs	249,361	249,361	247,582	(1,779)
Supplies	3,620	3,620	2,945	(675)
Charges for services	7,775	7,775	6,011	(1,764)
Total city court	260,756	260,756	256,538	(4,218)
Executive / Administrative				
Personnel cost	440,129	440,129	437,858	(2,271)
Supplies	800	1,300	1,215	(85)
Charges for services	36,126	74,000	73,528	(472)
Capital expenditures	-	-	10,603	10,603
Total executive / administrative	477,055	515,429	523,204	7,775
General Government				
Personnel cost	536,495	536,495	523,667	(12,828)
Supplies	13,850	13,850	10,857	(2,993)
Charges for services	628,043	660,043	659,429	(614)
Capital expenditures	5,300	291,300	285,080	(6,220)
Debt service	105,217	105,217	103,488	(1,729)
Total general government	1,288,905	1,606,905	1,582,521	(24,384)

See Independent Auditor's Report and notes to financial statements.

CITY OF BRANDON
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended September 30, 2020

	Original Budget	Budget as Amended	Actual	Variance from Final Amended Budget Over (under)
Elections				
Supplies	1,500	1,500	-	(1,500)
Charges for services	5,300	5,300	-	(5,300)
Total animal control department	6,800	6,800	-	(6,800)
Police Department				
Personnel cost	2,737,390	2,922,000	2,917,702	(4,298)
Supplies	165,443	165,443	155,316	(10,127)
Charges for services	302,080	302,080	288,128	(13,952)
Capital expenditures	550,673	550,673	379,206	(171,467)
Debt service	2,593	2,593	100,000	97,407
Total police department	3,758,179	3,942,789	3,840,352	(102,437)
Fire Department				
Personnel cost	3,481,438	3,481,438	2,950,108	(531,330)
Supplies	86,405	86,405	55,910	(30,495)
Charges for services	279,436	279,436	203,914	(75,522)
Capital expenditures	181,178	181,178	26,816	(154,362)
Debt service	43,469	43,469	80,210	36,741
Total fire department	4,071,926	4,071,926	3,316,958	(754,968)
Street Department				
Personnel cost	228,668	256,668	256,485	(183)
Supplies	95,760	95,760	81,452	(14,308)
Charges for services	840,939	1,033,939	1,033,334	(605)
Capital expenditures	450,000	1,291,000	1,290,813	(187)
Debt service	324,680	324,680	310,463	(14,217)
Total street department	1,940,047	3,002,047	2,972,547	(29,500)
Community development				
Personnel cost	308,208	308,208	291,046	(17,162)
Supplies	7,570	7,570	4,263	(3,307)
Charges for services	65,034	65,034	42,441	(22,593)
Capital expenditures	-	-	1,975	1,975
Total community development	380,812	380,812	339,725	(41,087)

See Independent Auditor's Report and notes to financial statements.

CITY OF BRANDON
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended September 30, 2020

	Original Budget	Budget as Amended	Actual	Variance from Final Amended Budget Over (under)
Cemetery Maintenance				
Charges for services	22,382	22,382	7,899	(14,483)
Total cemetery maintenance	22,382	22,382	7,899	(14,483)
Parks Department				
Personnel cost	842,476	842,476	673,837	(168,639)
Supplies	170,905	170,905	127,164	(43,741)
Charges for services	338,805	340,805	339,895	(910)
Capital expenditures	1,057,895	1,057,895	402,623	(655,272)
Debt service	52,728	52,728	46,824	(5,904)
Total parks department	2,462,809	2,464,809	1,590,343	(874,466)
Library				
Supplies	4,800	4,800	1,777	(3,023)
Charges for services	149,026	149,026	134,483	(14,543)
Total library	153,826	153,826	136,260	(17,566)
Senior Citizen Department				
Personnel cost	54,158	54,158	51,049	(3,109)
Supplies	19,120	19,120	6,596	(12,524)
Charges for services	37,995	37,995	19,679	(18,316)
Capital expenditures	1,974	1,974	764	(1,210)
Total senior citizen department	113,247	113,247	78,088	(35,159)
Conference Center				
Personnel cost	164,314	164,314	152,142	(12,172)
Supplies	10,783	10,783	5,419	(5,364)
Charges for services	43,335	43,335	29,290	(14,045)
Capital expenditures	6,400	6,400	13,316	6,916
Total conference center	224,832	224,832	200,167	(24,665)
Total Expenditures	15,161,576	16,766,560	14,844,602	(1,921,958)
Excess of revenues over (under) expenditures	761,521	(843,463)	4,079,444	4,922,907

See Independent Auditor's Report and notes to financial statements.

CITY OF BRANDON
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended September 30, 2020

	Original Budget	Budget as Amended	Actual	Variance from Final Amended Budget Over (under)
Other financing sources (uses):				
Non-revenue receipts	-	-	14,954	14,954
Operating transfers out	(657,425)	(657,425)	(1,257,455)	(600,030)
Total other financing sources (uses)	(657,425)	(657,425)	(1,242,501)	(585,076)
Excess (deficiency) of revenues and other sources over expenditures and other uses, budgetary basis	\$ 104,096	\$ (1,500,888)	2,836,943	\$ 4,337,831
Fund Balance, September 30, 2019			5,344,723	
Adjustments to GAAP Basis:				
Change in accruals			(5,306)	
Fund Balance, September 30, 2020			\$ 8,176,360	

See Independent Auditor's Report and notes to financial statements.

CITY OF BRANDON
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
Mississippi Public Employees' Retirement System
Last 10 Fiscal Years*

	2020	2019	2018	2017	2016	2015
City's proportion of the net pension liability	\$ 17,273,891	\$ 18,157,028	\$ 17,510,858	\$ 17,059,260	\$ 17,722,991	\$ 14,431,151
City's proportionate share of the net pension liability	0.089230%	0.103212%	0.105278%	0.102622%	0.099219%	0.092190%
City's covered - employee payroll	7,161,316	6,721,943	6,723,029	6,583,257	6,347,257	5,832,419
City's proportionate share of the net pension liability as a percentage of its covered - employee payroll	241.21%	270.12%	260.46%	259.13%	279.22%	247.43%
Plan fiduciary net position as a percentage of the total pension liability	58.97%	61.59%	62.54%	61.49%	57.47%	61.70%

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

* The amounts presented for each fiscal year were determined as of the measurement date of 6/30 of the year prior to the fiscal year presented.

This schedule is presented to illustrate the requirement to show information for 10 years. However, GASB 68 was implemented in FYE 6/30/15, and, until a full 10-year trend is compiled, the City has only presented information for the years in which information is available.

CITY OF BRANDON
SCHEDULE OF CITY'S CONTRIBUTIONS
Mississippi Public Employees' Retirement System
Last 10 Fiscal Years*

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$1,250,773	\$ 1,110,145	\$ 1,058,605	\$ 1,044,539	\$ 1,053,983	\$ 948,315
Contributions in relation to the contractually required contribution	<u>1,250,773</u>	<u>1,110,145</u>	<u>1,058,605</u>	<u>1,044,539</u>	<u>1,053,983</u>	<u>948,315</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered - employee payroll	7,161,316	6,721,943	6,723,029	6,583,257	6,347,257	5,832,419
Contributions as a percentage of covered - employee payroll	17.40%	15.75% (1)	15.75%	15.75%	15.75%	15.75%

(1) Increased from 15.75% to 17.4% effective July 1, 2019

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

* The amounts presented for each fiscal year were determined as of the measurement date of 6/30 of the year prior to the fiscal year presented.

CITY OF BRANDON
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended September 30, 2020

Budgetary Comparison Schedule

Basis of Presentation

The Budgetary Comparison Schedule presents the original legally adopted budget, the final legally adopted budget, the actual data on the GAAP basis, variances between the original budget and the final budget, and variances between the final budget and the actual data.

Pension Schedules

Measurement Date

The amounts presented for each fiscal year were determined as of the measurement date of June 30 of the year prior to the fiscal year presented.

Data Available and Presented

The required supplementary schedules are presented to illustrate the requirement to show information for 10 years, as required by GASB 68. GASB 68 was implemented during the fiscal year ended September 30, 2015 and only reflects data for years for which trend information is available.

Change of Benefit Terms

There were no changes in benefit terms during the year ended September 30, 2020.

Change of Assumptions

There were no changes of assumptions during the year ended September 30, 2020.

CITY OF BRANDON
SCHEDULE OF SURETY BONDS FOR MUNICIPAL OFFICIALS
September 30, 2020

Position	Name	Surety	Amount
Mayor	Lee, Butch	St Paul	\$ 100,000
Alderman	Coker, Lu	St Paul	\$ 100,000
Alderman	Corley, Monica	St Paul	\$ 100,000
Alderman	Dobbs, Tahya	St Paul	\$ 100,000
Alderman	Middleton, Dwight	St Paul	\$ 100,000
Alderman	Morris, James	St Paul	\$ 100,000
Alderman	Vinson, Cris	St Paul	\$ 100,000
Alderman	Williams, Harry	St Paul	\$ 100,000
City Clerk/Tax Collector	Bean, Angela	St Paul	\$ 50,000
Deputy City Clerk	Davis, Amy	Western Surety Company	\$ 50,000
Accountant	Greenwood, Elizabeth	Western Surety Company	\$ 50,000
Accountant	Gasson, Earl	Western Surety Company	\$ 50,000
Accounts Payable Clerk	Elarton, Cristin	Western Surety Company	\$ 50,000
Payroll Clerk	Jobe, Niki	Western Surety Company	\$ 50,000
Receptionist	Johnson, Elizabeth	Western Surety Company	\$ 50,000
Receptionist	Joseph, Isobella	Western Surety Company	\$ 50,000
Senior Services Coordinator	Pryor, Angela	Western Surety Company	\$ 50,000
Events Coordinator	Farrar, Lori	Western Surety Company	\$ 50,000
Asst. Special Events Coordinator	Keyes, Carley	Western Surety Company	\$ 50,000
Amphitheater Operations Manager	Young, Grace	Western Surety Company	\$ 50,000
Police Chief	Thompson, William	St Paul	\$ 50,000
Administrative Assisstant	Arendale, Byrme	Western Surety Company	\$ 50,000
Court Clerk	Yates, Tara	Western Surety Company	\$ 50,000
Court Clerk	Hill, Helen	Western Surety Company	\$ 50,000
Court Clerk	Geter, Melissa	Western Surety Company	\$ 50,000
Deputy Court Clerk	Dutton, Lisa	Western Surety Company	\$ 50,000
Administrative Assistant	Palmer, Carolyn	Western Surety Company	\$ 50,000
Community Development Director	Dodd, Matthew	Western Surety Company	\$ 50,000
Community Development Office Manager	Jones, Shelly	Western Surety Company	\$ 50,000
Community Development Building Inspector	Barnes, Randy	Western Surety Company	\$ 50,000
Community Development Building Inspector	Green, Jesse	Western Surety Company	\$ 50,000
P&R Director	Ford, Ramie	Western Surety Company	\$ 50,000
Administrative Assisstant	Errington, Patricia	Western Surety Company	\$ 50,000
Tournament Coordinator	Hopkins, Matthew	Western Surety Company	\$ 50,000
Sports Rec. Coordinator	Wesson, Larry	Western Surety Company	\$ 50,000
Recreation Program Coordinator	Hopson, Julie	Western Surety Company	\$ 50,000
Public Works Director	Smith, Charles	Western Surety Company	\$ 50,000
PW Operations Coordinator	Dearman, Carly	Western Surety Company	\$ 50,000
PW Office Manager	Sarver, Lori	Western Surety Company	\$ 50,000
Utility Billing Clerk	Blackwell, Tonya	Western Surety Company	\$ 50,000
Utility Billing Clerk	Heckard, Latoya	Western Surety Company	\$ 50,000
Utility Billing Clerk	Ainsworth, Lindsay	Western Surety Company	\$ 50,000
Utility Billing Clerk	Tribotich, Theresa	Western Surety Company	\$ 50,000
Public Employees Blanket Bond (Faithful Performance Blanket position)	Covers 134 Employees Including Police Officers	Western Surety Company	\$ 50,000
Parks & Rec Splash Park	Convers 15 Employees	Western Surety Company	\$ 10,000
Communications Personnel	Various	Western Surety Company	\$ 50,000

CITY OF BRANDON
BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
September 30, 2020

	Drug Seizure Fund	Infrastructure Fund	Total Nonmajor Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 768,145	197,353	\$ 965,498
Total Assets	<u>768,145</u>	<u>197,353</u>	<u>965,498</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	<u>96,305</u>	<u>-</u>	<u>96,305</u>
Total Liabilities	<u>96,305</u>	<u>-</u>	<u>96,305</u>
Fund Balance			
Spendable			
Restricted	768,145	197,353	965,498
Unassigned	<u>(96,305)</u>	<u>-</u>	<u>(96,305)</u>
Total Fund Balances	<u>671,840</u>	<u>197,353</u>	<u>869,193</u>
Total Liabilities and Fund Balances	\$ <u>768,145</u>	<u>197,353</u>	\$ <u>965,498</u>

CITY OF BRANDON
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
For the year ended September 30, 2020

	Drug Seizure Fund	Construction Fund	Infrastructure Fund	Total Nonmajor Governmental Funds
Revenues				
State shared revenues	\$ -	-	197,353	\$ 197,353
County shared revenues	-	147,552	-	147,552
Fines and forfeitures	1,226,311	-	-	1,226,311
Other revenues	3,804	-	-	3,804
Total Revenues	<u>1,230,115</u>	<u>147,552</u>	<u>197,353</u>	<u>1,575,020</u>
Expenditures				
Current (operating)				
Public safety	318,533	-	-	318,533
Capital outlay	242,787	147,552	-	390,339
Total Expenditures	<u>561,320</u>	<u>147,552</u>	<u>-</u>	<u>708,872</u>
Excess of revenues over (under) expenditures	<u>668,795</u>	<u>-</u>	<u>197,353</u>	<u>866,148</u>
Net change in fund balances	668,795	-	197,353	866,148
Fund Balances, September 30, 2019	3,045	-	-	3,045
Fund Balances, September 30, 2020	<u>\$ 671,840</u>	<u>-</u>	<u>197,353</u>	<u>\$ 869,193</u>

**CITY OF BRANDON
GENERAL FUND
COMPARISON SCHEDULES OF REVENUES AND EXPENDITURES
AND CHANGES IN FUND BALANCE
For the Years Ended September 30, 2020 and 2019**

	<u>2020</u>	<u>2019</u>
<u>Revenues</u>		
Taxes		
Property tax	\$ 4,729,020	\$ 4,636,390
Sales tax	6,089,017	6,060,114
Sales tax - restaurants	1,187,393	1,206,163
Sales tax - hotels	33,197	45,639
Franchise tax	862,353	892,979
	<u>12,900,980</u>	<u>12,841,285</u>
Licenses and Permits		
Privilege licenses	51,148	53,691
Building permits	182,371	155,996
Other licenses	14,751	12,240
Total Licenses and Permits	<u>248,270</u>	<u>221,927</u>
State Shared Revenues		
Payment in lieu of taxes - Grand Gulf	152,710	153,792
Fire protection	152,020	148,706
Municipal aid	10,824	10,824
Gasoline tax	18,846	18,846
Emergency disaster funds	508,374	-
Department of Public Safety funds	561,866	94,360
MDA Grants	86,701	-
Other grant funds	39,882	34,143
Total State Shared Revenue	<u>1,531,223</u>	<u>460,671</u>
County Shared Revenues		
Pro-rata county road tax	781,456	880,241
Auto rental and rail tax	50,350	51,236
Tourism tax	29,577	30,954
County reimbursements	2,200,000	150,000
Total County Shared Revenues	<u>3,061,383</u>	<u>1,112,431</u>
Service Charges		
Facility rental fees	75,836	128,483
Park sales and fees	231,061	246,185
Plan review and inspection fees	30,103	42,252
Zoning & development fees	3,280	148,819
Total Service Charges	<u>340,280</u>	<u>565,739</u>
Court Fines and Forfeits	<u>422,716</u>	<u>395,750</u>
Other revenues	<u>419,194</u>	<u>391,483</u>
Total Revenues	<u>18,924,046</u>	<u>15,989,286</u>

**CITY OF BRANDON
GENERAL FUND
COMPARISON SCHEDULES OF REVENUES AND EXPENDITURES
AND CHANGES IN FUND BALANCE
For the Years Ended September 30, 2020 and 2019**

	<u>2020</u>	<u>2019</u>
<u>Expenditures</u>		
General Government and Administration		
City Court		
Salaries		
Salaries	170,145	170,087
Employer costs	77,437	74,776
Total Salaries	<u>247,582</u>	<u>244,863</u>
Supplies, Services and Other Charges		
Office supplies	2,945	3,324
Professional fees	6,011	4,851
Total Supplies, Services and Other Charges	<u>8,956</u>	<u>8,175</u>
Total City Court	<u>256,538</u>	<u>253,038</u>
Executive / Administration		
Salaries		
Salaries	307,341	272,012
Employer costs	130,517	116,808
Total Salaries	<u>437,858</u>	<u>388,820</u>
Supplies, Services and Other Charges		
Advertising	10,000	450
Bond fees and expenses	1,225	1,225
Conventions	1,181	3,372
Dues and subscriptions	8,080	7,616
Exhibitions and promotions	24,430	803
Insurance	4,333	4,525
Miscellaneous	4,239	-
Operating supplies	1,031	445
Professional fees	19,299	7,235
Rentals	-	450
Repairs - Vehicles	135	716
Telephone and communication	603	657
Training	-	44
Transportation	188	201
Total Supplies, Services and Other Charges	<u>74,744</u>	<u>27,739</u>
Capital Outlay		
Machinery and equipment	10,603	-
Total Capital Outlay	<u>10,603</u>	<u>-</u>
Total Executive / Administrative Department	<u>523,205</u>	<u>416,559</u>

**CITY OF BRANDON
GENERAL FUND
COMPARISON SCHEDULES OF REVENUES AND EXPENDITURES
AND CHANGES IN FUND BALANCE
For the Years Ended September 30, 2020 and 2019**

	<u>2020</u>	<u>2019</u>
General Government Department		
Salaries		
Salaries	378,346	385,179
Employer costs	<u>145,319</u>	<u>143,333</u>
Total Salaries	<u>523,665</u>	<u>528,512</u>
Supplies, Services and Other Charges		
Advertising	3,688	2,089
Bond fees and expenses	1,805	1,400
Cleaning and janitorial	3,754	3,515
Contract labor	1,681	7,080
Dues and subscriptions	85,961	98,252
Insurance	26,310	16,380
Land leases	1,200	1,500
Miscellaneous	5,022	901
Office supplies	3,653	3,505
Operating supplies	2,503	7,004
Postage	2,994	3,128
Printing and binding	1,535	4,228
Professional fees	190,495	173,232
Rentals	10,753	13,646
Repairs - equipment	3,570	9,640
Repairs - other	50,548	48,674
Repairs - vehicles	909	296
Telephone and communication	210,166	238,939
Training	502	265
Transportation	591	838
Utilities	<u>62,647</u>	<u>71,203</u>
Total Supplies, Services and Other Charges	<u>670,287</u>	<u>705,715</u>
Capital Outlay		
Machinery and equipment	<u>285,080</u>	<u>3,427</u>
Total Capital Outlay	<u>285,080</u>	<u>3,427</u>
Debt Service		
Debt service principal	100,000	100,000
Debt service interest	<u>3,488</u>	<u>5,217</u>
Total Debt Service	<u>103,488</u>	<u>105,217</u>
Total General Government Department	<u>1,582,520</u>	<u>1,342,871</u>
Total General Government and Administration	<u>2,362,263</u>	<u>2,012,468</u>

CITY OF BRANDON
GENERAL FUND
COMPARISON SCHEDULES OF REVENUES AND EXPENDITURES
AND CHANGES IN FUND BALANCE
For the Years Ended September 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Public Services		
Street Department		
Salaries		
Wages	191,624	151,734
Employer costs	70,167	55,470
Total Salaries	<u>261,791</u>	<u>207,204</u>
Supplies, Services and Other Charges		
Advertising	996	122
Chemicals	-	38,765
Contract labor	76,161	208,429
Dues and subscriptions	-	5
Insurance	17,486	20,715
Miscellaneous	40	-
Operating supplies	58,425	65,179
Professional fees	179,268	179,781
Rentals	12,654	4,616
Repairs - equipment	64,185	44,156
Repairs - vehicles	32,052	21,965
Repairs - other	140,191	177,668
Telephone and communications	497	1,183
Transportation	19,483	23,549
Uniforms	3,543	3,385
Utilities - street lights	509,803	499,262
Total Supplies, Services and Other Charges	<u>1,114,784</u>	<u>1,288,780</u>
Capital Outlay		
Improvements other than buildings	1,279,119	700,128
Machinery and equipment	11,694	3,872
Total Capital Outlay	<u>1,290,813</u>	<u>704,000</u>
Debt Service		
Debt service principal	300,000	309,007
Debt service interest	10,463	15,672
Total Debt Service	<u>310,463</u>	<u>324,679</u>
Total Street Department	<u>2,977,851</u>	<u>2,524,663</u>
Community Development Department		
Salaries		
Salaries	215,011	206,210
Employer costs	76,035	71,308
Total Salaries	<u>291,046</u>	<u>277,518</u>

**CITY OF BRANDON
GENERAL FUND
COMPARISON SCHEDULES OF REVENUES AND EXPENDITURES
AND CHANGES IN FUND BALANCE
For the Years Ended September 30, 2020 and 2019**

	<u>2020</u>	<u>2019</u>
Supplies, Services and Other Charges		
Advertising	2,234	717
Contract labor	-	1,286
Convention	260	1,081
Dues and subscriptions	619	1,035
Insurance	2,852	3,220
Miscellaneous expenses	5,180	4,077
Office supplies	268	609
Operating supplies	203	1,592
Printing and binding	399	1,054
Professional fees	28,291	33,248
Repairs - vehicles	-	207
Communications	2,387	2,014
Training	219	727
Transportation	3,750	3,228
Uniforms	42	156
Total Supplies, Services and Other Charges	<u>46,704</u>	<u>54,251</u>
Capital Outlay		
Machinery and equipment	<u>1,975</u>	<u>-</u>
Total Capital Outlay	<u>1,975</u>	<u>-</u>
Debt Service		
Total Community Development Department	<u>339,725</u>	<u>331,769</u>
Total Public Services	<u>3,317,576</u>	<u>2,856,432</u>
Public Safety		
Police Department		
Salaries		
Salaries	2,115,643	1,958,902
Employer costs	<u>802,048</u>	<u>742,514</u>
Total Salaries	<u>2,917,691</u>	<u>2,701,416</u>

**CITY OF BRANDON
GENERAL FUND
COMPARISON SCHEDULES OF REVENUES AND EXPENDITURES
AND CHANGES IN FUND BALANCE
For the Years Ended September 30, 2020 and 2019**

	<u>2020</u>	<u>2019</u>
Supplies, Services and Other Charges		
Advertising	97	98
Bond fees and expenses	350	700
Cleaning and janitorial	6,092	3,429
Conventions	-	45
D.P.S. Fund expenses	4,620	-
Dues and subscriptions	656	395
Insurance	42,764	49,982
Miscellaneous	26,417	48,250
Office supplies	3,989	4,226
Operating supplies	8,553	6,504
Printing and binding	1,352	1,635
Prisoners expense	25,352	51,332
Professional fees	83,808	80,747
Repairs - equipment	2,268	3,856
Repairs - other	6,332	40,466
Repairs - vehicles	42,897	38,717
SRT expenses	3,148	60
Telephone and communications	33,198	28,989
Training	17,267	24,435
Transportation	87,329	90,096
Uniforms	16,234	15,714
Utilities	30,722	34,829
Total Supplies, Services and Other Charges	<u>443,445</u>	<u>524,505</u>
Capital Outlay		
Improvements other than buildings	147,138	-
Machinery and equipment	209,743	52,488
Vehicles	22,325	42,578
Total Capital Outlay	<u>379,206</u>	<u>95,066</u>
Debt Service		
Debt service principal	100,000	120,582
Debt service interest	-	149
Total Debt Service	<u>100,000</u>	<u>120,731</u>
Total Police Department	<u>3,840,342</u>	<u>3,441,718</u>

**CITY OF BRANDON
GENERAL FUND
COMPARISON SCHEDULES OF REVENUES AND EXPENDITURES
AND CHANGES IN FUND BALANCE
For the Years Ended September 30, 2020 and 2019**

	<u>2020</u>	<u>2019</u>
Fire Department		
Salaries		
Salaries	2,134,734	2,070,864
Employer costs	815,374	778,333
Total Salaries	<u>2,950,108</u>	<u>2,849,197</u>
Supplies, Services and Other Charges		
Bond fees and expenses	175	175
Chemicals	-	443
Cleaning	8,010	5,759
Communications	3,829	3,704
Contract labor	-	56,566
Conventions	425	915
Data processing	57	111
Dues and subscriptions	3,011	9,537
Insurance	39,967	47,985
Miscellaneous	26,798	10,045
Office supplies	1,499	1,756
Operating supplies	3,121	2,291
Printing and binding	186	42
Professional fees	4,395	7,707
Rentals	2,194	1,863
Repairs - vehicles	41,958	40,247
Repairs - equipment	18,148	28,804
Repairs - other	3,149	4,256
Storm Team	12,201	1,560
Training	13,455	14,215
Transportation	27,344	31,877
Uniforms	12,711	43,417
Utilities	37,192	36,777
Total Supplies, Services and Other Charges	<u>259,825</u>	<u>350,052</u>
Capital Outlay		
Machinery and equipment	26,816	57,600
Furniture and fixtures	-	698
Total Capital Outlay	<u>26,816</u>	<u>58,298</u>
Debt Service		
Debt service principal	79,610	23,644
Debt service interest	600	5,335
Total Debt Service	<u>80,210</u>	<u>28,979</u>
Total Fire Department	<u>3,316,959</u>	<u>3,286,526</u>
Total Public Safety	<u>7,157,301</u>	<u>6,728,244</u>

**CITY OF BRANDON
GENERAL FUND
COMPARISON SCHEDULES OF REVENUES AND EXPENDITURES
AND CHANGES IN FUND BALANCE
For the Years Ended September 30, 2020 and 2019**

	<u>2020</u>	<u>2019</u>
Culture and Recreation		
Cemetery Department		
Supplies, Services and Other Charges		
Contract labor	7,155	25,700
Utilities	744	703
Total Supplies, Services and Other Charges	<u>7,899</u>	<u>26,403</u>
Total Cemetery Department	<u>7,899</u>	<u>26,403</u>
Parks Department		
Salaries		
Salaries	257,574	241,444
Wages	242,985	231,697
Employer costs	173,278	165,902
Total Salaries	<u>673,837</u>	<u>639,043</u>
Supplies, Services and Other Charges		
Advertising	741	341
Beautification	13,347	8,052
Chemicals	22,823	17,952
Cleaning and janitorial	9,940	15,886
Contract labor	84,306	45,651
Convention	356	-
Dues and subscriptions	159	52
Insurance	34,998	33,804
Miscellaneous expenses	2,229	1,794
Office supplies	688	456
Operational supplies	43,301	50,299
Printing and binding	-	54
Professional fees	37,192	53,124
Rental	6,521	4,255
Repairs - equipment	13,953	12,474
Repairs - other	28,296	31,941
Repairs - vehicles	6,560	3,716
Telephone and communications	3,967	4,435
Tournament fees	255	490
Training	162	360
Transportation	12,907	15,203
Uniforms	37,561	36,875
Utilities	106,797	108,968
Total Supplies, Services and Other Charges	<u>467,059</u>	<u>446,182</u>

**CITY OF BRANDON
GENERAL FUND
COMPARISON SCHEDULES OF REVENUES AND EXPENDITURES
AND CHANGES IN FUND BALANCE
For the Years Ended September 30, 2020 and 2019**

	<u>2020</u>	<u>2019</u>
Capital Outlay		
Buildings and land	-	2,955
Improvements other than buildings	361,743	308,089
Furniture and fixtures	-	2,758
Machinery and equipment	40,880	39,784
Total Capital Outlay	<u>402,623</u>	<u>353,586</u>
Debt Service		
Debt service principal	46,824	46,824
Total Debt Service	<u>46,824</u>	<u>46,824</u>
Total Parks Department	<u>1,590,343</u>	<u>1,485,635</u>
Senior Citizens Department		
Salaries		
Wages	36,320	40,189
Employer costs	14,741	16,071
Total Salaries	<u>51,061</u>	<u>56,260</u>
Supplies, Services and Other Charges		
Advertising	460	920
Cleaning and janitorial	1,933	2,929
Contract labor	11,665	19,835
Convention	-	1,230
Dues and subscriptions	800	454
Insurance	1,563	2,012
Miscellaneous expenses	261	112
Office supplies	54	283
Operational supplies	4,604	10,120
Professional fees	975	400
Rental	3,179	3,631
Repairs - equipment	159	1,334
Telephone and communications	617	607
Transportation	-	303
Total Supplies, Services and Other Charges	<u>26,270</u>	<u>44,170</u>
Capital Outlay		
Machinery and equipment	764	-
Total Capital Outlay	<u>764</u>	<u>-</u>
Total Senior Citizens Department	<u>78,095</u>	<u>100,430</u>

**CITY OF BRANDON
GENERAL FUND
COMPARISON SCHEDULES OF REVENUES AND EXPENDITURES
AND CHANGES IN FUND BALANCE
For the Years Ended September 30, 2020 and 2019**

	<u>2020</u>	<u>2019</u>
Library		
Supplies, Services and Other Charges		
Cleaning and janitorial	881	4,411
Contract labor	1,325	-
Insurance	3,794	4,818
Operating supplies	896	231
Miscellaneous expenses	747	875
Professional fees	1,085	445
Repairs - equipment	26,935	25,988
Telephone and communications	8,285	7,449
Utilities	92,313	115,486
Total Supplies, Services and Other Charges	<u>136,261</u>	<u>159,703</u>
Total Library Department	<u>136,261</u>	<u>159,703</u>
Conference Center		
Salaries		
Salaries	108,555	95,992
Employer costs	43,592	40,929
Total Salaries	<u>152,147</u>	<u>136,921</u>
Supplies, Services and Other Charges		
Advertising	690	1,330
Bond fees	350	350
Cleaning and janitorial	2,115	3,828
Contract labor	2,265	-
Communications	1,159	810
Dues and subscriptions	-	45
Insurance	-	977
Office supplies	1,761	1,669
Operating supplies	1,542	1,053
Miscellaneous expenses	311	589
Professional fees	1,714	3,785
Repairs and maintenance	192	1,356
Special Events	20,449	15,043
Veteran's Day	2,159	227
Total Supplies, Services and Other Charges	<u>34,707</u>	<u>31,062</u>
Capital Outlay		
Machinery and equipment	13,316	3,836
Total Capital Outlay	<u>13,316</u>	<u>3,836</u>
Total Conference Center Department	<u>200,170</u>	<u>171,819</u>
Total Culture and Recreation	<u>2,012,768</u>	<u>1,943,990</u>

CITY OF BRANDON
GENERAL FUND
COMPARISON SCHEDULES OF REVENUES AND EXPENDITURES
AND CHANGES IN FUND BALANCE
For the Years Ended September 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Economic Development		
Salaries		
Wages	-	633
Employer costs	-	301
Total Salaries	<u>-</u>	<u>934</u>
Supplies, Services and Other Charges		
Advertising	-	10,000
Insurance	-	424
Office Supplies	-	148
Professional fees	<u>-</u>	<u>10,226</u>
Total Supplies, Services and Other Charges	<u>-</u>	<u>20,798</u>
Total Economic Development	<u>-</u>	<u>21,732</u>
Total Expenditures	<u>14,849,908</u>	<u>13,562,866</u>
Excess of Revenues over (under) Expenditures	<u>4,074,138</u>	<u>2,426,420</u>
Other Financing Sources (Uses)		
Operating transfers in (out)	(1,257,455)	(1,102,710)
Sales of general fixed assets	<u>14,954</u>	<u>(309)</u>
Total Other Financing Sources (Uses)	<u>(1,242,501)</u>	<u>(1,103,019)</u>
Excess of Revenues and Other Financing Sources		
Over (Under) Expenditures and Other Financing Uses	2,831,637	1,323,401
Fund Balance, beginning	<u>5,344,723</u>	<u>4,021,322</u>
Fund Balance, ending	<u>\$ 8,176,360</u>	<u>\$ 5,344,723</u>

**CITY OF BRANDON
CAPITAL PROJECTS FUND
COMPARISON SCHEDULES OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
For the Years Ended September 30, 2020 and 2019**

	<u>2020</u>	<u>2019</u>
Revenues		
Interest income	\$ 9,735	\$ 13,703
Total Revenues	<u>9,735</u>	<u>13,703</u>
Capital Outlay		
Street overlay	1,262,214	-
Shiloh Park Improvements	-	2,117
Amphitheater	-	804,420
Total Capital Outlay	<u>1,262,214</u>	<u>806,537</u>
Debt Service		
Interest and fiscal charges	<u>103,688</u>	<u>-</u>
Total Debt Service	<u>103,688</u>	<u>-</u>
Total Expenditures, Capital Outlay and Debt Service	<u>1,365,902</u>	<u>806,537</u>
Excess of revenues over (under) expenditures	(1,356,167)	(792,834)
Other Financing Sources and Uses		
Proceeds from debt issuance	<u>4,000,000</u>	<u>-</u>
Total other financing sources and (uses)	<u>4,000,000</u>	<u>-</u>
Net change in fund balances	2,643,833	(792,834)
Fund Balance, beginning	<u>660,437</u>	<u>1,453,271</u>
Fund Balance, ending	<u>\$ 3,304,270</u>	<u>\$ 660,437</u>

**CITY OF BRANDON
DEBT SERVICE FUND
COMPARISON SCHEDULES OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
For the Years Ended September 30, 2020 and 2019**

	<u>2020</u>	<u>2019</u>
Revenues		
Taxes	\$ 3,075,277	\$ 3,033,307
Other income	<u>29,017</u>	<u>23,665</u>
Total Revenues	<u>3,104,294</u>	<u>3,056,972</u>
Debt Service		
Debt service principal	2,085,000	2,025,000
Interest and fiscal charges	<u>1,521,484</u>	<u>1,572,082</u>
Total Debt Service	<u>3,606,484</u>	<u>3,597,082</u>
Total Expenditures, Capital Outlay and Debt Service	<u>3,606,484</u>	<u>3,597,082</u>
Excess of revenues over (under) expenditures	<u>(502,190)</u>	<u>(540,110)</u>
Other Financing Sources and Uses		
Transfers In	<u>657,455</u>	<u>1,102,710</u>
Total other financing sources and (uses)	<u>657,455</u>	<u>1,102,710</u>
Net change in fund balances	155,265	562,600
Fund Balance, beginning	<u>1,887,280</u>	<u>1,324,680</u>
Fund Balance, ending	<u>\$ 2,042,545</u>	<u>\$ 1,887,280</u>

**CITY OF BRANDON
AMPHITHEATER FUND
COMPARISON SCHEDULES OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
For the Years Ended September 30, 2020 and 2019**

	<u>2020</u>	<u>2019</u>
Revenues		
Amphitheater revenues	\$ 352,234	\$ 5,086,869
Other income	<u>117,615</u>	<u>53,483</u>
Total Revenues	<u>469,849</u>	<u>5,140,352</u>
Operating Expenses		
Salaries		
Salaries and wages	166,810	220,559
Employer costs	<u>62,361</u>	<u>71,514</u>
Total Salaries	<u>229,171</u>	<u>292,073</u>
Supplies, Services and Other Charges		
Advertising	71,668	240,336
Bank charges and credit card processing fees	2,983	12,122
Cleaning and janitorial	8,416	53,314
Contract labor	500	37,377
Insurance	53,269	205,222
Miscellaneous expenses	4,688	14,324
Office supplies	-	497
Other supplies	3,451	17,628
Printing and binding	-	279
Professional fees	487,850	4,493,478
Rental	58,924	79,848
Repairs - equipment	60,233	3,516
Repairs - other	119,940	14,424
Specialized department supplies	7,942	25,421
Telephone and communications	4,970	5,982
Training	103	2,768
Utilities	<u>48,888</u>	<u>55,276</u>
Total Supplies, Services and Other Charges	<u>933,825</u>	<u>5,261,812</u>
Capital Outlay		
Improvements other than buildings	129,291	398,017
Furniture and fixtures	14,936	20,939
Machinery and equipment	<u>855</u>	<u>11,015</u>
Total Capital Outlay	<u>145,082</u>	<u>429,971</u>
Total Expenditures	<u>1,308,078</u>	<u>5,983,856</u>
Excess of revenues over (under) expenditures	(838,229)	(843,504)
Other Financing Uses		
Transfers in / (out)	<u>600,000</u>	<u>-</u>
Excess of revenues over (under) expenditures and other financing uses	(238,229)	(843,504)
Fund Balance, beginning	<u>(234,465)</u>	<u>609,039</u>
Fund Balance, ending	<u>\$ (472,694)</u>	<u>\$ (234,465)</u>

**CITY OF BRANDON
DRUG SEIZURE FUND
COMPARISON SCHEDULES OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
For the Years Ended September 30, 2020 and 2019**

	<u>2020</u>	<u>2019</u>
Revenues		
Forfeitures - cash	\$ 1,226,311	\$ 19,531
Other income	<u>3,805</u>	<u>3,196</u>
Total Revenues	<u>1,230,116</u>	<u>22,727</u>
Expenditures		
Automobile expense	1,026	465
Buy money	-	1,500
Paid to other agencies	244,423	2,736
Operating supplies	72,295	7,618
Training	<u>790</u>	<u>1,125</u>
Total Expenditures	<u>318,534</u>	<u>13,444</u>
Capital Outlay		
Machinery and equipment	<u>242,787</u>	<u>43,143</u>
Total Capital Outlay	<u>242,787</u>	<u>43,143</u>
Total Expenditures	<u>561,321</u>	<u>56,587</u>
Excess of revenues over (under) expenditures	668,795	(33,860)
Other Financing Uses		
Proceeds from sale of assets	<u>-</u>	<u>19,358</u>
Excess of revenues over (under) expenditures and other financing uses	668,795	(14,502)
Fund Balance, beginning	<u>3,045</u>	<u>17,547</u>
Fund Balance, ending	<u><u>\$ 671,840</u></u>	<u><u>\$ 3,045</u></u>

CITY OF BRANDON
WATER AND SEWER FUND
COMPARISON SCHEDULES OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
For the Years Ended September 30, 2020 and 2019

	2020	2019
Operating Revenues		
Water sales	\$ 1,646,429	\$ 1,566,898
Base rate	2,906,601	2,876,649
Late charges and reconnect fees	202,432	226,304
Sewer charges	2,409,650	2,311,833
Service connect charges	107,550	74,800
Sewer charges - West Rankin	2,379,839	2,271,936
Miscellaneous revenue	104,191	59,434
Total Operating Revenues	<u>9,756,692</u>	<u>9,387,854</u>
Operating Expenses		
Salaries		
Salaries	291,229	288,228
Wages	699,311	651,210
Employer costs	332,773	391,536
Total Salaries	<u>1,323,313</u>	<u>1,330,974</u>
Supplies, Service and Other Charges		
Advertising	1,655	429
Bad Debt	671	2,097
Chemicals	37,387	32,158
Contract labor	318,121	376,499
Dues & subscriptions	525	525
Insurance	72,037	96,063
Land leases	2,700	2,700
Miscellaneous	708	2,141
Office supplies	46,498	51,167
Operating supplies	224,235	187,713
Printing & binding	17,277	11,256
Professional services	310,956	310,329
Rentals	15,657	40,247
Repairs - equipment	242,997	324,130
Repairs - other	1,537,033	1,345,760
Repairs - vehicles	45,516	41,595
Sub-interceptor usage expense	2,055,103	2,065,154
Telephone and communications	24,145	23,274
Training	1,014	5,191
Transportation	73,328	76,409
Uniforms	16,200	18,136
Utilities	328,113	325,666
Total Supplies, Services and Other Charges	<u>5,371,876</u>	<u>5,338,639</u>
Total Operating Expenses	<u>6,695,189</u>	<u>6,669,613</u>

CITY OF BRANDON
WATER AND SEWER FUND
COMPARISON SCHEDULES OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
For the Years Ended September 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Operating Income Before Depreciation	3,061,503	2,718,241
Depreciation expense	<u>1,488,700</u>	<u>1,476,619</u>
Operating Income	<u>1,572,803</u>	<u>1,241,622</u>
Non-operating Revenues (Expenses)		
Capital grant	-	327,200
Interest earnings	91,736	139,173
Gain (loss) on sale of equipment	7,955	-
Interest and fiscal charges - loans	<u>(215,158)</u>	<u>(292,011)</u>
Total Non-operating Revenues (Expenses)	<u>(115,467)</u>	<u>174,362</u>
Change in Net Position	1,457,336	1,415,984
Net Position, beginning	<u>18,201,566</u>	<u>16,785,582</u>
Net Position, ending	<u>\$ 19,658,901</u>	<u>\$ 18,201,566</u>

**CITY OF BRANDON
SANITATION FUND
COMPARISON SCHEDULES OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
For the Years Ended September 30, 2020 and 2019**

	<u>2020</u>	<u>2019</u>
Operating Revenue		
Sanitation fees	\$ 1,359,080	\$ 1,345,846
Total Operating Revenue	<u>1,359,080</u>	<u>1,345,846</u>
Operating Expenses		
Personnel Costs		
Wages	48,028	49,428
Employer costs	<u>13,629</u>	<u>14,019</u>
Total Personnel Costs	<u>61,657</u>	<u>63,447</u>
Supplies, Service and Other Charges		
Insurance	12,629	15,445
Miscellaneous	-	1,554
Operating supplies	-	477
Prisoner meals	15,779	37,124
Professional services	27	38
Repairs - equipment	-	110
Repairs - vehicles	280	3,005
Sanitation contract	1,201,705	1,154,200
Transportation	5,009	7,860
Uniforms	<u>697</u>	<u>1,079</u>
Total Supplies, Services and Other Charges	<u>1,236,499</u>	<u>1,220,892</u>
Total Operating Expenses	<u>1,298,156</u>	<u>1,284,339</u>
Operating Loss Before Depreciation	60,924	61,507
Depreciation expense	<u>9,145</u>	<u>12,145</u>
Operating Gain (Loss)	<u>51,779</u>	<u>49,362</u>
Non-operating Revenues (Expenses)		
Gain (loss) on sale of equipment	1,480	-
Interest income	2,100	1,491
Total Non-operating Revenues (Expenses)	<u>3,580</u>	<u>1,491</u>
Change in Net Position	55,359	50,853
Net Position, beginning	<u>178,840</u>	<u>127,987</u>
Net Position, ending	<u>\$ 234,199</u>	<u>\$ 178,840</u>

Barlow & Company, PLLC

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH STATE LAWS AND REGULATIONS

Honorable Mayor and Members of the Board of Aldermen
Brandon, Mississippi

We have audited the basic financial statements of the City of Brandon, Mississippi as of and for the year ended September 30, 2020, and have issued our report dated March 23, 2021. We have conducted our audit in accordance with auditing standards generally accepted in the United States of America.

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 instances of noncompliance with state laws and regulations.

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

Barlow & Company, PLLC

Brandon, Mississippi
March 23, 2021



Barlow & Company, PLLC

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INDEPENDENT AUDITOR'S 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 Members of the Board of Aldermen
City of Brandon, 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, each major fund, and the aggregate remaining fund information of the City of Brandon, Mississippi, as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City of Brandon, Mississippi's basic financial statements, and have issued our report thereon dated March 23, 2021.

Internal Control over Financial Reporting

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

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

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



Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Brandon, 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City'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.

Barlow & Company, PLLC

Brandon, Mississippi
March 23, 2021