

CITY OF BRANDON, MISSISSIPPI
REPORT ON AUDIT
OF
BASIC FINANCIAL STATEMENTS

For the Year Ended September 30, 2021

BARLOW & COMPANY, PLLC
CERTIFIED PUBLIC ACCOUNTANTS
BRANDON, MISSISSIPPI

CITY OF BRANDON
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For the year ended September 30, 2021

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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, 2021, 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.



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, 2021, 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.

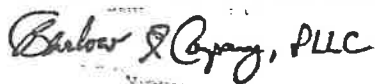
Other Information

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 April 29, 2022, 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
April 29, 2022

**CITY OF BRANDON
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED September 30, 2021**

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, 2021. 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 2021 were as follows:

Total net position for 2021 increased \$2,781,239 or 5.9% from 2020. Total net position for 2020 increased \$7,726,895 or 19.5% from fiscal year 2019. The increase in 2021 resulted primarily from the increase in governmental activities cash and other assets and business-type activities increase in capital assets.

General revenues accounted for \$22,545,139 and \$17,803,725 in revenue, or 75% and 74% of all revenues for fiscal years 2021 and 2020 respectively. Program specific revenues in the form of charges for services and grants and contributions accounted for \$7,385,584 or 25% for 2021 and \$6,254,363 or 26% of total revenues for 2020.

In the business-type activity of sanitation, sanitation expenses were \$1,345,427 while charges for sanitation services were \$1,419,987. Water and sewer charges for services were \$10,126,875 with expenses of \$10,339,370. Investment income was \$54,676 for 2021. The City received \$7,500 in capital grants and contributions.

Long-term debt decreased by \$1,228,271 for fiscal year 2021 and increased by \$376,854 for fiscal year 2020. The decrease in 2021 was due to decrease in governmental activities long-term debt and in 2020 due to issuance of new general obligation bonds. Additionally, the liability for compensated absences decreased by \$39,863 in 2021 and increased by \$46,039 in 2020. The net pension liability was \$16,194,334 and \$17,273,891 for 2021 and 2020 respectively.

Overall, the book value of capital assets increased \$4,215,419 in 2021 and increased by \$3,741,155 for 2020. The changes were due to new construction in progress in 2021 and 2020.

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's 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 \$47,409,682 to \$50,190,923 between fiscal years 2020 and 2021. This increase is the result of the change in net position from operations of \$2,781,241.

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

Table 1								
Net Position								
2021								
	Governmental Activities		Business-type Activities		Total		Percent	
	2021	2020	2021	2020	2021	2020	Change	
Assets:								
Cash and other assets	\$ 20,413,514	17,335,796	6,694,996	7,964,827	27,108,510	25,300,623	7.15%	
Capital assets, net	73,886,281	73,154,696	28,570,313	25,086,479	102,456,594	98,241,175	4.29%	
Total Assets	94,299,795	90,490,492	35,265,309	33,051,306	129,565,104	123,541,798	4.88%	
Deferred Outflows of Resources:								
Deferred outflows related to bond refunding	1,202,491	409,651			1,202,491	409,651	193.54%	
Deferred outflows related to pensions	2,422,091	2,153,382	440,765	311,474	2,862,856	2,464,856	16.15%	
Total Deferred Outflows of Resources	3,624,582	2,563,033	440,765	311,474	4,065,347	2,874,507	41.43%	
Liabilities:								
Current and other liabilities	2,832,712	4,262,184	2,549,976	3,954,588	5,382,688	8,216,772	-34.49%	
Long-term liabilities	56,340,453	59,791,827	12,006,880	9,522,350	68,347,333	69,314,177	-1.39%	
Total Liabilities	59,173,165	64,054,011	14,556,856	13,476,938	73,730,021	77,530,949	-4.90%	
Deferred Inflows of Resources:								
Deferred inflows related to pensions	7,318,934	7,258	1,331,877	-7,258	8,650,811	0	100.00%	
Developer construction advances	31,509	31,509			31,509	31,509	0.00%	
Deferred inflows - unearned revenues	1,027,187	1,444,166			1,027,187	1,444,166	-28.87%	
Total Deferred Inflows of Resources	8,377,630	1,482,933	1,331,877	-7,258	9,709,507	1,475,675	557.97%	
Net Position								
Net investment in capital assets	29,629,093	27,171,917	20,208,205	19,001,556	49,837,298	46,173,473	7.93%	
Restricted	13,976,910	11,763,727	460,408	2,638,993	14,437,318	14,402,720	0.24%	
Unrestricted	-13,232,421	-11,419,060	-851,272	-1,747,449	-14,083,693	-13,166,509	6.97%	
Total Net Position	\$ 30,373,582	27,516,584	19,817,341	19,893,100	50,190,923	47,409,684	5.87%	
The City's total assets increased \$6,023,306 during 2021 with governmental activities showing an increase of \$3,809,303 and business-type activities showing an increase of \$2,214,003. The increase was primarily due to an increase in cash and other assets in governmental activities and capital assets, net in business-type activities. Deferred outflows related to bond refunding increased \$792,840 and deferred outflows related to pensions increased \$398,000.								
The City's total liabilities decreased \$3,800,928, due mainly to the decrease in capital lease obligations in business-type activities in 2021. Deferred inflows for developer construction advances was unchanged, deferred inflows related to pension increased \$8,650,811, and unearned revenues decreased \$416,979 in 2021.								
The City's net position increased \$2,781,239 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, 2021 year end.
A comparative analysis of government-wide data is as follows:

Table 2							
Changes in Net Position							
2021							
	Governmental Activities		Business-type Activities		Total		Percent
	2021	2020	2021	2020	2021	2020	Change
Revenues:							
Program revenues:							
Charges for services	\$ 6,428,828	2,589,812	11,546,862	11,115,772	17,975,690	13,705,584	31.16%
Operating grants	59,674	97,873	7,500		67,174	97,873	-31.37%
Capital grants	897,082	3,566,678			897,082	3,566,678	-74.85%
General revenues:							
Sales and use taxes	8,853,705	7,529,139			8,853,705	7,529,139	17.59%
Property taxes	8,159,389	7,575,593			8,159,389	7,575,593	7.71%
Other	5,532,045	2,698,993	54,676	103,271	5,586,721	2,802,264	99.36%
Total Revenues	29,930,723	24,058,088	11,609,038	11,219,043	41,539,761	35,277,131	17.75%
Program Expenses:							
General government	2,860,111	2,027,327			2,860,111	2,027,327	41.08%
Public safety	11,315,279	7,171,548			11,315,279	7,171,548	57.78%
Public services	3,485,811	2,570,406			3,485,811	2,570,406	35.61%
Culture and recreation	7,860,867	4,685,903			7,860,867	4,685,903	67.76%
Water and sewer			10,339,370	8,399,046	10,339,370	8,399,046	23.10%
Sanitation			1,345,427	1,307,301	1,345,427	1,307,301	2.92%
Interest and fiscal charge	1,551,655	1,388,704			1,551,655	1,388,704	11.73%
Total Expenses	27,073,723	17,843,888	11,684,797	9,706,347	38,758,520	27,550,235	40.68%
Change in Net Position	\$ 2,857,000	6,214,200	(75,759)	1,512,696	2,781,241	7,726,896	-64.01%
Net Position, beginning	27,516,582	21,302,382	19,893,100	18,380,404	47,409,682	39,682,786	19.47%
Net Position, ending	\$ 30,373,582	27,516,582	19,817,341	19,893,100	50,190,923	47,409,682	5.87%

Governmental Activities. Revenues for the City's governmental activities for the year ended September 30, 2021 were \$29,930,723 compared to \$24,058,088 in 2020. Program revenues increased 18% primarily as a result of a increase 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 (75%).

The cost of providing all governmental activities for 2021 was \$27,073,723 and for 2020 was \$17,843,888, an increase of \$9,229,835 for 2021 and a decrease of \$3,735,627 for 2020. Of this amount, general government expenses increased \$832,784 in 2021 and increased \$31,223 in 2020; public safety expenses increased \$4,143,731 for 2021 and increased \$446,473 for 2020; public services expenses increased \$915,405 in 2021 and increased \$53,761 in 2020; culture and recreation expenses increased \$3,174,964 in 2021 and decreased \$4,219,436 in 2020; and interest on long-term debt expenses increased \$162,951 in 2021 and decreased \$25,922 in 2020.

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 \$11,546,862 for 2021 and \$11,115,772 for 2020, an increase of \$431,090 in 2021 and an increase of \$382,072 for 2020. Revenue from capital grants was \$7,500 in 2021 compared to \$0 for 2020.

The costs of these business-type activities were \$11,684,797 and \$9,706,347 for 2021 and 2020 respectively, an increase of \$1,978,450 in 2021 due to increases in water and sewer costs and sanitation costs; and a decrease of \$28,382 in 2020 due to decreases 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 \$18,779,107, an increase of \$4,859,433. The fund balance consists of \$12,878,277 or 68.58% which is restricted for specific purposes which are externally imposed, \$313,920 or 1.67% is committed for specific purposes internally imposed by the City; \$5,075 or 0.03% 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 \$5,581,835 or 29.72%.

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, 2021, the City's total capital assets were \$165,475,724 including land, city buildings, infrastructure, vehicles and furniture and equipment. This amount represents an increase of \$8,182,842 for 2020 to 2021. The accumulated depreciation as of September 30, 2021 was \$63,019,130 and total depreciation expense for the year was \$5,218,413.

Table 3								
Capital Assets at September 30, 2021								
(Net of Depreciation)								
	Governmental Activities		Business-type Activities		Total		Percent	
	2021	2020	2021	2020	2021	2020	Change	
Land	\$ 3,192,590	3,073,607	130,377	130,377	3,322,967	3,203,984	3.71%	
Construction in Progress	2,544,147	4,651,733	1,970,923	7,983,485	4,515,070	12,635,218	-64.27%	
Buildings	32,933,470	34,026,381	650,429	671,670	33,583,899	34,698,051	-3.21%	
Improvements other than bldg	32,507,549	28,463,289	25,117,952	15,483,970	57,625,501	43,947,259	31.12%	
Machinery, equipment, vehicles	2,708,525	2,939,686	700,632	816,977	3,409,157	3,756,663	-9.25%	
Total	\$ 73,886,281	73,154,696	28,570,313	25,086,479	102,456,594	98,241,175	4.29%	
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, 2021, the City had \$52,641,297 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, 2021								
		Governmental Activities		Business-type Activities		Total		Percent
		2021	2020	2021	2020	2021	2020	Change
General obligation bonds	\$	23,588,000	24,760,000			23,588,000	24,760,000	-4.73%
Special obligation bonds		18,670,000	19,055,000			18,670,000	19,055,000	-2.02%
Revenue bonds				1,675,000	1,785,000	1,675,000	1,785,000	-6.16%
Other long-term liabilities		0	400,000			0	400,000	-100.00%
Capital loans				8,247,109	5,974,923	8,247,109	5,974,923	38.03%
Compensated absences		358,087	405,141	99,199	92,008	457,286	497,149	-8.02%
Capital leases		3,902	31,216	0	1,406,143	3,902	1,437,359	-99.73%
Total	\$	42,619,989	44,651,357	10,021,308	9,258,074	52,641,297	53,909,431	-2.35%
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

Bond Refunding Issue

The City is in process of finalizing a Refunding Bond Issue in the principal amount of and not to exceed \$4,950,000 for the purpose of advance refunding a portion of the \$6,000,000 MS Development Bank Special Obligation Bonds, Series 2018.

Agreement between the City and The Department of the Army

A Project Partnership Agreement was entered into with the Department of the Army Corps of Engineers for a Section 592 Project for assistance with City of Brandon Water System Improvements to include construction of a water well and tank. Federal Funds available under this agreement is \$3,400,000 and will include a local match of 25% or \$1,333,333.

Downtown Revitalization Continues

A bid was awarded in the amount of \$613,810 for improvements to Dining Street, Poindexter Street and overlay of the Frontiers parking lot. The improvements include overlay, curb, gutter, and street extension. This will allow more parking for the increasing downtown establishments.

Tax Increment Financing Bond Issue

This Tax Increment Financing Plan for Orleans Way, City of Brandon, Mississippi will be an undertaking of the City of Brandon authorized pursuant to Sections 21-45-1, et. Seq., MS Code 1972 as amended. The Developer proposes to develop 112-acre, mixed use development in the city including a grocery store, hotel, car dealership, senior living, office space, retail, restaurants and on-site infrastructure necessary to support the development with construction of a road extending Orleans Way. This project is anticipated to be after fiscal year 2022.

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, 2021

	Primary Government		
	Governmental	Business-Type	Totals
	Activities	Activities	
ASSETS			
Cash and cash equivalents	\$ 4,219,588	\$ 1,069,163	\$ 5,288,751
Receivables:			
Accounts receivable, net of allowance for uncollectible accounts	-	1,492,810	1,492,810
Ad valorem	312,348	-	312,348
Current sales tax	1,468,012	-	1,468,012
Franchise tax	224,722	-	224,722
Other receivables	165,427	-	165,427
Due from other governments	-	2,655,537	2,655,537
Inventory	-	192,786	192,786
Internal balances	14,998	(14,998)	-
Restricted cash and cash equivalents	14,008,419	1,299,698	15,308,117
Capital assets, net	73,886,281	28,570,313	102,456,594
Total assets	94,299,795	35,265,309	129,565,104
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to bond refunding	1,202,491	-	1,202,491
Deferred outflows related to pensions	2,422,091	440,765	2,862,856
Total deferred inflows of resources	\$ 3,624,582	\$ 440,765	\$ 4,065,347

See accompanying notes to financial statements.

CITY OF BRANDON
STATEMENT OF NET POSITION
September 30, 2021

	Primary Government		
	Governmental	Business-Type	Totals
	Activities	Activities	
LIABILITIES			
Accounts payable	\$ 538,976	\$ 1,191,053	\$ 1,730,029
Accrued payroll liabilities	68,245	11,930	80,175
Deposits payable	-	839,290	839,290
Liabilities payable from restricted assets:			
Accrued interest payable	249,611	-	249,611
Long-term liabilities, due within one year:			
Capital improvement loan	-	392,703	392,703
Obligation under capital lease	3,902	-	3,902
Bonds payable	1,971,978	115,000	2,086,978
Due in more than one year:			
Capital improvement loan	-	7,854,405	7,854,405
Bonds payable	42,281,308	1,560,000	43,841,308
Compensated absences	358,087	99,199	457,286
Net pension liability	13,701,058	2,493,276	16,194,334
Total liabilities	<u>59,173,165</u>	<u>14,556,856</u>	<u>73,730,021</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	7,318,934	1,331,877	8,650,811
Developer construction advances	31,509	-	31,509
Deferred inflows - unearned revenues	1,027,187	-	1,027,187
Total deferred inflows of resources	<u>8,377,630</u>	<u>1,331,877</u>	<u>9,709,507</u>
NET POSITION			
Net investment in capital assets	29,629,093	20,208,205	49,837,298
Restricted			
Debt service	3,442,059	-	3,442,059
Capital activities	3,665,429	460,408	4,125,837
Other	6,869,422	-	6,869,422
Unrestricted	<u>(13,232,421)</u>	<u>(851,272)</u>	<u>(14,083,693)</u>
Total net position	<u>\$ 30,373,582</u>	<u>\$ 19,817,341</u>	<u>\$ 50,190,923</u>

See accompanying notes to financial statements.

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

Function / Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	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	\$ 2,860,111	\$ 66,249	\$ -	\$ -	\$ (2,793,862)	\$ -	\$ (2,793,862)
Public safety	11,315,279	2,074,863	59,674	167,033	(9,013,709)	-	(9,013,709)
Public services	3,485,811	226,386	-	730,049	(2,529,376)	-	(2,529,376)
Culture and recreation	7,860,867	4,061,330	-	-	(3,799,537)	-	(3,799,537)
Debt service - interest and fiscal charges	1,551,655	-	-	-	(1,551,655)	-	(1,551,655)
Total governmental activities	27,073,723	6,428,828	59,674	897,082	(19,688,139)	-	(19,688,139)
Business-type activities							
Water and sewer	10,339,370	10,126,875	-	7,500	-	(204,995)	(204,995)
Sanitation	1,345,427	1,419,987	-	-	-	74,560	74,560
Total business-type activities	11,684,797	11,546,862	-	7,500	-	(130,435)	(130,435)
Total primary government	\$ 38,758,520	\$ 17,975,690	\$ 59,674	\$ 904,582	(19,688,139)	(130,435)	(19,818,574)
General revenues							
Taxes							
Sales and use taxes					8,853,705	-	8,853,705
Property taxes					8,159,389	-	8,159,389
Franchise fees					903,841	-	903,841
Other taxes and shared revenue					4,155,998	-	4,155,998
Investment income					229,338	54,676	284,014
Other					242,868	-	242,868
Total general revenues and other					22,545,139	54,676	22,599,815
Change in net position					2,857,000	(75,759)	2,781,241
Net Position, September 30, 2020					27,516,582	19,893,100	47,409,682
Net Position, September 30, 2021					\$ 30,373,582	\$ 19,817,341	\$ 50,190,923

See accompanying notes to financial statements.

**CITY OF BRANDON
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2021**

	General Fund	Debt Service Fund	Capital Projects Fund	Amphitheater Fund	Other Nonmajor Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 4,530,271	\$ 2,376,468	\$ 3,665,429	\$ 1,449,965	\$ 1,879,602	\$ 13,901,735
Receivables						
Ad valorem and road taxes	199,637	112,711	-	-	-	312,348
Current sales tax	1,468,012	-	-	-	-	1,468,012
Franchise tax	224,722	-	-	-	-	224,722
Other receivables	5,512	-	-	159,915	-	165,427
Restricted cash	4,326,273	-	-	-	-	4,326,273
Internal Balances - due from other funds	87,453	-	-	-	-	87,453
Total Assets	10,841,880	2,489,179	3,665,429	1,609,880	1,879,602	20,485,970
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable	477,913	-	-	61,062	-	538,975
Accrued wages payable	64,409	-	-	3,836	-	68,245
Internal Balances - due to other funds	72,455	-	-	-	-	72,455
Unearned revenues	-	-	-	1,027,187	-	1,027,187
Total Liabilities	614,777	-	-	1,092,085	-	1,706,862
Fund Balance						
Restricted	4,326,273	2,489,179	3,665,429	517,795	1,879,602	12,878,278
Committed	313,920	-	-	-	-	313,920
Assigned	5,075	-	-	-	-	5,075
Unassigned	5,581,835	-	-	-	-	5,581,835
Total Fund Balances	10,227,103	2,489,179	3,665,429	517,795	1,879,602	18,779,108
Total Liabilities and Fund Balances	\$ 10,841,880	\$ 2,489,179	\$ 3,665,429	\$ 1,609,880	\$ 1,879,602	\$ 20,485,970

See accompanying notes to financial statements.

CITY OF BRANDON
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
September 30, 2021

Total fund balances - governmental funds		\$ 18,779,108
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	108,932,300	
Less accumulated depreciation	<u>(35,046,019)</u>	73,886,281
Certain items are not available to pay for current period expenditures and, therefore, are either deferred or not applicable to funds.		
Deferred outflows and inflows related to pensions		(4,896,843)
Deferred outflows related to bond refunding		1,202,491
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		(249,611)
Deferred inflows for developer construction advances		(31,509)
Long-term liabilities (including currents portion due) are not due and payable in the current period and accordingly are not reported in the governmental funds.		
		<u>(58,316,335)</u>
Net position of governmental activities		\$ <u><u>30,373,582</u></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, 2021

	General Fund	Debt Service Fund	Capital Projects Fund	Amphitheater Fund	Other Nonmajor Funds	Total Governmental Funds
Revenues						
Property tax	\$ 5,084,586	\$ 3,314,008	\$ -	\$ -	\$ -	\$ 8,398,594
Sales tax	7,181,898	-	-	-	-	7,181,898
Sales tax - restaurants & hotels	1,450,300	-	-	-	-	1,450,300
Franchise tax	903,841	-	-	-	-	903,841
Licenses and permits	259,611	-	-	-	-	259,611
State shared revenues	419,565	-	2,985,667	-	692,478	4,097,710
County shared revenues	967,352	-	-	-	-	967,352
Charges for services	419,397	-	-	3,674,956	-	4,094,353
Fines and forfeitures	283,183	-	-	-	1,791,681	2,074,864
Other revenues	299,496	35,756	11,161	72,220	26,543	445,176
Total Revenues	<u>17,269,229</u>	<u>3,349,764</u>	<u>2,996,828</u>	<u>3,747,176</u>	<u>2,510,702</u>	<u>29,873,699</u>
Expenditures						
Current (operating)						
General government	1,937,500	-	-	-	-	1,937,500
Public safety	6,471,370	-	-	-	442,870	6,914,240
Public services	1,914,553	-	-	-	-	1,914,553
Culture and recreation	1,744,811	-	-	3,338,052	-	5,082,863
Capital outlay	1,836,743	-	2,635,669	19,625	295,612	4,787,649
Debt service						
Principal	449,126	1,837,000	-	-	750,000	3,036,126
Interest and fiscal charges	32,031	1,708,443	-	-	23,561	1,764,035
Total Expenditures	<u>14,386,134</u>	<u>3,545,443</u>	<u>2,635,669</u>	<u>3,357,677</u>	<u>1,512,043</u>	<u>25,436,966</u>
Excess of revenues over (under) expenditures	<u>2,883,095</u>	<u>(195,679)</u>	<u>361,159</u>	<u>389,499</u>	<u>998,659</u>	<u>4,436,733</u>
Other financing sources and uses, including transfers						
Proceeds from debt issuance	-	5,255,000	-	-	-	5,255,000
Payments to bond escrow agent	-	(4,871,889)	-	-	-	(4,871,889)
Proceeds from sale of assets	27,840	-	-	-	11,750	39,590
Transfers in (out)	(860,192)	259,202	-	600,990	-	-
Total other financing sources and (uses)	<u>(832,352)</u>	<u>642,313</u>	<u>-</u>	<u>600,990</u>	<u>11,750</u>	<u>422,701</u>
Net change in fund balances	2,050,743	446,634	361,159	990,489	1,010,409	4,859,434
Fund Balances, September 30, 2020	8,176,360	2,042,545	3,304,270	(472,694)	869,193	13,919,674
Fund Balances, September 30, 2021	<u>\$ 10,227,103</u>	<u>\$ 2,489,179</u>	<u>\$ 3,665,429</u>	<u>\$ 517,795</u>	<u>\$ 1,879,602</u>	<u>\$ 18,779,108</u>

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, 2021

Net change in fund balances - governmental funds	\$	4,859,434
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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	\$	4,327,682	
Depreciation expense		(3,596,097)	731,585

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		47,054
Pension expense for the current period		(5,633,905)
Interest expense		212,380
Change in Prepaid expenses		136,700
Other revenues (expenses)		9,878

Payments made to bond escrow agents consume current financial resources in
 governmental funds, but the payments made to bond escrow agents
 are used to redeem bonds in the governmentwide financial statements and
 has no effect on the statement of activities

651,560

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		(5,255,000)	
Retirement of debt		7,097,314	1,842,314

Change in net position - governmental funds	\$	2,857,000
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See accompanying notes to financial statements.

CITY OF BRANDON
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2021

	Business-Type Activities Enterprise Funds		
	Water & Sewer Fund	Sanitation Fund	Totals
ASSETS			
Current assets			
Cash and cash equivalents	\$ 893,670	\$ 175,493	\$ 1,069,163
Receivables			
Accounts receivable, net of allowance for uncollectible accounts	1,249,251	243,559	1,492,810
Due from other governments	2,655,537	-	2,655,537
Inventory	192,786	-	192,786
Total current assets	4,991,244	419,052	5,410,296
Noncurrent assets			
Restricted cash	1,299,698	-	1,299,698
Capital assets, net	28,563,631	6,682	28,570,313
Total noncurrent assets	29,863,329	6,682	29,870,011
Total assets	34,854,573	425,734	35,280,307
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflow related to pensions	426,785	13,980	440,765
Total deferred outflows of resources	426,785	13,980	440,765
LIABILITIES			
Current liabilities			
Accounts payable	1,187,728	3,325	1,191,053
Accrued payroll liabilities	11,400	530	11,930
Internal Balances - due to other funds	14,998	-	14,998
Meter deposits payable	839,290	-	839,290
Current portion of capital improvement loan	392,703	-	392,703
Current portion of revenue bonds	115,000	-	115,000
Total current liabilities	2,561,119	3,855	2,564,974
Noncurrent liabilities			
Compensated absences	95,774	3,425	99,199
Net pension liability	2,414,199	79,077	2,493,276
Capital improvement loan	7,854,405	-	7,854,405
Revenue bonds	1,560,000	-	1,560,000
Total noncurrent liabilities	11,924,378	82,502	12,006,880
Total liabilities	14,485,497	86,357	14,571,854
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	1,289,635	42,242	1,331,877
Total deferred inflows of resources	1,289,635	42,242	1,331,877
NET POSITION			
Net investment in capital assets	20,201,523	6,682	20,208,205
Restricted	460,408	-	460,408
Unrestricted	(1,155,705)	304,433	(851,272)
Total net position	\$ 19,506,226	\$ 311,115	\$ 19,817,341

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, 2021

	Business-Type Activities Enterprise Funds		
	Water & Sewer Fund	Sanitation Fund	Totals
Operating Revenues			
Charges for services	\$ 10,126,875	\$ 1,419,987	\$ 11,546,862
Total operating revenues	10,126,875	1,419,987	11,546,862
Operating Expenses			
Personnel services	3,142,375	(59,435)	3,082,940
Supplies, services and other charges	5,531,304	1,397,667	6,928,971
Depreciation and amortization	1,615,123	7,195	1,622,318
Total operating expenses	10,288,802	1,345,427	11,634,229
Operating income (loss)	(161,927)	74,560	(87,367)
Nonoperating revenues (expenses)			
Capital grant	7,500	-	7,500
Interest income	52,320	2,356	54,676
Interest expense and bond fees	(50,568)	-	(50,568)
Total nonoperating revenues (expenses)	9,252	2,356	11,608
Change in net position	(152,675)	76,916	(75,759)
Net Position, September 30, 2020	19,658,901	234,199	19,893,100
Net Position, September 30, 2021	\$ 19,506,226	\$ 311,115	\$ 19,817,341

See accompanying notes to financial statements.

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

	Business-Type Activities Enterprise Funds		
	Water & Sewer Fund	Sanitation Fund	Totals
Cash flows from operating activities			
Cash received from customers	\$ 10,180,952	\$ 1,361,013	\$ 11,541,965
Cash payments for goods and services	(5,478,096)	(1,395,010)	(6,873,106)
Cash payments for personnel services	(1,542,801)	(61,260)	(1,604,061)
Net cash provided by operating activities	<u>3,160,055</u>	<u>(95,257)</u>	<u>3,064,798</u>
Cash flows from capital and related financing activities			
Principal paid on notes payable and capital leases	(1,899,495)	-	(1,899,495)
Interest paid on notes and capital leases	(50,568)	-	(50,568)
Acquisition and construction of capital assets	(5,126,657)	-	(5,126,657)
Proceeds from capital grants	7,500	-	7,500
Net cash used for capital and related financing activities	<u>(7,069,220)</u>	<u>-</u>	<u>(7,069,220)</u>
Cash flows from investing activities			
Interest on investments	52,320	2,357	54,677
Net cash provided (used) by investing activities	<u>52,320</u>	<u>2,357</u>	<u>54,677</u>
Net increase (decrease) in cash and cash equivalents	(3,856,845)	(92,900)	(3,949,745)
Cash and cash equivalents, October 1, 2020	<u>6,050,213</u>	<u>268,393</u>	<u>6,318,606</u>
Cash and cash equivalents, September 30, 2021	<u>\$ 2,193,368</u>	<u>\$ 175,493</u>	<u>\$ 2,368,861</u>
Cash and cash equivalents consists of the following statement of net position amounts			
Cash and cash equivalents	\$ 893,670	\$ 175,493	\$ 1,069,163
Restricted cash	<u>1,299,698</u>	<u>-</u>	<u>1,299,698</u>
Total cash and cash equivalents	<u>\$ 2,193,368</u>	<u>\$ 175,493</u>	<u>\$ 2,368,861</u>

See accompanying notes to financial statements.

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

	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)	\$ (161,927)	\$ 74,560	\$ (87,367)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities			
Depreciation	1,615,123	7,195	1,622,318
Changes in assets and liabilities			
(Increase) decrease in accounts receivable, net	34,597	(58,974)	(24,377)
(Increase) deferred outflow of resources	(157,191)	27,900	(129,291)
Increase (decrease) in accounts payable	53,208	2,657	55,865
Increase (decrease) in customer meter deposits	19,480	-	19,480
Increase (decrease) in payroll liabilities	(28,125)	(1,226)	(29,351)
Increase (decrease) in compensated absences	7,184	7	7,191
Increase (decrease) in pension liability	517,224	(187,719)	329,505
Increase (decrease) in deferred inflows of resources	1,260,482	40,344	1,300,826
Net cash provided (used) by operating activities	\$ <u>3,160,055</u>	\$ <u>(95,257)</u>	\$ <u>3,064,798</u>

See accompanying notes to financial statements.

CITY OF BRANDON
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2021

(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, 2021

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, 2021

The Infrastructure Fund accounts for financial resources provided by the State of Mississippi through the Infrastructure Modernization Act.

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 this responsibility.

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

CITY OF BRANDON
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2021

be cash equivalents.

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, 2021, 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, 2021

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, 2021

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, 2021

(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, 2021.

At September 30, 2021, the carrying amount of the City's deposits was \$20,596,868 and the bank balance was \$20,826,416.

(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	\$ 757,500
Allowances related to Sanitation Fund receivables	<u>67,500</u>
Total	<u>\$ 825,000</u>

(5) Interfund Advances and Transfers

1. Individual fund interfund receivable and payable balances at September 30, 2021 were:

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
General Fund	Water & Sewer Fund	\$ <u>14,998</u>
Net Internal Balances		\$ <u><u>14,998</u></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, 2021

(6) Capital Assets

A summary of changes in Capital Assets at September 30, 2021 follows:

	Balance 09/30/20	Increases	Decreases	CIP Completed	Balance 09/30/21
Governmental Activities					
Non-depreciable					
Land	\$ 3,073,607	\$ 118,983	\$ -	\$ -	3,192,590
Construction in progress	4,651,733	3,510,615	-	(5,618,201)	2,544,147
Total	7,725,340	3,629,598	-	(5,618,201)	5,736,737
Depreciable					
Buildings	40,697,068	-	-	-	40,697,068
Improvement other than bldg.	45,930,304	241,684	-	5,618,201	51,790,189
Machinery, equip. & vehicles	10,251,903	456,400	-	-	10,708,303
Total	96,879,275	698,084	-	5,618,201	103,195,560
Less accum. depreciation					
Buildings	6,670,686	1,092,912	-	-	7,763,598
Improvement other than bldg.	17,467,016	1,815,624	-	-	19,282,640
Machinery, equip. & vehicles	7,312,217	687,561	-	-	7,999,778
Total	31,449,919	3,596,097	-	-	35,046,016
Governmental Activities, net	\$ 73,154,696	\$ 731,585	\$ -	\$ -	73,886,281

Depreciation expense was charged to governmental functions as follows:

General government	\$ 186,315
Public safety	450,403
Public service	997,902
Culture and recreation	1,961,477
	<u>\$ 3,596,097</u>

Business-type Activities					
Non-depreciable					
Land	\$ 130,377	\$ -	\$ -	\$ -	130,377
Construction in progress	7,962,976	4,712,439	-	(10,704,492)	1,970,923
Total	8,093,353	4,712,439	-	(10,704,492)	2,101,300
Depreciable					
Buildings	1,109,514	-	-	-	1,109,514
Improvement other than bldg.	39,583,320	340,132	-	10,704,492	50,627,944
Machinery, equip. & vehicles	2,630,583	74,086	-	-	2,704,669
Total	43,323,417	414,218	-	10,704,492	54,442,127
Less accum. depreciation					
Buildings	437,843	21,242	-	-	459,085
Improvement other than bldg.	24,099,350	1,410,642	-	-	25,509,992
Machinery, equip. & vehicles	1,813,606	190,432	-	-	2,004,038
Total	26,350,799	1,622,316	-	-	27,973,115
Business-type Activities, net	\$ 25,065,971	\$ 3,504,341	\$ -	\$ -	28,570,312

CITY OF BRANDON
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2021

Obligations under capital lease

The City has entered into the following lease agreements as of September 30, 2021, 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.	\$ 3,902	-
Total obligations under capital leases	\$ 3,902	\$ -

As of September 30, 2021, the City had future minimum payments under capital leases as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
September 30:		
2022	\$ 3,902	\$ -
Total	3,902	-
Less amount representing interest	85	-
Present value of future minimum lease payments	\$ 3,817	\$ -
Cost of equipment	\$ 140,472	\$ -
Accumulated depreciation	\$ 110,036	\$ -

CITY OF BRANDON
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2021

(7) Long-Term Debt

Transactions for the fiscal year ended September 30, 2021, are summarized as follows:

	Balance 09/30/20	Additions	Payments	Balance 09/30/21
Governmental Activities				
General obligation bonds	\$ 24,760,000	\$ 5,255,000	\$ 6,427,000	\$ 23,588,000
Special obligation bonds	19,055,000	-	385,000	18,670,000
Other long-term liabilities	400,000	-	400,000	-
Obligations under capital lease	31,216	-	27,314	3,902
Compensated absences	405,141	-	47,054	358,087
Total governmental activities	44,651,357	5,255,000	7,286,368	42,619,989
Business-type Activities				
Capital improvement loans	5,974,923	2,655,537	383,352	8,247,109
Obligations under capital lease	1,406,143	-	1,406,143	-
Revenue bonds	1,785,000	-	110,000	1,675,000
Compensated absences	92,008	7,191	-	99,199
Total business-type activities	9,258,074	2,662,728	1,899,495	10,021,308
Total government-wide	\$ 53,909,431	\$ 7,917,728	\$ 9,185,863	\$ 52,641,297

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, 2021, including interest payments are as follows:

Year Ended 30-Sep	Governmental Activities		Business-type Activities		Total
	Principal	Interest	Principal	Interest	
2022	\$ 1,971,978	\$ 1,442,188	\$ 507,551	\$ 138,667	\$ 4,060,384
2023	2,251,482	1,396,765	522,132	126,855	4,297,234
2024	2,415,566	1,342,295	536,953	114,706	4,409,520
2025	2,887,192	1,280,956	552,021	102,150	4,822,319
2026	2,088,818	1,195,973	562,343	89,163	3,936,297
2027-2031	10,561,293	4,920,360	2,150,910	270,812	17,903,375
2032-2036	11,136,671	2,721,258	4,649,621	80,195	18,587,745
2037-2041	4,250,000	1,371,840	440,578	5,329	6,067,747
2042-2046	4,695,000	586,003	-	-	5,281,003
Total	\$ 42,258,000	\$ 16,257,637	\$ 9,922,109	\$ 927,877	\$ 69,365,623

CITY OF BRANDON
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2021

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.	\$ -	\$ 426,345
\$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.	-	1,304,274
\$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.	-	516,275
\$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.	-	414,233
\$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.	-	1,107,378
\$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.	-	877,272
\$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.	-	3,601,332
Total Capital Improvement Loans	\$ -	\$ 8,247,109

CITY OF BRANDON
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2021

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, 2021, are comprised of the following:

<u>General Obligation Bonds</u>	<u>Governmental Activities</u>	<u>Business- type</u>
\$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%.	1,230,000	-
\$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%.	7,995,000	-
\$5,255,000 2020 Refunding Bonds due in annual installments ranging from \$193,616 to \$1,069,805 for 15 years through September 2035, with interest of 1.85%.	5,113,000	
\$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%.	3,250,000	
Total General Obligation Bonds	23,588,000	-
\$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%.	13,360,000	-

CITY OF BRANDON
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2021

\$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%. - 1,675,000

\$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%.

	5,310,000	-
Total Special Obligation Bonds	18,670,000	1,675,000
Total before premiums/(discounts), net	42,258,000	1,675,000
Premiums/(discounts), net	1,995,286	-
Total Bonds Payable	\$ 44,253,286	\$ 1,675,000

Advance Refunding

On October 15, 2020, the City issued \$5,255,000 in general obligation refunding bonds with an interest rate of 1.85% to advance refund \$4,225,000 of 2014 series general obligation bonds.

The net proceeds of \$5,066,000, after payment of \$188,811 in issuance costs, was used to purchase state and local government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the bonds. As a result, those bonds are considered defeased, and the liability for those bonds was removed from the Statement of Net Position.

The refunding of these bonds resulted in an economic gain of \$338,591 for the City. The economic gain results from the net present value difference between the new and the old debt service requirements.

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, 2021

The following is a schedule of limitations on the indebtedness of the City as of September 30, 2021:

Authorized Debt Limit:	15 Percent	20 Percent
Assessed valuation for the fiscal year ended September 30, 2021 - \$ 247,550,645	\$ 37,132,597	\$ 49,510,129
Total long-term debt - governmental activities	42,619,989	42,619,989
Less amounts not subject to statutory limitation	(19,031,989)	(19,028,087)
Present debt subject to debt limitation	23,588,000	23,591,902
Margin for further general indebtedness	\$ 13,544,597	\$ 25,918,227

(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, 2021, the government-wide statement of net position reports \$14,437,318 of restricted net position, of which \$2,262,351 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
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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, 2021 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, 2021, 2020, and 2019 was \$1,246,566, \$1,250,773, and \$1,110,145, 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, 2021, the City reported a liability of \$16,194,334 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, 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, 2021, the City's proportion was 0.109566 percent, which was an increase of .0020246 percent from its proportion measured as of June 30, 2020.

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 2021, this was 3.88 years, which was an increase of .22 years from the prior year average of 3.66.

Changes in Assumptions.

2021

- The expectation of retired life mortality was changed to the PubS.H-2010(B) Retiree Table with the following adjustments:
 - For males, 95% of male rates up to age 60, 110% for ages 61 to 75, and 101% for ages above 77.
 - For females, 84% of female rates up to age 72, 100% for ages above 76.

Projection scale MP-2020 will be used to project future improvements in life expectancy generationally.

The expectation of disabled mortality was changed to PubG.H-2010 Disabled Table for disabled retirees with the following adjustments:

For males, 134% of male rates at all ages.

For females, 121% of female rates at all ages.

CITY OF BRANDON
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2021

Projection scale MP-2020 will be used to project future improvements in life expectancy generationally.

The expectation of contingent annuitant mortality was based on the PubS.H-2010(B) Contingent Annuitant Table with the following adjustments:

For males, 97% of male rates at all ages.

For females, 110% of female rates at all ages.

Projection scale MP-2020 will be used to project future improvements in life expectancy generationally.

The price inflation assumption was reduced from 2.75% to 2.40%.

The wage inflation assumption was reduced from 3.00% to 2.65%.

The investment rate of return assumption was changed from 7.75% to 7.55%.

The assumed load for administrative expenses was increased from 0.25% to 0.28% of payroll.

Withdrawal rates, pre-retirement mortality rates, disability rates and service retirement rates were also adjusted to reflect actual experience more closely.

The percentage of active member disabilities assumed to be in the line of duty was increased from 9% to 12%.

The percentage of active member deaths assumed to be in in the line of duty was decrease from 6% to 4%.

2019

The expectation of retired life mortality was changed to the PubS.H-2010(B) Retiree Table with the following adjustments:

For males, 112% of male rates from ages 18 to 75 scaled down to 105% for ages 80 to 119.

For females, 85% of the female rates from ages 18 to 65 scaled up to 102% for ages 75 to 119.

Projection scale MP-2018 will be used to project future improvements in life expectancy generationally.

The expectation of disabled mortality was changed to PubT.H-2010 Disabled Retiree Table for disabled retirees with the following adjustments:

For males, 137% of male rates at all ages.

For females, 115% of female rates at all ages.

Projection scale MP-2018 will be used to project future improvements in life expectancy generationally.

The price inflation assumption was reduced from 3.00% to 2.75%.

The wage inflation assumption was reduced from 3.25% to 3.00%.

Withdrawal rates, pre-retirement mortality rates, and service retirement rates were also adjusted to more closely reflect actual experience.

CITY OF BRANDON
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2021

The percentage of active member disabilities assumed to be in the line of duty was increased from 7% to 9%.

2017

The expectation of retired life mortality was changed to the RP-2014 Healthy Annuitant Blue Collar Mortality Table projected with Scale BB to 2022. Small adjustments were also made to the Mortality Table for disabled lives.

The wage inflation assumption was reduced from 3.75% to 3.25%.

Withdrawal rates, pre-retirement mortality rates, disability rates and service retirement rates were also adjusted to more closely reflect actual experience.

The percentage of active member disabilities assumed to be in the line of duty was increased from 6% to 7%.

2016

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

2015

The expectation of retired life mortality was changed to the RP-2014 Healthy Annuitant Blue Collar Table projected to 2016 using Scale BB rather than the RP- 2000 Mortality Table, which was used prior to 2015.

The expectation of disabled mortality was changed to the RP-2014 Disabled Retiree Table, rather than the RP-2000 Disabled Mortality Table, which was used prior to 2015.

Withdrawal rates, pre-retirement mortality rates, disability rates and service retirement rates were also adjusted to more closely reflect actual experience.

Assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience.

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

Changes 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, 2021, the City recognized pension expense of \$7,173,254, which included net amortization of deferred outflows and deferred inflows. Of this amount, \$6,068,572 was allocated to governmental activities and \$1,104,682 was allocated to business-type activities.

At September 30, 2021, the City reported \$2,862,856 in deferred outflows of resources and \$8,650,811 in deferred inflows of resources related to pensions from the following sources:

CITY OF BRANDON
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2021

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 258,947	\$ 5,895,285
Net difference between projected and actual earnings on pension plan investments	1,018,242	-
Change of assumptions	1,246,146	-
City contributions subsequent to the measurement date	339,521	-
Differences between City contributions and proportionate share of contributions	-	2,755,526
Total	\$ 2,862,856	\$ 8,650,811

The \$2,862,856 of deferred outflows of resources resulting from the City's contributions subsequent to the measurement date and the net difference between expected and actual plan experience and changes in assumptions will be recognized as a reduction of the net pension liability in the year ending September 30, 2021. The \$8,650,811 of deferred inflows resulting from the City's difference between expected and actual plan experience and differences between city contributions and proportionate share of contributions will be recognized as an increase in the net pension liability in the year ending September 30, 2021. Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense in future years.

Actuarial Assumptions

The total pension liability in the June 30, 2021 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, 2021 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, 2021 are summarized in the following table:

CITY OF BRANDON
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2021

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
U.S. Broad	27%	4.60%
International equity	22%	4.50%
Global	12%	4.80%
Fixed Income	20%	-25.00%
Real Estate	10%	3.75%
Private equity	8%	6.00%
Cash	1%	-1.00%
Total	100%	

Discount Rate

The discount rate used to measure the total pension liability was 7.55%. 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.

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 6.75 %	Current 7.75 %	1% Increase 8.75 %
City's proportional share of the net pension liability	\$ 22,934,973	\$ 16,194,334	\$ 10,639,511

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:

CITY OF BRANDON
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2021

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.

Construction and Other Significant Commitments

The remaining payments of construction contracts relating to construction or major repairs in progress aggregated approximately \$5,023,672. 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

CITY OF BRANDON
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2021

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.

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 April 29, 2022, the date which the financial statements were available to be issued, noting the following subsequent events to be disclosed.

CITY OF BRANDON
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended September 30, 2021

	Original Budget	Budget as Amended	Actual	Variance from Final Amended Budget Over (under)
Revenues:				
Taxes	\$ 4,878,677	\$ 4,878,677	\$ 5,120,811	\$ 242,134
Licenses and permits	1,079,574	1,079,574	1,159,102	79,528
State shared revenues	8,000,380	8,000,380	8,754,827	754,447
Grants	1,017,346	1,017,346	292,315	(725,031)
County shared revenues	943,775	943,775	931,126	(12,649)
Charges for services	314,375	314,375	438,081	123,706
Fines and forfeits	375,559	375,559	287,803	(87,756)
Other	202,412	202,412	285,164	82,752
Total Revenues	16,812,098	16,812,098	17,269,229	457,131
Expenditures:				
City court				
Personnel costs	232,728	261,045	244,559	(16,486)
Supplies	3,620	4,771	4,646	(125)
Charges for services	7,435	7,435	4,294	(3,141)
Total city court	243,783	273,251	253,499	(19,752)
Executive / Administrative				
Personnel cost	440,129	451,651	428,550	(23,101)
Supplies	750	1,782	1,983	201
Charges for services	31,691	217,084	215,833	(1,251)
Capital expenditures	-	355	388	33
Total executive / administrative	472,570	670,872	646,754	(24,118)
General Government				
Personnel cost	478,583	478,583	427,161	(51,422)
Supplies	15,850	15,850	14,419	(1,431)
Charges for services	670,330	719,777	600,944	(118,833)
Capital expenditures	150,000	150,000	-	(150,000)
Debt service	101,739	101,739	101,965	226
Total general government	1,416,502	1,465,949	1,144,489	(321,460)

CITY OF BRANDON
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended September 30, 2021

	Original Budget	Budget as Amended	Actual	Variance from Final Amended Budget Over (under)
Elections				
Supplies	1,500	5,856	-	(5,856)
Charges for services	15,800	25,038	-	(25,038)
Capital expenditures	1,500	1,500	-	(1,500)
Total elections department	18,800	32,394	-	(32,394)
Police Department				
Personnel cost	2,876,354	2,880,449	2,728,665	(151,784)
Supplies	165,551	165,551	158,329	(7,222)
Charges for services	289,271	357,880	271,222	(86,658)
Capital expenditures	-	22,906	27,818	4,912
Total police department	3,331,176	3,426,786	3,186,034	(240,752)
Fire Department				
Personnel cost	3,377,086	3,377,086	2,962,526	(414,560)
Supplies	106,215	106,215	98,204	(8,011)
Charges for services	303,474	303,474	226,366	(77,108)
Capital expenditures	200,170	200,170	122,963	(77,207)
Total fire department	3,986,945	3,986,945	3,410,059	(576,886)
Street Department				
Personnel cost	261,290	261,290	234,448	(26,842)
Supplies	92,450	92,450	65,012	(27,438)
Charges for services	839,014	1,138,997	1,259,760	120,763
Capital expenditures	2,261,276	2,261,276	1,447,393	(813,883)
Debt service	1,102,442	1,102,442	330,066	(772,376)
Total street department	4,556,472	4,856,455	3,336,679	(1,519,776)
Community development				
Personnel cost	323,878	323,878	297,079	(26,799)
Supplies	6,500	7,372	7,413	41
Charges for services	67,185	67,185	45,534	(21,651)
Total community development	397,563	398,435	350,026	(48,409)

CITY OF BRANDON
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended September 30, 2021

	Original Budget	Budget as Amended	Actual	Variance from Final Amended Budget Over (under)
Cemetery Maintenance				
Charges for services	22,382	22,382	1,571	(20,811)
Total cemetery maintenance	22,382	22,382	1,571	(20,811)
Parks Department				
Personnel cost	766,881	766,881	599,682	(167,199)
Supplies	169,525	254,453	263,218	8,765
Charges for services	359,866	535,071	527,380	(7,691)
Capital expenditures	155,160	243,376	199,586	(43,790)
Debt service	52,728	52,728	49,126	(3,602)
Total parks department	1,504,160	1,852,509	1,638,992	(213,517)
Library				
Supplies	4,800	4,800	1,951	(2,849)
Charges for services	199,873	199,873	100,833	(99,040)
Total library	204,673	204,673	102,784	(101,889)
Senior Citizen Department				
Personnel cost	54,158	61,168	62,358	1,190
Supplies	17,400	17,400	5,949	(11,451)
Charges for services	35,570	35,570	14,265	(21,305)
Capital expenditures	1,974	1,974	1,757	(217)
Total senior citizen department	109,102	116,112	84,329	(31,783)
Conference Center				
Personnel cost	173,242	173,242	132,481	(40,761)
Supplies	10,957	10,957	3,180	(7,777)
Charges for services	58,211	58,211	31,116	(27,095)
Capital expenditures	2,700	38,097	37,097	(1,000)
Total conference center	245,110	280,507	203,874	(76,633)
Total Expenditures	16,509,238	17,587,270	14,386,134	(3,201,136)
Excess of revenues over (under) expenditures	302,860	(775,172)	2,883,095	3,658,267

CITY OF BRANDON
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended September 30, 2021

	Original Budget	Budget as Amended	Actual	Variance from Final Amended Budget Over (under)
Other financing sources (uses):				
Non-revenue receipts	2,000	2,000	27,840	25,840
Operating transfers out	<u>(1,081,801)</u>	<u>(1,081,801)</u>	<u>(860,192)</u>	<u>221,609</u>
Total other financing sources (uses)	<u>(1,079,801)</u>	<u>(1,079,801)</u>	<u>(832,352)</u>	<u>247,449</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses, budgetary basis	\$ <u><u>(776,941)</u></u>	\$ <u><u>(1,854,973)</u></u>	2,050,743	\$ <u><u>3,905,716</u></u>
Fund Balance, September 30, 2020			<u>8,176,360</u>	
Fund Balance, September 30, 2021			\$ <u><u>10,227,103</u></u>	

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

	2021	2020	2019	2018	2017	2016
City's proportion of the net pension liability	\$ 16,194,334	\$ 18,157,028	\$ 17,510,858	\$ 17,059,260	\$ 17,722,991	\$ 14,431,151
City's proportionate share of the net pension liability	0.109560%	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	226.14%	270.12%	260.46%	259.13%	279.22%	247.43%
Plan fiduciary net position as a percentage of the total pension liability	70.44%	58.97%	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*

	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 1,267,600	\$ 1,250,773	\$ 1,110,145	\$ 1,058,605	\$ 1,044,539	\$ 1,053,983
Contributions in relation to the contractually required contribution	1,267,600	1,250,773	1,110,145	1,058,605	1,044,539	1,053,983
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered - employee payroll	7,161,316	7,161,316	6,723,029	6,583,257	6,347,257	5,832,419
Contributions as a percentage of covered - employee payroll	17.40%	15.75%	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, 2021

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

2021

The expectation of retired life mortality was changed to the PubS H-2010(B) Retiree Table with the following adjustments:

For males, 95% of male rates up to age 60, 110% for ages 61 to 75, and 101% for ages above 77.

For females, 84% of female rates up to age 72, 100% for ages above 76.

Projection scale MP-2020 will be used to project future improvements in life expectancy generationally.

The expectation of disabled mortality was changed to PubG.H-2010 Disabled Table for disabled retirees with the following adjustments:

For males, 134% of male rates at all ages.

For females, 121% of female rates at all ages.

Projection scale MP-2020 will be used to project future improvements in life expectancy generationally.

The expectation of contingent annuitant mortality was based on the PubS.H- 2010(B) Contingent Annuitant Table with the following adjustments:

For males, 97% of male rates at all ages.

For females, 110% of female rates at all ages.

Projection scale MP-2020 will be used to project future improvements in life expectancy generationally.

The price inflation assumption was reduced from 2.75% to 2.40%.

The wage inflation assumption was reduced from 3.00% to 2.65%.

The investment rate of return assumption was changed from 7.75% to 7.55%.

The assumed load for administrative expenses was increased from 0.25% to 0.28% of payroll.

Withdrawal rates, pre-retirement mortality rates, disability rates and service retirement rates were also adjusted to reflect actual experience more closely.

The percentage of active member disabilities assumed to be in the line of duty was increased from 9% to 12%.

The percentage of active member deaths assumed to be in the line of duty was decrease from 6% to 4%.

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

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 Assistant	Arendale, Byrnnne	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 Assistant	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
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
September 30, 2021**

	Drug Seizure Fund	Infrastructure Fund	Total Nonmajor Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 1,758,296	\$ 121,306	\$ 1,879,602
Total Assets	<u>1,758,296</u>	<u>121,306</u>	<u>1,879,602</u>
LIABILITIES AND FUND BALANCES			
Fund Balance			
Spendable			
Restricted	<u>1,758,296</u>	<u>121,306</u>	<u>1,879,602</u>
Total Fund Balances	<u>1,758,296</u>	<u>121,306</u>	<u>1,879,602</u>
Total Liabilities and Fund Balances	\$ <u>1,758,296</u>	\$ <u>121,306</u>	\$ <u>1,879,602</u>

CITY OF BRANDON
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
For the year ended September 30, 2021

	Drug Seizure Fund	Infrastructure Fund	Total Nonmajor Governmental Funds
Revenues			
State shared revenues	\$ -	\$ 692,478	\$ 692,478
Fines and forfeitures	1,791,681	-	1,791,681
Other revenues	21,507	5,036	26,543
Total Revenues	<u>1,813,188</u>	<u>697,514</u>	<u>2,510,702</u>
Expenditures			
Current (operating)			
Public safety	442,870	-	442,870
Capital outlay	295,612	-	295,612
Debt service			
Principal	-	750,000	750,000
Interest and fiscal charges	-	23,561	23,561
Total Expenditures	<u>738,482</u>	<u>773,561</u>	<u>1,512,043</u>
Excess of revenues over (under) expenditures	<u>1,074,706</u>	<u>(76,047)</u>	<u>998,659</u>
Other financing sources and uses, including transfers			
Proceeds from sale of assets	<u>11,750</u>	<u>-</u>	<u>11,750</u>
Net change in fund balances	1,086,456	(76,047)	1,010,409
Fund Balances, September 30, 2020	671,840	197,353	869,193
Fund Balances, September 30, 2021	<u>\$ 1,758,296</u>	<u>\$ 121,306</u>	<u>\$ 1,879,602</u>

**CITY OF BRANDON
GENERAL FUND
COMPARISON SCHEDULES OF REVENUES AND EXPENDITURES
AND CHANGES IN FUND BALANCE
For the Years Ended September 30, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
<u>Revenues</u>		
Taxes		
Property tax	\$ 5,084,586	\$ 4,729,020
Sales tax	7,181,898	6,089,017
Sales tax - restaurants	1,387,648	1,187,393
Sales tax - hotels	62,652	33,197
Franchise tax	903,841	862,353
	<u>14,620,625</u>	<u>12,900,980</u>
Licenses and Permits		
Privilege licenses	55,520	51,149
Building permits	189,012	182,371
Other licenses	15,079	14,751
Total Licenses and Permits	<u>259,611</u>	<u>248,271</u>
State Shared Revenues		
Payment in lieu of taxes - Grand Gulf	155,612	152,710
Fire protection	162,413	152,020
Municipal aid	10,824	10,824
Gasoline tax	18,846	18,846
Emergency disaster funds	16,000	508,374
Department of Transportation grant	21,571	-
Department of Public Safety funds	21,090	561,866
MDA Grants	-	86,701
Other grant funds	13,209	39,882
Total State Shared Revenue	<u>419,565</u>	<u>1,531,223</u>
County Shared Revenues		
Pro-rata county road tax	839,807	781,456
Auto rental and rail tax	102,266	50,350
Tourism tax	25,278	29,577
County reimbursements	-	2,200,000
Total County Shared Revenues	<u>967,351</u>	<u>3,061,383</u>
Service Charges		
Facility rental fees	74,410	75,836
Park sales and fees	311,963	231,061
Plan review and inspection fees	29,259	30,103
Zoning & development fees	3,766	3,280
Total Service Charges	<u>419,398</u>	<u>340,280</u>
Court Fines and Forfeits	<u>283,183</u>	<u>422,716</u>
Other revenues	<u>299,496</u>	<u>419,194</u>
Total Revenues	<u>17,269,229</u>	<u>18,924,047</u>

**CITY OF BRANDON
GENERAL FUND
COMPARISON SCHEDULES OF REVENUES AND EXPENDITURES
AND CHANGES IN FUND BALANCE
For the Years Ended September 30, 2021 and 2020**

<u>Expenditures</u>	<u>2021</u>	<u>2020</u>
General Government and Administration		
City Court		
Salaries		
Salaries	170,508	170,145
Employer costs	74,051	77,437
Total Salaries	244,559	247,582
Supplies, Services and Other Charges		
Office supplies	4,646	2,945
Professional fees	4,294	6,011
Total Supplies, Services and Other Charges	8,940	8,956
Total City Court	253,499	256,538
Election		
Operating supplies	27,045	-
Total Election Costs	27,045	-
Executive / Administration		
Salaries		
Salaries	303,650	307,341
Employer costs	124,899	130,517
Total Salaries	428,549	437,858
Supplies, Services and Other Charges		
Advertising	20,160	10,000
Bond fees and expenses	1,400	1,225
Conventions	810	1,181
Dues and subscriptions	1,175	8,080
Exhibitions and promotions	421	24,430
Insurance	4,618	4,333
Miscellaneous	-	4,239
Operating supplies	1,113	1,031
Printing and binding	4,570	-
Professional fees	147,826	19,299
Rentals	412	-
Repairs - Vehicles	1,538	135
Telephone and communication	553	603
Training	387	-
Transportation	902	188
Total Supplies, Services and Other Charges	185,885	74,744

**CITY OF BRANDON
GENERAL FUND
COMPARISON SCHEDULES OF REVENUES AND EXPENDITURES
AND CHANGES IN FUND BALANCE
For the Years Ended September 30, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
Capital Outlay		
Machinery and equipment	388	10,603
Total Capital Outlay	388	10,603
Total Executive / Administrative Department	614,822	523,205
General Government Department		
Salaries		
Salaries	310,567	378,346
Employer costs	116,592	145,319
Total Salaries	427,159	523,665
Supplies, Services and Other Charges		
Advertising	1,661	3,688
Bond fees and expenses	1,630	1,805
Cleaning and janitorial	3,913	3,754
Contract labor	1,600	1,681
Dues and subscriptions	87,672	85,961
Insurance	15,024	26,310
Land leases	2,120	1,200
Miscellaneous	7,355	5,022
Office supplies	4,200	3,653
Operating supplies	5,549	2,503
Postage	3,422	2,994
Printing and binding	4,247	1,535
Professional fees	166,122	190,495
Rentals	11,500	10,753
Repairs - equipment	4,078	3,570
Repairs - other	46,039	50,548
Repairs - vehicles	121	909
Telephone and communication	199,333	210,166
Training	-	502
Transportation	758	591
Utilities	49,021	62,647
Total Supplies, Services and Other Charges	615,365	670,287
Capital Outlay		
Machinery and equipment	-	285,080
Total Capital Outlay	-	285,080
Debt Service		
Debt service principal	100,000	100,000
Debt service interest	1,965	3,488
Total Debt Service	101,965	103,488
Total General Government Department	1,144,489	1,582,520
Total General Government and Administration	2,039,855	2,362,263

**CITY OF BRANDON
GENERAL FUND
COMPARISON SCHEDULES OF REVENUES AND EXPENDITURES
AND CHANGES IN FUND BALANCE
For the Years Ended September 30, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
Public Services		
Street Department		
Salaries		
Wages	176,337	191,624
Employer costs	<u>63,417</u>	<u>70,167</u>
Total Salaries	<u>239,754</u>	<u>261,791</u>
Supplies, Services and Other Charges		
Advertising	564	996
Contract labor	219,570	76,161
Insurance	31,266	17,486
Miscellaneous	27	40
Operating supplies	48,501	58,425
Professional fees	137,876	179,268
Rentals	4,654	12,654
Repairs - equipment	33,884	64,185
Repairs - vehicles	14,087	32,052
Repairs - other	251,384	140,191
Telephone and communications	411	497
Training	75	-
Transportation	12,362	19,483
Uniforms	3,579	3,543
Utilities - street lights	<u>565,962</u>	<u>509,803</u>
Total Supplies, Services and Other Charges	<u>1,324,202</u>	<u>1,114,784</u>
Capital Outlay		
Improvements other than buildings	1,444,487	1,279,119
Machinery and equipment	<u>13,057</u>	<u>11,694</u>
Total Capital Outlay	<u>1,457,544</u>	<u>1,290,813</u>
Debt Service		
Debt service principal	300,000	300,000
Debt service interest	<u>30,066</u>	<u>10,463</u>
Total Debt Service	<u>330,066</u>	<u>310,463</u>
Total Street Department	<u>3,351,566</u>	<u>2,977,851</u>
Community Development Department		
Salaries		
Salaries	221,295	215,011
Employer costs	<u>75,783</u>	<u>76,035</u>
Total Salaries	<u>297,078</u>	<u>291,046</u>

**CITY OF BRANDON
GENERAL FUND
COMPARISON SCHEDULES OF REVENUES AND EXPENDITURES
AND CHANGES IN FUND BALANCE
For the Years Ended September 30, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
Supplies, Services and Other Charges		
Advertising	1,381	2,234
Convention	-	260
Dues and subscriptions	1,746	619
Insurance	3,083	2,852
Miscellaneous expenses	3,914	5,180
Office supplies	396	268
Operating supplies	975	203
Printing and binding	762	399
Professional fees	30,888	28,291
Repairs - vehicles	1,055	-
Communications	2,707	2,387
Training	-	219
Transportation	5,830	3,750
Uniforms	213	42
Total Supplies, Services and Other Charges	<u>52,950</u>	<u>46,704</u>
Capital Outlay		
Machinery and equipment	-	1,975
Total Capital Outlay	<u>-</u>	<u>1,975</u>
Debt Service		
Total Community Development Department	<u>350,028</u>	<u>339,725</u>
Total Public Services	<u>3,701,594</u>	<u>3,317,576</u>
Public Safety		
Police Department		
Salaries		
Salaries	2,034,358	2,115,643
Employer costs	720,367	802,048
Total Salaries	<u>2,754,725</u>	<u>2,917,691</u>
Supplies, Services and Other Charges		
Advertising	-	97
Bond fees and expenses	525	350
Cleaning and janitorial	2,927	6,092
Conventions	215	-
D.P.S. Fund expenses	-	4,620
Dues and subscriptions	1,253	656
Insurance	43,178	42,764
Miscellaneous	10,372	26,417
Office supplies	2,458	3,989
Operating supplies	6,646	8,553
Printing and binding	1,255	1,352
Prisoners expense	17,239	25,352

**CITY OF BRANDON
GENERAL FUND
COMPARISON SCHEDULES OF REVENUES AND EXPENDITURES
AND CHANGES IN FUND BALANCE
For the Years Ended September 30, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
Professional fees	76,331	83,808
Repairs - equipment	3,165	2,268
Repairs - other	4,459	6,332
Repairs - vehicles	46,075	42,897
SRT expenses	1,522	3,148
Telephone and communications	31,886	33,198
Training	16,903	17,267
Transportation	102,044	87,329
Uniforms	25,492	16,234
Utilities	35,606	30,722
Total Supplies, Services and Other Charges	<u>429,551</u>	<u>443,445</u>
Capital Outlay		
Improvements other than buildings	15,426	147,138
Machinery and equipment	2,794	209,743
Vehicles	-	22,325
Total Capital Outlay	<u>18,220</u>	<u>379,206</u>
Debt Service		
Debt service principal	-	100,000
Total Debt Service	<u>-</u>	<u>100,000</u>
Total Police Department	<u>3,202,496</u>	<u>3,840,342</u>
Fire Department		
Salaries		
Salaries	2,189,049	2,134,734
Employer costs	773,478	815,374
Total Salaries	<u>2,962,527</u>	<u>2,950,108</u>

**CITY OF BRANDON
GENERAL FUND
COMPARISON SCHEDULES OF REVENUES AND EXPENDITURES
AND CHANGES IN FUND BALANCE
For the Years Ended September 30, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
Supplies, Services and Other Charges		
Bond fees and expenses	175	175
Cleaning	7,202	8,010
Communications	4,274	3,829
Conventions	2,546	425
Data processing	99	57
Dues and subscriptions	4,818	3,011
Insurance	42,638	39,967
Miscellaneous	22,270	26,798
Office supplies	1,506	1,499
Operating supplies	9,694	3,121
Printing and binding	513	186
Professional fees	9,673	4,395
Rentals	1,885	2,194
Repairs - vehicles	41,080	41,958
Repairs - equipment	23,752	18,148
Repairs - other	12,968	3,149
Storm Team	4,570	12,201
Training	17,756	13,455
Transportation	40,387	27,344
Uniforms	36,421	12,711
Utilities	40,346	37,192
Total Supplies, Services and Other Charges	<u>324,573</u>	<u>259,825</u>
Capital Outlay		
Machinery and equipment	119,538	26,816
Furniture and fixtures	3,425	0
Total Capital Outlay	<u>122,963</u>	<u>26,816</u>
Debt Service		
Debt service principal	-	79,610
Debt service interest	-	600
Total Debt Service	<u>-</u>	<u>80,210</u>
Total Fire Department	<u>3,410,063</u>	<u>3,316,959</u>
Total Public Safety	<u>6,612,559</u>	<u>7,157,301</u>
Culture and Recreation		
Cemetery Department		
Supplies, Services and Other Charges		
Contract labor	779	7,155
Utilities	793	744
Total Supplies, Services and Other Charges	<u>1,572</u>	<u>7,899</u>
Total Cemetery Department	<u>1,572</u>	<u>7,899</u>

**CITY OF BRANDON
GENERAL FUND
COMPARISON SCHEDULES OF REVENUES AND EXPENDITURES
AND CHANGES IN FUND BALANCE
For the Years Ended September 30, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
Parks Department		
Salaries		
Salaries	171,107	257,574
Wages	284,583	242,985
Employer costs	<u>144,562</u>	<u>173,278</u>
Total Salaries	<u>600,252</u>	<u>673,837</u>
Supplies, Services and Other Charges		
Advertising	200	741
Beautification	14,713	13,347
Chemicals	13,056	22,823
Cleaning and janitorial	91,712	9,940
Contract labor	84,549	84,306
Convention	-	356
Dues and subscriptions	79	159
Insurance	39,158	34,998
Miscellaneous expenses	4,967	2,229
Office supplies	265	688
Operational supplies	77,638	43,301
Professional fees	84,499	37,192
Rental	31,603	6,521
Repairs - equipment	15,589	13,953
Repairs - other	70,393	28,296
Repairs - vehicles	3,192	6,560
Telephone and communications	4,066	3,967
Tournament fees	765	255
Training	40	162
Transportation	28,346	12,907
Uniforms	52,201	37,561
Utilities	<u>173,565</u>	<u>106,797</u>
Total Supplies, Services and Other Charges	<u>790,596</u>	<u>467,059</u>

CITY OF BRANDON
GENERAL FUND
COMPARISON SCHEDULES OF REVENUES AND EXPENDITURES
AND CHANGES IN FUND BALANCE
For the Years Ended September 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Capital Outlay		
Improvements other than buildings	164,358	361,743
Furniture and fixtures	1,851	-
Machinery and equipment	33,377	40,880
Total Capital Outlay	<u>199,586</u>	<u>402,623</u>
Debt Service		
Debt service principal	49,126	46,824
Total Debt Service	<u>49,126</u>	<u>46,824</u>
Total Parks Department	<u>1,639,560</u>	<u>1,590,343</u>
Senior Citizens Department		
Salaries		
Wages	45,999	36,320
Employer costs	16,359	14,741
Total Salaries	<u>62,358</u>	<u>51,061</u>
Supplies, Services and Other Charges		
Advertising	-	460
Cleaning and janitorial	2,320	1,933
Contract labor	7,350	11,665
Dues and subscriptions	655	800
Insurance	1,699	1,563
Miscellaneous expenses	92	261
Office supplies	326	54
Operational supplies	3,561	4,604
Printing and binding	54	-
Professional fees	665	975
Rental	3,279	3,179
Repairs - equipment	60	159
Telephone and communications	412	617
Total Supplies, Services and Other Charges	<u>20,473</u>	<u>26,270</u>
Capital Outlay		
Machinery and equipment	1,499	764
Total Capital Outlay	<u>1,499</u>	<u>764</u>
Total Senior Citizens Department	<u>84,330</u>	<u>78,095</u>

**CITY OF BRANDON
GENERAL FUND
COMPARISON SCHEDULES OF REVENUES AND EXPENDITURES
AND CHANGES IN FUND BALANCE
For the Years Ended September 30, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
Library		
Supplies, Services and Other Charges		
Cleaning and janitorial	1,951	881
Contract labor	-	1,325
Insurance	4,508	3,794
Operating supplies	-	896
Miscellaneous expenses	813	747
Professional fees	325	1,085
Repairs - equipment	33,343	26,935
Telephone and communications	11,653	8,285
Utilities	50,191	92,313
Total Supplies, Services and Other Charges	<u>102,784</u>	<u>136,261</u>
Total Library Department	<u>102,784</u>	<u>136,261</u>
Conference Center		
Salaries		
Salaries	95,256	108,556
Employer costs	37,231	43,592
Total Salaries	<u>132,487</u>	<u>152,148</u>
Supplies, Services and Other Charges		
Advertising	955	690
Bond fees	350	350
Cleaning and janitorial	2,256	2,115
Contract labor	-	2,265
Communications	1,494	1,159
Dues and subscriptions	306	-
Insurance	1,176	-
Office supplies	856	1,761
Operating supplies	68	1,542
Miscellaneous expenses	2,413	311
Professional fees	1,246	1,714
Repairs and maintenance	743	192
Special Events	20,855	20,449
Veteran's Day	1,578	2,159
Total Supplies, Services and Other Charges	<u>34,296</u>	<u>34,707</u>
Capital Outlay		
Machinery and equipment	37,097	13,316
Total Capital Outlay	<u>37,097</u>	<u>13,316</u>
Total Conference Center Department	<u>203,880</u>	<u>200,171</u>
Total Culture and Recreation	<u>2,032,126</u>	<u>2,012,769</u>
Total Expenditures	<u>14,386,134</u>	<u>14,849,909</u>

**CITY OF BRANDON
GENERAL FUND
COMPARISON SCHEDULES OF REVENUES AND EXPENDITURES
AND CHANGES IN FUND BALANCE
For the Years Ended September 30, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
Excess of Revenues over (under) Expenditures	<u>2,883,095</u>	<u>4,074,138</u>
Other Financing Sources (Uses)		
Operating transfers in (out)	(860,192)	(1,257,455)
Sales of general fixed assets	<u>27,840</u>	<u>14,954</u>
Total Other Financing Sources (Uses)	<u>(832,352)</u>	<u>(1,242,501)</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	2,050,743	2,831,637
Fund Balance, beginning	<u>8,176,360</u>	<u>5,344,723</u>
Fund Balance, ending	<u>\$ 10,227,103</u>	<u>\$ 8,176,360</u>

**CITY OF BRANDON
CAPITAL PROJECTS FUND
COMPARISON SCHEDULES OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
For the Years Ended September 30, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
Revenues		
States Shared Revenues	\$ 2,985,667	\$ -
Interest income	<u>11,161</u>	<u>9,735</u>
Total Revenues	<u>2,996,828</u>	<u>9,735</u>
Capital Outlay		
Street overlay	<u>2,635,669</u>	<u>1,262,214</u>
Total Capital Outlay	<u>2,635,669</u>	<u>1,262,214</u>
Debt Service		
Interest and fiscal charges	<u>-</u>	<u>103,688</u>
Total Debt Service	<u>-</u>	<u>103,688</u>
Total Expenditures, Capital Outlay and Debt Service	<u>2,635,669</u>	<u>1,365,902</u>
Excess of revenues over (under) expenditures	361,159	(1,356,167)
Total other financing sources and (uses)	<u>-</u>	<u>4,000,000</u>
Net change in fund balances	361,159	2,643,833
Fund Balance, beginning	<u>3,304,270</u>	<u>660,437</u>
Fund Balance, ending	<u>\$ 3,665,429</u>	<u>\$ 3,304,270</u>

**CITY OF BRANDON
DEBT SERVICE FUND
COMPARISON SCHEDULES OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
For the Years Ended September 30, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
Revenues		
Taxes	\$ 3,314,008	\$ 3,075,277
Other income	<u>35,756</u>	<u>29,017</u>
Total Revenues	<u>3,349,764</u>	<u>3,104,294</u>
Debt Service		
Debt service principal	1,837,000	2,085,000
Interest and fiscal charges	<u>6,580,332</u>	<u>1,521,484</u>
Total Debt Service	<u>8,417,332</u>	<u>3,606,484</u>
Total Expenditures, Capital Outlay and Debt Service	<u>8,417,332</u>	<u>3,606,484</u>
Excess of revenues over (under) expenditures	<u>(5,067,568)</u>	<u>(502,190)</u>
Other Financing Sources and Uses		
Refunding bonds	5,255,000	-
Transfers In	<u>259,202</u>	<u>657,455</u>
Total other financing sources and (uses)	<u>5,514,202</u>	<u>657,455</u>
Net change in fund balances	446,634	155,265
Fund Balance, beginning	<u>2,042,545</u>	<u>1,887,280</u>
Fund Balance, ending	<u>\$ 2,489,179</u>	<u>\$ 2,042,545</u>

CITY OF BRANDON
AMPHITHEATER FUND
COMPARISON SCHEDULES OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
For the Years Ended September 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Revenues		
Amphitheater revenues	\$ 3,674,957	\$ 352,234
Other income	<u>72,220</u>	<u>117,615</u>
Total Revenues	<u>3,747,177</u>	<u>469,849</u>
Operating Expenses		
Salaries		
Salaries and wages	153,849	166,810
Employer costs	<u>52,715</u>	<u>62,361</u>
Total Salaries	<u>206,564</u>	<u>229,171</u>
Supplies, Services and Other Charges		
Advertising	204,731	71,668
Bank charges and credit card processing fees	8,262	2,983
Cleaning and janitorial	52,368	8,416
Contract labor	5,590	500
Insurance	244,709	53,269
Miscellaneous expenses	14,649	4,688
Office supplies	387	-
Other supplies	49,402	3,451
Printing and binding	154	-
Professional fees	2,380,546	487,849
Rental	51,049	58,924
Repairs - equipment	4,871	60,233
Repairs - other	39,688	119,940
Specialized department supplies	18,626	7,942
Telephone and communications	3,907	4,970
Training	794	103
Utilities	<u>51,757</u>	<u>48,888</u>
Total Supplies, Services and Other Charges	<u>3,131,490</u>	<u>933,824</u>
Capital Outlay		
Improvements other than buildings	1,906	129,291
Furniture and fixtures	8,474	14,937
Machinery and equipment	<u>9,244</u>	<u>855</u>
Total Capital Outlay	<u>19,624</u>	<u>145,083</u>
Total Expenditures	<u>3,357,678</u>	<u>1,308,078</u>
Excess of revenues over (under) expenditures	389,499	(838,229)
Other Financing Uses		
Transfers in / (out)	<u>600,990</u>	<u>600,000</u>
Excess of revenues over (under) expenditures and other financing uses	990,489	(238,229)
Fund Balance, beginning	<u>(472,694)</u>	<u>(234,465)</u>
Fund Balance, ending	<u>\$ 517,795</u>	<u>\$ (472,694)</u>

CITY OF BRANDON
DRUG SEIZURE FUND
COMPARISON SCHEDULES OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
For the Years Ended September 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Revenues		
Forfeitures - cash	\$ 1,791,681	\$ 1,226,311
Other income	<u>21,507</u>	<u>3,805</u>
Total Revenues	<u>1,813,188</u>	<u>1,230,116</u>
Expenditures		
Automobile expense	3,978	1,026
Paid to other agencies	353,278	244,422
Operating supplies	78,107	8,158
Repairs and maintenance	4,415	-
Training	<u>3,092</u>	<u>790</u>
Total Expenditures	<u>442,870</u>	<u>254,396</u>
Capital Outlay		
Machinery and equipment	<u>295,612</u>	<u>306,925</u>
Total Capital Outlay	<u>295,612</u>	<u>306,925</u>
Total Expenditures	<u>738,482</u>	<u>561,321</u>
Excess of revenues over (under) expenditures	1,074,706	668,795
Other Financing Uses		
Proceeds from sale of assets	<u>11,750</u>	<u>-</u>
Excess of revenues over (under) expenditures and other financing uses	1,086,456	668,795
Fund Balance, beginning	<u>671,840</u>	<u>3,045</u>
Fund Balance, ending	<u><u>\$ 1,758,296</u></u>	<u><u>\$ 671,840</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, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Operating Revenues		
Water sales	\$ 1,724,830	\$ 1,646,429
Base rate	2,958,682	2,906,601
Late charges and reconnect fees	206,377	202,432
Sewer charges	2,570,564	2,409,650
Service connect charges	102,950	107,550
Sewer charges - West Rankin	2,517,742	2,379,839
Miscellaneous revenue	45,730	104,191
Total Operating Revenues	<u>10,126,875</u>	<u>9,756,692</u>
Operating Expenses		
Salaries		
Salaries	326,678	291,229
Wages	760,234	699,311
Employer costs	2,055,463	332,773
Total Salaries	<u>3,142,375</u>	<u>1,323,313</u>
Supplies, Service and Other Charges		
Advertising	1,522	1,655
Bad Debt	133,022	671
Chemicals	43,390	37,387
Contract labor	329,605	318,121
Dues & subscriptions	1,606	525
Insurance	43,880	72,037
Land leases	2,700	2,700
Miscellaneous	3,535	707
Office supplies	52,509	46,498
Operating supplies	265,354	224,235
Printing & binding	14,826	17,277
Professional services	284,188	310,956
Rentals	67,195	15,657
Repairs - equipment	203,464	242,997
Repairs - other	1,162,041	1,537,033
Repairs - vehicles	36,421	45,516
Sub-interceptor usage expense	2,332,745	2,055,103
Telephone and communications	48,264	24,145
Training	3,262	1,014
Transportation	120,392	73,328
Uniforms	19,394	16,200
Utilities	361,988	328,114
Total Supplies, Services and Other Charges	<u>5,531,303</u>	<u>5,371,876</u>
Total Operating Expenses	<u>8,673,679</u>	<u>6,695,189</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, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Operating Income Before Depreciation	1,453,196	3,061,503
Depreciation expense	<u>1,615,123</u>	<u>1,488,700</u>
Operating Income	<u>(161,927)</u>	<u>1,572,803</u>
Non-operating Revenues (Expenses)		
Capital grant	7,500	-
Interest earnings	52,320	91,736
Gain (loss) on sale of equipment	-	7,954
Interest and fiscal charges - loans	<u>(50,568)</u>	<u>(215,158)</u>
Total Non-operating Revenues (Expenses)	<u>9,252</u>	<u>(115,468)</u>
Change in Net Position	(152,675)	1,457,335
Net Position, beginning	<u>19,658,901</u>	<u>18,201,566</u>
Net Position, ending	<u>\$ 19,506,226</u>	<u>\$ 19,658,901</u>

**CITY OF BRANDON
SANITATION FUND
COMPARISON SCHEDULES OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
For the Years Ended September 30, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
Operating Revenue		
Sanitation fees	\$ 1,419,987	\$ 1,359,080
Total Operating Revenue	<u>1,419,987</u>	<u>1,359,080</u>
Operating Expenses		
Personnel Costs		
Wages	45,769	48,029
Employer costs	14,272	13,628
Employer costs - pension benefit	<u>(119,476)</u>	<u>-</u>
Total Personnel Costs	<u>(59,435)</u>	<u>61,657</u>
Supplies, Service and Other Charges		
Advertising	3,126	153
Insurance	13,641	12,628
Operating supplies	220	-
Prisoner meals	11,904	15,779
Professional services	269	27
Repairs - equipment	50	-
Repairs - other	440	220
Repairs - vehicles	425	280
Sanitation contract	1,359,045	1,201,705
Transportation	7,982	5,009
Uniforms	<u>565</u>	<u>698</u>
Total Supplies, Services and Other Charges	<u>1,397,667</u>	<u>1,236,499</u>
Total Operating Expenses	<u>1,338,232</u>	<u>1,298,156</u>
Operating Loss Before Depreciation	81,755	60,924
Depreciation expense	<u>7,195</u>	<u>9,145</u>
Operating Gain (Loss)	<u>74,560</u>	<u>51,779</u>
Non-operating Revenues (Expenses)		
Gain (loss) on sale of equipment	-	1,480
Interest income	<u>2,356</u>	<u>2,100</u>
Total Non-operating Revenues (Expenses)	<u>2,356</u>	<u>3,580</u>
Net loss before operating transfers	76,916	55,359
Change in Net Position	76,916	55,359
Net Position, beginning	<u>234,199</u>	<u>178,840</u>
Net Position, ending	<u>\$ 311,115</u>	<u>\$ 234,199</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, 2021, and have issued our report dated April 29, 2022. 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
April 29, 2022



The CPA. Never Underestimate The Value.®

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, 2021, 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 April 29, 2022.

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.



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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 & Gray, PLLC

Brandon, Mississippi
April 29, 2022