

ANNUAL

REPORT

2013

Prepared by  
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February 20, 2014

# Municipality of Brandon

## 2013 Annual Report

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**MUNICIPALITY OF BRANDON**  
**STATEMENT OF NET POSITION**  
December 31, 2013

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS:</b>			
Cash and Cash Equivalents	3,157,372.49	1,520,604.63	4,677,977.12
Taxes Receivable			0.00
Special Assessment Receivable	412,119.10	1,001.21	413,120.31
Account Receivable	65,337.17		65,337.17
Utilities Receivable, Net		301,967.22	301,967.22
Notes Receivable	15,290.89		15,290.89
Due from Government		1,242.48	1,242.48
Internal Balances	(1,792,898.08)	1,792,898.08	0.00
Inventories	19,402.47	40,763.29	60,165.76
Investments	751,322.72	773,719.55	1,525,042.27
Prepaid Expenses	405.75	4,578.02	4,983.77
Restricted Assets:			
Restricted Deposits	35,276.56		35,276.56
Noncurrent Assets:			
Special Assessment Receivable	422,098.09	4,004.84	426,102.93
Notes Receivable	321,131.22		321,131.22
Deferred Charges			0.00
Capital Assets:			
Land, Improvements and Construction in Progress	1,618,044.28	1,752,527.60	3,370,571.88
Other Capital Assets, Net of Depreciation	18,520,146.52	15,712,671.56	34,232,818.08
<b>TOTAL ASSETS</b>	<b>23,545,049.18</b>	<b>21,905,978.48</b>	<b>45,451,027.66</b>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Deferred Charge on Refunding			0.00
Other Deferred Outflows of Resources			0.00
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>LIABILITIES :</b>			
Accounts Payable	42,294.67	64,072.83	106,367.50
Notes Payable		32,946.01	32,946.01
Other Current Liabilities	90,452.40	37,402.58	127,854.98
Noncurrent Liabilities:			
Due Within One Year	580,108.35	361,205.79	941,314.14
Due in More than One Year	4,900,080.54	1,287,642.88	6,187,723.42
<b>TOTAL LIABILITIES</b>	<b>5,612,935.96</b>	<b>1,783,270.09</b>	<b>7,396,206.05</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Other Deferred Inflows of Resources		103,614.64	103,614.64
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>0.00</b>	<b>103,614.64</b>	<b>103,614.64</b>
<b>NET POSITION:</b>			
Net Investment in Capital Assets	13,391,549.41	15,903,802.31	29,295,351.72
Restricted for: (See Note _____)			
Capital Projects Purposes	266,978.67		266,978.67
Debt Service Purposes	685,335.13		685,335.13
Community Development	682,910.57		682,910.57
SDPAA Insurance Pool	35,276.56		35,276.56
Other Purposes			0.00
Unrestricted (Deficit)	2,870,062.88	4,115,291.44	6,985,354.32
<b>TOTAL NET POSITION</b>	<b>17,932,113.22</b>	<b>20,019,093.75</b>	<b>37,951,206.97</b>

**MUNICIPALITY OF BRANDON  
STATEMENT OF ACTIVITIES  
For the Year Ended December 31, 2013**

Functions/Programs Primary Government:	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Primary Government Business-Type Activities	Total
General Government Activities:							
General Government	708,588.20	109,765.00			(598,823.20)		(598,823.20)
Public Safety	1,490,863.08	46,045.20		19,103.00	(1,425,714.88)		(1,425,714.88)
Public Works	1,391,791.33	768,469.73	80,320.84	849,303.06	306,302.30		306,302.30
Health and Welfare	4,648.24	75.00			(4,573.24)		(4,573.24)
Culture and Recreation	598,821.24	143,963.24	15,872.14		(359,010.86)		(359,010.86)
Conservation and Development	133,972.81	64,504.75			(69,468.06)		(69,468.06)
Intergovernmental Expenditures					0.00		0.00
Miscellaneous Expenditures					0.00		0.00
**Depreciation Expense - Unallocated					0.00		0.00
*Interest on Long-term Debt	194,861.21				(194,861.21)		(194,861.21)
Total Governmental Activities	4,524,546.11	1,132,822.92	96,192.98	949,381.06	(2,346,149.15)		(2,346,149.15)
Business-type Activities:							
Water	935,372.86	1,644,701.84				709,328.98	709,328.98
Sewer	918,484.24	1,127,947.58				209,463.34	209,463.34
Golf Course	1,163,973.81	1,131,803.53				(32,170.08)	(32,170.08)
Electric	76,447.78	74,269.44				(2,178.34)	(2,178.34)
Total Business-type Activities	3,094,278.49	3,978,722.39	0.00			884,443.90	884,443.90
Total Primary Government	7,618,824.60	5,111,545.31	96,192.98	949,381.06	(2,346,149.15)		(1,461,705.25)

**General Revenues:**

Taxes:

Property Taxes	2,236,396.22
Sales Taxes	2,730,708.84
Gross Receipts Business Tax	58,158.00
State Shared Revenues	56,631.97
Unrestricted Investments Earnings	2,608.82
Miscellaneous Revenue	36,073.91
Loss on Disposition of Assets	(8,964.95)
Special Items	0.00
Extraordinary Items	0.00
Transfers	55,357.54
Total General Revenues, Special Items, Extraordinary Items and Transfers	5,138,059.23

Change in Net Position

Net Position-Beginning

Adjustments:

Adjusted Net Position-Beginning

NET POSITION - ENDING

Change in Net Position	15,140,203.14	19,179,308.52	34,319,511.66
Net Position-Beginning	2,791,910.08	899,785.23	3,631,695.31
Adjustments:	15,140,203.14	19,179,308.52	34,319,511.66
Adjusted Net Position-Beginning	15,140,203.14	19,179,308.52	34,319,511.66
NET POSITION - ENDING	17,932,113.22	20,019,093.75	37,951,206.97

\* The Municipality does not have interest expense related to the functions presented above. This amount includes indirect interest expense on general long-term debt.

\*\* This amount excludes the depreciation that is included in the direct expenses of the various functions. See Note XX.

The notes to the financial statements are an integral part of this statement.

MUNICIPALITY OF BRANDON  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
December 31, 2013

Exhibit III

	General Fund	TIF #3 Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:</b>				
Assets:				
Cash and Cash Equivalents	2,431,564.32		716,399.55	3,147,963.87
106 Cash with Fiscal Agent	9,408.62			9,408.62
151 Investments	576,429.46		174,893.26	751,322.72
110 Taxes Receivable--Delinquent	27,611.67			27,611.67
115 Accounts Receivable, Net	8,815.00		3,952.00	12,767.00
121 Special Assessments Receivable--Current	294,804.82		113,674.19	408,479.01
122 Special Assessments Receivable--Delinquent	3,640.09			3,640.09
123 Special Assessments Receivable--Deferred	80,689.12		341,408.97	422,098.09
128 Notes Receivable			336,422.11	336,422.11
131 Due from other Funds			0.00	0.00
132 Due from other Governments	36,588.77		(11,630.27)	24,958.50
141 Inventory of Supplies	19,402.47			19,402.47
154 Deposits	35,276.56			35,276.56
155 Prepaid Expenses	405.75			405.75
<b>Total Assets</b>	<b>3,524,636.65</b>	<b>0.00</b>	<b>1,675,119.81</b>	<b>5,199,756.46</b>
Deferred Outflows of Resources:				
198 Other Deferred Outflows of Resources				0.00
<b>Total Deferred Outflows of Resources</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>3,524,636.65</b>	<b>0.00</b>	<b>1,675,119.81</b>	<b>5,199,756.46</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:</b>				
Liabilities:				
202 Accounts Payable	42,294.67			42,294.67
216 Accrued Wages Payable	6,951.56			6,951.56
217 Accrued Taxes Payable	8,034.92			8,034.92
236 Advance from other Fund		273,756.86	109,141.22	382,898.08
<b>Total Liabilities</b>	<b>57,281.15</b>	<b>273,756.86</b>	<b>109,141.22</b>	<b>440,179.23</b>
Deferred Inflows of Resources:				
245 Unavailable Revenue--Property Taxes	27,611.67			27,611.67
246 Unavailable Revenue--Special Assessments	379,134.03		455,083.16	834,217.19
247 Other Deferred Inflows of Resources	24,934.56			24,934.56
<b>Total Deferred Inflows of Resources</b>	<b>431,680.26</b>	<b>0.00</b>	<b>455,083.16</b>	<b>886,763.42</b>
Fund Balances:				
263 Nonspendable	55,084.78		336,422.11	391,506.89
264 Restricted			879,662.54	879,662.54
265 Committed				0.00
266 Assigned	513,292.00			513,292.00
267 Unassigned	2,467,298.46	(273,756.86)	(105,189.22)	2,088,352.38
<b>Total Fund Balances</b>	<b>3,035,675.24</b>	<b>(273,756.86)</b>	<b>1,110,895.43</b>	<b>3,872,813.81</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>3,524,636.65</b>	<b>0.00</b>	<b>1,675,119.81</b>	<b>5,199,756.46</b>

The notes to the financial statements are an integral part of this statement.

**MUNICIPALITY OF BRANDON**  
**Reconciliation of the Governmental funds Balance Sheet to the Statement of Net Position**  
**December 31, 2013**

Total Fund Balances - Governmental Funds	<u>3,872,813.81</u>
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	<u>20,138,190.80</u>
Long-term liabilities, including bonds payable and accrued leave payable are not due and payables in the current period and therefore are not reported in the funds.	<u>(6,890,188.89)</u>
Assets such as taxes receivable (delinquent) and special assessment receivables (current, delinquent and deferred) are not available to pay for current period expenditures and therefore are deferred in the funds.	<u>886,763.42</u>
Accrued interest payable which is not accounted for in the modified accrual basis of accounting but is accounted for in the statement of net position	<u>(75,465.92)</u>
Net Position - Governmental Activities	<u><u>17,932,113.22</u></u>

**MUNICIPALITY OF BRANDON**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
For the Year Ended December 31, 2013

	General Fund	TIF #3 Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>				
310 Taxes:				
311 General Property Taxes	2,064,924.22	28.11	167,366.32	2,232,318.65
313 General Sales and Use Taxes	2,538,964.45		191,744.39	2,730,708.84
314 Gross Receipts Business Taxes			58,158.00	58,158.00
315 Amusement Taxes	768.00			768.00
319 Penalties & Interest on Delinquent Taxes	3,123.65			3,123.65
320 Licenses and Permits	106,705.00			106,705.00
330 Intergovernmental Revenue:				
331 Federal Grants	104,340.60			104,340.60
334 State Grants	16,665.31			16,665.31
335 State Shared Revenue:				
335.01 Bank Franchise Tax	15,571.13			15,571.13
335.03 Liquor Tax Reversion	36,649.58			36,649.58
335.04 Motor Vehicle Licenses (5%)	34,927.38			34,927.38
335.08 Local Govt Hwy and Bridge Fund	49,985.44			49,985.44
335.20 Other	4,411.26			4,411.26
338 County Shared Revenue:				
338.03 County Wheel Tax	8,748.10			8,748.10
338.99 Other				0.00
339 Other Intergovernmental Revenues				0.00
340 Charges for Goods and Services:				
341 General Government	1,150.00			1,150.00
342 Public Safety	38,036.20			38,036.20
343 Highways and Streets				0.00
344 Sanitation	3,280.47			3,280.47
345 Health	75.00			75.00
346 Culture and Recreation	147,164.50			147,164.50
349 Other	64,504.75			64,504.75
350 Fines and Forfeits:				
351 Court Fines and Costs	8,009.00			8,009.00
360 Miscellaneous Revenue:				
361 Investment Earnings	1,412.09		3,416.57	4,828.66
362 Rentals	95.00			95.00
363 Special Assessments	50,644.41		243,425.08	294,069.49
364 Maintenance Assessments	223,920.15			223,920.15
367 Contributions & Donations from Private Sources	81,300.00			81,300.00
369 Other	17,389.18		834.75	18,223.93
<b>Total Revenue</b>	<b>5,622,764.87</b>	<b>28.11</b>	<b>664,945.11</b>	<b>6,287,738.09</b>
<b>Expenditures:</b>				
410 General Government:				
411 Legislative	100,783.63			100,783.63
412 Executive	202,624.71			202,624.71
413 Elections	1,421.23			1,421.23
414 Financial Administration	208,026.85			208,026.85
419 Other	64,748.60		98,718.10	163,466.70
<b>Total General Government</b>	<b>577,605.02</b>	<b>0.00</b>	<b>98,718.10</b>	<b>676,323.12</b>
420 Public Safety:				
421 Police	1,046,846.40			1,046,846.40
422 Fire	165,131.37			165,131.37
423 Protective Inspection	151,301.98			151,301.98
429 Other Protection	19,884.94		12,220.98	32,105.92
<b>Total Public Safety</b>	<b>1,383,164.69</b>	<b>0.00</b>	<b>12,220.98</b>	<b>1,395,385.67</b>

**MUNICIPALITY OF BRANDON**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**For the Year Ended December 31, 2013**

	General Fund	TIF #3 Fund	Other Governmental Funds	Total Governmental Funds
430 Public Works:				
431 Highways and Streets	540,592.25			540,592.25
432 Sanitation	1,348.63			1,348.63
439 Transit	162,960.20			162,960.20
Total Public Works	704,901.08	0.00	0.00	704,901.08
440 Health and Welfare:				
441 Health	4,096.94			4,096.94
Total Health and Welfare	4,096.94	0.00	0.00	4,096.94
450 Culture and Recreation:				
451 Recreation	154,189.31			154,189.31
452 Parks	286,677.33			286,677.33
455 Libraries	0.00			0.00
Total Culture and Recreation	440,866.64	0.00	0.00	440,866.64
460 Conservation and Development:				
465 Economic & Development Assistance	80,378.91		15,305.00	95,683.91
Total Conservation and Development	80,378.91	0.00	15,305.00	95,683.91
470 Debt Service	501,550.70	68,165.25	508,407.08	1,078,123.03
480 Intergovernmental Expenditures				0.00
485 Capital Outlay	617,464.46			617,464.46
Total Expenditures	4,310,028.44	68,165.25	634,651.16	5,012,844.85
Excess of Revenues Over (Under) Expenditures	1,312,736.43	(68,137.14)	30,293.95	1,274,893.24
<b>Other Financing Sources (Uses):</b>				
391.01 Transfers In	112,747.87		1,654,703.97	1,767,451.84
391.03 Sale of Municipal Property	7,770.80			7,770.80
391.04 Compensation for Loss or Damage to Capital Assets	10,452.04			10,452.04
391.20 Long-Term Debt Issued	1,410,000.00			1,410,000.00
511 Transfers Out (Enter as Negative)	(1,712,094.30)			(1,712,094.30)
512 Discount on Bonds Issued (Enter as Negative)				0.00
513 Payments to Refunded Debt Escrow Agent (Enter as Negative)				0.00
Total Other Financing Sources (Uses)	(171,123.59)	0.00	1,654,703.97	1,483,580.38
Net Change in Fund Balances	1,141,612.84	(68,137.14)	1,684,997.92	2,758,473.62
Changes in Nonspendable	(3,084.46)			(3,084.46)
Fund Balance - Beginning	1,897,146.86	(205,619.72)	(574,102.49)	1,117,424.65
Adjusted Fund Balance - Beginning	1,897,146.86	(205,619.72)	(574,102.49)	1,117,424.65
FUND BALANCE- ENDING	3,035,675.24	(273,756.86)	1,110,895.43	3,872,813.81

The notes to the financial statements are an integral part of this statement.

**MUNICIPALITY OF BRANDON**  
**Reconciliation of the Statement of Revenues, Expenditures and**  
**Changes in Fund Balances to the Statement of Activities**  
**For the Year Ended December 31, 2013**

Net Change in Fund Balances - Total Governmental Funds	<u>2,758,473.62</u>
Amounts reported for governmental activities in the statement of activities are different because:	
This amount represents capital asset purchases which are reported as expenditures on the fund financial statements but increase assets on the government wide statements.	<u>635,184.46</u>
This amount represents the current year depreciation expense reported in the statement of activities which is not reported on the fund financial statements because it does not require the use of current financial resources.	<u>(944,798.33)</u>
In the statement of activities, gains and losses on disposal of capital assets are reported, whereas, in the governmental funds, the proceeds from the disposal of capital assets are reflected, regardless of whether a gain or loss is realized. (+gains, -losses, -proceeds=amount)	<u>(57,815.91)</u>
The receipt of donated capital assets is not reported on the fund statements, but is reported as a program revenue on the government wide statements.	<u>849,303.06</u>
Payment of principal on long-term debt is an expenditure in the governmental funds but the payment reduces long-term liabilities in the statement of net assets.	<u>784,004.58</u>
G.O Bond	<u>\$</u>
Revenue Bond	<u>\$ 591636.21</u>
Sp. Assess. Bond	<u>\$ 192368.37</u>
Other Long-Term	<u>\$ 85482.71</u>
The issuance of long-term debt is an other financing source in the fund statements but an increase in long-term liabilities on the government wide statements.	<u>(1,410,000.00)</u>
G.O. Bond	<u>\$</u>
Revenue Bond	<u>\$</u>
Sp. Assess. Bond	<u>\$</u>
Other Long-Term	<u>\$ 1410000</u>
Govt funds report revenue when they meet the available criteria. Because some revenues will not be collected for several months after the city's calendar year ends, they are not considered "available" revenues and are deferred in the govt funds.	<u>257,087.35</u>
Governmental funds recognize expenditures for amounts of compensated absences actually paid to employees with current financial resources during the fiscal year. Amounts of compensated absences earned by employees are not recognized in the funds. In the statement of activities, expenses for these benefits are recognized when the employees earn leave credits.	<u>(20,759.13)</u>
Vacation Leave	<u>\$</u>
Sick Leave	<u>\$</u>
Other Leave Types	<u>\$</u>
(To arrive at the totals add amount earned and deduct amounts taken, hence, "change in" balance for the year, increase (decrease))	
Expense deferred charges	<u>(43,785.62)</u>
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. (e.g., accrued interest expense)	<u>(11,899.54)</u>
Supplies acquired are an expenditure on the fund statements when purchased but are expensed on the statement of activities when consumed. This amount represents the "change in" inventory of supplies. Increase (decrease)	<u>(3,084.46)</u>
Change in Net Position of Governmental Activities	<u>2,791,910.08</u>

**MUNICIPALITY OF BRANDON  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
December 31, 2013**

Exhibit V

	Enterprise Funds				Totals
	Water Fund	Sewer Fund	Golf Course Fund	Electric Fund	
<b>ASSETS:</b>					
Current Assets:					
Cash and Cash Equivalents	652,471.29	865,183.34	2,950.00		1,520,604.63
151 Investments	591,491.75	182,227.80			773,719.55
115 Accounts Receivable, Net	79,013.24	78,333.84	836.92	7,648.92	165,832.92
117 Unbilled Accounts Receivable	53,674.86	78,394.92		4,064.52	136,134.30
121 Special Assessments Receivable--Current		1,001.21			1,001.21
123 Special Assessments Receivable--Deferred		4,004.84			4,004.84
132 Due from Other Government	597.57	306.10	338.81		1,242.48
141 Inventory of Supplies	9,089.44				9,089.44
142 Inventory of Stores Purchased for Resale			31,673.85		31,673.85
155 Prepaid Expenses			4,578.02		4,578.02
<b>Total Current Assets</b>	<b>1,386,338.15</b>	<b>1,209,452.05</b>	<b>40,377.60</b>	<b>11,713.44</b>	<b>2,647,881.24</b>
Noncurrent Assets:					
133 Advance to other Funds	1,792,898.08				1,792,898.08
Capital Assets:					
160 Land	83,986.18	381,304.99	1,254,649.93		1,719,941.10
162 Buildings	2,431,511.83	281,921.08	1,458,631.69		4,172,064.60
164 Improvements Other Than Buildings	8,054,792.57	8,358,723.33	859,801.30		17,273,317.20
166 Machinery and Equipment	1,248,408.31	550,732.42	600,512.07		2,399,652.80
168 Construction Work in Progress	30,659.48	1,927.02	0.00		32,586.50
Less: Accumulated Depreciation (Credit)	(3,727,666.78)	(2,915,293.57)	(1,489,402.69)	(	(8,132,363.04)
<b>Total Noncurrent Assets</b>	<b>9,914,589.67</b>	<b>6,659,315.27</b>	<b>2,684,192.30</b>	<b>0.00</b>	<b>19,258,097.24</b>
<b>TOTAL ASSETS</b>	<b>11,300,927.82</b>	<b>7,868,767.32</b>	<b>2,724,569.90</b>	<b>11,713.44</b>	<b>21,905,978.48</b>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>					
198 Other Deferred Outflows of Resources					0.00
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>LIABILITIES:</b>					
Current Liabilities:					
202 Accounts Payable	18,504.85	34,769.66	10,072.35	725.97	64,072.83
209 Due to Other Government			4,546.82		4,546.82
215 Accrued Interest Payable	9,226.11		1,823.49		11,049.60
216 Accrued Wages Payable	1,026.49	544.71	8,718.76		10,289.96
217 Accrued Taxes Payable	1,272.81	598.83	2,235.41		4,107.05
219 Amount held for others			7,409.14		7,409.14
226 Bonds Payable Current:					
226.02 Revenue	228,005.63		136,047.34		364,052.97
<b>Total Current Liabilities</b>	<b>258,035.89</b>	<b>35,913.20</b>	<b>170,853.31</b>	<b>725.97</b>	<b>465,528.37</b>
Noncurrent Liabilities:					
231 Bonds Payable:					
231.02 Revenue	319,433.98		877,909.90		1,197,343.88
233 Accrued Leave Payable	29,597.28	16,849.10	73,951.46		120,397.84
<b>Total Noncurrent Liabilities</b>	<b>349,031.26</b>	<b>16,849.10</b>	<b>951,861.36</b>	<b>0.00</b>	<b>1,317,741.72</b>
<b>TOTAL LIABILITIES</b>	<b>607,067.15</b>	<b>52,762.30</b>	<b>1,122,714.67</b>	<b>725.97</b>	<b>1,783,270.09</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>					
247 Other Deferred Inflows of Resources	675.75		102,938.89		103,614.64
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>675.75</b>	<b>0.00</b>	<b>102,938.89</b>	<b>0.00</b>	<b>103,614.64</b>
<b>NET POSITION:</b>					
253.10 Net Investment in Capital Assets	7,574,251.98	6,659,315.27	1,670,235.06		15,903,802.31
253.90 Unrestricted	3,118,932.94	1,156,689.75	(171,318.72)	10,987.47	4,115,291.44
<b>Total Net Position</b>	<b>10,693,184.92</b>	<b>7,816,005.02</b>	<b>1,498,916.34</b>	<b>10,987.47</b>	<b>20,019,093.75</b>

The notes to the financial statements are an integral part of this statement.

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

For the Year Ended December 31, 2013

	Enterprise Funds				Totals
	Water Fund	Sewer Fund	Golf Course Fund	Electric Fund	
<b>Operating Revenue:</b>					
370/380 Charges for Goods and Services		1,127,641.48		74,269.44	1,201,910.92
Revenue Dedicated to Servicing Debt	1,644,054.27		1,127,261.69		2,771,315.96
369 Miscellaneous	647.57	306.10	4,541.84		5,495.51
<b>Total Operating Revenue</b>	<b>1,644,701.84</b>	<b>1,127,947.58</b>	<b>1,131,803.53</b>	<b>74,269.44</b>	<b>3,978,722.39</b>
<b>Operating Expenses:</b>					
410 Personal Services	286,470.80	159,663.65	504,492.44		950,626.89
420 Other Current Expense	315,565.82	563,169.73	280,907.11	2,756.40	1,162,399.06
426.2 Materials (Cost of Goods Sold)			233,572.74	73,691.38	307,264.12
453 Amortization					0.00
457 Depreciation	294,407.39	195,650.86	120,208.34		610,266.59
<b>Total Operating Expenses</b>	<b>896,444.01</b>	<b>918,484.24</b>	<b>1,139,180.63</b>	<b>76,447.78</b>	<b>3,030,556.66</b>
<b>Operating Income (Loss)</b>	<b>748,257.83</b>	<b>209,463.34</b>	<b>(7,377.10)</b>	<b>(2,178.34)</b>	<b>948,165.73</b>
<b>Nonoperating Revenue (Expense):</b>					
330 Operating Grants					0.00
361 Investment Earnings	1,701.36	906.36	1.02	0.08	2,608.82
362 Rental Revenue	17,055.00				17,055.00
442 Interest Expense (Enter as Negative)	(38,928.85)		(24,792.98)		(63,721.83)
(492)366 Gain (Loss) on Disposition of Assets	(8,964.95)				(8,964.95)
(429)369.01 Other					0.00
<b>Total Nonoperating Revenue (Expense)</b>	<b>(29,137.44)</b>	<b>906.36</b>	<b>(24,791.96)</b>	<b>0.08</b>	<b>(53,022.96)</b>
<b>Income (Loss) Before Contributions, Special Items, Extraordinary Items and Transfers</b>	<b>719,120.39</b>	<b>210,369.70</b>	<b>(32,169.06)</b>	<b>(2,178.26)</b>	<b>895,142.77</b>
391.07 Capital Contributions					0.00
391.1 Transfers In			48,086.67	9,303.66	57,390.33
511 Transfers Out (Enter as Negative)	(88,613.41)	(24,134.46)			(112,747.87)
391.06/(514) Special Items					0.00
391.05/(515) Extraordinary Items					0.00
<b>Change in Net Position</b>	<b>630,506.98</b>	<b>186,235.24</b>	<b>15,917.61</b>	<b>7,125.40</b>	<b>839,785.23</b>
<b>Net Position - Beginning</b>	<b>10,062,677.94</b>	<b>7,629,769.78</b>	<b>1,482,998.73</b>	<b>3,862.07</b>	<b>19,179,308.52</b>
<b>Adjusted Net Position - Beginning</b>	<b>10,062,677.94</b>	<b>7,629,769.78</b>	<b>1,482,998.73</b>	<b>3,862.07</b>	<b>19,179,308.52</b>
<b>NET POSITION - ENDING</b>	<b>10,693,184.92</b>	<b>7,816,005.02</b>	<b>1,498,916.34</b>	<b>10,987.47</b>	<b>20,019,093.75</b>

**MUNICIPALITY OF BRANDON  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
For the Year Ended December 31, 2013**

Exhibit VII

	Enterprise Funds				Totals
	Water Fund	Sewer Fund	Golf Course Fund	Electric Fund	
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>					
Cash Receipts from Customers	1,643,840.65	1,094,589.29	1,126,770.03	66,970.23	3,932,170.20
Cash Receipts for Interfund Services Provided					0.00
Other Operating Cash Receipts	647.57	306.10	4,541.84		5,495.51
Cash Payments to Employees for Services	(283,956.30)	(159,311.73)	(504,402.41)		(947,670.44)
Cash Payments to Suppliers of Goods and Services	(309,083.81)	(557,391.32)	(520,693.33)	(76,273.97)	(1,463,442.43)
Cash Payments for Interfund Services Used					0.00
Other Operating Cash Payments					0.00
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>1,051,448.11</b>	<b>378,192.34</b>	<b>106,216.13</b>	<b>(9,303.74)</b>	<b>1,526,552.84</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>					
Transfer In			48,086.67	9,303.66	57,390.33
Cash received from other funds	533,198.54	35,344.83			568,543.37
Cash paid to other funds	(221,163.91)	(171,560.33)			(392,724.24)
Transfers Out	(88,613.41)	(24,134.46)			(112,747.87)
<b>Net Cash Provided (Used) by Noncapital Financing Activities</b>	<b>223,421.22</b>	<b>(160,349.96)</b>	<b>48,086.67</b>	<b>9,303.66</b>	<b>120,461.59</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>					
Purchase of Capital Assets (Enter as Negative)	(384,185.17)	(52,046.67)			(436,231.84)
Proceeds from Sale of Capital Assets					
Principal Paid on Capital Debt (Enter as Negative)	(216,819.33)		(129,510.84)		(346,330.17)
Interest Paid on Capital Debt (Enter as Negative)	(38,928.85)		(24,792.98)		(63,721.83)
Other Receipts (Payments)	17,055.00				17,055.00
<b>Net Cash Provided (Used) by capital and related financing Activities</b>	<b>(622,878.35)</b>	<b>(52,046.67)</b>	<b>(154,303.82)</b>	<b>0.00</b>	<b>(829,228.84)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>					
Purchase of Investment Securities	(1,321.05)	(545.50)			(1,866.55)
Cash Received for Interest	1,701.36	906.36	1.02	0.08	2,608.82
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>380.31</b>	<b>360.86</b>	<b>1.02</b>	<b>0.08</b>	<b>742.27</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>652,371.29</b>	<b>166,156.57</b>	<b>0.00</b>	<b>(0.00)</b>	<b>818,527.86</b>
Balances - Beginning	100.00	699,026.77	2,950.00	0.00	702,076.77
<b>Balances- Ending</b>	<b>652,471.29</b>	<b>865,183.34</b>	<b>2,950.00</b>	<b>(0.00)</b>	<b>1,520,604.63</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>					
Operating Income (Loss)	748,257.83	209,463.34	(7,377.10)	(2,178.34)	948,165.73
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:					
Depreciation Expense	294,407.39	195,650.86	120,208.34		610,266.59
Change in Assets and Liabilities:					
Receivables	(213.62)	(33,052.19)	6,883.32	(7,299.21)	(33,681.70)
Inventories	1,536.05		759.68		2,295.73
Accounts and Other Payables	4,945.96	5,778.41	(6,973.16)	173.81	3,925.02
Revenues Collected in Advance			(7,374.98)		(7,374.98)
Accrued Leave Payable	2,514.50	351.92	90.03		2,956.45
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>1,051,448.11</b>	<b>378,192.34</b>	<b>106,216.13</b>	<b>(9,303.74)</b>	<b>1,526,552.84</b>
Noncash Investing, Capital and Financing Activities:					
Loss on Disposal of Capital Assets Not Affecting Operating Income	(8,964.95)				
Other					

**REQUIRED SUPPLEMENTARY INFORMATION**  
**MUNICIPALITY OF BRANDON**  
**BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS**  
**GENERAL FUND**  
**For the Year Ended December 31, 2013**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
<b>310 Taxes:</b>				
311 General Property Taxes	2,071,731.00	2,071,731.00	2,064,924.22	(6,806.78)
313 General Sales and Use Taxes	1,900,000.00	1,900,000.00	2,538,964.45	638,964.45
315 Amusement Taxes	800.00	800.00	768.00	(32.00)
319 Penalties and Interest on Delinquent Taxes	2,100.00	2,100.00	3,123.65	1,023.65
320 Licenses and Permits	77,270.00	77,270.00	106,705.00	29,435.00
<b>330 Intergovernmental Revenue:</b>				
331 Federal Grants	119,606.00	147,787.99	104,340.60	(43,447.39)
334 State Grants	16,314.00	24,917.00	16,665.31	(8,251.69)
<b>335 State Shared Revenue:</b>				
335.01 Bank Franchise Tax	20,000.00	20,000.00	15,571.13	(4,428.87)
335.03 Liquor Tax Reversion	33,000.00	33,000.00	36,649.58	3,649.58
335.04 Motor Vehicle Licenses (5%)	30,000.00	30,000.00	34,927.38	4,927.38
335.08 Local Government Highway and Bridge Fund	40,000.00	40,000.00	49,985.44	9,985.44
335.20 Other	3,000.00	3,000.00	4,411.26	1,411.26
<b>338 County Shared Revenue:</b>				
338.03 County Wheel Tax	8,000.00	8,000.00	8,748.10	748.10
<b>340 Charges for Goods and Services:</b>				
341 General Government	1,100.00	1,100.00	1,150.00	50.00
342 Public Safety	35,150.00	35,150.00	38,036.20	2,886.20
344 Sanitation	2,500.00	2,500.00	3,280.47	780.47
345 Health	0.00	0.00	75.00	75.00
346 Culture and Recreation	95,099.00	95,099.00	147,164.50	52,065.50
349 Other	78,469.00	78,469.00	64,504.75	(13,964.25)
<b>350 Fines and Forfeits:</b>				
351 Court Fines and Costs	6,500.00	6,500.00	8,009.00	1,509.00
<b>360 Miscellaneous Revenue:</b>				
361 Investment Earnings	1,500.00	1,500.00	1,412.09	(87.91)
362 Rentals	95.00	95.00	95.00	0.00
363 Special Assessments	20,600.00	20,600.00	50,644.41	30,044.41
364 Maintenance Assessments	220,000.00	220,000.00	223,920.15	3,920.15
367 Contributions and Donations from Private Sources	80,000.00	80,000.00	81,300.00	1,300.00
369 Other	9,400.00	9,400.00	17,389.18	7,989.18
<b>Total Revenue</b>	<b>4,872,234.00</b>	<b>4,909,018.99</b>	<b>5,622,764.87</b>	<b>713,745.88</b>
<b>Expenditures:</b>				
<b>410 General Government:</b>				
411 Legislative	67,562.00	112,562.00	102,231.28	10,330.72
411.5 Contingency	66,288.00	66,288.00		
Amount Transferred (Enter as Negative)		(56,000.00)		10,288.00
412 Executive	230,127.00	230,127.00	202,624.71	27,502.29
413 Elections	896.00	1,896.00	1,421.23	474.77
414 Financial Administration	217,921.00	222,921.00	208,026.85	14,894.15
419 Other	74,025.00	74,025.00	73,192.60	832.40
<b>Total General Government</b>	<b>656,819.00</b>	<b>651,819.00</b>	<b>587,496.67</b>	<b>64,322.33</b>
<b>420 Public Safety:</b>				
421 Police	1,197,596.00	1,206,199.00	1,113,067.40	93,131.60
422 Fire	167,048.00	167,048.00	165,131.37	1,916.63
423 Protective Inspection	169,290.00	169,291.00	151,301.98	17,989.02
429 Other Protection	125,789.00	125,789.00	19,884.94	105,904.06
<b>Total Public Safety</b>	<b>1,659,723.00</b>	<b>1,668,327.00</b>	<b>1,449,385.69</b>	<b>218,941.31</b>

**REQUIRED SUPPLEMENTARY INFORMATION**  
**MUNICIPALITY OF BRANDON**  
**BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS**  
**GENERAL FUND**

For the Year Ended December 31, 2013

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
430 Public Works:				
431 Highways and Streets	906,315.00	906,315.00	809,606.86	96,708.14
432 Sanitation	8,850.00	8,850.00	1,348.63	7,501.37
439 Transit	150,787.00	168,508.45	162,960.20	5,548.25
Total Public Works	1,065,952.00	1,083,673.45	973,915.69	109,757.76
440 Health and Welfare:				
441 Health	9,900.00	9,900.00	4,096.94	5,803.06
Total Health and Welfare	9,900.00	9,900.00	4,096.94	5,803.06
450 Culture and Recreation:				
451 Recreation	218,826.00	218,826.00	154,189.31	64,636.69
452 Parks	674,190.00	688,194.83	559,014.53	129,180.30
455 Libraries	15,000.00	15,000.00	0.00	15,000.00
Total Culture and Recreation	908,016.00	922,020.83	713,203.84	208,816.99
460 Conservation and Development:				
465 Economic Development and Assistance (Industrial Development)	80,469.00	85,469.00	80,378.91	5,090.09
Total Conservation and Development	80,469.00	85,469.00	80,378.91	5,090.09
470 Debt Service	773,304.00	773,304.00	501,550.70	271,753.30
480 Intergovernmental Expenditures				0.00
490 Miscellaneous:				
492 Other Expenditures				0.00
Total Miscellaneous	0.00	0.00	0.00	0.00
Total Expenditures	5,154,183.00	5,194,513.28	4,310,028.44	884,484.84
Excess of Revenues Over (Under) Expenditures	(281,949.00)	(285,494.29)	1,312,736.43	1,598,230.72
<b>Other Financing Sources (Uses):</b>				
391.01 Transfers In	187,000.00	187,000.00	112,747.87	(74,252.13)
391.03 Sale of Municipal Property			7,770.80	7,770.80
391.04 Compensation for Loss or Damage to Capital Assets			10,452.04	10,452.04
391.20 Long-Term Debt Issued		1,410,000.00	1,410,000.00	0.00
511 Transfers Out (Enter as negative)	(5,021.00)	(1,712,082.60)	(1,712,094.30)	(11.70)
Total Other Financing Sources (Uses)	181,979.00	(115,082.60)	(171,123.59)	(56,040.99)
391.06/(514) Special Items				0.00
391.05/(515) Extraordinary Items				0.00
Net Change in Fund Balances	(99,970.00)	(400,576.89)	1,141,612.84	1,542,189.73
Changes in Nonspendable			(3,084.46)	(3,084.46)
Fund Balance - Beginning	1,897,146.86	1,897,146.86	1,897,146.86	0.00
Adjusted Fund Balance - Beginning	1,897,146.86	1,897,146.86	1,897,146.86	0.00
FUND BALANCE - ENDING	1,797,176.86	1,496,569.97	3,035,675.24	1,539,105.27

**MUNICIPALITY OF BRANDON**  
**SCHEDULE OF CHANGES IN LONG-TERM DEBT**  
For the Year Ended December 31, 2013

Indebtedness	Long-Term Debt January 1, 2013	Add New Debt	Less Debt Retired	Long-Term Debt December 31, 2013
<b>Governmental Long-Term Debt:</b>				
231.01 General Obligation Bonds	5,170,608.94		591,616.21	4,578,992.73
231.02 Revenue Bonds	950,017.03		192,368.37	757,648.66
231.03 Special Assessment Bonds	331,266.92	1,478,137.14	16,505.98	1,792,898.08
236 Advance from Other Funds	427,103.48		85,482.71	341,620.77
237 Other Long-Term Liabilities				
238 Net OPEB Obligation				
<b>Enterprise Long-Term Debt: (only cash basis entities need to complete the enterprise section)</b>				
231.01 General Obligation Bonds				
231.02 Revenue Bonds				
231.03 Special Assessment Bonds				
235 Accrued Landfill Closure and Postclosure Care Costs				
236 Advance from Other Funds				
237 Other Long-Term Liabilities				
238 Net OPEB Obligation				
<b>Total</b>	<b>6,878,996.37</b>	<b>1,478,137.14</b>	<b>885,973.27</b>	<b>7,471,160.24</b>

(Do not include interest in the above figures)

**ANNUAL REPORT FOR CITY OF BRANDON  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2013**

	GOVERNMENTAL FUNDS				Total Governmental Funds
	General Fund	TIF #3 Fund	Other Governmental Funds	Fund	
<b>Beginning Balance</b>	1,897,146.86	(205,619.72)	1,063,347.80	-	2,754,874.94
<b>Revenues and Other Sources:</b>					
Property Taxes	2,064,924.22	28.11	167,366.32	-	2,232,318.65
General Sales and Use Taxes	2,538,964.45	-	191,744.39	-	2,730,708.84
Gross Business Taxes	-	-	58,158.00	-	58,158.00
Amusement Taxes	768.00	-	-	-	768.00
Penalties and Interest on Delinquent Taxes	3,123.65	-	-	-	3,123.65
Licenses and Permits	106,705.00	-	-	-	106,705.00
Federal Grants	104,340.60	-	-	-	104,340.60
State Grants	16,665.31	-	-	-	16,665.31
State Shared Revenue:					
Bank Franchise Tax	15,571.13	-	-	-	15,571.13
Liquor Tax Reversion	36,649.58	-	-	-	36,649.58
Motor Vehicle Licenses (5%)	34,927.38	-	-	-	34,927.38
Local Government Highway and Bridge Fund	49,985.44	-	-	-	49,985.44
Other State Shared Revenue	4,411.26	-	-	-	4,411.26
County Shared Revenue:					
County Wheel Tax	8,748.10	-	-	-	8,748.10
Charges for Goods and Services:					
General Government	1,150.00	-	-	-	1,150.00
Public Safety	38,036.20	-	-	-	38,036.20
Sanitation	3,280.47	-	-	-	3,280.47
Health	75.00	-	-	-	75.00
Culture and Recreation	147,164.50	-	-	-	147,164.50
Other	64,504.75	-	-	-	64,504.75
Court Fines and Costs	8,009.00	-	-	-	8,009.00
Investment Earnings	1,412.09	-	3,416.57	-	4,828.66
Rentals	95.00	-	-	-	95.00
Special Assessments	50,644.41	-	243,425.08	-	294,069.49
Street Assessments	223,920.15	-	-	-	223,920.15
Contributions and Donations from Private Sources	81,300.00	-	-	-	81,300.00
Sale of Municipal Property	7,770.80	-	-	-	7,770.80
Compensation for Loss or Damage to Capital Assets	10,452.04	-	-	-	10,452.04
Long-Term Debt Issued	1,410,000.00	-	-	-	-
Other	17,389.18	-	834.75	-	18,223.93
<b>Total Revenue and Other Sources</b>	<b>7,050,987.71</b>	<b>28.11</b>	<b>664,945.11</b>	<b>-</b>	<b>7,715,960.93</b>
<b>Expenditures and Other Uses:</b>					
Legislative	100,783.63	-	-	-	100,783.63
Executive	202,624.71	-	-	-	202,624.71
Elections	1,421.23	-	-	-	1,421.23
Financial Administration	208,026.85	-	-	-	208,026.85
Other General Government	64,748.60	-	98,718.10	-	163,466.70
Police	1,046,846.40	-	-	-	1,046,846.40
Fire	165,131.37	-	-	-	165,131.37
Protective Inspection	151,301.98	-	-	-	151,301.98
Other Protection	19,884.94	-	12,220.98	-	32,105.92
Highways and Streets	540,592.25	-	-	-	540,592.25
Sanitation	1,348.63	-	-	-	1,348.63
Transit	162,960.20	-	-	-	162,960.20
Health	4,096.94	-	-	-	4,096.94
Recreation	154,189.31	-	-	-	154,189.31
Parks	286,677.33	-	-	-	286,677.33
Economic Development & Assistan	80,378.91	-	15,305.00	-	95,683.91
Debt Service	501,550.70	68,165.25	508,407.08	-	1,078,123.03
Intergovernmental Expenditures	-	-	-	-	-
Capital Outlay	617,464.46	-	-	-	617,464.46
Other Expenditures	-	-	-	-	-
<b>Total Expenditures and Other Uses</b>	<b>4,310,028.44</b>	<b>68,165.25</b>	<b>634,651.16</b>	<b>-</b>	<b>5,012,844.85</b>

Transfers In (Out)	(1,599,346.43)		1,654,703.97		55,357.54
Special Item (specify)					-
Extraordinary Item (specify)					-
Changes in Reserves	(3,084.46)				(3,084.46)
<b>Increase/Decrease in Fund Balance</b>	<b>1,138,528.38</b>	<b>(68,137.14)</b>	<b>1,684,997.92</b>	<b>-</b>	<b>2,755,389.16</b>
<b>Ending Balance:</b>					
Nonspendable	55,084.78		336,422.11		391,506.89
Restricted			879,662.54		879,662.54
Committed					-
Assigned	513,292.00				513,292.00
Unassigned	2,467,298.46	(273,756.86)	(105,189.22)		2,088,352.38
<b>Governmental Long-term Debt</b>					<b>7,471,160.24</b>

**PROPRIETARY FUNDS**

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Golf Course Fund</u>	<u>Electric Fund</u>
Beginning Balance	10,062,677.94	7,629,769.78	1,482,998.73	3,862.07
Revenues	1,654,493.25	1,128,853.94	1,131,804.55	74,269.52
Expenses	935,372.86	918,484.24	1,163,973.61	76,447.78
Transfers In (Out)	(88,613.41)	(24,134.46)	48,086.67	9,303.66
<b>Ending Balance:</b>				
Restricted for _____				
Unrestricted	10,693,184.92	7,816,005.02	1,498,916.34	10,987.47
<b>Long-term Debt</b>	<b>547,439.61</b>		<b>1,013,957.24</b>	

The preceding financial data does not include fiduciary funds or component units. Information pertaining to those activities may be obtained by contacting the municipal finance officer at 605-582-6515.

Municipal funds are deposited as follows:

<u>Depository</u>	<u>Amount</u>
The First National Bank in Sioux Falls	5,830,896.04
Home Federal Savings Bank	359,494.73