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Section 7-7-211, Mississippi Code Annotated (1972) gives the Office of the State Auditor the authority to audit, with the exception of municipalities, any governmental entity in the state. In the case of municipalities, *Section 21-35-31, Mississippi Code Annotated (1972)* requires municipalities to obtain an annual audit performed by a private CPA firm and submit that audit report to the Office of the State Auditor. The Office of the State Auditor files these audit reports for review in case questions arise related to the municipality.

As a result, the following document was not prepared by the Office of the State Auditor. Instead, it was prepared by a private CPA firm and submitted to the Office of the State Auditor. The document was placed on this web page as it was submitted and no review of the report was performed by the Office of the State Auditor prior to finalization of the report. The Office of the State Auditor assumes no responsibility for its content or for any errors located in the document. Any questions of accuracy or authenticity concerning this document should be submitted to the CPA firm that prepared the document. The name and address of the CPA firm appears in the document.

CITY OF BRANDON, MISSISSIPPI
REPORT ON AUDIT
OF
BASIC FINANCIAL STATEMENTS
For the Year Ended September 30, 2022

BARLOW & COMPANY, PLLC
CERTIFIED PUBLIC ACCOUNTANTS
BRANDON, MISSISSIPPI

CITY OF BRANDON
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For the year ended September 30, 2022

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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

Opinions

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, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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, 2022, 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.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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



The CPA: Never Underestimate The Value.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4-13 and 46-49 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary 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 accompanying combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S.

Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the schedule of surety bonds for municipal officials and other comparison schedules but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 30, 2023, on our consideration of the City of Brandon, Mississippi's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Brandon, Mississippi's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Brandon, Mississippi's City of Brandon, Mississippi's internal control over financial reporting and compliance.

Barlow & Company, PLLC

Brandon, Mississippi
April 30, 2023

**CITY OF BRANDON
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED September 30, 2022**

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, 2022. 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 2022 were as follows:

Total net position for 2022 increased \$12,229,549 or 24.4% from 2021. Total net position for 2021 increased \$2,781,239 or 5.9% from fiscal year 2021. The increase in 2022 resulted primarily from the increase in governmental activities cash and other assets and business-type activities increase in capital assets.

General revenues accounted for \$22,222,512 and \$22,545,139 in revenue, or 57% and 75% of all revenues for fiscal years 2022 and 2021 respectively. Program specific revenues in the form of charges for services and grants and contributions accounted for \$16,691,821 or 43% for 2022 and \$7,385,584 or 25% of total revenues for 2021. Transfers out to business-type activities totaling \$1,944,1587 were made in 2022.

In the business-type activity of sanitation, sanitation expenses were \$1,697,678 while charges for sanitation services were \$1,939,108. Water and sewer charges for services were \$11,676,124 with expenses of \$12,474,319. Investment income was \$16,847 for 2022. The City received \$600,000 in capital grants and contributions. Transfers in from governmental activities totaling \$1,944,587 were made in 2022.

Long-term debt increased by \$950,021 for fiscal year 2022 and decreased by \$1,228,271 for fiscal year 2021. The increase in 2022 was due to increase in governmental activities long-term liabilities and in 2021 due to decrease in governmental activities long-term debt. Additionally, the liability for compensated absences decreased by \$51,601 in 2022 and decreased by \$39,863 in 2021. The net pension liability was \$21,317,034 and \$16,194,334 for 2022 and 2021 respectively.

Overall, the book value of capital assets increased \$4,589,226 in 2022 and increased by \$4,215,419 for 2021. The changes were due to new construction in progress in 2022 and 2021.

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.

CITY OF BRANDON
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED September 30, 2022

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

CITY OF BRANDON
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED September 30, 2022

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 \$50,190,923 to \$62,420,473 between fiscal years 2021 and 2022. This increase is the result of the change in net position from operations of \$12,229,549.

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

Liabilities:										
Current and other liabilities										
Long-term liabilities										
Total Liabilities										
Deferred Inflows of Resources:										
Deferred inflows related to pensions										
Developer construction advances										
Deferred inflows - unearned revenues										
Total Deferred Inflows of Resources										
Net Position										
Net investment in capital assets										
Restricted										
Unrestricted										
Total Net Position										
The City's total assets increased \$11,075,506 during 2022 with governmental activities showing an increase of \$9,484,547 and business-type activities showing an increase of \$1,590,959. The increase was primarily due to an increase in cash and other assets in governmental activities and capital assets, net in business-type activities. Deferred outflows related to bond refunding decreased \$309,570 and deferred outflows related to pensions increased \$3,755,366.										
The City's total liabilities increased \$10,760,922, due mainly to the increase in long-term liabilities in business-type in 2022.										
Deferred inflows for developer construction advances was unchanged, deferred inflows related to pension decreased \$2,471,269, and unearned revenues decreased \$615,213 in 2022.										
The City's net position increased \$12,229,550 due mainly to net increase in cash and other assets (restricted cash) and capital assets, net.										

CITY OF BRANDON
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED September 30, 2022

Table 2											
Changes in Net Position											
2022											
	Governmental Activities		Business-type Activities		Total						Percent Change
	2022	2021	2022	2021	2022	2021			2022	2021	
Revenues:											
Program revenues:											
Charges for services	\$ 10,353,777	6,428,828	13,615,232	11,546,862	23,969,009	17,975,690			17,975,690		33.34%
Operating grants	35,347	59,674	600,000	7,500	635,347	67,174			67,174		845.82%
Capital grants	6,302,697	897,082			6,302,697	897,082			897,082		602.58%
General revenues:											
Sales and use taxes	9,713,918	8,853,705			9,713,918	8,853,705			8,853,705		9.72%
Property taxes	8,321,349	8,159,389			8,321,349	8,159,389			8,159,389		1.98%
Other	4,187,245	5,532,046	1,961,434	54,676	6,148,679	5,586,722			5,586,722		10.06%
Total Revenues	38,914,333	29,930,724	16,176,666	11,609,038	55,090,999	41,539,762			41,539,762		32.62%
Program Expenses:											
General government	2,293,162	2,860,111			2,293,162	2,860,111			2,860,111		-19.82%
Public safety	6,783,455	11,315,279			6,783,455	11,315,279			11,315,279		-40.05%
Public services	4,003,018	3,485,811			4,003,018	3,485,811			3,485,811		14.84%
Culture and recreation	13,793,667	7,860,867			13,793,667	7,860,867			7,860,867		75.47%
Water and sewer			12,474,319	10,339,370	12,474,319	10,339,370			10,339,370		20.65%
Sanitation			1,697,678	1,345,427	1,697,678	1,345,427			1,345,427		26.18%
Interest and fiscal charges	1,816,151	1,551,655			1,816,151	1,551,655			1,551,655		17.05%
Total Expenses	28,689,453	27,073,723	14,171,997	11,684,797	42,861,450	38,758,520			38,758,520		10.59%
Change in Net Position \$	10,224,880	2,857,001	2,004,669	-75,759	12,229,549	2,781,242			2,781,242		339.72%
Net Position, beginning	30,373,583	27,516,582	19,817,341	19,893,100	50,190,924	47,409,682			47,409,682		5.87%
Net Position, ending	\$ 40,598,463	30,373,583	21,822,010	19,817,341	62,420,473	50,190,924			50,190,924		24.37%

CITY OF BRANDON
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED September 30, 2022

Governmental Activities. Revenues for the City's governmental activities for the year ended September 30, 2022 were \$38,914,333 compared to \$29,930,723 in 2021. Program revenues increased 30% primarily as a result of an increase in charges for services in culture and recreation programs and capital grants in public services. General revenues are, for the most part, comprised of sales and use taxes and property taxes (82%).

The cost of providing all governmental activities for 2022 was \$28,689,453 and for 2021 was \$27,073,723, an increase of \$1,615,730 for 2022 and an increase of \$9,229,835 for 2021. Of this amount, general government expenses decreased \$566,949 in 2022 and increased \$832,784 in 2021; public safety expenses decreased \$4,531,824 for 2022 and increased \$4,143,731 for 2021; public services expenses increased \$517,207 in 2022 and increased \$915,405 in 2021; culture and recreation expenses increased \$5,932,800 in 2022 and increased \$3,174,964 in 2021; and interest on long-term debt expenses increased \$264,496 in 2022 and increased \$162,951 in 2021.

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 (84%). Charges for services for the City's business-type activities were \$13,615,232 for 2022 and \$11,546,862 for 2021, an increase of \$2,068,370 in 2022 and an increase of \$431,090 for 2021. Revenue from capital grants was \$600,000 in 2022 compared to \$7,500 for 2021.

The costs of these business-type activities were \$14,171,997 and \$11,684,797 for 2022 and 2021 respectively, an increase of \$2,487,200 in 2022 due to increases in water and sewer costs and sanitation costs; and an increase of \$1,978,450 in 2021 due to increases in water and sewer costs and sanitation 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 \$27,656,996, an increase of \$8,877,889. The fund balance consists of \$21,228,894 or 76.76% which is restricted for specific purposes which are externally imposed, \$16,975 or .06% is committed for specific purposes internally imposed by the City; \$3,999 or 0.01% 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

**CITY OF BRANDON
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED September 30, 2022**

end of the year, the amount of fund balance unassigned, which is available for spending for any purpose, is \$6,407,128 or 23.17%.

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, 2022, the City's total capital assets were \$175,653,436 including land, city buildings, infrastructure, vehicles and furniture and equipment. This amount represents an increase of \$10,177,712 for 2021 to 2022. The accumulated depreciation as of September 30, 2022 was \$68,607,616 and total depreciation expense for the year was \$5,875,575.

CITY OF BRANDON
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED September 30, 2022

		Table 3													
		Capital Assets at September 30, 2022													
		(Net of Depreciation)													

**CITY OF BRANDON
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED September 30, 2022**

CURRENT ISSUES

Update on the Department of the Army Corp of Engineers grant agreement (Section 592)

Environmental assessments have been completed and a test well will be constructed soon to ensure the site is a viable location for a new water well and tower. This well and tower will be in the North-East quadrant of the city and will be referred to as the Cornerstone Water Well & Tower Project.

Downtown Revitalization Continues

Projects continue and will include Tamberline, Mary Ann and Felicity Streets for improvements to streets and additional sidewalks.

Water/Sewer Line Replacement Project (Hwy 80 at Value Road)

The city awarded a bid for the replacement of a water and sewer line to Utility Constructors in the amount of \$369,298.00 on April 3, 2023. This project is a precursor to an MDOT project for the replacement of the bridge over the railroad tracks on Hwy 80 that is scheduled to be let in June 2023.

Asphalt Project 2023

A bid was awarded to Adcamp in the amount of \$1.7 million dollars for milling and resurfacing of twenty-five (25) streets within the city. The Rankin County Board of Supervisors committed \$900,000 to assist in funding this project and the remainder will be paid from House Bill 1 proceeds.

Civic Center Audio Visual and Lighting Upgrades

The board of aldermen awarded bids for lighting and audio-visual upgrades to the Civic Center at the Municipal Complex and the work will begin in fiscal year 2023. This project will be partially funded by money received from Senate Bill 2971, 2021 Regular Legislative Session.

Orleans Way TIF Project

This Tax Increment Financing Plan for Orleans Way, City of Brandon, Mississippi will be an undertaking of the City of Brandon authorized pursuant to Sections 21-45-1, et. Seq., MS Code 1972 as amended. The Developer proposes to develop 112-acre, mixed use development in the city including a grocery store, hotel, car dealership, senior living, office space, retail, restaurants and on-site infrastructure necessary to support the development with construction of a road extending Orleans Way. Site preparation is currently under way and the installation of a bridge and waterlines have been installed. The City has not issued bonds for this project at this time.

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, 2022

	Primary Government		
	Governmental	Business-Type	Totals
	Activities	Activities	
ASSETS			
Cash and cash equivalents	\$ 6,648,477	\$ 2,154,387	\$ 8,802,864
Receivables:			
Accounts receivable, net of allowance for uncollectible accounts	-	1,659,756	1,659,756
Ad valorem	278,758	-	278,758
Current sales tax	1,684,371	-	1,684,371
Franchise tax	240,847	-	240,847
Other receivables	91,937	-	91,937
Inventory	-	242,607	242,607
Internal balances	14,998	(14,998)	-
Restricted cash and cash equivalents	19,747,898	845,752	20,593,650
Capital assets, net	75,077,056	31,968,764	107,045,820
Total assets	<u>103,784,342</u>	<u>36,856,268</u>	<u>140,640,610</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to bond refunding	892,921	-	892,921
Deferred outflows related to pensions	5,602,465	1,015,757	6,618,222
Total deferred inflows of resources	<u>\$ 6,495,386</u>	<u>\$ 1,015,757</u>	<u>\$ 7,511,143</u>

See accompanying notes to financial statements.

CITY OF BRANDON
STATEMENT OF NET POSITION
September 30, 2022

	Primary Government		
	Governmental	Business-Type	Totals
	Activities	Activities	
LIABILITIES			
Accounts payable	\$ 458,557	\$ 687,165	\$ 1,145,722
Accrued payroll liabilities	13,933	8,892	22,825
Deposits payable	-	845,752	845,752
Liabilities payable from restricted assets:			
Accounts payable	34,587	8,983	43,570
Accrued interest payable	279,044	8,983	288,027
Long-term liabilities, due within one year:			
Capital improvement loan	-	402,289	402,289
Obligation under capital lease	64,153	139,184	203,337
Bonds payable	3,178,000	120,000	3,298,000
Due in more than one year:			
Capital improvement loan	-	7,945,718	7,945,718
Obligation under capital lease	43,355	140,935	184,290
Bonds payable	39,066,006	1,440,000	40,506,006
Other long-term liabilities	2,500,000	-	2,500,000
Compensated absences	323,712	81,973	405,685
Net pension liability	18,045,322	3,271,712	21,317,034
Total liabilities	<u>64,006,669</u>	<u>15,101,586</u>	<u>79,108,255</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	5,231,113	948,429	6,179,542
Developer construction advances	31,509	-	31,509
Deferred inflows - unearned revenues	411,974	-	411,974
Total deferred inflows of resources	<u>5,674,596</u>	<u>948,429</u>	<u>6,623,025</u>
NET POSITION			
Net investment in capital assets	32,725,542	23,359,822	56,085,364
Restricted			
Debt service	4,004,129	-	4,004,129
Capital activities	7,830,892	-	7,830,892
Other	7,881,368	-	7,881,368
Unrestricted	(11,843,468)	(1,537,812)	(13,381,280)
Total net position	<u>\$ 40,598,463</u>	<u>\$ 21,822,010</u>	<u>\$ 62,420,473</u>

See accompanying notes to financial statements.

CITY OF BRANDON
STATEMENT OF ACTIVITIES
For the year ended September 30, 2022

Function / Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Totals
				Governmental Activities	Business-Type Activities	
Primary Government						
Governmental activities						
General government	\$ 2,293,162	\$ -	\$ -	\$ (2,217,036)	\$ -	\$ (2,217,036)
Public safety	6,783,455	35,347	1,056,136	(5,376,025)	-	(5,376,025)
Public services	4,003,018	-	5,246,561	1,406,594	-	1,406,594
Culture and recreation	13,793,667	-	-	(3,995,014)	-	(3,995,014)
Debt service - interest and fiscal charges	1,816,151	-	-	(1,816,151)	-	(1,816,151)
Total governmental activities	28,689,453	35,347	6,302,697	(11,997,632)	-	(11,997,632)
Business-type activities						
Water and sewer	12,474,319	-	600,000	-	(198,195)	(198,195)
Sanitation	1,697,678	-	-	-	241,430	241,430
Total business-type activities	14,171,997	-	600,000	-	43,235	43,235
Total primary government	\$ 42,861,450	\$ 35,347	\$ 6,902,697	(11,997,632)	43,235	(11,954,397)
General revenues						
Taxes						
Sales and use taxes				9,713,918	-	9,713,918
Property taxes				8,321,349	-	8,321,349
Franchise fees				938,858	-	938,858
Other taxes and shared revenue				4,600,576	-	4,600,576
Investment income				122,623	16,847	139,470
Other				469,775	-	469,775
Transfers				(1,944,587)	1,944,587	-
Total general revenues and other				22,222,512	1,961,434	24,183,946
Change in net position				10,224,880	2,004,669	12,229,549
Net Position, September 30, 2021				30,373,583	19,817,341	50,190,924
Net Position, September 30, 2022				\$ 40,598,463	\$ 21,822,010	\$ 62,420,473

See accompanying notes to financial statements.

**CITY OF BRANDON
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2022**

	General Fund	Debt Service Fund	Capital Projects Fund	Amphitheater Fund	Other Nonmajor Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 4,842,681	\$ 3,270,942	\$ 7,863,229	\$ 1,148,672	\$ 4,017,477	\$ 21,143,001
Receivables						
Ad valorem and road taxes	194,138	84,620	-	-	-	278,758
Current sales tax	1,684,371	-	-	-	-	1,684,371
Franchise tax	109,604	-	-	-	-	109,604
Other receivables	6,468	-	-	85,469	-	91,937
Restricted cash	5,253,374	-	-	-	-	5,253,374
Internal Balances - due from other funds	89,860	36,940	-	-	-	126,800
Total Assets	12,180,496	3,392,502	7,863,229	1,234,141	4,017,477	28,687,845
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable	374,447	2,250	32,337	70,282	13,825	493,141
Accrued wages payable	12,771	-	-	1,161	-	13,932
Internal Balances - due to other funds	111,802	-	-	-	-	111,802
Unearned revenues	-	-	-	411,974	-	411,974
Total Liabilities	499,020	2,250	32,337	483,417	13,825	1,030,849
Fund Balance						
Restricted	5,253,374	3,390,252	7,830,892	750,724	4,003,652	21,228,894
Committed	16,975	-	-	-	-	16,975
Assigned	3,999	-	-	-	-	3,999
Unassigned	6,407,128	-	-	-	-	6,407,128
Total Fund Balances	11,681,476	3,390,252	7,830,892	750,724	4,003,652	27,656,996
Total Liabilities and Fund Balances	\$ 12,180,496	\$ 3,392,502	\$ 7,863,229	\$ 1,234,141	\$ 4,017,477	\$ 28,687,845

See accompanying notes to financial statements.

CITY OF BRANDON
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
September 30, 2022

Total fund balances - governmental funds	\$	27,656,996
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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	113,871,655		
Less accumulated depreciation	<u>(38,794,599)</u>		75,077,056

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

Deferred outflows and inflows related to pensions	371,352	
Deferred outflows related to bond refunding	892,921	
Receivable on franchise taxes	131,243	

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	(279,046)	
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.

(63,220,550)

Net position of governmental activities	\$	<u><u>40,598,463</u></u>
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CITY OF BRANDON
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the year ended September 30, 2022

	General Fund	Debt Service Fund	Capital Projects Fund	Amphitheater Fund	Other Nonmajor Funds	Total Governmental Funds
Revenues						
Property tax	\$ 5,727,461	\$ 2,871,394	\$ -	\$ -	\$ -	\$ 8,598,855
Sales tax	7,915,838	-	-	-	-	7,915,838
Sales tax - restaurants & hotels	1,553,851	-	-	-	-	1,553,851
Franchise tax	807,615	-	-	-	-	807,615
Licenses and permits	208,121	-	-	-	-	208,121
State shared revenues	2,174,335	-	6,235,667	-	1,397,021	9,807,023
County shared revenues	1,090,821	-	-	-	-	1,090,821
Charges for services	178,078	-	-	9,651,631	-	9,829,709
Fines and forfeitures	315,947	-	-	-	-	315,947
Other revenues	359,656	13,798	22,589	8,771	20,527	425,341
Total Revenues	20,331,723	2,885,192	6,258,256	9,660,402	1,417,548	40,553,121
Expenditures						
Current (operating)						
General government	2,154,229	-	-	-	-	2,154,229
Public safety	6,713,357	-	-	-	34,391	6,747,748
Public services	2,706,127	-	-	-	-	2,706,127
Culture and recreation	2,464,359	-	-	9,333,293	-	11,797,652
Capital outlay	4,165,965	-	147,811	172,654	945,233	5,431,663
Debt service						
Principal	59,982	2,176,000	-	-	-	2,235,982
Interest and fiscal charges	-	1,487,832	-	-	19,437	1,507,269
Total Expenditures	18,264,019	3,663,832	147,811	9,505,947	999,061	32,580,670
Excess of revenues over (under) expenditures	2,067,704	(778,640)	6,110,445	154,455	418,487	7,972,451
Other financing sources and uses, including transfers						
Proceeds from debt issuance	-	4,618,000	-	-	2,500,000	7,118,000
Payments to bond escrow agent	-	(4,421,159)	-	-	-	(4,421,159)
Proceeds from sale of assets	153,184	-	-	-	-	153,184
Transfers in (out)	(766,515)	1,482,872	(1,944,982)	78,475	(794,437)	(1,944,587)
Total other financing sources and (uses)	(613,331)	1,679,713	(1,944,982)	78,475	1,705,563	905,438
Net change in fund balances	1,454,373	901,073	4,165,463	232,930	2,124,050	8,877,889
Fund Balances, September 30, 2021	10,227,103	2,489,179	3,665,429	517,795	1,879,602	18,779,108
Fund Balances, September 30, 2022	\$ 11,681,476	\$ 3,390,252	\$ 7,830,892	\$ 750,725	\$ 4,003,652	\$ 27,656,997

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, 2022

Net change in fund balances - governmental funds	\$	8,877,889
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Amounts reported for governmental activities in Statement of
 Activities are different because:

Governmental funds report capital outlays as expenditures.

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

Capital outlay	\$	4,847,363	
Depreciation expense		<u>(3,841,552)</u>	1,005,811

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		34,375	
Pension expense for the current period		923,932	
Interest expense and deferred charge amortization		(308,882)	
Change in Long Term Receivables		131,243	
Other revenues (expenses)		21,372	

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

Debt issuance proceeds		(7,118,000)	
Retirement of debt		<u>6,657,141</u>	<u>(460,859)</u>

Change in net position - governmental funds	\$	<u><u>10,224,881</u></u>
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See accompanying notes to financial statements.

CITY OF BRANDON
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2022

	Business-Type Activities Enterprise Funds		
	Water & Sewer Fund	Sanitation Fund	Totals
ASSETS			
Current assets			
Cash and cash equivalents	\$ 1,949,932	\$ 204,455	\$ 2,154,387
Receivables			
Accounts receivable, net of allowance for uncollectible accounts	1,375,553	284,203	1,659,756
Inventory	242,607	-	242,607
Total current assets	3,568,092	488,658	4,056,750
Noncurrent assets			
Restricted cash	845,752	-	845,752
Capital assets, net	31,587,568	381,196	31,968,764
Total noncurrent assets	32,433,320	381,196	32,814,516
Total assets	36,001,412	869,854	36,871,266
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflow related to pensions	1,005,123	10,634	1,015,757
Total deferred outflows of resources	1,005,123	10,634	1,015,757
LIABILITIES			
Current liabilities			
Accounts payable	695,388	760	696,148
Accrued payroll liabilities	8,787	105	8,892
Accrued interest payable	8,983	-	8,983
Internal Balances - due to other funds	14,998	-	14,998
Meter deposits payable	845,752	-	845,752
Current portion of capital improvement loan	402,289	-	402,289
Current portion of capital lease payable	-	139,184	139,184
Current portion of revenue bonds	120,000	-	120,000
Total current liabilities	2,096,197	140,049	2,236,246
Noncurrent liabilities			
Compensated absences	79,593	2,380	81,973
Net pension liability	3,237,462	34,250	3,271,712
Capital improvement loan	7,945,718	-	7,945,718
Revenue bonds	1,440,000	-	1,440,000
Obligation under capital lease	-	140,935	140,935
Total noncurrent liabilities	12,702,773	177,565	12,880,338
Total liabilities	14,798,970	317,614	15,116,584
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	938,500	9,929	948,429
Total deferred inflows of resources	938,500	9,929	948,429
NET POSITION			
Net investment in capital assets	23,119,561	240,261	23,359,822
Unrestricted	(1,850,496)	312,684	(1,537,812)
Total net position	\$ 21,269,065	\$ 552,945	\$ 21,822,010

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, 2022

	Business-Type Activities Enterprise Funds		
	Water & Sewer Fund	Sanitation Fund	Totals
Operating Revenues			
Charges for services	\$ 11,676,124	\$ 1,939,108	\$ 13,615,232
Total operating revenues	11,676,124	1,939,108	13,615,232
Operating Expenses			
Personnel services	1,503,096	(55,572)	1,447,524
Supplies, services and other charges	8,779,349	1,705,733	10,485,082
Depreciation and amortization	1,990,538	43,486	2,034,024
Total operating expenses	12,272,983	1,693,647	13,966,630
Operating income (loss)	(596,859)	245,461	(351,398)
Nonoperating revenues (expenses)			
Capital grant	600,000	-	600,000
Interest income	16,447	400	16,847
Interest expense and bond fees	(201,336)	(4,031)	(205,367)
Total nonoperating revenues (expenses)	415,111	(3,631)	411,480
Income (loss) before transfers	(181,748)	241,830	60,082
Transfers	1,944,587	-	1,944,587
Change in net position	1,762,839	241,830	2,004,669
Net Position, September 30, 2021	19,506,226	311,115	19,817,341
Net Position, September 30, 2022	\$ 21,269,065	\$ 552,945	\$ 21,822,010

See accompanying notes to financial statements.

CITY OF BRANDON
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the year ended September 30, 2022

	Business-Type Activities Enterprise Funds		
	Water & Sewer Fund	Sanitation Fund	Totals
Cash flows from operating activities			
Cash received from customers	\$ 11,556,284	\$ 1,898,465	\$ 13,454,749
Cash payments for goods and services	(9,322,137)	(1,708,297)	(11,030,434)
Cash payments for personnel services	(1,666,409)	(19,693)	(1,686,102)
Net cash provided by operating activities	<u>567,738</u>	<u>170,475</u>	<u>738,213</u>
Cash flows from non-capital financing activities			
Operating transfers (to) from other funds	<u>1,944,587</u>	<u>-</u>	<u>1,944,587</u>
Net cash provided (used) by non-capital financing activities	<u>1,944,587</u>	<u>-</u>	<u>1,944,587</u>
Cash flows from capital and related financing activities			
Proceeds from capital loan and leases	648,037	418,000	1,066,037
Principal paid on notes payable and capital leases	(662,139)	(137,882)	(800,021)
Interest paid on notes and capital leases	(201,336)	(4,031)	(205,367)
Acquisition and construction of capital assets	(4,966,019)	(418,000)	(5,384,019)
Decrease in capital related receivable from other government	2,655,000	-	2,655,000
Proceeds from capital grants	600,000	-	600,000
Net cash used for capital and related financing activities	<u>(1,926,457)</u>	<u>(141,913)</u>	<u>(2,068,370)</u>
Cash flows from investing activities			
Interest on investments	<u>16,447</u>	<u>400</u>	<u>16,847</u>
Net cash provided (used) by investing activities	<u>16,447</u>	<u>400</u>	<u>16,847</u>
Net increase (decrease) in cash and cash equivalents	602,315	28,962	631,277
Cash and cash equivalents, October 1, 2021	<u>2,193,368</u>	<u>175,493</u>	<u>2,368,861</u>
Cash and cash equivalents, September 30, 2022	<u>\$ 2,795,683</u>	<u>\$ 204,455</u>	<u>\$ 3,000,138</u>
Cash and cash equivalents consists of the following statement of net position amounts			
Cash and cash equivalents	\$ 1,949,932	\$ 204,455	\$ 2,154,387
Restricted cash	<u>845,752</u>	<u>-</u>	<u>845,752</u>
Total cash and cash equivalents	<u>\$ 2,795,684</u>	<u>\$ 204,455</u>	<u>\$ 3,000,139</u>

See accompanying notes to financial statements.

CITY OF BRANDON
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the year ended September 30, 2022

	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)	\$ (596,859)	\$ 245,461	\$ (351,398)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities			
Depreciation	1,990,538	43,486	2,034,024
Changes in assets and liabilities			
(Increase) decrease in accounts receivable, net	(126,302)	(40,643)	(166,945)
(Increase) decrease in inventory	(49,821)	-	(49,821)
(Increase) deferred outflow of resources	(578,338)	3,346	(574,992)
Increase (decrease) in accounts payable	(492,967)	(2,564)	(495,531)
Increase (decrease) in customer meter deposits	6,462	-	6,462
Increase (decrease) in payroll liabilities	(2,613)	(425)	(3,038)
Increase (decrease) in compensated absences	(16,181)	(1,045)	(17,226)
Increase (decrease) in pension liability	823,263	(44,827)	778,436
Increase (decrease) in deferred inflows of resources	(389,444)	(32,313)	(421,757)
Net cash provided (used) by operating activities	\$ <u>567,738</u>	\$ <u>170,475</u>	\$ <u>738,213</u>

See accompanying notes to financial statements.

CITY OF BRANDON
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2022

(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, 2022

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, 2022

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

The 2022 GO Note Fund accounts for financial resources provided by issuance of the 2022 general obligation note payable.

Major Proprietary Fund

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

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

Fund Balance

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

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

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

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

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

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

Cash and Investments

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

CITY OF BRANDON
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2022

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.

Receivables and Payables

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

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

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

Property Tax

As of January 1 of each calendar year, property taxes attach as an enforceable lien on property. Taxes are levied as of January 1 and are payable on or before February 1. All property taxes are collected and remitted to the city by the county tax collector. The millage rate for the city for January through December 31, 2022, 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 funds 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

CITY OF BRANDON
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2022

Infrastructure
Vehicles and Equipment

20-50 years
5 years

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

CITY OF BRANDON
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2022

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 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 supplementary 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.

CITY OF BRANDON
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2022

- 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 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, 2022.

At September 30, 2022, the carrying amount of the City's deposits was \$29,396,514 and the bank balance was \$28,253,035.

(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	\$ 811,962
Allowances related to Sanitation Fund receivables	67,500
Total	<u>\$ 879,462</u>

(5) Interfund Advances and Transfers

1. Individual fund interfund receivable and payable balances at September 30, 2022 were:

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

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

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

CITY OF BRANDON
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2022

(6) Capital Assets

A summary of changes in Capital Assets at September 30, 2022 follows:

	Balance 09/30/21	Increases	Decreases	CIP Completed	Balance 09/30/22
Governmental Activities					
Non-depreciable					
Land	\$ 3,192,593	\$ 16,442	\$ -	\$ -	3,209,035
Construction in progress	2,544,148	4,230,527	-	(1,019,417)	5,755,258
Total	<u>5,736,741</u>	<u>4,246,969</u>	<u>-</u>	<u>(1,019,417)</u>	<u>8,964,293</u>
Depreciable					
Buildings	40,697,068	91,670	-	-	40,788,738
Improvement other than bldg.	51,790,188	172,747	-	1,019,417	52,982,352
Machinery, equip. & vehicles	10,708,303	531,271	(103,301)	-	11,136,273
Total	<u>103,195,559</u>	<u>795,688</u>	<u>(103,301)</u>	<u>1,019,417</u>	<u>104,907,363</u>
Less accum. depreciation					
Buildings	7,763,608	1,096,047	-	-	8,859,655
Improvement other than bldg.	19,282,633	2,005,344	-	-	21,287,977
Machinery, equip. & vehicles	7,999,778	740,161	(92,971)	-	8,646,968
Total	<u>35,046,019</u>	<u>3,841,552</u>	<u>(92,971)</u>	<u>-</u>	<u>38,794,600</u>
Governmental Activities, net	<u>\$ 73,886,281</u>	<u>\$ 1,201,105</u>	<u>\$ (10,330)</u>	<u>\$ -</u>	<u>\$ 75,077,056</u>

Depreciation expense was charged to governmental functions as follows:

General government	\$ 262,946
Public safety	460,339
Public service	1,129,609
Culture and recreation	1,988,657
	<u>\$ 3,841,551</u>

Business-type Activities					
Non-depreciable					
Land	\$ 130,377	\$ -	\$ -	\$ -	130,377
Construction in progress	1,970,923	4,575,218	-	(4,390,421)	2,155,720
Total	<u>2,101,300</u>	<u>4,575,218</u>	<u>-</u>	<u>(4,390,421)</u>	<u>2,286,097</u>
Depreciable					
Buildings	1,109,514	-	-	-	1,109,514
Improvement other than bldg.	50,627,945	284,596	-	4,390,421	55,302,962
Machinery, equip. & vehicles	2,704,670	616,564	(238,027)	-	3,083,207
Total	<u>54,442,129</u>	<u>901,160</u>	<u>(238,027)</u>	<u>4,390,421</u>	<u>59,495,683</u>
Less accum. depreciation					
Buildings	459,085	21,242	-	-	480,327
Improvement other than bldg.	25,509,994	1,785,768	-	-	27,295,762
Machinery, equip. & vehicles	2,004,038	227,014	(194,125)	-	2,036,927
Total	<u>27,973,117</u>	<u>2,034,024</u>	<u>(194,125)</u>	<u>-</u>	<u>29,813,016</u>
Business-type Activities, net	<u>\$ 28,570,312</u>	<u>\$ 3,442,354</u>	<u>\$ (43,902)</u>	<u>\$ -</u>	<u>\$ 31,968,764</u>

CITY OF BRANDON
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2022

Obligations under capital lease

The City has entered into the following lease agreements as of September 30, 2022, which qualify as capital leases for accounting purposes:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Lease dated May 11, 2021 with PriorityOne for the acquisition of equipment in the amount of \$191,687 payable in 36 monthly payments of \$5,456	107,508	-
Lease dated October 4, 2021, with Bancorpsouth Leasing for the acquisition of equipment in the amount of \$418,000 payable in 36 monthly payments of \$11,826.	\$ -	280,118
Total obligations under capital leases	\$ 107,508	\$ 280,118

As of September 30, 2022, the City had future minimum payments under capital leases as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
September 30:		
2023	\$ 65,435	\$ 141,911
2024	43,623	141,911
Total	109,058	283,822
Less amount representing interest	1,550	3,704
Present value of future minimum lease payments	\$ 107,508	\$ 280,118
Cost of equipment	\$ 191,687	\$ 418,000
Accumulated depreciation	\$ 19,166	\$ 41,800

CITY OF BRANDON
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2022

(7) Long-Term Debt

Transactions for the fiscal year ended September 30, 2022, are summarized as follows:

	Balance 09/30/21	Additions	Payments	Balance 09/30/22
Governmental Activities				
General obligation bonds	\$ 23,588,000	\$ -	\$ 1,766,000	\$ 21,822,000
Special obligation bonds	18,670,000	4,618,000	4,720,000	18,568,000
Other long-term liabilities	-	2,500,000	-	2,500,000
Obligations under capital lease	3,902	191,687	88,081	107,508
Compensated absences	358,087	-	34,375	323,712
Total governmental activities	42,619,989	7,309,687	6,608,456	43,321,220
Business-type Activities				
Capital improvement loans	8,247,109	648,037	547,139	8,348,007
Obligations under capital lease	-	418,000	137,882	280,118
Revenue bonds	1,675,000	-	115,000	1,560,000
Compensated absences	99,199	-	17,226	81,973
Total business-type activities	10,021,308	1,066,037	817,247	10,270,098
Total government-wide	\$ 52,641,297	\$ 8,375,724	\$ 7,425,703	\$ 53,591,318

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, 2022, including interest payments are as follows:

Year Ended 30-Sep	Governmental Activities		Business-type Activities		Total
	Principal	Interest	Principal	Interest	
2023	\$ 3,178,000	\$ 1,392,973	\$ 693,132	\$ 205,155	\$ 5,469,260
2024	3,350,000	1,336,596	712,753	192,556	5,591,905
2025	3,843,000	1,255,255	729,621	177,150	6,005,026
2026	3,065,000	998,647	743,543	160,163	4,967,353
2027	2,265,000	918,891	757,460	140,730	4,082,081
2028-2032	10,055,000	3,747,931	2,919,688	195,081	16,917,700
2033-2037	8,289,000	1,941,624	2,083,277	346,195	12,660,096
2038-2042	4,150,000	1,249,026	1,134,394	170,329	6,703,749
2043-2047	4,695,000	398,199	134,139.00	44,213	5,271,551
Total	\$ 42,890,000	\$ 13,239,142	\$ 9,908,007	\$ 1,631,572	\$ 67,668,721

CITY OF BRANDON
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2022

Capital Improvement Loans

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

<u>Description</u>	<u>Governmental Activities</u>	<u>Business- type</u>
\$1,200,551 Water Pollution Control Revolving Loan for pollution control improvements through the Mississippi Department of Environmental Quality. Monthly payments of \$6,466 for a period of 235 months through 08/01/27. Interest is 2.5% APR.	\$ -	\$ 358,637
\$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.	-	1,139,440
\$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.	-	477,649
\$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.	-	393,081
\$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.	-	1,050,950
\$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.	-	833,316
\$5,213,285 Drinking Water State Revolving Loan for drinking water improvements through the Mississippi State Department of Health. Monthly payments of \$26,521 for a period of 237 months through 03/01/32. Interest is 1.95% APR.	-	4,094,934
Total Capital Improvement Loans	\$ -	\$ 8,348,007

CITY OF BRANDON
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2022

General Obligation Bonds

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

Special Obligation Bonds

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

Bonds payable at September 30, 2022, are comprised of the following:

<u>General Obligation Bonds</u>	<u>Governmental Activities</u>	<u>Business- type Activities</u>
\$2,355,000 2015 Refunding Bonds due in annual installments ranging from \$20,000 to \$760,000 for 9 years through September 2024, with interest ranging from 2.0% to 3.0%.	1,020,000	-
\$13,680,000 2014 Public Improvement Bonds, due in annual installments ranging from \$590,000 to \$940,000 for 10 years through November 2031 with interest ranging from 2.0% to 5.0%.	7,405,000	-
\$5,255,000 2020 Refunding Bonds due in annual installments ranging from \$193,616 to \$1,069,805 for 15 years through September 2035, with interest of 1.85%.	5,022,000	
\$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%.	5,900,000	-
\$4,000,000 2020 General Obligation Bonds due in annual installments ranging from \$750,000 to \$850,000 for five years through 2025, with interest ranging from 1.10% to 1.25%.	2,475,000	
Total General Obligation Bonds	<u>21,822,000</u>	<u>-</u>

CITY OF BRANDON
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2022

<u>Special Obligation Bonds</u>	<u>Governmental Activities</u>	<u>Business- type Activities</u>
\$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%	13,190,000	
\$4,618,000 Special Obligation Refunding Bonds due in semiannual installments ranging from \$56,000 to \$355,000 for 15 years through March 2038, with interest ranging from 1.69% to 2.14%	4,618,000	
\$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%.	-	1,560,000
\$6,000,000 2018 Special Obligation Bonds due in annual installments ranging from \$245,000 to \$260,000 for 3 years through 2025, with interest ranging from 2% to 3%.	760,000	-
Total Special Obligation Bonds	18,568,000	1,560,000
Total before premiums/(discounts), net	40,390,000	1,560,000
Premiums/(discounts), net	1,854,006	-
Total Bonds Payable	\$ 42,244,006	\$ 1,560,000

<u>Other Long-Term Liabilities</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>
\$2,500,000 General Obligation Note Payable to Bancorpsouth Bank, a division of Cadence Bank, for construction and maintenance of streets and sidewalks, due in 5 annual installments of \$625,000 through June 2026, with an interest rate of 2.66%.	\$ 2,500,000	\$ -
Total Long-Term Liabilities	\$ 2,500,000	\$ -

Advance Refunding

On May 9, 2022, the City issued \$4,618,000 in special obligation refunding bonds with a net interest rate of 1.69% to advance refund \$4,310,000 of 2018 series special obligation bonds.

The net proceeds of \$4,421,159, after payment of \$196,841 in issuance costs, were used to purchase state and local government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the bonds. As a result, those bonds are considered defeased, and the liability for those bonds was removed from the Statement of Net Position.

CITY OF BRANDON
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2022

The refunding of these bonds resulted in an economic gain of \$483,071 for the City. The economic gain results from the net present value difference between the new and the old debt service requirements.

Limitation of Indebtedness

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

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

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

The following is a schedule of limitations on the indebtedness of the City as of September 30, 2022:

Authorized Debt Limit:	15 Percent	20 Percent
Assessed valuation for the fiscal year ended September 30, 2022 - \$ 257,066,601	\$ 38,559,990	\$ 51,413,320
Total long-term debt - governmental activities	43,321,220	43,321,220
Less amounts not subject to statutory limitation	(21,499,220)	(18,891,712)
Present debt subject to debt limitation	21,822,000	24,429,508
Margin for further general indebtedness	\$ 16,737,990	\$ 26,983,812

(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, 2022, the government-wide statement of net position reports \$19,716,389 of restricted net position, of which \$2,511,031 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,

CITY OF BRANDON
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For the year ended September 30, 2022

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.

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, 2022 was 17.4% of annual covered payroll, and when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City's contributions to PERS for the years ended September 30, 2022, 2021, and 2020 was \$1,240,547, \$1,246,566, and \$1,250,773, 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, 2022, the City reported a liability of \$21,317,034 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, 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, 2022, the City's proportion was 0.103563 percent, which was a decrease of .006003 percent from its proportion measured as of June 30, 2021.

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 2022, this was 3.73 years, which was an decrease of .15 years from the prior year average of 3.88.

CITY OF BRANDON
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2022

Changes in Assumptions.

2021

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

2019

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

CITY OF BRANDON
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2022

the following adjustments:

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

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

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

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

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

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

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

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

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

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

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

2017

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

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

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

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

2016

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

2015

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

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

Withdrawal rates, pre-retirement mortality rates, disability rates and service retirement rates were

CITY OF BRANDON
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2022

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, 2022, the City recognized pension expense of (\$1,103,938), which included net amortization of deferred outflows and deferred inflows. Of this amount, (\$923,933) was allocated to governmental activities and (\$180,005) was allocated to business-type activities.

At September 30, 2022, the City reported \$6,618,222 in deferred outflows of resources and \$6,179,542 in deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 301,834	\$ 4,121,118
Net difference between projected and actual earnings on pension plan investments	5,240,792	-
Change of assumptions	737,274	-
City contributions subsequent to the measurement date	338,322	-
Differences between City contributions and proportionate share of contributions	-	2,058,424
Total	\$ 6,618,222	\$ 6,179,542

The \$338,322 of deferred outflows of resources resulting from the City's contributions subsequent to the measurement date and the net difference between expected and actual plan experience and changes in assumptions will be recognized as a reduction of the net pension liability in the year ending September 30, 2022. The \$6,179,542 of deferred inflows resulting from the City's difference between projected and actual investment earnings and from differences between city contributions and proportionate share of contributions will be recognized as an increase in the net pension liability in the year ending September 30, 2022. 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, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

CITY OF BRANDON
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2022

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

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2016–June 30, 2020. The experience report is dated April 20, 2021.

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, 2022 are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
U.S. Broad	25%	4.60%
International equity	20%	4.50%
Global	12%	4.80%
Fixed Income	18%	1.40%
Real Estate	10%	3.65%
Private equity	10%	6.00%
Private Infrastructure	2%	4.00%
Private Credit	2%	4.00%

Discount Rate

The discount rate used to measure the total pension liability was 7.75%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate (9%) and that employer contributions will be made at the current employer contribution rate (17.4%). Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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	\$ 27,820,906	\$ 21,317,034	\$ 15,954,922

CITY OF BRANDON
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2022

Plan Fiduciary Net Position

Detailed information about the Plan's fiduciary net position is available in the separately issued Public Employees' Retirement System of Mississippi financial report. That information may be obtained by going to the PERS website, by writing to Public Employees' Retirement System of Mississippi, PERS Building, 429 Mississippi Street, Jackson, MS 39201 or by calling (601) 359-3589 or 1-800-444-PERS.

(10) Commitments and contingencies

Operating Leases

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

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

Contingent Liabilities

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

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

Construction and Other Significant Commitments

The remaining payments of construction contracts relating to construction or major repairs in progress aggregated approximately \$5,120,584. 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 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 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,

CITY OF BRANDON
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2022

the City carries commercial insurance for these risks. Settled claims resulting from these insured risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Participation in Public Entity Risk Pool

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

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

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

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

Group Health Insurance

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

(12) Subsequent Events

The City evaluated subsequent events through April 30, 2023, the date on which the financial statements were available to be issued and noted no subsequent events to be disclosed.

CITY OF BRANDON
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended September 30, 2022

	Original Budget	Budget as Amended	Actual	Variance from Final Amended Budget Over (under)
Revenues:				
Taxes	\$ 5,462,276	\$ 5,462,276	\$ 5,780,878	\$ 318,602
Licenses and permits	1,109,770	1,109,770	1,005,282	(104,488)
State shared revenues	8,360,016	8,360,016	9,942,498	1,582,482
Grants	1,290,525	1,290,525	1,676,719	386,194
County shared revenues	853,808	853,808	1,062,211	208,403
Charges for services	363,999	363,999	189,733	(174,266)
Fines and forfeits	302,200	302,200	315,947	13,747
Other	162,587	162,587	358,458	195,871
Total Revenues	17,905,181	17,905,181	20,331,726	2,426,545
Expenditures:				
City court				
Personnel costs	254,882	254,882	233,804	(21,078)
Supplies	3,500	3,500	2,471	(1,029)
Charges for services	8,140	8,140	7,055	(1,085)
Capital expenditures	900	900	-	(900)
Total city court	267,422	267,422	243,330	(24,092)
Executive / Administrative				
Personnel cost	597,253	597,253	590,827	(6,426)
Supplies	2,050	6,050	5,970	(80)
Charges for services	37,405	59,405	58,770	(635)
Capital expenditures	-	72,000	71,162	(838)
Total executive / administrative	636,708	734,708	726,729	(7,979)
General Government				
Personnel cost	517,880	546,880	545,498	(1,382)
Supplies	15,390	22,390	22,274	(116)
Charges for services	672,132	688,132	687,504	(628)
Capital expenditures	406,014	406,014	44,407	(361,607)
Total general government	1,611,416	1,663,416	1,299,683	(363,733)

CITY OF BRANDON
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended September 30, 2022

	Original Budget	Budget as Amended	Actual	Variance from Final Amended Budget Over (under)
Police Department				
Personnel cost	2,991,605	2,991,605	2,875,801	(115,804)
Supplies	181,812	192,812	192,559	(253)
Charges for services	297,477	309,477	308,485	(992)
Capital expenditures	38,600	38,600	15,632	(22,968)
Total police department	3,509,494	3,532,494	3,392,477	(140,017)
Fire Department				
Personnel cost	3,496,894	3,496,894	2,954,341	(542,553)
Supplies	126,980	126,980	115,666	(11,314)
Charges for services	345,196	345,196	266,506	(78,690)
Capital expenditures	296,820	296,820	232,981	(63,839)
Total fire department	4,265,890	4,265,890	3,569,494	(696,396)
Street Department				
Personnel cost	263,526	263,526	175,591	(87,935)
Supplies	97,210	97,210	87,054	(10,156)
Charges for services	1,128,139	1,866,139	1,862,710	(3,429)
Capital expenditures	2,646,000	3,652,000	3,654,711	2,711
Total street department	4,134,875	5,878,875	5,780,066	(98,809)
Community development				
Personnel cost	425,415	425,415	372,719	(52,696)
Supplies	9,050	11,050	10,290	(760)
Charges for services	134,089	134,089	93,263	(40,826)
Capital expenditures	15,000	30,000	29,992	(8)
Total community development	583,554	600,554	506,264	(94,290)

CITY OF BRANDON
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended September 30, 2022

	Original Budget	Budget as Amended	Actual	Variance from Final Amended Budget Over (under)
Cemetery Maintenance				
Charges for services	22,382	68,382	68,244	(138)
Total cemetery maintenance	22,382	68,382	68,244	(138)
Parks Department				
Personnel cost	496,458	604,459	599,159	(5,300)
Supplies	171,500	203,500	95,154	(108,346)
Charges for services	745,676	1,681,676	1,366,888	(314,788)
Capital expenditures	223,900	223,900	71,902	(151,998)
Debt service	65,435	65,435	59,982	(5,453)
Total parks department	1,702,969	2,778,970	2,193,085	(585,885)
Library				
Supplies	4,800	4,800	2,565	(2,235)
Charges for services	163,876	183,876	183,289	(587)
Capital expenditures	115,000	115,000	45,177	(69,823)
Total library	283,676	303,676	231,031	(72,645)
Senior Citizen Department				
Personnel cost	65,115	65,115	9,908	(55,207)
Supplies	17,575	17,575	5,154	(12,421)
Charges for services	35,450	35,450	5,121	(30,329)
Capital expenditures	1,374	1,374	-	(1,374)
Total senior citizen department	119,514	119,514	20,183	(99,331)
Conference Center				
Personnel cost	135,452	135,452	86,227	(49,225)
Supplies	8,800	8,800	5,847	(2,953)
Charges for services	59,573	59,573	36,803	(22,770)
Capital expenditures	7,200	7,200	-	(7,200)
Total conference center	211,025	211,025	128,877	(82,148)
Total Expenditures	17,348,925	20,424,926	18,159,519	(2,265,407)
Excess of revenues over (under) expenditures	556,256	(2,519,745)	2,172,207	4,691,952

CITY OF BRANDON
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended September 30, 2022

	Original Budget	Budget as Amended	Actual	Variance from Final Amended Budget Over (under)
Other financing sources (uses):				
Non-revenue receipts	7,000	7,000	153,184	146,184
Operating transfers out	<u>(683,875)</u>	<u>(683,875)</u>	<u>(766,515)</u>	<u>(82,640)</u>
Total other financing sources (uses)	<u>(676,875)</u>	<u>(676,875)</u>	<u>(613,331)</u>	<u>63,544</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses, budgetary basis	\$ <u>(120,619)</u>	\$ <u>(3,196,620)</u>	1,558,876	\$ <u>4,755,496</u>
Fund Balance, September 30, 2021			<u>10,227,103</u>	
Adjustments to GAAP Basis:				
Change in accruals			<u>(104,503)</u>	
Fund Balance, September 30, 2022			\$ <u>11,681,476</u>	

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

	2022	2021	2020	2019	2018	2017	2016
City's proportion of the net pension liability	\$ 21,317,034	\$ 16,194,334	\$ 18,157,028	\$ 17,510,858	\$ 17,059,260	\$ 17,722,991	\$ 14,431,151
City's proportionate share of the net pension liability	10.356300%	0.109560%	0.103212%	0.105278%	0.102622%	0.099219%	0.092190%
City's covered - employee payroll	7,129,580	7,161,316	6,721,943	6,723,029	6,583,257	6,347,257	5,832,419
City's proportionate share of the net pension liability as a percentage of its covered - employee payroll	298.99%	226.14%	270.12%	260.46%	259.13%	279.22%	247.43%
Plan fiduciary net position as a percentage of the total pension liability	59.93%	70.44%	58.97%	62.54%	61.49%	57.47%	61.70%

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

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

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

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

	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 1,240,547	\$ 1,267,600	\$ 1,250,773	\$ 1,110,145	\$ 1,058,605	\$ 1,044,539	\$ 1,053,983
Contributions in relation to the contractually required contribution	1,240,547	1,267,600	1,250,773	1,110,145	1,058,605	1,044,539	1,053,983
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered - employee payroll	7,129,580	7,161,316	6,723,029	6,583,257	6,347,257	5,832,419	5,832,419
Contributions as a percentage of covered - employee payroll	17.40%	17.40%	15.75%	15.75%	15.75%	15.75%	15.75%

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

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

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

CITY OF BRANDON
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended September 30, 2022

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, 2022.

Change of Assumptions

2021

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

CITY OF BRANDON
SCHEDULE OF SURETY BONDS FOR MUNICIPAL OFFICIALS
September 30, 2022

Position	Name	Surety	Amount
Mayor	Lee, Butch	St Paul	\$ 100,000
Alderman	Jarrad Craine	St Paul	\$ 100,000
Alderman	Vinson, Cris	St Paul	\$ 100,000
Alderman	Williams, Harry	St Paul	\$ 100,000
Alderman	Coker, Lu	St Paul	\$ 100,000
Alderman	Farris, David	St Paul	\$ 100,000
Alderman	Sharon Womack	St Paul	\$ 100,000
Alderman	Middleton, Dwight	St Paul	\$ 100,000
Police Chief	Thompson, William	St Paul	\$ 50,000
City Clerk/Tax Collector	Bean, Angela	St Paul	\$ 50,000
Administrative Assistant Police	Fisackerly, Byrnn	Western Surety Company	\$ 50,000
Code Enforcement/Inspector/Water	Barnes, Randy	Western Surety Company	\$ 50,000
Utility Billing Clerk III Admin	Blackwell, Tonya	Western Surety Company	\$ 50,000
Accounts Payable Clerk / Deputy City Clerk	Davis, Amy	Western Surety Company	\$ 50,000
PW Operations Coordinator	Dearman, Carly	Western Surety Company	\$ 50,000
Community Development Director	Dodd, Matthew	Western Surety Company	\$ 50,000
Deputy Court Clerk	Dutton, Lisa	Western Surety Company	\$ 50,000
Accts Payable Clerk	Elarton Parker, Cristin	Western Surety Company	\$ 50,000
Events Coordinator/Conference Center	Farrar, Lori	Western Surety Company	\$ 50,000
Utility Billing Clerk	Gandy, Quarntina	Western Surety Company	\$ 50,000
Accountant Bond/Amphitheater/General Gov	Gasson, Earl	Western Surety Company	\$ 50,000
Building Official/Community Dev	Green, Jesse	Western Surety Company	\$ 50,000
Accountant	Greenwood, Elizabeth	Western Surety Company	\$ 50,000
Utility Billing Clerk	Heckard, Latoya	Western Surety Company	\$ 50,000
Payroll Clerk/Gen Gov	Jobe, Niki	Western Surety Company	\$ 50,000
Receptionist/ Gen. Gov	Johnson, Elizabeth	Western Surety Company	\$ 50,000
Asst. Special Event Coordinator	Keyes, Carley	Western Surety Company	\$ 50,000
Senior Svcs Coordinator/Amphitheater	Pryor, Angela	Western Surety Company	\$ 50,000
Public Works Administrative Assistant	Sarver, Lori	Western Surety Company	\$ 50,000
Public Works Director	Smith, Charles	Western Surety Company	\$ 50,000
Utility Billing Clerk	Tribotich, Theresa	Western Surety Company	\$ 50,000
Court Clerk/Court Services	Yates, Tara	Western Surety Company	\$ 50,000
Amphitheater - Box Office Manager	Young, Grace	Western Surety Company	\$ 50,000
Public Employees Blanket Bond (Faithful Performance Blanket position)	Covers 137 Employees Including Police Officers	Western Surety Company	\$ 50,000
Amphitheater Blanket Ticket Agent	Covers 4 Employees	Western Surety Company	\$ 10,000

**CITY OF BRANDON
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
September 30, 2022**

	Drug Seizure Fund	Infrastructure Fund	2022 GO Note Fund	Total Nonmajor Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 1,505,295	\$ 706,386	\$ 1,805,796	4,017,477
Total Assets	<u>1,505,295</u>	<u>706,386</u>	<u>1,805,796</u>	<u>4,017,477</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	<u>13,825</u>	<u>-</u>	<u>-</u>	<u>13,825</u>
Total Liabilities	<u>13,825</u>	<u>-</u>	<u>-</u>	<u>13,825</u>
Fund Balance				
Spendable				
Restricted	<u>1,491,470</u>	<u>706,386</u>	<u>1,805,796</u>	<u>4,003,652</u>
Total Fund Balances	<u>1,491,470</u>	<u>706,386</u>	<u>1,805,796</u>	<u>4,003,652</u>
Total Liabilities and Fund Balances	<u>\$ 1,505,295</u>	<u>\$ 706,386</u>	<u>\$ 1,805,796</u>	<u>4,017,477</u>

CITY OF BRANDON
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
For the year ended September 30, 2022

	Drug Seizure Fund	Infrastructure Fund	2022 GO Note Fund	Total Nonmajor Governmental Funds
Revenues				
State shared revenues	\$ -	1,397,021	\$ -	\$ 1,397,021
Other revenues	17,272	1,933	1,322	20,527
Total Revenues	<u>17,272</u>	<u>1,398,954</u>	<u>1,322</u>	<u>1,417,548</u>
Expenditures				
Current (operating)				
Public safety	34,391	-	-	34,391
Capital outlay	249,707	-	695,526	945,233
Interest and fiscal charges	-	19,437	-	19,437
Total Expenditures	<u>284,098</u>	<u>19,437</u>	<u>695,526</u>	<u>999,061</u>
Excess of revenues over (under) expenditures	<u>(266,826)</u>	<u>1,379,517</u>	<u>(694,204)</u>	<u>418,487</u>
Other financing sources and uses, including transfers				
Proceeds from debt issuance	-	-	2,500,000	2,500,000
Transfers in (out)	-	(794,437)	-	(794,437)
Total other financing sources and (uses)	<u>-</u>	<u>(794,437)</u>	<u>2,500,000</u>	<u>1,705,563</u>
Net change in fund balances	<u>(266,826)</u>	<u>585,080</u>	<u>1,805,796</u>	<u>2,124,050</u>
Fund Balances, September 30, 2021	<u>1,758,296</u>	<u>121,306</u>	<u>-</u>	<u>1,879,602</u>
Fund Balances, September 30, 2022	<u>\$ 1,491,470</u>	<u>\$ 706,386</u>	<u>\$ 1,805,796</u>	<u>\$ 4,003,652</u>

CITY OF BRANDON
GENERAL FUND
COMPARISON SCHEDULES OF REVENUES AND EXPENDITURES
AND CHANGES IN FUND BALANCE
For the Years Ended September 30, 2022 and 2021

	2022	2021
<u>Revenues</u>		
Taxes		
Property tax	\$ 5,727,461	\$ 5,084,586
Sales tax	7,915,838	7,181,898
Sales tax - restaurants	1,518,126	1,387,648
Sales tax - hotels	35,725	62,652
Franchise tax	807,615	903,841
	<u>16,004,765</u>	<u>14,620,625</u>
Licenses and Permits		
Privilege licenses	61,500	55,520
Building permits	121,540	189,012
Other licenses	25,081	15,079
Total Licenses and Permits	<u>208,121</u>	<u>259,611</u>
State Shared Revenues		
Payment in lieu of taxes - Grand Gulf	158,685	155,612
Fire protection	1,056,136	162,413
Municipal aid	18,075	10,824
Gasoline tax	14,052	18,846
Emergency disaster funds	-	16,000
Department of Transportation grant	599,540	21,571
Department of Public Safety funds	12,517	21,090
Other grant funds	315,330	13,209
Total State Shared Revenue	<u>2,174,335</u>	<u>419,565</u>
County Shared Revenues		
Pro-rata county road tax	857,312	839,807
Auto rental and rail tax	91,257	102,266
Tourism tax	42,251	25,278
County reimbursements	100,000	-
Total County Shared Revenues	<u>1,090,820</u>	<u>967,351</u>
Service Charges		
Facility rental fees	83,865	74,410
Park sales and fees	63,157	311,963
Plan review and inspection fees	25,581	29,259
Zoning & development fees	5,476	3,766
Total Service Charges	<u>178,079</u>	<u>419,398</u>
Court Fines and Forfeits	<u>315,947</u>	<u>283,183</u>
Other revenues	<u>359,656</u>	<u>299,496</u>
Total Revenues	<u>20,331,723</u>	<u>17,269,229</u>

CITY OF BRANDON
GENERAL FUND
COMPARISON SCHEDULES OF REVENUES AND EXPENDITURES
AND CHANGES IN FUND BALANCE
For the Years Ended September 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
<u>Expenditures</u>		
General Government and Administration		
City Court		
Salaries		
Salaries	165,172	170,508
Employer costs	<u>68,631</u>	<u>74,051</u>
Total Salaries	<u>233,803</u>	<u>244,559</u>
Supplies, Services and Other Charges		
Office supplies	2,471	4,646
Professional fees	<u>7,055</u>	<u>4,294</u>
Total Supplies, Services and Other Charges	<u>9,526</u>	<u>8,940</u>
Total City Court	<u>243,329</u>	<u>253,499</u>
Election		
Operating supplies	<u>-</u>	<u>27,045</u>
Total Election Costs	<u>-</u>	<u>27,045</u>
Executive / Administration		
Salaries		
Salaries	422,430	303,650
Employer costs	<u>168,397</u>	<u>124,899</u>
Total Salaries	<u>590,827</u>	<u>428,549</u>
Supplies, Services and Other Charges		
Advertising	10,000	20,160
Bond fees and expenses	1,750	1,400
Conventions	5,020	810
Dues and subscriptions	9,558	1,175
Exhibitions and promotions	1,950	421
Insurance	5,092	4,618
Miscellaneous	24	-
Operating supplies	5,579	1,113
Printing and binding	1,664	4,570
Professional fees	19,192	147,826
Rentals	-	412
Repairs - Vehicles	2,399	1,538
Telephone and communication	1,193	553
Training	773	387
Transportation	<u>548</u>	<u>902</u>
Total Supplies, Services and Other Charges	<u>64,742</u>	<u>185,885</u>

CITY OF BRANDON
GENERAL FUND
COMPARISON SCHEDULES OF REVENUES AND EXPENDITURES
AND CHANGES IN FUND BALANCE
For the Years Ended September 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Capital Outlay		
Machinery and equipment	-	388
Buildings	71,162	-
Total Capital Outlay	<u>71,162</u>	<u>388</u>
Total Executive / Administrative Department	<u>726,731</u>	<u>614,822</u>
General Government Department		
Salaries		
Salaries	370,554	310,567
Employer costs	174,943	116,592
Total Salaries	<u>545,497</u>	<u>427,159</u>
Supplies, Services and Other Charges		
Advertising	3,000	1,661
Bond fees and expenses	1,455	1,630
Cleaning and janitorial	6,606	3,913
Contract labor	1,400	1,600
Dues and subscriptions	104,035	87,672
Insurance	16,552	15,024
Land leases	8,320	2,120
Miscellaneous	8,805	7,355
Office supplies	4,230	4,200
Operating supplies	8,783	5,549
Postage	3,211	3,422
Printing and binding	4,343	4,247
Professional fees	218,673	166,122
Rentals	13,876	11,500
Repairs - equipment	17,272	4,078
Repairs - other	40,761	46,039
Repairs - vehicles	3,477	121
Telephone and communication	164,432	199,333
Transportation	1,930	758
Utilities	78,617	49,021
Total Supplies, Services and Other Charges	<u>709,778</u>	<u>615,365</u>
Capital Outlay		
Machinery and equipment	44,407	-
Total Capital Outlay	<u>44,407</u>	<u>-</u>
Debt Service		
Debt service principal	-	100,000
Debt service interest	-	1,965
Total Debt Service	<u>-</u>	<u>101,965</u>
Total General Government Department	<u>1,299,682</u>	<u>1,144,489</u>
Total General Government and Administration	<u>2,269,742</u>	<u>2,039,855</u>

CITY OF BRANDON
GENERAL FUND
COMPARISON SCHEDULES OF REVENUES AND EXPENDITURES
AND CHANGES IN FUND BALANCE
For the Years Ended September 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Public Services		
Street Department		
Salaries		
Wages	127,077	176,337
Employer costs	48,514	63,417
Total Salaries	<u>175,591</u>	<u>239,754</u>
Supplies, Services and Other Charges		
Advertising	1,186	564
Contract labor	380,694	219,570
Insurance	35,768	31,266
Miscellaneous	-	27
Operating supplies	57,722	48,501
Professional fees	510,793	137,876
Rentals	47,269	4,654
Repairs - equipment	75,896	33,884
Repairs - vehicles	29,037	14,087
Repairs - other	353,167	251,384
Telephone and communications	2,646	411
Training	-	75
Transportation	26,621	12,362
Uniforms	2,711	3,579
Utilities - street lights	530,755	565,962
Total Supplies, Services and Other Charges	<u>2,054,265</u>	<u>1,324,202</u>
Capital Outlay		
Improvements other than buildings	3,653,307	1,444,487
Machinery and equipment	1,404	13,057
Total Capital Outlay	<u>3,654,711</u>	<u>1,457,544</u>
Debt Service		
Debt service principal	-	300,000
Debt service interest	-	30,066
Total Debt Service	<u>-</u>	<u>330,066</u>
Total Street Department	<u>5,884,567</u>	<u>3,351,566</u>
Community Development Department		
Salaries		
Salaries	275,530	221,295
Employer costs	97,189	75,783
Total Salaries	<u>372,719</u>	<u>297,078</u>

CITY OF BRANDON
GENERAL FUND
COMPARISON SCHEDULES OF REVENUES AND EXPENDITURES
AND CHANGES IN FUND BALANCE
For the Years Ended September 30, 2022 and 2021

	2022	2021
Supplies, Services and Other Charges		
Advertising	1,191	1,381
Contract labor	102	-
Convention	383	-
Dues and subscriptions	1,377	1,746
Insurance	3,454	3,083
Miscellaneous expenses	4,877	3,914
Office supplies	637	396
Operating supplies	494	975
Printing and binding	108	762
Professional fees	73,413	30,888
Repairs - vehicles	2,321	1,055
Communications	4,739	2,707
Training	1,298	-
Transportation	8,418	5,830
Uniforms	741	213
Total Supplies, Services and Other Charges	<u>103,553</u>	<u>52,950</u>
Capital Outlay		
Machinery and equipment	472	-
Vehicles	29,520	-
Total Capital Outlay	<u>29,992</u>	<u>-</u>
Total Community Development Department	<u>506,264</u>	<u>350,028</u>
Total Public Services	<u>6,390,831</u>	<u>3,701,594</u>
Public Safety		
Police Department		
Salaries		
Salaries	2,096,953	2,034,358
Employer costs	778,848	720,367
Total Salaries	<u>2,875,801</u>	<u>2,754,725</u>
Supplies, Services and Other Charges		
Advertising	198	-
Bond fees and expenses	700	525
Cleaning and janitorial	2,533	2,927
Conventions	-	215
Dues and subscriptions	1,991	1,253
Insurance	46,720	43,178
Miscellaneous	7,384	10,372
Office supplies	4,332	2,458
Operating supplies	5,294	6,646
Printing and binding	1,504	1,255
Prisoners expense	20,429	17,239

CITY OF BRANDON
GENERAL FUND
COMPARISON SCHEDULES OF REVENUES AND EXPENDITURES
AND CHANGES IN FUND BALANCE
For the Years Ended September 30, 2022 and 2021

	2022	2021
Professional fees	75,777	76,331
Repairs - equipment	7,526	3,165
Repairs - other	5,185	4,459
Repairs - vehicles	63,279	46,075
SRT expenses	6,840	1,522
Telephone and communications	32,971	31,886
Training	24,783	16,903
Transportation	133,161	102,044
Uniforms	19,970	25,492
Utilities	40,467	35,606
Total Supplies, Services and Other Charges	<u>501,044</u>	<u>429,551</u>
Capital Outlay		
Improvements other than buildings	-	15,426
Machinery and equipment	-	2,794
Total Capital Outlay	<u>-</u>	<u>18,220</u>
Total Police Department	<u>3,376,845</u>	<u>3,202,496</u>
Fire Department		
Salaries		
Salaries	2,174,587	2,189,049
Employer costs	779,754	773,478
Total Salaries	<u>2,954,341</u>	<u>2,962,527</u>

**CITY OF BRANDON
GENERAL FUND
COMPARISON SCHEDULES OF REVENUES AND EXPENDITURES
AND CHANGES IN FUND BALANCE
For the Years Ended September 30, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
Supplies, Services and Other Charges		
Bond fees and expenses	175	175
Cleaning	7,089	7,202
Communications	4,089	4,274
Conventions	4,390	2,546
Data processing	71	99
Dues and subscriptions	5,202	4,818
Exhibitions and promotions	769	-
Insurance	46,764	42,638
Miscellaneous	12,537	22,270
Office supplies	1,139	1,506
Operating supplies	15,404	9,694
Printing and binding	-	513
Professional fees	5,267	9,673
Rentals	2,412	1,885
Repairs - vehicles	66,760	41,080
Repairs - equipment	32,970	23,752
Repairs - other	16,468	12,968
Storm Team	7,488	4,570
Training	29,335	17,756
Transportation	51,101	40,387
Uniforms	33,348	36,421
Utilities	39,396	40,346
Total Supplies, Services and Other Charges	<u>382,174</u>	<u>324,573</u>
Capital Outlay		
Buildings and land	40,280	-
Machinery and equipment	141,072	119,538
Vehicles	51,270	-
Furniture and fixtures	16,039	3,425
Total Capital Outlay	<u>248,661</u>	<u>122,963</u>
Total Fire Department	<u>3,585,176</u>	<u>3,410,063</u>
Total Public Safety	<u>6,962,021</u>	<u>6,612,559</u>
Culture and Recreation		
Cemetery Department		
Supplies, Services and Other Charges		
Contract labor	67,377	779
Utilities	867	793
Total Supplies, Services and Other Charges	<u>68,244</u>	<u>1,572</u>
Total Cemetery Department	<u>68,244</u>	<u>1,572</u>

CITY OF BRANDON
GENERAL FUND
COMPARISON SCHEDULES OF REVENUES AND EXPENDITURES
AND CHANGES IN FUND BALANCE
For the Years Ended September 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Parks Department		
Salaries		
Salaries	536,541	171,107
Wages	31,715	284,583
Employer costs	<u>30,903</u>	<u>144,562</u>
Total Salaries	<u>599,159</u>	<u>600,252</u>
Supplies, Services and Other Charges		
Advertising	102	200
Beautification	-	14,713
Chemicals	5,176	13,056
Cleaning and janitorial	113,623	91,712
Contract labor	71,846	84,549
Dues and subscriptions	-	79
Insurance	26,708	39,158
Miscellaneous expenses	32	4,967
Office supplies	239	265
Operational supplies	25,739	77,638
Professional fees	1,000,041	84,499
Rental	45,605	31,603
Repairs - equipment	5,209	15,589
Repairs - other	36,060	70,393
Repairs - vehicles	291	3,192
Telephone and communications	2,261	4,066
Tournament fees	-	765
Training	-	40
Transportation	45,959	28,346
Uniforms	-	52,201
Utilities	<u>83,151</u>	<u>173,565</u>
Total Supplies, Services and Other Charges	<u>1,462,042</u>	<u>790,596</u>

CITY OF BRANDON
GENERAL FUND
COMPARISON SCHEDULES OF REVENUES AND EXPENDITURES
AND CHANGES IN FUND BALANCE
For the Years Ended September 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Capital Outlay		
Improvements other than buildings	67,728	164,358
Furniture and fixtures	-	1,851
Machinery and equipment	4,174	33,377
Total Capital Outlay	<u>71,902</u>	<u>199,586</u>
Debt Service		
Debt service principal	59,982	49,126
Total Debt Service	<u>59,982</u>	<u>49,126</u>
Total Parks Department	<u>2,193,085</u>	<u>1,639,560</u>
Senior Citizens Department		
Salaries		
Wages	7,376	45,999
Employer costs	2,532	16,359
Total Salaries	<u>9,908</u>	<u>62,358</u>
Supplies, Services and Other Charges		
Cleaning and janitorial	3,678	2,320
Contract labor	1,125	7,350
Dues and subscriptions	573	655
Insurance	1,830	1,699
Miscellaneous expenses	3	92
Office supplies	66	326
Operational supplies	1,410	3,561
Printing and binding	-	54
Professional fees	-	665
Rental	892	3,279
Repairs - equipment	-	60
Telephone and communications	697	412
Total Supplies, Services and Other Charges	<u>10,274</u>	<u>20,473</u>
Capital Outlay		
Machinery and equipment	-	1,499
Total Capital Outlay	<u>-</u>	<u>1,499</u>
Total Senior Citizens Department	<u>20,182</u>	<u>84,330</u>

CITY OF BRANDON
GENERAL FUND
COMPARISON SCHEDULES OF REVENUES AND EXPENDITURES
AND CHANGES IN FUND BALANCE
For the Years Ended September 30, 2022 and 2021

	2022	2021
Library		
Supplies, Services and Other Charges		
Cleaning and janitorial	2,565	1,951
Insurance	4,800	4,508
Miscellaneous expenses	811	813
Professional fees	1,118	325
Repairs - equipment	88,648	33,343
Telephone and communications	11,196	11,653
Utilities	76,716	50,191
Total Supplies, Services and Other Charges	185,854	102,784
Capital Outlay		
Machinery and equipment	45,177	-
Total Capital Outlay	45,177	-
Total Library Department	231,031	102,784
Conference Center		
Salaries		
Salaries	63,511	95,256
Employer costs	22,722	37,231
Total Salaries	86,233	132,487
Supplies, Services and Other Charges		
Advertising	-	955
Bond fees	525	350
Cleaning and janitorial	4,311	2,256
Contract labor	160	-
Communications	625	1,494
Dues and subscriptions	517	306
Insurance	1,380	1,176
Office supplies	643	856
Operating supplies	893	68
Miscellaneous expenses	111	2,413
Professional fees	1,459	1,246
Repairs and maintenance	2,200	743
Special Events	26,978	20,855
Veteran's Day	2,848	1,578
Total Supplies, Services and Other Charges	42,650	34,296
Capital Outlay		
Machinery and equipment	-	37,097
Total Capital Outlay	-	37,097
Total Conference Center Department	128,883	203,880
Total Culture and Recreation	2,641,425	2,032,126
Total Expenditures	18,264,019	14,386,134

CITY OF BRANDON
GENERAL FUND
COMPARISON SCHEDULES OF REVENUES AND EXPENDITURES
AND CHANGES IN FUND BALANCE
For the Years Ended September 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Excess of Revenues over (under) Expenditures	<u>2,067,704</u>	<u>2,883,095</u>
Other Financing Sources (Uses)		
Operating transfers in (out)	(766,515)	(860,192)
Sales of general fixed assets	<u>153,184</u>	<u>27,840</u>
Total Other Financing Sources (Uses)	<u>(613,331)</u>	<u>(832,352)</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	1,454,373	2,050,743
Fund Balance, beginning	<u>10,227,103</u>	<u>8,176,360</u>
Fund Balance, ending	<u>\$ 11,681,476</u>	<u>\$ 10,227,103</u>

**CITY OF BRANDON
CAPITAL PROJECTS FUND
COMPARISON SCHEDULES OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
For the Years Ended September 30, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
Revenues		
States Shared Revenues	\$ 6,235,668	\$ 2,985,667
Interest income	<u>22,588</u>	<u>11,161</u>
Total Revenues	<u>6,258,256</u>	<u>2,996,828</u>
Capital Outlay		
Street overlay	<u>147,811</u>	<u>2,635,669</u>
Total Capital Outlay	<u>147,811</u>	<u>2,635,669</u>
Total Expenditures, Capital Outlay and Debt Service	<u>147,811</u>	<u>2,635,669</u>
Excess of revenues over (under) expenditures	6,110,445	361,159
Total other financing sources and (uses)	<u>(1,944,982)</u>	<u>-</u>
Net change in fund balances	4,165,463	361,159
Fund Balance, beginning	<u>3,665,429</u>	<u>3,304,270</u>
Fund Balance, ending	<u>\$ 7,830,892</u>	<u>\$ 3,665,429</u>

**CITY OF BRANDON
DEBT SERVICE FUND
COMPARISON SCHEDULES OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
For the Years Ended September 30, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
Revenues		
Taxes	\$ 2,871,394	\$ 3,314,008
Other income	<u>13,798</u>	<u>35,756</u>
Total Revenues	<u>2,885,192</u>	<u>3,349,764</u>
Debt Service		
Debt service principal	2,176,000	1,837,000
Interest and fiscal charges	<u>5,908,991</u>	<u>6,580,332</u>
Total Debt Service	<u>8,084,991</u>	<u>8,417,332</u>
Total Expenditures, Capital Outlay and Debt Service	<u>8,084,991</u>	<u>8,417,332</u>
Excess of revenues over (under) expenditures	<u>(5,199,799)</u>	<u>(5,067,568)</u>
Other Financing Sources and Uses		
Refunding bonds	4,618,000	5,255,000
Transfers In	<u>1,482,872</u>	<u>259,202</u>
Total other financing sources and (uses)	<u>6,100,872</u>	<u>5,514,202</u>
Net change in fund balances	901,073	446,634
Fund Balance, beginning	<u>2,489,179</u>	<u>2,042,545</u>
Fund Balance, ending	<u>\$ 3,390,252</u>	<u>\$ 2,489,179</u>

**CITY OF BRANDON
AMPHITHEATER FUND
COMPARISON SCHEDULES OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
For the Years Ended September 30, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
Revenues		
Amphitheater revenues	\$ 9,651,632	\$ 3,674,957
Other income	<u>8,771</u>	<u>72,220</u>
Total Revenues	<u>9,660,403</u>	<u>3,747,177</u>
Operating Expenses		
Salaries		
Salaries and wages	207,050	153,849
Employer costs	<u>62,843</u>	<u>52,715</u>
Total Salaries	<u>269,893</u>	<u>206,564</u>
Supplies, Services and Other Charges		
Advertising	382,994	204,731
Bank charges and credit card processing fees	14,705	8,262
Cleaning and janitorial	54,430	52,368
Contract labor	-	5,590
Insurance	423,947	244,709
Miscellaneous expenses	54,227	14,649
Office supplies	1,265	387
Other supplies	148,389	49,402
Printing and binding	7,329	154
Professional fees	7,659,102	2,380,546
Rental	99,428	51,049
Repairs - equipment	49,677	4,871
Repairs - other	57,061	39,688
Specialized department supplies	34,227	18,626
Telephone and communications	4,862	3,907
Training	2,090	794
Utilities	<u>69,669</u>	<u>51,757</u>
Total Supplies, Services and Other Charges	<u>9,063,402</u>	<u>3,131,490</u>
Capital Outlay		
Improvements other than buildings	104,667	1,906
Furniture and fixtures	4,146	8,474
Machinery and equipment	<u>63,841</u>	<u>9,244</u>
Total Capital Outlay	<u>172,654</u>	<u>19,624</u>
Total Expenditures	<u>9,505,949</u>	<u>3,357,678</u>
Excess of revenues over (under) expenditures	154,454	389,499
Other Financing Uses		
Transfers in / (out)	<u>78,475</u>	<u>600,990</u>
Excess of revenues over (under) expenditures and other financing uses	232,929	990,489
Fund Balance, beginning	<u>517,795</u>	<u>(472,694)</u>
Fund Balance, ending	<u>\$ 750,724</u>	<u>\$ 517,795</u>

**CITY OF BRANDON
DRUG SEIZURE FUND
COMPARISON SCHEDULES OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
For the Years Ended September 30, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
Revenues		
Forfeitures - cash	\$ -	\$ 1,791,681
Other income	<u>17,272</u>	<u>21,507</u>
Total Revenues	<u>17,272</u>	<u>1,813,188</u>
Expenditures		
Automobile expense	744	3,978
Paid to other agencies	-	353,278
Operating supplies	33,029	78,107
Repairs and maintenance	-	4,415
Training	606	3,092
Miscellaneous	<u>12</u>	<u>-</u>
Total Expenditures	<u>34,391</u>	<u>442,870</u>
Capital Outlay		
Machinery and equipment	<u>249,707</u>	<u>295,612</u>
Total Capital Outlay	<u>249,707</u>	<u>295,612</u>
Total Expenditures	<u>284,098</u>	<u>738,482</u>
Excess of revenues over (under) expenditures	(266,826)	1,074,706
Other Financing Uses		
Proceeds from sale of assets	<u>-</u>	<u>11,750</u>
Excess of revenues over (under) expenditures and other financing uses	(266,826)	1,086,456
Fund Balance, beginning	<u>1,758,296</u>	<u>671,840</u>
Fund Balance, ending	<u>\$ 1,491,470</u>	<u>\$ 1,758,296</u>

CITY OF BRANDON
INFRASTRUCTURE FUND COMPARISON
COMPARISON SCHEDULES OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
For the Years Ended September 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Revenues		
States Shared Revenues	\$ 1,397,021	\$ 692,478
Interest income	<u>1,933</u>	<u>5,036</u>
Total Revenues	<u>1,398,954</u>	<u>697,514</u>
Debt Service		
Debt service principal	-	750,000
Interest and fiscal charges	<u>19,437</u>	<u>23,561</u>
Total Debt Service	<u>19,437</u>	<u>773,561</u>
Total Expenditures, Capital Outlay and Debt Service	<u>19,437</u>	<u>773,561</u>
Excess of revenues over (under) expenditures	1,379,517	(76,047)
Other Financing Sources and Uses		
Transfers In/Out	<u>(794,437)</u>	<u>-</u>
Total other financing sources and (uses)	<u>(794,437)</u>	<u>-</u>
Net change in fund balances	585,080	(76,047)
Fund Balance, beginning	<u>121,306</u>	<u>197,353</u>
Fund Balance, ending	<u><u>\$ 706,386</u></u>	<u><u>\$ 121,306</u></u>

CITY OF BRANDON
2022 GO NOTE FUND COMPARISON
COMPARISON SCHEDULES OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
For the Years Ended September 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Revenues		
Interest income	\$ 1,322	\$ -
Total Revenues	<u>1,322</u>	<u>-</u>
Capital Outlay		
Street improvements	<u>695,526</u>	<u>-</u>
Total Capital Outlay	<u>695,526</u>	<u>-</u>
Total Expenditures, Capital Outlay and Debt Service	<u>695,526</u>	<u>-</u>
Excess of revenues over (under) expenditures	(694,204)	-
Other Financing Sources and Uses		
Proceeds from debt issuance	<u>2,500,000</u>	<u>-</u>
Total other financing sources and (uses)	<u>2,500,000</u>	<u>-</u>
Net change in fund balances	1,805,796	-
Fund Balance, beginning	<u>-</u>	<u>-</u>
Fund Balance, ending	<u>\$ 1,805,796</u>	<u>\$ -</u>

CITY OF BRANDON
WATER AND SEWER FUND
COMPARISON SCHEDULES OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
For the Years Ended September 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Operating Revenues		
Water sales	\$ 1,731,637	\$ 1,724,830
Base rate	2,992,749	2,958,682
Late charges and reconnect fees	239,466	206,377
Sewer charges	2,600,383	2,570,564
Service connect charges	55,581	102,950
Sewer charges - West Rankin	3,211,220	2,517,742
Miscellaneous revenue	845,088	45,730
Total Operating Revenues	<u>11,676,124</u>	<u>10,126,875</u>
Operating Expenses		
Salaries		
Salaries	343,953	326,679
Wages	838,758	760,234
Employer costs	320,385	2,055,462
Total Salaries	<u>1,503,096</u>	<u>3,142,375</u>
Supplies, Service and Other Charges		
Advertising	380	1,522
Bad Debt	54,462	133,022
Chemicals	66,625	43,390
Contract labor	425,168	329,605
Dues & subscriptions	1,285	1,606
Insurance	49,198	43,880
Land leases	2,700	2,700
Miscellaneous	505	3,535
Office supplies	55,977	52,509
Operating supplies	263,181	265,354
Printing & binding	15,411	14,826
Professional services	430,851	284,188
Rentals	46,721	67,195
Repairs - equipment	386,070	203,464
Repairs - other	1,858,814	1,162,041
Repairs - vehicles	106,988	36,421
Sub-interceptor usage expense	4,500,078	2,332,745
Telephone and communications	18,221	48,264
Training	1,150	3,262
Transportation	127,358	120,392
Uniforms	18,144	19,394
Utilities	350,061	361,989
Total Supplies, Services and Other Charges	<u>8,779,349</u>	<u>5,531,304</u>
Total Operating Expenses	<u>10,282,445</u>	<u>8,673,679</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, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
Operating Income Before Depreciation	1,393,679	1,453,196
Depreciation expense	<u>1,990,538</u>	<u>1,615,123</u>
Operating Income	<u>(596,859)</u>	<u>(161,927)</u>
Non-operating Revenues (Expenses)		
Capital grant	600,000	7,500
Interest earnings	16,447	52,320
Interest and fiscal charges - loans	<u>(201,336)</u>	<u>(50,568)</u>
Total Non-operating Revenues (Expenses)	<u>415,111</u>	<u>9,252</u>
Net Income Before Operating Transfers	(181,748)	(152,675)
Operating transfers in (out)	<u>1,944,587</u>	<u>-</u>
Change in Net Position	1,762,839	(152,675)
Net Position, beginning	<u>19,506,226</u>	<u>19,658,901</u>
Net Position, ending	<u>\$ 21,269,065</u>	<u>\$ 19,506,226</u>

**CITY OF BRANDON
SANITATION FUND
COMPARISON SCHEDULES OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
For the Years Ended September 30, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
Operating Revenue		
Sanitation fees	\$ 1,939,108	\$ 1,419,987
Total Operating Revenue	<u>1,939,108</u>	<u>1,419,987</u>
Operating Expenses		
Personnel Costs		
Wages	15,065	45,768
Employer costs	48,839	14,273
Employer costs - pension benefit	<u>(119,476)</u>	<u>(119,476)</u>
Total Personnel Costs	<u>(55,572)</u>	<u>(59,435)</u>
Supplies, Service and Other Charges		
Advertising	-	3,126
Insurance	15,025	13,639
Miscellaneous	12	-
Operating supplies	230	220
Prisoner meals	33,045	11,904
Professional services	-	270
Repairs - equipment	5,759	50
Repairs - other	198	440
Repairs - vehicles	6,193	425
Sanitation contract	1,627,793	1,359,045
Transportation	16,253	7,982
Uniforms	<u>1,225</u>	<u>566</u>
Total Supplies, Services and Other Charges	<u>1,705,733</u>	<u>1,397,667</u>
Total Operating Expenses	<u>1,650,161</u>	<u>1,338,232</u>
Operating Loss Before Depreciation	288,947	81,755
Depreciation expense	<u>43,486</u>	<u>7,195</u>
Operating Gain (Loss)	<u>245,461</u>	<u>74,560</u>
Non-operating Revenues (Expenses)		
Interest income	401	2,356
Interest expense	<u>(4,031)</u>	<u>-</u>
Total Non-operating Revenues (Expenses)	<u>(3,630)</u>	<u>2,356</u>
Net loss before operating transfers	241,831	76,916
Change in Net Position	241,831	76,916
Net Position, beginning	<u>311,115</u>	<u>234,199</u>
Net Position, ending	<u>\$ 552,946</u>	<u>\$ 311,115</u>

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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, 2022, and have issued our report dated April 30, 2023. We have conducted our audit in accordance with auditing standards generally accepted in the United States of America.

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

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

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

Barlow & Company, PLLC

Brandon, Mississippi
April 30, 2023



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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, 2022, and the related notes to the financial statements, which collectively comprise the City of Brandon, Mississippi's basic financial statements, and have issued our report thereon dated April 30, 2023.

Report on 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.

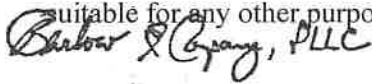


Report on Compliance and Other Matters

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.



Brandon, Mississippi
April 30, 2023

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

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited City of Brandon, Mississippi's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of City of Brandon, Mississippi's major federal programs for the year ended September 30, 2022. The City of Brandon, Mississippi's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, City of Brandon, Mississippi complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2022.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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



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Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

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

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

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

Barlow & Company, PLLC

Brandon, Mississippi
April 30, 2023

CITY OF BRANDON
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended September 30, 2022

<u>Federal Agency/Pass-through Entity/Program Title</u>	<u>Catalog of Federal Domestic Assistance Number</u>	<u>Pass-Through Entity Number</u>	<u>Federal Expenditures</u>
United States Department of Transportation			
<i>Passed-through Mississippi Department of Transportation</i>			
Highway Planning and Construction Cluster	20.205	STP-0039-00(021) LPA 108387/701000	\$ 171,359
Highway Planning and Construction Cluster	20.205	STPD-7069-00(002)	632,749
Highway Planning and Construction Cluster	20.205	STP-0013-00(053) LPA 108159/701000	231,688
Highway Planning and Construction Cluster	20.205	STP-7314-00(037) LPA/108386/701000	391,148
Highway Safety Cluster	20.600		<u>16,068</u>
Total U.S. Department of Transportation			<u>1,443,012</u>
Department of the Treasury			
Coronavirus State and Local Fiscal Recovery Funds	21.027		1,939,272
Department of Housing and Urban Development			
Community Development Block Grants	14.228		600,000
Environmental Protection Agency			
Capitalization Grants for State Revolving Funds	66.468		1,804,769
Federal Emergency Management Agency			
Homeland Security Grant Program	97.067		<u>10,365</u>
Total Federal Awards			<u>\$ 5,797,418</u>

Notes to Schedule

- 1 This schedule was prepared using the same basis of accounting and the same significant accounting policies, as applicable, used for the financial statements.
- 2 The City of Brandon did not elect to use the 10% de minimis cost rate allowed under Uniform Guidance.
- 3 COVID related expenditures were \$1,939,272.
- 4 Agency pass through numbers were used where available.

CITY OF BRANDON, MISSISSIPPI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended September 30, 2022

Section I: Summary of Auditor's Results

Financial Statements:

An unmodified opinion was issued on the financial statements.

Internal control over financial reporting:

- | | |
|--|----------------------|
| i. Material weakness(es) identified? | <u>No</u> |
| ii. Significant deficiency(ies) identified that are
not considered to be material weaknesses? | <u>None Reported</u> |
| Noncompliance material to financial statements noted? | <u>No</u> |

Federal Awards:

An unmodified opinion was issued on compliance for the major program.

- | | |
|--|----------------------|
| i. Material weakness(es) identified? | <u>No</u> |
| ii. Significant deficiency(ies) identified that are not
considered to be material weaknesses? | <u>None Reported</u> |

Capitalization Grants for State Revolving Funds

Any audit findings disclosed that are required to be
CFDA #20.205

Dollar threshold used to distinguish between type A and type B programs:	<u>\$750,000</u>
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Auditee qualified as a low-risk auditee?	<u>No</u>
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CITY OF BRANDON, MISSISSIPPI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended September 30, 2022

Section 2: Findings - Financial Statement Audit

No matters were reported.

Section 3: Findings and Questioned Costs – Major Federal Award Programs Audit

No matters were reported.

Section 4: Schedule of Findings and Questioned Costs – Prior Year

N/A