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CITY OF BRANDON
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For the year ended September 30, 2019

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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, 2019, 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, 2019, 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.



The CPA. Never Underestimate The Value.

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, combining schedules for nonmajor funds and other comparison schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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



Brandon, Mississippi

June 16, 2020

**CITY OF BRANDON
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

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, 2019. 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 2019 were as follows:

Total net position for 2019 increased \$4,264,077 or 12% from 2018. Total net position for 2018 increased \$5,752,666 or 19% from fiscal year 2017. The increase in 2019 resulted primarily from the decrease in governmental activities long-term liabilities and business-type activities increase in capital assets.

General revenues accounted for \$17,820,392 and \$17,152,510 in revenue, or 50.1% and 48.7% of all revenues for fiscal years 2019 and 2018 respectively. Program specific revenues in the form of charges for services and grants and contributions accounted for \$17,757,929 or 49.9% for 2019 and \$18,035,639 or 51.3% of total revenues for 2018.

In the business-type activity of sanitation, sanitation expenses were \$1,296,484 while charges for sanitation services were \$1,345,846. Water and sewer charges for services were \$9,387,854, capital grants and contributions were \$327,200 with expenses of \$8,438,245. Investment income was \$140,664 for 2019.

Long-term debt decreased by \$3,237,596 for fiscal year 2019 and increased by \$10,349,067 for fiscal year 2018. The decrease in 2019 was due no issuance of new bonds and capital leases with the increase in 2018 due to issuance of new bonds and capital leases. Additionally, the liability for compensated absences increased by \$49,003 in 2019 and decreased by \$23,084 in 2018. The net pension liability was \$18,157,028 and \$17,510,858 for 2019 and 2018 respectively.

Overall, the book value of capital assets increased \$2,344,277 in 2019 and increased by \$14,153,876 for 2018. The changes were due to new construction in progress and completion of buildings and improvements in 2019 and 2018.

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 \$35,418,709 to \$39,682,786 between fiscal years 2018 and 2019. This increase is the result of the change in net position from operations of \$4,264,077.

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

Table 1							
Net Position							
2019							
	Governmental Activities		Business-type Activities		Total		Percent
	2019	2018	2019	2018	2019	2018	Change
Assets:							
Cash and other assets	\$ 9,362,895	8,400,847	10,502,764	13,123,478	19,865,659	21,524,325	-7.71%
Capital assets, net	72,580,627	73,396,410	21,919,393	18,759,333	94,500,020	92,155,743	2.54%
Total Assets	81,943,522	81,797,257	32,422,157	31,882,811	114,365,679	113,680,068	0.60%
Deferred Outflows of Resources:							
Deferred outflows related to bond refunding	268,371	127,091			268,371	127,091	111.16%
Deferred outflows related to pensions	2,680,976	1,997,837	396,556	284,886	3,077,532	2,282,723	34.82%
Total Deferred Outflows of Resources	2,949,347	2,124,928	396,556	284,886	3,345,903	2,409,814	38.84%
Liabilities:							
Current and other liabilities	4,359,796	3,737,464	3,833,662	3,646,778	8,193,458	7,384,242	10.96%
Long-term liabilities	58,770,264	61,035,139	10,581,605	11,554,326	69,351,869	72,589,465	-4.46%
Total Liabilities	63,130,060	64,772,603	14,415,267	15,201,104	77,545,327	79,973,707	-3.04%
Deferred Inflows of Resources:							
Deferred inflows related to pensions	195,148	378,556	23,042	53,024	218,190	431,580	-49.44%
Developer construction advances	31,509	31,509			31,509	31,509	0.00%
Deferred inflows - unearned revenues	233,770	234,377			233,770	234,377	100.00%
Total Deferred Inflows of Resources	460,427	644,442	23,042	53,024	483,469	697,466	-30.68%
Net Position							
Net investment in capital assets	28,243,409	26,790,372	15,000,634	10,390,904	43,244,043	37,181,276	16.31%
Restricted	5,230,873	5,601,309	3,771,109	6,324,622	9,001,982	11,925,931	-24.52%
Unrestricted	-12,171,900	-13,886,541	-391,339	198,043	-12,563,239	-13,688,498	-8.22%
Total Net Position	\$ 21,302,382	18,505,140	18,380,404	16,913,569	39,682,786	35,418,709	12.04%
The City's total assets increased \$4,264,077 during 2019 with governmental activities showing an increase of \$2,797,242 and business-type activities showing an increase of \$1,466,835. The increase was primarily due to an increase in net capital assets in governmental activities.							
Deferred outflows related to bond refunding increased \$141,280 and deferred outflows related to pensions increased \$794,809.							
The City's total liabilities decreased \$2,428,380, due mainly to the decrease in bonds payable and capital lease obligations in business-type activities in 2019.							
Deferred inflows for developer construction advances was unchanged, deferred inflows related to pension decreased \$213,390, and unearned revenues decreased \$607 in 2019.							
The City's net position increased \$4,264,077 due mainly to net increase in net capital assets and decrease in long-term liabilities.							

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

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Governmental Activities. Revenues for the City's governmental activities for the year ended September 30, 2019 were \$24,376,757 compared to \$24,946,808 in 2018. Program revenues decreased 15% primarily as a result of a decrease in capital grants. General revenues are, for the most part, comprised of sales and use taxes and property taxes (85%).

The cost of providing all governmental activities for 2019 was \$21,579,515 and for 2018 was \$21,280,702, an increase of \$298,813 for 2019 and an increase of \$4,637,347 for 2018. Of this amount, general government expenses increased \$141,804 in 2019 and decreased \$119,829 in 2018; public safety expenses decreased \$829,659 for 2019 and decreased \$381,067 for 2018; public services expenses decreased \$370,622 in 2019 and decreased \$231,358 in 2018; culture and recreation expenses increased \$1,688,770 in 2019 and increased \$5,121,467 in 2018; economic development expenses were \$21,726 in 2019 compared to \$123,498 in 2018; and interest on long-term debt expenses decreased \$229,708 in 2019 and increased \$257,879 in 2018.

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 (96%). Charges for services for the City's business-type activities were \$10,733,700 for 2019 and \$10,164,720 for 2018, an increase of \$568,980 in 2019 and an increase of \$2,816,259 for 2018. Revenue from capital grants was \$327,200 in 2019 compared to \$15,000 for 2018.

The costs of these business-type activities were \$9,734,729 and \$7,979,894 for 2019 and 2018 respectively, an increase of \$1,754,835 in 2019 due to an increase in water and sewer costs; and an increase of \$193,235 in 2018 due to increases in water and sewer costs.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the City's governmental funds is to provide information on current inflows, outflows and balances of spendable resources. Such information is useful in assessing the city's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the City's net resources available for spending at the end of the fiscal year.

The financial performance of the City as a whole is reflected in its governmental funds. As the City completed the year, its governmental funds reported a combined fund balance of \$7,661,020, an increase of \$235,162. The fund balance consists of \$4,197,875 or 54.8% which is restricted for specific purposes which are externally imposed, \$133,748 or 1.7% is committed for specific purposes internally imposed by the City; \$35,521 or .5% 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 \$3,293,876 or 43%.

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, 2019, the City's total capital assets were \$147,859,052 including land, city buildings, infrastructure, vehicles and furniture and equipment. This amount represents an increase of \$6,993,555 for 2018 to 2019 and an increase of \$18,061,684 for 2017 to 2018. The accumulated depreciation as of September 30, 2019 was \$53,359,032 and total depreciation expense for the year was \$4,731,110.

Table 3								
Capital Assets at September 30, 2019								
(Net of Depreciation)								
								Percent
	Governmental Activities		Business-type Activities		Total			Change
	2019	2018	2019	2018	2019	2018		
Land	\$ 3,073,607	3,073,607	130,377	130,377	3,203,984	3,203,984		0.00%
Construction in Progress	5,012,248	4,461,924	3,731,083	1,956,687	8,743,331	6,418,611		36.22%
Buildings	34,860,189	35,943,112	603,611	622,675	35,463,800	36,565,787		-3.01%
Improvements other than bldg.	26,553,577	26,325,549	16,803,228	15,555,661	43,356,805	41,881,210		3.52%
Machinery, equipment, vehicles	3,081,006	3,592,218	651,094	493,933	3,732,100	4,086,151		-8.66%
Total	\$ 72,580,627	73,396,410	21,919,393	18,759,333	94,500,020	92,155,743		2.54%
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, 2019, the City had \$53,486,538 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, 2019							
	Governmental Activities		Business-type Activities		Total		Percent
	2019	2018	2019	2018	2019	2018	Change
General obligation bonds	\$ 22,480,000	24,160,000			22,480,000	24,160,000	-6.95%
Special obligation bonds	19,420,000	19,765,000			19,420,000	19,765,000	-1.75%
Revenue bonds			1,895,000	2,000,000	1,895,000	2,000,000	-5.25%
Other long-term liabilities	900,000	1,400,000			900,000	1,400,000	-35.71%
Capital loans	81,332	107,459	5,402,616	5,484,984	5,483,948	5,592,443	-1.94%
Compensated absences	375,587	341,409	75,523	60,698	451,110	402,107	12.19%
Capital leases	78,040	154,453	2,778,440	4,117,152	2,856,480	4,271,605	-33.13%
Total	\$ 43,334,959	45,928,321	10,151,579	11,662,834	53,486,538	57,591,155	-7.13%
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

The City's \$2,000,000 water and sewer system revenue bonds for the downtown renovation of constructing, enlarging, improving and repairing and or extending the combined waterworks and sewage system continues in progress. In addition, a water line improvement construction project was bid at the end of 2019.

Two 500,000 gallon water tanks will be completed and go online fall of 2020 on North Street and Burnham Road. Two older tanks, hospital and Cain Circle, will be rehabilitated and raised 40 feet once the new tanks are online. The City has secured property for a new water well in the Northeast corner of the City as a part of the comprehensive water and sewer plan.

The City was awarded MPO funds for projects to include the Boyce Thompson Bike Lane Project with bids projected the end of June 2020.

Improvements continue at Quarry Park to construct a trail system that will connect Crossgates to Downtown Brandon.

Bids will be received on June 17, 2020 for a sewer rehabilitation project in Crossgates. This project will upgrade lines that are original to the Crossgates Development.

The City is in the process of \$4 million bond issue for the overlay of streets and also a storm drain repair/replacement project. These bonds will be serviced by general fund debt payments that are rolling off and also the HB 1 monies of Use Tax/Internet Sales Tax.

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, 2019

	Primary Government		
	Governmental Activities	Business-Type Activities	Totals
ASSETS			
Cash and cash equivalents	\$ 1,875,350	\$ 4,413,069	\$ 6,288,419
Receivables:			
Accounts receivable, net of allowance for uncollectible accounts	-	1,414,274	1,414,274
Ad valorem	253,018	-	253,018
Current sales tax	1,290,509	-	1,290,509
Franchise tax	207,435	-	207,435
Other receivables	238,638	-	238,638
Due from other governments	-	-	-
Inventory	-	192,786	192,786
Internal balances	87,335	(87,335)	-
Prepaid expenses	148,228	-	148,228
Restricted cash and cash equivalents	5,262,382	4,569,970	9,832,352
Capital assets, net	72,580,627	21,919,393	94,500,020
Total assets	<u>81,943,522</u>	<u>32,422,157</u>	<u>114,365,679</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to bond refunding	268,371	-	268,371
Deferred outflows related to pensions	2,680,976	396,556	3,077,532
Total deferred inflows of resources	<u>\$ 2,949,347</u>	<u>\$ 396,556</u>	<u>\$ 3,345,903</u>

See accompanying notes to financial statements.

CITY OF BRANDON
STATEMENT OF NET POSITION
September 30, 2019

	Primary Government		
	Governmental Activities	Business-Type Activities	Totals
LIABILITIES			
Accounts payable	\$ 1,126,995	\$ 1,154,126	\$ 2,281,121
Accrued payroll liabilities	189,924	24,288	214,212
Deposits payable	-	798,861	798,861
Liabilities payable from restricted assets:			
Accounts payable	2,960	-	2,960
Accrued interest payable	326,761	-	326,761
Long-term liabilities, due within one year:			
Capital improvement loan	81,332	374,090	455,422
Obligation under capital lease	46,824	1,372,297	1,419,121
Bonds payable	2,085,000	110,000	2,195,000
Other long-term liabilities	500,000	-	500,000
Due in more than one year:			
Capital improvement loan	-	5,028,526	5,028,526
Obligation under capital lease	31,216	1,406,143	1,437,359
Bonds payable	42,092,846	1,785,000	43,877,846
Other long-term liabilities	400,000	-	400,000
Compensated absences	375,587	75,523	451,110
Net pension liability	15,870,615	2,286,413	18,157,028
Total liabilities	<u>63,130,060</u>	<u>14,415,267</u>	<u>77,545,327</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	195,148	23,042	218,190
Developer construction advances	31,509	-	31,509
Deferred inflows - unearned revenues	233,770	-	233,770
Total deferred inflows of resources	<u>460,427</u>	<u>23,042</u>	<u>483,469</u>
NET POSITION			
Net investment in capital assets	28,243,409	15,000,634	43,244,043
Restricted			
Debt service	1,828,890	-	1,828,890
Capital activities	660,437	3,771,109	4,431,546
Other	2,741,546	-	2,741,546
Unrestricted	<u>(12,171,900)</u>	<u>(391,339)</u>	<u>(12,563,239)</u>
Total net position	<u>\$ 21,302,382</u>	<u>\$ 18,380,404</u>	<u>\$ 39,682,786</u>

See accompanying notes to financial statements.

CITY OF BRANDON
STATEMENT OF ACTIVITIES
For the year ended September 30, 2019

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	\$ 1,996,104	\$ 61,405	\$ -	\$ -	\$ (1,934,699)	\$ -	\$ (1,934,699)
Public safety	6,725,075	415,281	73,953	183,179	(6,052,662)	-	(6,052,662)
Public services	2,516,645	207,798	-	162,351	(2,146,496)	-	(2,146,496)
Culture and recreation	8,905,339	5,461,537	8,625	122,900	(3,312,277)	-	(3,312,277)
Economic development	21,726	-	-	-	(21,726)	-	(21,726)
Debt service - interest and fiscal charges	1,414,626	-	-	-	(1,414,626)	-	(1,414,626)
Total governmental activities	21,579,515	6,146,021	82,578	468,430	(14,882,486)	-	(14,882,486)
Business-type activities							
Water and sewer	8,438,245	9,387,854	-	327,200	-	1,276,809	1,276,809
Sanitation	1,296,484	1,345,846	-	-	-	49,362	49,362
Total business-type activities	9,734,729	10,733,700	-	327,200	-	1,326,171	1,326,171
Total primary government	\$ 31,314,244	\$ 16,879,721	\$ 82,578	\$ 795,630	(14,882,486)	1,326,171	(13,556,315)
General revenues							
Taxes							
Sales and use taxes					7,533,876	-	7,533,876
Property taxes					7,462,874	-	7,462,874
Franchise fees					892,979	-	892,979
Other taxes and shared revenue					1,130,755	-	1,130,755
Investment income					136,241	140,664	276,905
Gain (loss) on sale of assets					7,850	-	7,850
Other					515,153	-	515,153
Total general revenues and other					17,679,728	140,664	17,820,392
Change in net position					2,797,242	1,466,835	4,264,077
Net Position, September 30, 2018					18,505,140	16,913,569	35,418,709
Net Position, September 30, 2019					\$ 21,302,382	\$ 18,380,404	\$ 39,682,786

See accompanying notes to financial statements.

**CITY OF BRANDON
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2019**

	General Fund	Debt Service Fund	Amphitheater Fund	Other Nonmajor Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 2,006,598	\$ 1,801,231	\$ 784,843	\$ 663,482	\$ 5,256,154
Receivables					
Ad valorem and road taxes	164,010	89,008	-	-	253,018
Current sales tax	1,290,509	-	-	-	1,290,509
Franchise tax	207,435	-	-	-	207,435
Other receivables	6,116	-	232,522	-	238,638
Restricted cash	1,881,578	-	-	-	1,881,578
Internal Balances - due from other funds	710,823	-	-	-	710,823
Total Assets	6,267,069	1,890,239	1,017,365	663,482	9,838,155
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	714,966	2,959	412,027	-	1,129,952
Accrued wages payable	183,891	-	6,033	-	189,924
Internal Balances - due to other funds	23,489	-	600,000	-	623,489
Unearned revenues	-	-	233,770	-	233,770
Total Liabilities	922,346	2,959	1,251,830	-	2,177,135
Fund Balance					
Restricted	1,881,578	1,887,280	(234,465)	663,482	4,197,875
Committed	133,748	-	-	-	133,748
Assigned	35,521	-	-	-	35,521
Unassigned	3,293,876	-	-	-	3,293,876
Total Fund Balances	5,344,723	1,887,280	(234,465)	663,482	7,661,020
Total Liabilities and Fund Balances	\$ 6,267,069	\$ 1,890,239	\$ 1,017,365	\$ 663,482	\$ 9,838,155

See accompanying notes to financial statements.

CITY OF BRANDON
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
September 30, 2019

Total fund balances - governmental funds	\$	7,661,020
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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	100,995,829		
Less accumulated depreciation	<u>(28,415,202)</u>		72,580,627

Certain items are not available to pay for current period expenditures and, therefore, are either deferred or not applicable to funds.

Prepaid expenses		148,228	
Deferred outflows and inflows related to pensions		2,485,828	
Deferred outflows related to bond refunding		268,371	

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		(326,761)	
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.

(61,483,422)

Net position of governmental activities	\$	<u><u>21,302,382</u></u>
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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, 2019

	General Fund	Debt Service Fund	Amphitheater Fund	Other Nonmajor Funds	Total Governmental Funds
Revenues					
Property tax	\$ 4,636,390	\$ 3,033,307	\$ -	\$ -	\$ 7,669,697
Sales tax	6,060,114	-	-	-	6,060,114
Sales tax - restaurants & hotels	1,251,802	-	-	-	1,251,802
Franchise tax	892,979	-	-	-	892,979
Licenses and permits	221,926	-	-	-	221,926
State shared revenues	448,319	-	-	-	448,319
County shared revenues	1,112,431	-	-	-	1,112,431
Charges for services	565,738	-	5,086,869	-	5,652,607
Fines and forfeitures	395,750	-	-	19,531	415,281
Other revenues	403,835	23,665	53,482	16,901	497,883
Total Revenues	<u>15,989,284</u>	<u>3,056,972</u>	<u>5,140,351</u>	<u>36,432</u>	<u>24,223,039</u>
Expenditures					
Current (operating)					
General government	1,903,824	-	-	-	1,903,824
Public safety	6,406,045	-	-	13,445	6,419,490
Public services	1,827,756	-	-	-	1,827,756
Culture and recreation	1,539,746	-	5,553,884	-	7,093,630
Economic Development	21,726	-	-	-	21,726
Capital outlay	1,237,336	-	429,971	849,680	2,516,987
Debt service					
Principal	600,057	2,025,000	-	-	2,625,057
Interest and fiscal charges	26,374	1,572,082	-	-	1,598,456
Total Expenditures	<u>13,562,864</u>	<u>3,597,082</u>	<u>5,983,855</u>	<u>863,125</u>	<u>24,006,926</u>
Excess of revenues over (under) expenditures	<u>2,426,420</u>	<u>(540,110)</u>	<u>(843,504)</u>	<u>(826,693)</u>	<u>216,113</u>
Other financing sources and uses, including transfers					
Proceeds from sale of assets	(309)	-	-	19,358	19,049
Transfers in (out)	(1,102,710)	1,102,710	-	-	-
Total other financing sources and (uses)	<u>(1,103,019)</u>	<u>1,102,710</u>	<u>-</u>	<u>19,358</u>	<u>19,049</u>
Net change in fund balances	<u>1,323,401</u>	<u>562,600</u>	<u>(843,504)</u>	<u>(807,335)</u>	<u>235,162</u>
Fund Balances, September 30, 2018	<u>4,021,322</u>	<u>1,324,680</u>	<u>609,039</u>	<u>1,470,817</u>	<u>7,425,858</u>
Fund Balances, September 30, 2019	<u>\$ 5,344,723</u>	<u>\$ 1,887,280</u>	<u>\$ (234,465)</u>	<u>\$ 663,482</u>	<u>\$ 7,661,020</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, 2019

Net change in fund balances - governmental funds	\$	235,162
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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	2,435,655	
Depreciation expense	<u>(3,242,345)</u>	(806,690)

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	(34,178)
Pension expense for the current period	311,164
Interest expense	183,830
Prepaid expenses	148,228
Other revenues (expenses)	132,186

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.

Retirement of debt	<u>2,627,540</u>	<u>2,627,540</u>
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Change in net position - governmental funds	\$	<u><u>2,797,242</u></u>
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See accompanying notes to financial statements.

CITY OF BRANDON
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2019

	Business-Type Activities		
	Enterprise Funds		
	Water & Sewer	Sanitation	Totals
	Fund	Fund	
ASSETS			
Current assets			
Cash and cash equivalents	\$ 4,190,871	\$ 222,198	\$ 4,413,069
Receivables			
Accounts receivable, net of allowance			
for uncollectible accounts	1,243,876	170,398	1,414,274
Inventory	192,786	-	192,786
Total current assets	5,627,533	392,596	6,020,129
Noncurrent assets			
Restricted cash	4,569,970	-	4,569,970
Capital assets, net	21,896,371	23,022	21,919,393
Total noncurrent assets	26,466,341	23,022	26,489,363
Total assets	32,093,874	415,618	32,509,492
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflow related to pensions	351,717	44,839	396,556
Total deferred outflows of resources	351,717	44,839	396,556
LIABILITIES			
Current liabilities			
Accounts payable	1,151,876	2,250	1,154,126
Accrued payroll liabilities	21,811	2,477	24,288
Internal Balances - due to other funds	87,335	-	87,335
Meter deposits payable	798,861	-	798,861
Current portion of capital improvement loan	374,090	-	374,090
Current portion of capital lease payable	1,372,297	-	1,372,297
Current portion of revenue bonds	110,000	-	110,000
Total current liabilities	3,916,270	4,727	3,920,997
Noncurrent liabilities			
Compensated absences	72,647	2,876	75,523
Net pension liability	2,015,351	271,062	2,286,413
Capital improvement loan	5,028,526	-	5,028,526
Revenue bonds	1,785,000	-	1,785,000
Obligation under capital lease	1,406,143	-	1,406,143
Total noncurrent liabilities	10,307,667	273,938	10,581,605
Total liabilities	14,223,937	278,665	14,502,602
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	20,090	2,952	23,042
Total deferred inflows of resources	20,090	2,952	23,042
NET POSITION			
Net investment in capital assets	14,977,612	23,022	15,000,634
Restricted	3,771,109	-	3,771,109
Unrestricted	(547,157)	155,818	(391,339)
Total net position	\$ 18,201,564	\$ 178,840	\$ 18,380,404

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, 2019

	Business-Type Activities Enterprise Funds		
	Water & Sewer Fund	Sanitation Fund	Totals
Operating Revenues			
Charges for services	\$ 9,387,854	\$ 1,345,846	\$ 10,733,700
Total operating revenues	9,387,854	1,345,846	10,733,700
Operating Expenses			
Personnel services	1,330,974	63,446	1,394,420
Supplies, services and other charges	5,338,641	1,220,893	6,559,534
Depreciation and amortization	1,476,619	12,145	1,488,764
Total operating expenses	8,146,234	1,296,484	9,442,718
Operating income (loss)	1,241,620	49,362	1,290,982
Nonoperating revenues (expenses)			
Capital grant	327,200	-	327,200
Interest income	139,173	1,491	140,664
Interest expense and bond fees	(292,011)	-	(292,011)
Total nonoperating revenues (expenses)	174,362	1,491	175,853
Change in net position	1,415,982	50,853	1,466,835
Net Position, September 30, 2018	16,785,582	127,987	16,913,569
Net Position, September 30, 2019	\$ 18,201,564	\$ 178,840	\$ 18,380,404

See accompanying notes to financial statements.

CITY OF BRANDON
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the year ended September 30, 2019

	Business-Type Activities Enterprise Funds		
	Water & Sewer Fund	Sanitation Fund	Totals
Cash flows from operating activities			
Cash received from customers	\$ 9,318,504	\$ 1,336,599	\$ 10,655,103
Cash payments for goods and services	(4,720,737)	(1,219,238)	(5,939,975)
Cash payments for personnel services	(1,404,718)	(63,980)	(1,468,698)
Net cash provided by operating activities	<u>3,193,049</u>	<u>53,381</u>	<u>3,246,430</u>
Cash flows from capital and related financing activities			
Proceeds from capital loan and leases	712,153	-	712,153
Principal paid on notes payable and capital leases	(2,199,298)	-	(2,199,298)
Interest paid on notes and capital leases	(292,011)	-	(292,011)
Acquisition and construction of capital assets	(4,648,824)	-	(4,648,824)
Proceeds from capital grants	<u>327,200</u>	<u>-</u>	<u>327,200</u>
Net cash used for capital and related financing activities	<u>(6,100,780)</u>	<u>-</u>	<u>(6,100,780)</u>
Cash flows from investing activities			
Interest on investments	<u>139,173</u>	<u>1,491</u>	<u>140,664</u>
Net cash provided (used) by investing activities	<u>139,173</u>	<u>1,491</u>	<u>140,664</u>
Net increase (decrease) in cash and cash equivalents	(2,768,558)	54,872	(2,713,686)
Cash and cash equivalents, October 1, 2018	<u>11,529,399</u>	<u>167,326</u>	<u>11,696,725</u>
Cash and cash equivalents, September 30, 2019	<u>\$ 8,760,841</u>	<u>\$ 222,198</u>	<u>\$ 8,983,039</u>
Cash and cash equivalents consists of the following statement of net position amounts			
Cash and cash equivalents	\$ 4,190,871	\$ 222,198	\$ 4,413,069
Restricted cash	<u>4,569,970</u>	<u>-</u>	<u>4,569,970</u>
Total cash and cash equivalents	<u>\$ 8,760,841</u>	<u>\$ 222,198</u>	<u>\$ 8,983,039</u>

See accompanying notes to financial statements.

CITY OF BRANDON
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the year ended September 30, 2019

	Business-Type Activities Enterprise Funds		
	Water & Sewer Fund	Sanitation Fund	Totals
Reconciliation of operating income to net cash provided by operating activities			
Operating income (loss)	\$ 1,241,620	\$ 49,362	\$ 1,290,982
Adjustments to reconcile operating income (loss) to net cash provided by operating activities			
Depreciation	1,476,619	12,145	1,488,764
Changes in assets and liabilities			
(Increase) decrease in accounts receivable, net	(83,725)	(9,247)	(92,972)
(Increase) deferred outflow of resources	(107,537)	(4,133)	(111,670)
Increase (decrease) in accounts payable	617,904	1,655	619,559
Increase (decrease) in customer meter deposits	14,375	-	14,375
Increase (decrease) in payroll liabilities	(548)	619	71
Increase (decrease) in compensated absences	14,094	731	14,825
Increase (decrease) in pension liability	87,427	3,360	90,787
Increase (decrease) in deferred inflows of resources	(67,180)	(1,110)	(68,290)
Net cash provided (used) by operating activities	\$ <u>3,193,049</u>	\$ <u>53,381</u>	\$ <u>3,246,431</u>

See accompanying notes to financial statements.

CITY OF BRANDON
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2019

(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, 2019

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, 2019

Major Proprietary Fund

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water and Sewer Fund and the Sanitation Fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Fund Balance

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

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

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

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

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

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

Cash and Investments

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

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

CITY OF BRANDON
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2019

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, 2018, 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, 2019

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.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in

CITY OF BRANDON
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2019

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.

(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

CITY OF BRANDON
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2019

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, 2019.

At September 30, 2019, the carrying amount of the City's deposits was \$16,120,772 and the bank balance was \$16,320,950.

(4) Receivables

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

Allowances for doubtful accounts are as follows:

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

(5) Interfund Advances and Transfers

1. Individual fund interfund receivable and payable balances at September 30, 2019 were:

<i>Receivable Fund</i>	<i>Payable Fund</i>		<u>Amount</u>
<u>Governmental Activities</u>			
General Fund	Amphitheater Fund	\$	600,000
<u>Governmental and Business-Type Activities</u>			
General Fund	Water & Sewer Fund	\$	87,335

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, 2019

(6) Capital Assets

A summary of changes in Capital Assets at September 30, 2019 follows:

	Balance 09/30/18	Increases	Decrease	CIP Completed	Balance 09/30/19
Governmental Activities					
Non-depreciable					
Land	\$ 3,073,607	\$ -	\$ -	\$ -	\$ 3,073,607
Construction in progress	4,461,924	2,222,850	-	(1,672,526)	5,012,248
Total	7,535,531	2,222,850	-	(1,672,526)	8,085,855
Depreciable					
Buildings	40,447,118	-	-	-	40,447,118
Improvement other than bldg.	40,661,188	78,029	-	1,672,526	42,411,743
Machinery, equip. & vehicles	10,007,263	134,776	(90,925)	-	10,051,114
Total	91,115,569	212,805	(90,925)	1,672,526	92,909,975
Less accum. depreciation					
Buildings	4,504,006	1,082,923	-	-	5,586,929
Improvement other than bldg.	14,335,639	1,522,527	-	-	15,858,166
Machinery, equip. & vehicles	6,415,044	636,895	(81,832)	-	6,970,107
Total	25,254,689	3,242,345	(81,832)	-	28,415,202
Governmental Activities, net	\$ 73,396,411	\$ (806,690)	\$ (9,093)	\$ -	\$ 72,580,628

Depreciation expense was charged to governmental functions as follows:

General government	\$ 127,173
Public safety	397,490
Public service	817,928
Culture and recreation	1,899,753
	<u>\$ 3,242,344</u>

Business-type Activities					
Non-depreciable					
Land	\$ 130,377	\$ -	\$ -	\$ -	\$ 130,377
Construction in progress	1,956,687	4,357,974	-	(2,583,578)	3,731,083
Total	2,087,064	4,357,974	-	(2,583,578)	3,861,460
Depreciable					
Buildings	1,022,391	-	-	-	1,022,391
Improvement other than bldg.	36,999,742	-	-	2,583,578	39,583,320
Machinery, equip. & vehicles	2,105,201	290,850	-	-	2,396,051
Total	40,127,334	290,850	-	2,583,578	43,001,762
Less accum. depreciation					
Buildings	399,716	19,064	-	-	418,780
Improvement other than bldg.	21,444,080	1,336,012	-	-	22,780,092
Machinery, equip. & vehicles	1,611,268	133,689	-	-	1,744,957
Total	23,455,064	1,488,765	-	-	24,943,829
Business-type Activities, net	\$ 18,759,334	\$ 3,160,059	\$ -	\$ -	\$ 21,919,393

CITY OF BRANDON
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2019

Obligations under capital lease

The City has entered into the following lease agreements as of September 30, 2019, 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.	\$ 78,040	\$ -
Lease dated August 21, 2018, with BancLeasing, LLC for the acquisition of water meters in the amount of \$4,117,167 at 2.43% payable in 36 monthly payments of \$118,563.	-	2,778,440
Total obligations under capital leases	\$ 78,040	\$ 2,778,440

As of September 30, 2019, the City had future minimum payments under capital leases as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
September 30:		
2020	\$ 46,824	\$ 1,372,297
2021	-	1,406,143
2022	-	-
2023	-	-
2024	-	-
Total	46,824	2,778,440
Less amount representing interest	171	66,737
Present value of future minimum lease payments	\$ 46,653	\$ 2,711,703
Cost of equipment	\$ 140,472	\$ 2,971,226
Accumulated depreciation	\$ 53,848	\$ -

CITY OF BRANDON
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2019

(7) Long-Term Debt

Transactions for the fiscal year ended September 30, 2019, are summarized as follows:

Governmental Activities	Balance 09/30/18	Additions	Payments	Balance 09/30/19
Capital improvement loans	\$ 107,459	\$ -	\$ 26,127	\$ 81,332
General obligation bonds	24,160,000	-	1,680,000	22,480,000
Special obligation bonds	19,765,000	-	345,000	19,420,000
Other long-term liabilities	1,400,000	-	500,000	900,000
Obligations under capital lease	154,453	-	76,413	78,040
Compensated absences	341,409	-	(34,178)	375,587
Total governmental activities	45,928,321	-	2,593,362	43,334,959
Business-type Activities				
Capital improvement loans	5,484,984	673,218	755,586	5,402,616
Obligations under capital lease	4,117,152	-	1,338,712	2,778,440
Revenue bonds	2,000,000	-	105,000	1,895,000
Compensated absences	60,698	-	(14,825)	75,523
Total business-type activities	11,662,834	673,218	2,184,473	10,151,579
Total government-wide	\$ 57,591,155	\$ 673,218	\$ 4,777,835	\$ 53,486,538

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, 2019, including interest payments are as follows:

Year Ended 30-Sep	Governmental Activities		Business-type Activities		Total
	Principal	Interest	Principal	Interest	
2020	\$ 2,612,089	\$ 1,519,010	\$ 484,089	\$ 161,357	\$ 4,776,545
2021	2,122,864	1,461,052	493,205	150,150	4,227,271
2022	1,336,379	1,402,566	507,551	138,667	3,385,163
2023	1,605,000	1,361,069	522,132	126,855	3,615,055
2024	1,750,000	1,310,569	536,953	114,706	3,712,228
2025-2029	11,015,000	5,455,043	2,579,849	381,628	19,431,520
2030-2034	10,515,000	3,403,878	1,567,482	142,783	15,629,143
2035-2039	5,725,000	1,699,863	606,355	23,238	8,054,456
2040-2044	4,150,000	928,600	-	-	5,078,600
2045-2047	2,050,000	124,200	-	-	2,174,200
Total	\$ 42,881,332	\$ 18,665,849	\$ 7,297,616	\$ 1,239,384	\$ 70,084,181

CITY OF BRANDON
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2019

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>
\$5,619,951 Water Pollution Control Revolving Loan for pollution control improvements through the Mississippi Department of Environmental Quality. Payments are \$36,228 monthly for 15 years through 9/1/2019. Interest is 1.75% APR.	\$ -	\$ 0
\$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.	-	556,792
\$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.	-	1,620,664
\$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.	-	590,936
\$250,091 Capital Improvement Revolving Loan for the purchase of a fire truck through the Mississippi Development Authority. Payments are \$2,515 monthly for 10 years through 2025. Interest is 3% APR.	81,332	-
\$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.	-	454,252
\$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.	-	1,217,318
\$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.	-	962,654
Total Capital Improvement Loans	\$ <u>81,332</u>	\$ <u>5,402,616</u>

CITY OF BRANDON
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2019

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 equal to the total of balances due on Special Obligation Bonds are to be paid from the City special sales tax revenues. These bonds are related to capital projects that the City had ongoing in the year of the issuance.

Pledged Revenues

In addition to revenues pledged for payment on Special Revenue Bonds, 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. Payments equal to the total of balances due on Capital Improvement Loans from state agencies are paid from the City sales tax revenues. These loans are related to capital projects that the City had ongoing in the year of the issuance

Bonds payable at September 30, 2019, are comprised of the following:

	<u>Governmental Activities</u>	<u>Business- type</u>
<u>General Obligation Bonds</u>		
\$2,535,000 2009 Refunding Bonds due in annual installments ranging from \$5,000 to \$360,000 for 12 years through April 2021, bearing interest of 2.875%.	\$ 710,000	\$ -
\$3,160,000 2011 Refunding Bonds due in annual installments ranging from \$20,000 to \$435,000 for 9 years through September 2020, with interest ranging from 2.0% to 3.0%.	435,000	-
\$2,790,000 2013 Refunding Bonds due in annual installments ranging from \$40,000 to \$420,000 for 8 years through September 2021, bearing interest of 2.36%.	830,000	-
\$2,355,000 2015 Refunding Bonds due in annual installments ranging from \$20,000 to \$760,000 for 9 years through September 2024, with interest ranging from 2.0% to 3.0%.	1,670,000	-
\$13,680,000 2014 Public Improvement Bonds due in annual installments ranging from \$270,000 to \$1,130,000 for 18 years through November 2034, with interest ranging from 2.0% to 5.0%.	12,835,000	-
\$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	-
Total General Obligation Bonds	<u>22,480,000</u>	<u>-</u>

CITY OF BRANDON
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\$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%.	13,645,000	-
\$2,000,000 Water and Sewer Revenue Bonds Sr 2017, due in semi-annual installments ranging from \$105,000 to \$170,000 for 15 years through 2033, with interest ranging from 1.9% to 2.7%.	-	1,895,000
\$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%.	5,775,000	-
Total Special Obligation Bonds	19,420,000	1,895,000
Total before premiums/(discounts), net	41,900,000	1,895,000
Premiums/(discounts), net	2,277,846	-
Total Bonds Payable	\$ 44,177,846	\$ 1,895,000

Other Long-term Liabilities

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

Other Long-term Liabilities payable at September 30, 2019, are comprised of the following:

<u>Other Long-Term Liabilities</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>
\$500,000 due to B&B Family Properties, L.P. for the purchase of property due in 5 annual installments of \$100,000 through June 2020, bearing no interest.	\$ 100,000	\$ -
\$2,000,000 General Obligation Note Payable to Community Bank for the construction of roads due in 5 annual installments of \$400,000 through June 2020, with an interest rate of 1.739%.	800,000	-
Total Long-Term Liabilities	\$ 900,000	\$ -

Limitation of Indebtedness

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

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

CITY OF BRANDON
NOTES TO FINANCIAL STATEMENTS
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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.

The following is a schedule of limitations on the indebtedness of the City as of September 30, 2019:

Authorized Debt Limit:	<u>15 Percent</u>	<u>20 Percent</u>
Assessed valuation for the fiscal year ended September 30, 2019 - \$ 247,549,666	\$ 37,132,450	\$ 49,509,933
 Total long-term debt - governmental activities	 43,334,959	 43,334,959
Less amounts not subject to statutory limitation	<u>(20,854,959)</u>	<u>(19,795,587)</u>
Present debt subject to debt limitation	<u>22,480,000</u>	<u>23,539,372</u>
 Margin for further general indebtedness	 <u>\$ 14,652,450</u>	 <u>\$ 25,970,561</u>

(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, 2019, the government-wide statement of net position reports \$2,741,546 of other restricted net position, of which \$1,425,778 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, 2019 was 15.75% of annual covered payroll through June 30, 2019. On July 1, 2019, this rate increased to 17.04 percent of covered payroll. 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, 2019, 2018, and 2017 was \$1,110,145, \$1,058,605, and \$1,044,539, 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, 2019, the City reported a liability of \$18,157,028 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, 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, 2019, the City's proportion was 0.105278 percent, which was an increase of .002656 from its proportion measured as of June 30, 2018.

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 2019, this was 3.76 years, which was a decrease of .15 years from the prior year average of 3.90.

Changes in Assumptions

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%.

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

2017

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

2016

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

2015

- The expectation of retired life mortality was changed to the RP-2014 Healthy Annuitant Blue Collar Table projected to 2016 using Scale BB rather than the RP- 2000 Mortality Table, which was used prior to 2015.
- The expectation of disabled mortality was changed to the RP-2014 Disabled Retiree Table, rather than the RP-2000 Disabled Mortality Table, which was used prior to 2015.
- Withdrawal rates, pre-retirement mortality rates, disability rates and service retirement rates were also adjusted to more closely reflect actual experience.
- Assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience.
- 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, 2019, the City recognized pension expense of \$1,552,541, which included net amortization of deferred outflows and deferred inflows. Of this amount, \$1,346,626 was allocated to governmental activities and \$205,915 was allocated to business-type activities.

At September 30, 2019, the City reported \$3,077,532 in deferred outflows of resources and \$218,190 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, 2019

	<u>Outflows of Resources</u>	<u>Inflows of Resources</u>
Differences between expected and actual experience	\$ 10,741	\$ 19,544
Net difference between projected and actual earnings on pension plan investments	-	198,646
Change of assumptions	178,013	-
City contributions subsequent to the measurement date	338,603	-
Differences between City contributions and proportionate share of contributions	2,550,175	-
Total	<u>\$ 3,077,532</u>	<u>\$ 218,190</u>

The \$338,603 of deferred outflows of resources resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending September 30, 2019. 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, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary increases	3.25-18.5% average, including inflation
Investment rate of return	7.75% net of pension plan investment expense, including inflation

Mortality rates were based on 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. Mortality rates will be projected generationally using the MP-2018 projection scale to account for future improvements in life expectancy.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period ending June 30, 2018.

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, 2019 are summarized in the following table:

CITY OF BRANDON
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2019

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
U.S. Broad	27%	4.90%
International equity	22%	4.75%
Global	12%	5.00%
Debt Securities	20%	1.50%
Real assets	10%	4.00%
Private equity	8%	6.25%
Cash	1%	0.25%
Total	<u>100%</u>	

Discount Rate

The discount rate used to measure the total pension liability was 7.75%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at the current employer contribution rate. 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	\$ 23,056,777	\$ 18,157,028	\$ 12,901,469

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

CITY OF BRANDON
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2019

commitments. The City has also entered into 3 Sixteenth Section land leases with the Rankin County School District as detailed below:

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

Contingent Liabilities

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

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

Construction and Other Significant Commitments

The remaining payments of construction contracts relating to construction or major repairs in progress aggregated approximately \$4,000,000. 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

CITY OF BRANDON
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2019

member.

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

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

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

During February 2020, the COVID-19 pandemic began spreading world-wide, resulting in the overall slow-down of most businesses throughout the world. While COVID-19 is not wide-spread in the areas in which the City operates as of the date of this report, the City has experienced a disruption of operations as the result of the impact upon all aspects of operations. On March 27, 2020, President Trump signed into law the Coronavirus Aid, Relief, and Economic Security Act ("CARES") stimulus package to provide relief to businesses, public institutions and nonprofit organizations hit hard by the COVID-19 pandemic. The ultimate impact to the City of COVID-19 and the CARES Act is not known as of the date of this report.

The City evaluated subsequent events through DRAFT - TBD, the date which the financial statements were available to be issued and noted no subsequent events other than the above that require recognition or disclosure in the financial statements.

CITY OF BRANDON
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended September 30, 2019

	Original Budget	Budget as Amended	Actual	Variance from Final Amended Budget Over (under)
Revenues:				
Taxes	\$ 4,596,677	\$ 4,596,677	\$ 4,674,888	\$ 78,211
Licenses and permits	1,110,389	1,110,389	1,110,380	(9)
State shared revenues	7,520,718	7,520,718	7,577,845	57,127
Grants	20,000	20,000	170,373	150,373
County shared revenues	923,721	923,721	1,094,178	170,457
Charges for services	373,505	373,505	438,810	65,305
Fines and forfeits	316,958	316,958	399,873	82,915
Other	168,780	168,780	674,374	505,594
Total Revenues	15,030,748	15,030,748	16,140,721	1,109,973
Expenditures:				
City court				
Personnel costs	246,424	246,424	244,864	(1,560)
Supplies	3,000	3,350	3,324	(26)
Charges for services	7,775	7,775	4,851	(2,924)
Capital expenditures	-	-	-	-
Total city court	257,199	257,549	253,039	(4,510)
Executive / Administrative				
Personnel cost	301,429	390,000	388,820	(1,180)
Supplies	460	720	620	(100)
Charges for services	32,131	34,050	27,120	(6,930)
Total executive / administrative	334,020	424,770	416,560	(8,210)
General Government				
Personnel cost	552,574	552,574	528,513	(24,061)
Supplies	15,700	15,700	15,183	(517)
Charges for services	561,838	715,654	690,531	(25,123)
Capital expenditures	1,000	2,000	3,427	1,427
Debt service	105,217	105,217	105,217	-
Total general government	1,236,329	1,391,145	1,342,871	(48,274)

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

CITY OF BRANDON
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended September 30, 2019

	Original Budget	Budget as Amended	Actual	Variance from Final Amended Budget Over (under)
Police Department				
Personnel cost	2,673,777	2,706,000	2,701,416	(4,584)
Supplies	156,016	175,000	171,361	(3,639)
Charges for services	276,548	368,000	353,142	(14,858)
Capital expenditures	125,000	217,000	195,066	(21,934)
Debt service	2,593	21,000	20,731	(269)
Total police department	3,233,934	3,487,000	3,441,716	(45,284)
Fire Department				
Personnel cost	3,459,677	3,459,677	2,849,197	(610,480)
Supplies	78,900	90,000	87,384	(2,616)
Charges for services	223,754	266,999	262,668	(4,331)
Capital expenditures	14,615	61,000	58,298	(2,702)
Debt service	28,981	28,981	28,979	(2)
Total fire department	3,805,927	3,906,657	3,286,526	(620,131)
Street Department				
Personnel cost	200,963	209,999	207,204	(2,795)
Supplies	184,200	184,200	130,877	(53,323)
Charges for services	992,608	1,260,000	1,157,905	(102,095)
Capital expenditures	40,000	584,000	703,999	119,999
Debt service	324,680	324,700	324,680	(20)
Total street department	1,742,451	2,562,899	2,524,665	(38,234)
Community development				
Personnel cost	278,386	278,386	277,518	(868)
Supplies	6,750	6,750	5,440	(1,310)
Charges for services	44,975	50,000	48,811	(1,189)
Total community development	330,111	335,136	331,769	(3,367)

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

CITY OF BRANDON
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended September 30, 2019

	Original Budget	Budget as Amended	Actual	Variance from Final Amended Budget Over (under)
Cemetery Maintenance				
Charges for services	38,970	38,970	26,403	(12,567)
Capital expenditures	-	-	-	-
Total cemetery maintenance	38,970	38,970	26,403	(12,567)
Parks Department				
Personnel cost	737,319	737,319	639,043	(98,276)
Supplies	124,618	141,000	136,670	(4,330)
Charges for services	251,596	329,000	309,511	(19,489)
Capital expenditures	43,430	231,000	353,586	122,586
Debt service	52,729	52,729	46,824	(5,905)
Total parks department	1,209,692	1,491,048	1,485,634	(5,414)
Library				
Supplies	4,800	4,800	4,642	(158)
Charges for services	160,891	160,891	155,064	(5,827)
Total library	165,691	165,691	159,706	(5,985)
Senior Citizen Department				
Personnel cost	65,565	65,565	56,261	(9,304)
Supplies	18,870	18,870	13,334	(5,536)
Charges for services	37,945	37,945	30,534	(7,411)
Capital expenditures	1,974	1,974	300	(1,674)
Total senior citizen department	124,354	124,354	100,429	(23,925)

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

CITY OF BRANDON
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended September 30, 2019

	Original Budget	Budget as Amended	Actual	Variance from Final Amended Budget Over (under)
Conference Center				
Personnel cost	134,475	137,000	136,922	(78)
Supplies	12,497	12,497	5,833	(6,664)
Charges for services	19,330	28,000	24,512	(3,488)
Capital expenditures	-	3,900	3,836	(64)
Total conference center	166,302	181,397	171,103	(10,294)
Economic Development				
Personnel cost	36,932	36,932	934	(35,998)
Supplies	-	150	148.00	(2)
Charges for services	34,095	34,095	20,644	(13,451)
Total economic development	71,027	71,177	21,726	(49,451)
Total Expenditures	12,716,007	14,437,793	13,562,147	(875,646)
Excess of revenues over (under) expenditures	2,314,741	592,955	2,578,574	1,985,619
Other financing sources (uses):				
Non-revenue receipts	10,000	10,000	(309)	(10,309)
Proceeds from debt issuance	-	-	-	-
Operating transfers out	(1,102,680)	(1,102,680)	(1,102,710)	(30)
Total other financing sources (uses)	(1,092,680)	(1,092,680)	(1,103,019)	(10,339)
Excess (deficiency) of revenues and other sources over expenditures and other uses, budgetary basis	\$ 1,222,061	\$ (499,725)	1,475,555	\$ 1,975,280
Fund Balance, September 30, 2018			3,869,168	
Fund Balance, September 30, 2019			\$ 5,344,723	

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

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

	2019	2018	2017	2016	2015
City's proportion of the net pension liability	\$ 18,157,028	\$ 17,510,858	\$ 17,059,260	\$ 17,722,991	\$ 14,431,151
City's proportionate share of the net pension liability	0.105278%	0.102622%	0.099219%	0.092190%	0.093357%
City's covered - employee payroll	6,723,029	6,583,257	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	270.07%	265.99%	259.13%	279.22%	247.43%
Plan fiduciary net position as a percentage of the total pension liability	61.59%	62.54%	61.49%	57.47%	61.70%

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

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

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

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

	2019	2018	2017	2016	2015
Contractually required contribution	\$ 1,110,145	\$ 1,058,605	\$ 1,044,539	\$ 1,053,983	\$ 948,315
Contributions in relation to the contractually required contribution	<u>1,110,145</u>	<u>1,058,605</u>	<u>1,044,539</u>	<u>1,053,983</u>	<u>948,315</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered - employee payroll	6,844,670	6,721,302	6,631,994	6,691,956	6,021,048
Contributions as a percentage of covered - employee payroll	15.75% (1)	15.75%	15.75%	15.75%	15.75%

(1) Increased 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, 2019

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, 2019.

Change of Assumptions

The following changes of assumptions occurred during the year ended September 30, 2019:

- The expectation of retired life mortality was changed to the PubS.H-2010(B) Retiree TableC 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.
- 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.
- The price inflation assumption was reduced from 3.00% to 2.75%.
- The wage inflation assumption was reduced from 3.25% to 3.0%.
- Withdrawal rates, pre-retirement mortality rates, and service retirement rates were also adjusted to more closely reflect actual experience.
- The percentage of active member disabilities assumed to be in the line of duty was increased from 7% to 9%.

CITY OF BRANDON
SCHEDULE OF SURETY BONDS FOR MUNICIPAL OFFICIALS
September 30, 2019

Position	Name	Surety	Amount
Mayor	Lee, Butch	St Paul	\$ 100,000
Alderman	Coker, Lu	St Paul	\$ 100,000
Alderman	Corley, Monica (Roland)	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
Amphitheater Operations Manager	Young, Grace	Western Surety Company	\$ 50,000
Police Chief	Thompson, William	St Paul	\$ 50,000
Administrative Assistant	Arendale, Byrme	Western Surety Company	\$ 50,000
Court Clerk	Yates, Tara	Western Surety Company	\$ 50,000
Court Clerk	Hill, Helen	Western Surety Company	\$ 50,000
Court Clerk	Geter, Melissa	Western Surety Company	\$ 50,000
Deputy Court Clerk	Dutton, Lisa	Western Surety Company	\$ 50,000
Administrative Assistant	Palmer, Carolyn	Western Surety Company	\$ 50,000
Community Development Director	Dodd, Matthew	Western Surety Company	\$ 50,000
Community Development Office Manager	Jones, Shelly	Western Surety Company	\$ 50,000
Community Development Building Inspector	Compton, Jody	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	Gilbert, Susan	Western Surety Company	\$ 50,000
Public Employees Blanket Bond (Faithful Performance Blanket position)	Covers 134 Employees Including Police Officers	Western Surety Company	\$ 50,000
Parks & Rec Splash Park	Convers 15 Employees	Western Surety Company	\$ 10,000
Communications Personnel	Various	Western Surety Company	\$ 50,000

**CITY OF BRANDON
BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
September 30, 2019**

	Drug Seizure Fund	Capital Projects Fund	Total Nonmajor Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 3,045	\$ 660,437	\$ 663,482
Receivables			
Ad valorem and road taxes	-	-	-
Due from other funds	-	-	-
	<u>3,045</u>	<u>660,437</u>	<u>663,482</u>
Total Assets	<u>3,045</u>	<u>660,437</u>	<u>663,482</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance			
Spendable			
Restricted	3,045	660,437	663,482
	<u>3,045</u>	<u>660,437</u>	<u>663,482</u>
Total Fund Balances	<u>3,045</u>	<u>660,437</u>	<u>663,482</u>
Total Liabilities and Fund Balances	\$ <u>3,045</u>	\$ <u>660,437</u>	\$ <u>663,482</u>

CITY OF BRANDON
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
For the year ended September 30, 2019

	Drug Seizure Fund	Capital Projects Fund	Total Nonmajor Governmental Funds
Revenues			
Fines and forfeitures	\$ 19,531	\$ -	\$ 19,531
Other revenues	3,197	13,704	16,901
Total Revenues	<u>22,728</u>	<u>13,704</u>	<u>36,432</u>
Expenditures			
Current (operating)			
Public safety	13,445	-	13,445
Capital outlay	43,143	806,537	849,680
Total Expenditures	<u>56,588</u>	<u>806,537</u>	<u>863,125</u>
Excess of revenues over (under) expenditures	<u>(33,860)</u>	<u>(792,833)</u>	<u>(826,693)</u>
Other financing sources and uses, including transfers			
Proceeds from sale of assets	19,358	-	19,358
Total other financing sources and (uses)	<u>19,358</u>	<u>-</u>	<u>19,358</u>
Net change in fund balances	(14,502)	(792,833)	(807,335)
Fund Balances, September 30, 2018	17,547	1,453,270	1,470,817
Fund Balances, September 30, 2019	<u>\$ 3,045</u>	<u>\$ 660,437</u>	<u>\$ 663,482</u>

**CITY OF BRANDON
GENERAL FUND
COMPARISON SCHEDULES OF REVENUES AND EXPENDITURES
AND CHANGES IN FUND BALANCE
For the Years Ended September 30, 2019 and 2018**

	<u>2019</u>	<u>2018</u>
<u>Revenues</u>		
Taxes		
Property tax	\$ 4,636,390	\$ 4,514,840
Sales tax	6,060,114	5,980,493
Sales tax - restaurants	1,206,163	1,131,934
Sales tax - hotels	45,639	46,832
Franchise tax	892,979	920,507
	<u>12,841,285</u>	<u>12,594,606</u>
Licenses and Permits		
Privilege licenses	53,690	49,544
Building permits	155,996	115,242
Other licenses	12,240	12,675
Total Licenses and Permits	<u>221,926</u>	<u>177,461</u>
State Shared Revenues		
Payment in lieu of taxes - Grand Gulf	153,792	164,510
Fire protection	148,706	125,105
Municipal aid	10,824	10,824
Gasoline tax	18,846	18,846
Emergency disaster funds	-	42,212
Department of Transportation grant	-	15,000
Department of Public Safety funds	94,360	1,324,533
MDA Grants	-	250,000
Other grant funds	34,143	17,989
Total State Shared Revenue	<u>460,671</u>	<u>1,969,019</u>
County Shared Revenues		
Pro-rata county road tax	880,241	857,575
Auto rental and rail tax	51,236	50,391
Tourism tax	30,954	34,899
County reimbursements	150,000	20,000
Total County Shared Revenues	<u>1,112,431</u>	<u>962,865</u>
Service Charges		
Facility rental fees	128,483	127,232
Park sales and fees	246,185	247,466
Plan review and inspection fees	42,252	25,635
Zoning & development fees	148,819	86,385
Total Service Charges	<u>565,739</u>	<u>486,718</u>
Court Fines and Forfeits	<u>395,750</u>	<u>367,885</u>
Other revenues	<u>391,483</u>	<u>290,323</u>
Total Revenues	<u>15,989,285</u>	<u>16,848,877</u>

**CITY OF BRANDON
GENERAL FUND
COMPARISON SCHEDULES OF REVENUES AND EXPENDITURES
AND CHANGES IN FUND BALANCE
For the Years Ended September 30, 2019 and 2018**

	<u>2019</u>	<u>2018</u>
<u>Expenditures</u>		
General Government and Administration		
City Court		
Salaries		
Salaries	170,087	169,694
Employer costs	74,776	71,025
Total Salaries	<u>244,863</u>	<u>240,719</u>
Supplies, Services and Other Charges		
Office supplies	3,324	3,122
Professional fees	4,851	7,208
Total Supplies, Services and Other Charges	<u>8,175</u>	<u>10,330</u>
Total City Court	<u>253,038</u>	<u>251,049</u>
Executive / Administration		
Salaries		
Salaries	272,012	204,561
Employer costs	116,808	90,571
Total Salaries	<u>388,820</u>	<u>295,132</u>
Supplies, Services and Other Charges		
Advertising	450	450
Bond fees and expenses	1,225	651
Conventions	3,372	1,679
Donations	-	6,500
Dues and subscriptions	7,616	8,396
Exhibitions and promotions	803	783
Insurance	4,525	4,758
Operating supplies	445	307
Printing and binding	-	65
Professional fees	7,235	15,108
Rentals	450	600
Repairs - Vehicles	716	864
Telephone and communication	657	876
Training	44	11,798
Transportation	201	493
Total Supplies, Services and Other Charges	<u>27,739</u>	<u>53,328</u>
Total Executive / Administrative Department	<u>416,559</u>	<u>348,460</u>

**CITY OF BRANDON
GENERAL FUND
COMPARISON SCHEDULES OF REVENUES AND EXPENDITURES
AND CHANGES IN FUND BALANCE
For the Years Ended September 30, 2019 and 2018**

	<u>2019</u>	<u>2018</u>
General Government Department		
Salaries		
Salaries	385,179	350,460
Employer costs	143,333	123,602
Total Salaries	<u>528,512</u>	<u>474,062</u>
Supplies, Services and Other Charges		
Advertising	2,089	286
Bond fees and expenses	1,400	1,730
Cleaning and janitorial	3,515	3,960
Contract labor	7,080	6,754
Dues and subscriptions	98,252	90,841
Insurance	16,380	15,161
Land leases	1,500	1,200
Miscellaneous	901	5,015
Office supplies	3,505	3,802
Operating supplies	7,004	6,437
Postage	3,128	2,950
Printing and binding	4,228	4,556
Professional fees	173,232	199,497
Rentals	13,646	13,337
Repairs - equipment	9,640	3,472
Repairs - other	48,674	29,947
Repairs - vehicles	296	66
Telephone and communication	238,939	135,592
Training	265	300
Transportation	838	1,325
Utilities	71,203	64,654
Total Supplies, Services and Other Charges	<u>705,715</u>	<u>590,882</u>
Capital Outlay		
Machinery and equipment	3,427	1,960
Total Capital Outlay	<u>3,427</u>	<u>1,960</u>
Debt Service		
Debt service principal	100,000	100,000
Debt service interest	5,217	6,956
Total Debt Service	<u>105,217</u>	<u>106,956</u>
Total General Government Department	<u>1,342,871</u>	<u>1,173,860</u>
Total General Government and Administration	<u>2,012,468</u>	<u>1,773,369</u>

**CITY OF BRANDON
GENERAL FUND
COMPARISON SCHEDULES OF REVENUES AND EXPENDITURES
AND CHANGES IN FUND BALANCE
For the Years Ended September 30, 2019 and 2018**

	<u>2019</u>	<u>2018</u>
Public Services		
Street Department		
Salaries		
Wages	151,734	228,615
Employer costs	55,470	98,643
Total Salaries	<u>207,204</u>	<u>327,258</u>
Supplies, Services and Other Charges		
Advertising	122	154
Chemicals	38,765	10,404
Contract labor	208,429	269,488
Dues and subscriptions	5	-
Insurance	20,715	39,978
Operating supplies	65,179	120,894
Professional fees	179,781	616,565
Rentals	4,616	35,795
Repairs - equipment	44,156	69,833
Repairs - vehicles	21,965	35,751
Repairs - other	177,668	132,409
Telephone and communications	1,183	1,268
Training	-	475
Transportation	23,549	36,887
Uniforms	3,385	5,063
Utilities - street lights	499,265	497,433
Total Supplies, Services and Other Charges	<u>1,288,783</u>	<u>1,872,397</u>
Capital Outlay		
Improvements other than buildings	700,128	3,922,477
Machinery and equipment	3,872	9,440
Total Capital Outlay	<u>704,000</u>	<u>3,931,917</u>
Debt Service		
Debt service principal	309,007	375,430
Debt service interest	15,672	21,480
Total Debt Service	<u>324,679</u>	<u>396,910</u>
Total Street Department	<u>2,524,666</u>	<u>6,528,482</u>

**CITY OF BRANDON
GENERAL FUND
COMPARISON SCHEDULES OF REVENUES AND EXPENDITURES
AND CHANGES IN FUND BALANCE
For the Years Ended September 30, 2019 and 2018**

	<u>2019</u>	<u>2018</u>
Community Development Department		
Salaries		
Salaries	206,210	172,391
Employer costs	71,308	60,827
Total Salaries	<u>277,518</u>	<u>233,218</u>
Supplies, Services and Other Charges		
Advertising	717	370
Contract labor	1,286	287
Convention	1,081	893
Dues and subscriptions	1,035	685
Insurance	3,220	3,930
Miscellaneous expenses	4,077	4,719
Office supplies	609	601
Operating supplies	1,592	1,110
Printing and binding	1,054	5,890
Professional fees	33,248	44,799
Repairs - vehicles	207	283
Communications	2,014	3,976
Training	727	750
Transportation	3,228	3,033
Uniforms	156	150
Total Supplies, Services and Other Charges	<u>54,251</u>	<u>71,476</u>
Total Community Development Department	<u>331,769</u>	<u>304,694</u>
Total Public Services	<u>2,856,435</u>	<u>6,833,176</u>
Public Safety		
Police Department		
Salaries		
Salaries	1,958,902	1,932,462
Employer costs	742,514	729,327
Total Salaries	<u>2,701,416</u>	<u>2,661,789</u>

**CITY OF BRANDON
GENERAL FUND
COMPARISON SCHEDULES OF REVENUES AND EXPENDITURES
AND CHANGES IN FUND BALANCE
For the Years Ended September 30, 2019 and 2018**

	<u>2019</u>	<u>2018</u>
Supplies, Services and Other Charges		
Advertising	98	31
Bond fees and expenses	700	750
Cleaning and janitorial	3,429	2,713
Contract labor	-	1,680
Conventions	45	325
D.P.S. Fund expenses	-	19,206
Dues and subscriptions	395	928
Insurance	49,982	60,205
Miscellaneous	48,250	18,340
Office supplies	4,226	2,866
Operating supplies	6,504	4,612
Printing and binding	1,635	841
Prisoners expense	51,332	42,742
Professional fees	80,747	79,155
Repairs - equipment	3,856	5,033
Repairs - other	40,466	23,759
Repairs - vehicles	38,717	29,987
SRT expenses	60	-
Telephone and communications	28,989	34,215
Training	24,435	10,565
Transportation	90,096	98,220
Uniforms	15,714	16,717
Utilities	34,829	23,860
Total Supplies, Services and Other Charges	<u>524,505</u>	<u>476,750</u>
Capital Outlay		
Machinery and equipment	52,488	28,275
Vehicles	42,578	-
Total Capital Outlay	<u>95,066</u>	<u>28,275</u>
Debt Service		
Debt service principal	120,582	130,381
Debt service interest	149	716
Total Debt Service	<u>120,731</u>	<u>131,097</u>
Total Police Department	<u>3,441,718</u>	<u>3,297,911</u>

CITY OF BRANDON
GENERAL FUND
COMPARISON SCHEDULES OF REVENUES AND EXPENDITURES
AND CHANGES IN FUND BALANCE
For the Years Ended September 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Fire Department		
Salaries		
Salaries	2,070,864	2,288,027
Employer costs	778,333	945,673
Total Salaries	<u>2,849,197</u>	<u>3,233,700</u>
Supplies, Services and Other Charges		
Advertising	-	36
Bond fees and expenses	175	175
Chemicals	443	-
Cleaning	5,759	5,282
Communications	3,704	15,455
Contract labor	56,566	-
Conventions	915	2,023
Data processing	111	133
Dues and subscriptions	9,537	6,300
Exhibitions and promotions	-	2,413
Insurance	47,985	50,335
Miscellaneous	10,045	13,934
Office supplies	1,756	1,814
Operating supplies	2,291	3,359
Printing and binding	42	-
Professional fees	7,707	13,307
Rentals	1,863	2,061
Repairs - vehicles	40,247	23,954
Repairs - equipment	28,804	19,534
Repairs - other	4,256	8,356
Storm Team	1,560	1,800
Training	14,215	19,465
Transportation	31,877	28,714
Uniforms	43,417	20,670
Utilities	36,777	39,191
Total Supplies, Services and Other Charges	<u>350,052</u>	<u>278,311</u>

**CITY OF BRANDON
GENERAL FUND
COMPARISON SCHEDULES OF REVENUES AND EXPENDITURES
AND CHANGES IN FUND BALANCE
For the Years Ended September 30, 2019 and 2018**

	<u>2019</u>	<u>2018</u>
Capital Outlay		
Buildings and land	-	3,850
Machinery and equipment	57,600	149,348
Furniture and fixtures	698	538
Total Capital Outlay	<u>58,298</u>	<u>153,736</u>
Debt Service		
Debt service principal	23,644	26,277
Debt service interest	5,335	6,047
Total Debt Service	<u>28,979</u>	<u>32,324</u>
Total Fire Department	<u>3,286,526</u>	<u>3,698,071</u>
Total Public Safety	<u>6,728,244</u>	<u>6,995,982</u>
Culture and Recreation		
Cemetery Department		
Supplies, Services and Other Charges		
Contract labor	25,700	28,516
Utilities	703	701
Total Supplies, Services and Other Charges	<u>26,403</u>	<u>29,217</u>
Total Cemetery Department	<u>26,403</u>	<u>29,217</u>
Parks Department		
Salaries		
Salaries	241,444	229,912
Wages	231,697	248,302
Employer costs	165,902	181,664
Total Salaries	<u>639,043</u>	<u>659,878</u>

**CITY OF BRANDON
GENERAL FUND
COMPARISON SCHEDULES OF REVENUES AND EXPENDITURES
AND CHANGES IN FUND BALANCE
For the Years Ended September 30, 2019 and 2018**

	<u>2019</u>	<u>2018</u>
Supplies, Services and Other Charges		
Advertising	341	138
Beautification	8,052	12,996
Chemicals	17,952	32,838
Cleaning and janitorial	15,886	8,928
Contract labor	45,651	44,249
Dues and subscriptions	52	116
Insurance	33,804	30,300
Miscellaneous expenses	1,794	1,604
Office supplies	456	942
Operational supplies	50,299	41,592
Printing and binding	54	545
Professional fees	53,124	38,027
Rental	4,255	10,997
Repairs - equipment	12,474	8,373
Repairs - other	31,941	21,222
Repairs - vehicles	3,716	4,566
Telephone and communications	4,435	4,800
Tournament fees	490	1,156
Training	360	1,065
Transportation	15,203	13,679
Uniforms	36,875	37,263
Utilities	108,968	88,969
Total Supplies, Services and Other Charges	446,182	404,365

**CITY OF BRANDON
GENERAL FUND
COMPARISON SCHEDULES OF REVENUES AND EXPENDITURES
AND CHANGES IN FUND BALANCE
For the Years Ended September 30, 2019 and 2018**

	<u>2019</u>	<u>2018</u>
Capital Outlay		
Buildings and land	2,955	-
Improvements other than buildings	308,089	68,525
Furniture and fixtures	2,758	-
Machinery and equipment	39,784	169,296
Total Capital Outlay	<u>353,586</u>	<u>237,821</u>
Debt Service		
Debt service principal	<u>46,824</u>	<u>15,608</u>
Total Debt Service	<u>46,824</u>	<u>15,608</u>
Total Parks Department	<u>1,485,635</u>	<u>1,317,672</u>
Senior Citizens Department		
Salaries		
Wages	40,189	45,124
Employer costs	16,071	18,434
Total Salaries	<u>56,260</u>	<u>63,558</u>

**CITY OF BRANDON
GENERAL FUND
COMPARISON SCHEDULES OF REVENUES AND EXPENDITURES
AND CHANGES IN FUND BALANCE
For the Years Ended September 30, 2019 and 2018**

	<u>2019</u>	<u>2018</u>
Supplies, Services and Other Charges		
Advertising	920	-
Cleaning and janitorial	2,929	2,404
Contract labor	19,835	17,265
Convention	1,230	-
Dues and subscriptions	454	513
Insurance	2,012	2,001
Miscellaneous expenses	112	1,040
Office supplies	283	182
Operational supplies	10,120	7,240
Professional fees	400	639
Rental	3,631	3,954
Repairs - equipment	1,334	246
Telephone and communications	607	885
Training	-	1,080
Transportation	303	730
Total Supplies, Services and Other Charges	<u>44,170</u>	<u>38,179</u>
Total Senior Citizens Department	<u>100,430</u>	<u>101,737</u>
Library		
Supplies, Services and Other Charges		
Cleaning and janitorial	4,411	4,232
Contract labor	-	2,942
Insurance	4,818	3,457
Operating supplies	231	336
Miscellaneous expenses	875	886
Professional fees	445	3,735
Repairs - equipment	25,988	17,911
Telephone and communications	7,449	6,849
Utilities	115,489	100,838
Total Supplies, Services and Other Charges	<u>159,706</u>	<u>141,186</u>
Total Library Department	<u>159,706</u>	<u>141,186</u>

**CITY OF BRANDON
GENERAL FUND
COMPARISON SCHEDULES OF REVENUES AND EXPENDITURES
AND CHANGES IN FUND BALANCE
For the Years Ended September 30, 2019 and 2018**

	<u>2019</u>	<u>2018</u>
Conference Center		
Salaries		
Salaries	95,992	68,858
Employer costs	40,929	29,532
Total Salaries	<u>136,921</u>	<u>98,390</u>
Supplies, Services and Other Charges		
Advertising	1,330	1,390
Bond fees	350	175
Brandon Opry	-	600
Cleaning and janitorial	3,828	3,369
Contract labor	-	965
Communications	810	791
Dues and subscriptions	45	45
Insurance	977	1,950
Office supplies	1,669	733
Operating supplies	1,053	8,290
Miscellaneous expenses	589	366
Professional fees	3,785	10,841
Repairs and maintenance	1,356	-
Special Events	15,043	15,645
Veteran's Day	227	10,621
Total Supplies, Services and Other Charges	<u>31,062</u>	<u>55,781</u>
Capital Outlay		
Machinery and equipment	3,836	32,801
Total Capital Outlay	<u>3,836</u>	<u>32,801</u>
Total Conference Center Department	<u>171,819</u>	<u>186,972</u>
Total Culture and Recreation	<u>1,943,993</u>	<u>1,776,784</u>
Economic Development		
Salaries		
Wages	633	32,413
Employer costs	301	10,281
Total Salaries	<u>934</u>	<u>42,694</u>

**CITY OF BRANDON
GENERAL FUND
COMPARISON SCHEDULES OF REVENUES AND EXPENDITURES
AND CHANGES IN FUND BALANCE
For the Years Ended September 30, 2019 and 2018**

	<u>2019</u>	<u>2018</u>
Supplies, Services and Other Charges		
Advertising	10,000	10,225
Dues & subscriptions	-	360
Insurance	417	1,656
Office Supplies	148	-
Postage	-	30
Professional fees	10,226	64,722
Specialized department supplies	-	866
Training	-	337
Uniforms	-	37
Total Supplies, Services and Other Charges	<u>20,791</u>	<u>78,233</u>
Total Economic Development	<u>21,725</u>	<u>120,927</u>
Total Expenditures	<u>13,562,865</u>	<u>17,500,238</u>
Excess of Revenues over (under) Expenditures	<u>2,426,420</u>	<u>(651,361)</u>
Other Financing Sources (Uses)		
Issuance of debt	-	140,472
Operating transfers in (out)	(1,102,710)	(881,932)
Sales of general fixed assets	<u>(309)</u>	<u>19,606</u>
Total Other Financing Sources (Uses)	<u>(1,103,019)</u>	<u>(721,854)</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	1,323,401	(1,373,215)
Fund Balance, beginning	<u>4,021,322</u>	<u>5,394,537</u>
Fund Balance, ending	<u>\$ 5,344,723</u>	<u>\$ 4,021,322</u>

**CITY OF BRANDON
CAPITAL PROJECTS FUND
COMPARISON SCHEDULES OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
For the Years Ended September 30, 2019 and 2018**

	<u>2019</u>	<u>2018</u>
Revenues		
Interest income	\$ 13,703	\$ 25,125
Total Revenues	<u>13,703</u>	<u>25,125</u>
Capital Outlay		
Rankin Trails	-	213,093
Shiloh Park Improvements	2,117	11,449
Amphitheater	804,420	10,903,295
Total Capital Outlay	<u>806,537</u>	<u>11,127,837</u>
Debt Service		
Interest and fiscal charges	-	255,000
Total Debt Service	-	255,000
Total Expenditures, Capital Outlay and Debt Service	<u>806,537</u>	<u>11,382,837</u>
Excess of revenues over (under) expenditures	<u>(792,834)</u>	<u>(11,357,712)</u>
Other Financing Sources and Uses		
Proceeds from debt issuance	-	6,000,000
Premiums on bonds issued	-	78,965
Transfers In/Out	-	250,000
Total other financing sources and (uses)	-	6,328,965
Net change in fund balances	<u>(792,834)</u>	<u>(5,028,747)</u>
Fund Balance, beginning	<u>1,453,271</u>	<u>6,482,018</u>
Fund Balance, ending	<u>\$ 660,437</u>	<u>\$ 1,453,271</u>

**CITY OF BRANDON
DEBT SERVICE FUND
COMPARISON SCHEDULES OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
For the Years Ended September 30, 2019 and 2018**

	<u>2019</u>	<u>2018</u>
Revenues		
Taxes	\$ 3,033,307	\$ 2,944,601
Other income	<u>23,665</u>	<u>15,249</u>
Total Revenues	<u>3,056,972</u>	<u>2,959,850</u>
Debt Service		
Debt service principal	2,025,000	1,735,000
Interest and fiscal charges	<u>1,572,082</u>	<u>1,471,922</u>
Total Debt Service	<u>3,597,082</u>	<u>3,206,922</u>
Total Expenditures, Capital Outlay and Debt Service	<u>3,597,082</u>	<u>3,206,922</u>
Excess of revenues over (under) expenditures	<u>(540,110)</u>	<u>(247,072)</u>
Other Financing Sources and Uses		
Transfers In	<u>1,102,710</u>	<u>631,932</u>
Total other financing sources and (uses)	<u>1,102,710</u>	<u>631,932</u>
Net change in fund balances	562,600	384,860
Fund Balance, beginning	<u>1,324,680</u>	<u>939,820</u>
Fund Balance, ending	<u>\$ 1,887,280</u>	<u>\$ 1,324,680</u>

**CITY OF BRANDON
AMPHITHEATER FUND
COMPARISON SCHEDULES OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
For the Years Ended September 30, 2019 and 2018**

	<u>2019</u>	<u>2018</u>
Revenues		
Amphitheater revenues	\$ 5,086,869	\$ 5,032,520
Other income	<u>53,483</u>	<u>14,172</u>
Total Revenues	<u>5,140,352</u>	<u>5,046,692</u>
Operating Expenses		
Salaries		
Salaries and wages	220,559	46,223
Employer costs	<u>71,514</u>	<u>10,446</u>
Total Salaries	<u>292,073</u>	<u>56,669</u>
Supplies, Services and Other Charges		
Advertising	240,336	128,163
Bank charges and credit card processing fees	12,122	11,490
Cleaning and janitorial	53,313	44,783
Contract labor	37,377	142,168
Insurance	205,222	112,466
Miscellaneous expenses	14,324	5,516
Office supplies	497	556
Other supplies	17,628	22,379
Printing and binding	279	378
Professional fees	4,493,479	3,752,155
Rental	79,848	32,587
Repairs - equipment	3,516	2,229
Repairs - other	14,424	244
Specialized department supplies	25,421	58,281
Telephone and communications	5,982	9,191
Training	2,768	7,774
Utilities	<u>55,276</u>	<u>24,633</u>
Total Supplies, Services and Other Charges	<u>5,261,812</u>	<u>4,354,993</u>
Capital Outlay		
Improvements other than buildings	398,017	5,732
Furniture and fixtures	20,939	31,985
Machinery and equipment	<u>11,015</u>	<u>23,287</u>
Total Capital Outlay	<u>429,971</u>	<u>61,004</u>
Total Expenditures	<u>5,983,856</u>	<u>4,472,666</u>
Excess of revenues over (under) expenditures	(843,504)	574,026
Fund Balance, beginning	<u>609,039</u>	<u>35,013</u>
Fund Balance, ending	<u>\$ (234,465)</u>	<u>\$ 609,039</u>

**CITY OF BRANDON
DRUG SEIZURE FUND
COMPARISON SCHEDULES OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
For the Years Ended September 30, 2019 and 2018**

	<u>2019</u>	<u>2018</u>
Revenues		
Forfeitures - cash	\$ 19,531	\$ 39,200
Other income	<u>3,196</u>	<u>7,460</u>
Total Revenues	<u>22,727</u>	<u>46,660</u>
Expenditures		
Buy money	1,500	1,000
Paid to other agencies	2,736	7,840
Operating supplies	<u>7,619</u>	<u>3,551</u>
Total Expenditures	<u>13,445</u>	<u>13,076</u>
Capital Outlay		
Machinery and equipment	<u>43,142</u>	<u>53,849</u>
Total Capital Outlay	<u>43,142</u>	<u>53,849</u>
Total Expenditures	<u>56,587</u>	<u>66,925</u>
Excess of revenues over (under) expenditures	(33,860)	(20,265)
Other Financing Uses		
Proceeds from sale of assets	<u>19,358</u>	<u>-</u>
Excess of revenues over (under) expenditures and other financing uses	(14,502)	(20,265)
Fund Balance, beginning	<u>17,547</u>	<u>37,812</u>
Fund Balance, ending	<u>\$ 3,045</u>	<u>\$ 17,547</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, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Operating Revenues		
Water sales	\$ 1,566,898	\$ 1,774,654
Flat rate	2,876,649	2,208,264
Late charges and reconnect fees	226,304	258,901
Sewer charges	2,311,833	2,261,026
Service connect charges	74,800	67,789
Sewer charges - West Rankin	2,271,936	2,236,067
Miscellaneous revenue	59,434	20,336
Total Operating Revenues	<u>9,387,854</u>	<u>8,827,037</u>
Operating Expenses		
Salaries		
Salaries	288,228	260,775
Wages	651,210	637,899
Employer costs	391,536	391,311
Total Salaries	<u>1,330,974</u>	<u>1,289,985</u>
Supplies, Service and Other Charges		
Advertising	429	1,738
Bad Debt	2,097	55
Chemicals	32,158	35,896
Contract labor	376,499	102,418
Dues & subscriptions	525	1,300
Insurance	96,063	43,917
Land leases	2,700	2,725
Miscellaneous	2,142	1,628
Office supplies	51,167	50,058
Operating supplies	187,713	102,245
Printing & binding	11,256	14,099
Professional services	310,329	143,953
Rentals	40,247	19,235
Repairs - equipment	324,130	283,717
Repairs - other	1,345,760	606,683
Repairs - vehicles	41,595	31,915
Sub-interceptor usage expense	2,065,154	2,020,159
Telephone and communications	23,274	40,120
Training	5,191	2,814
Transportation	76,409	86,094
Uniforms	18,136	13,147
Utilities	325,666	311,466
Total Supplies, Services and Other Charges	<u>5,338,640</u>	<u>3,915,382</u>
Total Operating Expenses	<u>6,669,614</u>	<u>5,205,367</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, 2019 and 2018**

	<u>2019</u>	<u>2018</u>
Operating Income Before Depreciation	2,718,240	3,621,670
Depreciation expense	<u>1,476,619</u>	<u>1,347,914</u>
Operating Income	<u>1,241,621</u>	<u>2,273,756</u>
Non-operating Revenues (Expenses)		
Capital grant	327,200	15,000
Interest earnings	139,173	61,018
Interest and fiscal charges - loans	<u>(292,011)</u>	<u>(141,251)</u>
Total Non-operating Revenues (Expenses)	<u>174,362</u>	<u>(65,233)</u>
Change in Net Position	1,415,983	2,208,523
Net Position, beginning	<u>16,785,582</u>	<u>14,577,059</u>
Net Position, ending	<u>\$ 18,201,564</u>	<u>\$ 16,785,582</u>

**CITY OF BRANDON
SANITATION FUND
COMPARISON SCHEDULES OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
For the Years Ended September 30, 2019 and 2018**

	<u>2019</u>	<u>2018</u>
Operating Revenue		
Sanitation fees	\$ 1,345,846	\$ 1,337,683
Total Operating Revenue	<u>1,345,846</u>	<u>1,337,683</u>
Operating Expenses		
Personnel Costs		
Wages	49,427	73,891
Employer costs	<u>14,020</u>	<u>35,825</u>
Total Personnel Costs	<u>63,447</u>	<u>109,716</u>
Supplies, Service and Other Charges		
Insurance	15,445	15,058
Miscellaneous	1,554	28
Operating supplies	477	1,637
Prisoner meals	37,124	26,228
Professional services	38	422
Repairs - equipment	110	1,009
Repairs - vehicles	3,005	1,060
Sanitation contract	1,154,200	1,109,024
Transportation	7,860	7,244
Uniforms	<u>1,079</u>	<u>1,776</u>
Total Supplies, Services and Other Charges	<u>1,220,892</u>	<u>1,163,486</u>
Total Operating Expenses	<u>1,284,339</u>	<u>1,273,202</u>
Operating Loss Before Depreciation	61,507	64,481
Depreciation expense	<u>12,145</u>	<u>12,145</u>
Operating Gain (Loss)	<u>49,362</u>	<u>52,336</u>
Non-operating Revenues (Expenses)		
Interest income	1,491	603
Interest expense	<u>-</u>	<u>(15)</u>
Total Non-operating Revenues (Expenses)	<u>1,491</u>	<u>588</u>
Change in Net Position	50,853	52,924
Net Position, beginning	<u>127,987</u>	<u>75,063</u>
Net Position, ending	<u>\$ 178,840</u>	<u>\$ 127,987</u>

Barlow & Company, PLLC

Certified Public Accountants

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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, 2019, and have issued our report dated June 16, 2020. 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 & Co, PLLC

Brandon, Mississippi
June 16, 2020



The CPA. Never Underestimate The Value.®

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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, 2019, 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 June 16, 2020.

Internal Control over Financial Reporting

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

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

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

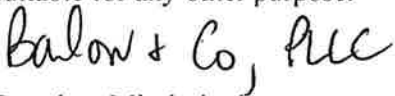


Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in black ink that reads "Balow & Co, LLC". The signature is written in a cursive, flowing style.

Brandon, Mississippi
June 16, 2020