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MAYOR BUTCH LEE

March 26, 2018

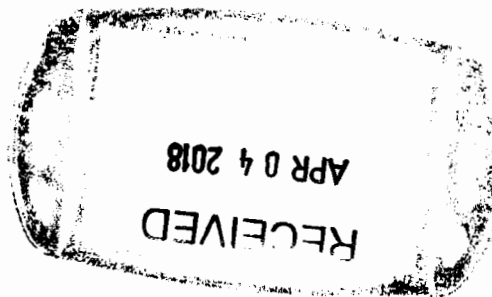
Office of the State Auditor
P. O. Box 956
Jackson, MS 39205

Re: 2017 Annual Audit

Accompanying this letter is a copy of the annual audit of the City of Brandon for fiscal year ended September 30, 2017.

Sincerely,

Angela Bean
City Clerk



CITY OF BRANDON, MISSISSIPPI
REPORT ON AUDIT
OF
BASIC FINANCIAL STATEMENTS
For the Year Ended September 30, 2017

BARLOW & COMPANY, PLLC
CERTIFIED PUBLIC ACCOUNTANTS
BRANDON, MISSISSIPPI

CITY OF BRANDON
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For the year ended September 30, 2017

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Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Brandon, Mississippi, as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Brandon, Mississippi, as of September 30, 2017, 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.



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Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, the Schedule of the City's Proportionate Share of the Net Pension Liability and the Schedule of City's Contributions on pages 3-12 and 43-49 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Brandon, Mississippi's basic financial statements. The combining and individual nonmajor fund financial statements and the comparison schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, and the comparison schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, and the comparison schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

Bailan & Company, PLLC

Brandon, Mississippi
February 20, 2018

**CITY OF BRANDON
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

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, 2017. 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 2017 were as follows:

Total net position for 2017 increased \$1,144,006 or 4% from 2016. Total net position for 2016 increased \$1,073,973 or 3.9% from fiscal year 2015. The increase in 2017 resulted primarily from the increase in governmental activities capital assets.

General revenues accounted for \$15,749,343 and \$16,506,131 in revenue, or 61.6% and 63.5% of all revenues for fiscal years 2017 and 2016 respectively. Program specific revenues in the form of charges for services and grants and contributions accounted for \$9,824,677 or 38.4% for 2017 and \$9,505,378 or 36.5% of total revenues for 2016.

In the business-type activity of sanitation, sanitation expenses were \$1,249,134 while charges for sanitation services were \$1,028,716. Water and sewer charges for services were \$6,319,745, capital grants and contributions were \$308,160 with expenses of \$6,537,525.

Long-term debt decreased by \$2,295,107 for fiscal year 2017 and increased by \$20,100,848 for fiscal year 2016. The decrease in 2017 was due to no issuance of new bonds and increase in 2016 was due to an increase in bonds. Additionally, the liability for compensated absences increased by \$22,114 in 2017 and increased by \$67,903 in 2016. The net pension liability was \$17,059,260 and \$17,722,991 for 2017 and 2016 respectively.

Overall, the book value of capital assets increased \$16,132,907 in 2017 and increased by \$13,132,097 for 2016. The changes were due to new construction in progress and completion of buildings and improvements in 2017 and 2016.

OVERVIEW OF FINANCIAL STATEMENTS

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

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

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

**CITY OF BRANDON
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

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

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

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

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

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

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

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

**CITY OF BRANDON
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

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

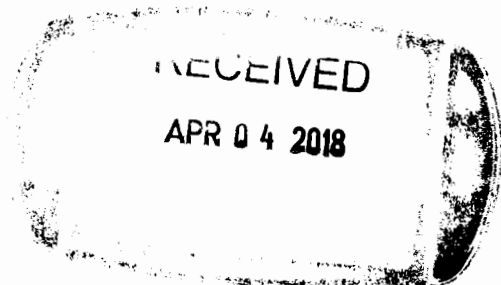
The Statement of Net position and the Statement of Activities report information about the City as a whole and about its activities and may serve over time as a useful indicator of the City's financial position. These statements include all of the City's assets and liabilities resulting from the use 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 \$28,522,037 to \$29,666,043 between fiscal years 2016 and 2017. This increase is the result of the change in net position from operations of \$1,144,006.

**CITY OF BRANDON
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

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

Table 1 Net Position 2017							
	Governmental Activities		Business-type Activities		Total		Percent
	2017	2016	2017	2016	2017	2016	Change
Assets:							
Cash and other assets	\$ 14,513,920	29,399,929	5,244,972	5,605,813	19,758,892	35,005,742	-43.56%
Capital assets, net	60,232,974	44,909,415	17,768,893	16,959,545	78,001,867	61,868,960	26.08%
Total Assets	74,746,894	74,309,344	23,013,865	22,565,358	97,760,759	96,874,702	0.91%
Deferred Outflows of Resources:							
Deferred outflows related to bond refunding	142,043	157,826			142,043	157,826	-10.00%
Deferred outflows related to pensions	1,983,132	3,187,120	282,650	449,947	2,265,782	3,637,067	-37.70%
Total Deferred Outflows of Resources	2,125,175	3,344,946	282,650	449,947	2,407,825	3,794,893	-36.55%
Liabilities:							
Current and other liabilities	4,445,766	3,759,646	1,926,788	1,660,212	6,372,554	5,419,858	17.58%
Long-term liabilities	57,228,422	60,263,582	6,497,483	6,399,047	63,725,905	66,662,629	-4.41%
Total Liabilities	61,674,188	64,023,228	8,424,271	8,059,259	70,098,459	72,082,487	-2.75%
Deferred Inflows of Resources:							
Deferred inflows related to pensions	327,338	29,686	45,235	3,876	372,573	33,562	1010.10%
Developer construction advances	31,509	31,509			31,509	31,509	0.00%
Total Deferred Inflows of Resources	358,847	61,195	45,235	3,876	404,082	65,071	520.99%
Net Position							
Net investment in capital assets	17,819,986	427,480	12,783,542	12,175,542	30,603,528	12,603,022	142.83%
Restricted	9,047,960	25,172,487			9,047,960	25,172,487	-64.06%
Unrestricted	(12,028,912)	(12,030,100)	2,043,467	2,776,628	(9,985,445)	(9,253,472)	7.91%
Total Net Position	\$ 14,839,034	13,569,867	14,827,009	14,952,170	29,666,043	28,522,037	4.01%
The City's total assets increased \$886,057 during 2017 with governmental activities showing an increase of \$437,550 and business-type activities showing an increase of \$448,507. The increase was primarily due to an increase in net capital assets in governmental activities. Deferred outflows related to bond refunding decreased \$15,783 and deferred outflows related to pensions decreased \$1,371,285.							
The City's total liabilities decreased \$1,984,028, due mainly to the decrease in bonds payable in governmental activities in 2017. Deferred inflows for developer construction advances was unchanged and deferred inflows related to pension increased \$339,011 in 2017.							
The City's net position increased \$1,144,006 due mainly to net increase in net capital assets.							



**CITY OF BRANDON
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

Table 2 shows the Changes in Net Position for the September 30, 2017 year end.

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

Table 2							
Changes in Net Position							
2017							
	Governmental Activities		Business-type Activities		Total		Percent
	2017	2016	2017	2016	2017	2016	Change
Revenues:							
Program revenues:							
Charges for services	\$ 1,421,112	1,147,320	7,348,461	7,518,383	8,769,573	8,665,703	1.20%
Operating grants	77,780	97,147			77,780	97,147	-19.94%
Capital grants	669,164	283,801	308,160	458,727	977,324	742,528	31.62%
General revenues:							
Sales and use taxes	7,158,740	6,925,325			7,158,740	6,925,325	3.37%
Property taxes	6,475,766	6,338,206			6,475,766	6,338,206	2.17%
Other	2,109,960	3,193,331	4,877	49,269	2,114,837	3,242,600	-34.78%
Total Revenues	17,912,522	17,985,130	7,661,498	8,026,379	25,574,020	26,011,509	-1.68%
Program Expenses:							
General government	1,974,129	1,922,358			1,974,129	1,922,358	2.69%
Public safety	7,935,801	8,643,157			7,935,801	8,643,157	-8.18%
Public services	3,118,625	2,796,488			3,118,625	2,796,488	11.52%
Culture and recreation	2,095,102	1,901,249			2,095,102	1,901,249	10.20%
Economic development	133,243	331,030			133,243	331,030	-59.75%
Water and sewer			6,537,525	6,275,641	6,537,525	6,275,641	4.17%
Sanitation			1,249,134	1,437,397	1,249,134	1,437,397	-13.10%
Interest and fiscal charges	1,386,455	1,630,216			1,386,455	1,630,216	-14.95%
Total Expenses	16,643,355	17,224,498	7,786,659	7,713,038	24,430,014	24,937,536	-2.04%
Change in Net Position	\$ 1,269,167	760,632	(125,161)	313,341	1,144,006	1,073,973	6.52%
Net Position, beginning	13,569,867	12,809,235	14,952,170	14,638,829	28,522,037	27,448,064	3.91%
Net Position, ending	\$ 14,839,034	13,569,867	14,827,009	14,952,170	29,666,043	28,522,037	4.01%

**CITY OF BRANDON
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

Governmental Activities. Revenues for the City's governmental activities for the year ended September 30, 2017 were \$17,912,522 compared to \$17,985,130 in 2016. Program revenues increased 42% primarily as a result of an increase in capital grants and contributions. General revenues are, for the most part, comprised of sales and use taxes and property taxes (87%).

The cost of providing all governmental activities for 2017 was \$16,643,355 and for 2016 was \$17,224,498, a decrease of \$581,143 for 2017 and an increase of \$1,592,737 for 2016. Of this amount, general government expenses increased \$51,771 in 2017 and increased \$360,699 in 2016; public safety expenses decreased \$707,356 for 2017 and increased \$2,022,244 for 2016; public services expenses increased \$322,137 in 2017 and increased \$44,216 in 2016; culture and recreation expenses increased \$193,853 in 2017 and increased \$112,496 in 2016; economic development expenses were \$133,243 in 2017 compared to \$331,030 in 2016; and interest on long-term debt expenses decreased \$243,761 in 2017 and increased \$444,004 in 2016.

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

Business-type Activities. Revenues for business-type activities are primarily comprised of charges for services (96%). Charges for services for the City's business-type activities were \$7,348,461 for 2017 and \$7,518,383 for 2016, a decrease of \$169,922 in 2017 and an increase of \$297,136 for 2016.

The costs of these business-type activities were \$7,786,659 and \$7,713,038 for 2017 and 2016 respectively, an increase of \$73,621 in 2017 due to an increase in water and sewer costs; and an increase of \$36,206 in 2016 due to increases in 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 \$12,889,200, a decrease of \$16,328,407. The fund balance consists of \$9,343,459 or 72.5% which is restricted for specific purposes which are externally imposed, \$62,539 or .5% is committed for specific purposes internally imposed by the City; \$367,437 or 2.9% is assigned for specific purposes that can be expressed by the Board of Alderman or by an official to which the Board delegates. At the end of the year, the amount of fund balance unassigned, which is available for spending for any purpose, is \$3,115,765 or 24.1%.

**CITY OF BRANDON
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

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, 2017, the City's total capital assets were \$122,803,813 including land, city buildings, infrastructure, vehicles and furniture and equipment. This amount represents an increase of \$18,865,027 for 2016 to 2017 and an increase of \$15,814,676 for 2015 to 2016. The accumulated depreciation as of September 30, 2017 was \$44,801,946 and total depreciation expense for the year was \$2,967,452.

**CITY OF BRANDON
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

Table 3								
Capital Assets at September 30, 2017								
(Net of Depreciation)								
	Governmental Activities		Business-type Activities		Total			Percent
	2017	2016	2017	2016	2017	2016		Change
Land	\$ 3,073,607	3,073,607	130,377	130,377	3,203,984	3,203,984		0.00%
Construction in Progress	18,174,779	9,642,121	1,119,146	1,976,956	19,293,925	11,619,077		66.05%
Buildings	16,172,882	14,125,855	641,739	660,803	16,814,621	14,786,658		13.71%
Improvements other than bldg.	20,439,023	15,626,989	15,546,369	13,806,221	35,985,392	29,433,210		22.26%
Machinery, equipment, vehicles	2,372,683	2,440,843	331,262	385,188	2,703,945	2,826,031		-4.32%
Total	\$ 60,232,974	44,909,415	17,768,893	16,959,545	78,001,867	61,868,960		26.08%
Additional information on the City's capital assets can be found in the notes to the financial statements included in this report.								

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**CITY OF BRANDON
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

Debt Administration. At September 30, 2017, the City had \$47,242,088 in general obligation bonds and other long-term debt outstanding as shown in the following table.

Table 4								
Outstanding Notes and Long Term Obligations at September 30, 2017								
		<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>		<u>Percent</u>
		<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>Change</u>
General obligation bonds	\$	25,790,000	27,395,000			25,790,000	27,395,000	-5.86%
Special obligation bonds		13,870,000	14,000,000			13,870,000	14,000,000	-0.93%
Other long-term liabilities		1,900,000	2,400,000			1,900,000	2,400,000	-20.83%
Capital loans		132,815	180,621	4,981,805	4,772,045	5,114,620	4,952,666	3.27%
Compensated absences		364,493	342,379	60,698	60,698	425,191	403,077	5.49%
Capital leases		138,731	287,540	3,546	11,957	142,277	299,497	-52.49%
Total	\$	42,196,039	44,605,540	5,046,049	4,844,700	47,242,088	49,450,240	-4.47%
Additional information on the City's long-term debt can be found in the notes to the financial statements included in this report.								

**CITY OF BRANDON
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

CURRENT ISSUES

The Quarry Park Complex is still under construction. The Amphitheater and baseball field projects will be complete before the end of fiscal year 2018.

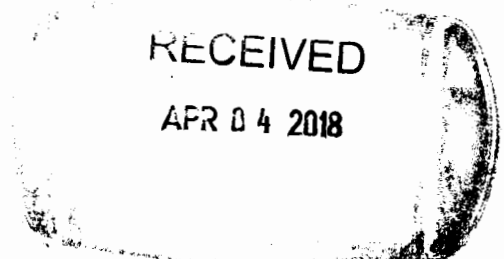
Subsequent to September 30, 2017, the City has issued \$2,000,000 for water and sewer system revenue bonds for the purpose of acquiring constructing, enlarging, improving and repairing and or extending the combined waterworks and sewage system improvements.

The City has authorized Series 2018 bonds for the execution and delivery of a promissory note in the principal amount not to exceed \$6,000,000. This note is to be used for securing a loan from the MS Development Bank for the purpose of providing funds to finance certain capital improvements. These funds will be used for erecting, repairing, improving and extending waterworks, gas, electric and distribution systems and franchises; establishing sanitation, storm drainage and sewage systems and repairing, improving and extending the same; constructing bridges and culverts; constructing, improving and paving streets, sidewalks, driveways, walkways and public parking facilities and purchasing land therefore; and improving, equipping and adorning parks and public playgrounds including the construction, repairing and equipping of other recreational facilities.

The City also has the following project under consideration: Development of a new comprehensive water and sewer plan that will include new water wells.

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, 2017

	Primary Government		
	Governmental Activities	Business-Type Activities	Totals
ASSETS			
Cash and cash equivalents	\$ 2,727,757	\$ 3,631,300	\$ 6,359,057
Receivables:			
Accounts receivable, net of allowance for uncollectible accounts	-	1,092,530	1,092,530
Ad valorem	209,305	-	209,305
Current sales tax	1,183,114	-	1,183,114
Franchise tax	189,707	-	189,707
Other receivables	2,558	-	2,558
Due from other governments	-	174,887	174,887
Inventory	-	192,786	192,786
Internal balances	(153,469)	153,469	-
Restricted cash and cash equivalents	10,354,948	-	10,354,948
Capital assets, net	60,232,974	17,768,893	78,001,867
Total assets	74,746,894	23,013,865	97,760,759
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to bond refunding	142,043	-	142,043
Deferred outflows related to pensions	1,983,132	282,650	2,265,782
Total deferred inflows of resources	2,125,175	282,650	2,407,825

See accompanying notes to financial statements.

CITY OF BRANDON
STATEMENT OF NET POSITION
September 30, 2017

	Primary Government		
	Governmental	Business-Type	Totals
	Activities	Activities	
LIABILITIES			
Accounts payable	372,615	445,701	818,316
Accrued payroll liabilities	253,095	21,233	274,328
Deposits payable	-	775,272	775,272
Liabilities payable from restricted assets:			
Accounts payable	1,083,036	-	1,083,036
Accrued interest payable	364,717	-	364,717
Current portion of long-term liabilities:			
Capital improvement loan	25,603	681,036	706,639
Obligation under capital lease	111,700	3,546	115,246
Bonds payable	1,735,000	-	1,735,000
Other long-term liabilities	500,000	-	500,000
Noncurrent liabilities:			
Capital improvement loan	107,212	4,300,769	4,407,981
Obligation under capital lease	27,031	-	27,031
Bonds payable	40,406,442	-	40,406,442
Other long-term liabilities	1,400,000	-	1,400,000
Compensated absences	364,493	60,698	425,191
Net pension liability	14,923,244	2,136,016	17,059,260
Total liabilities	<u>61,674,188</u>	<u>8,424,271</u>	<u>70,098,459</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	327,338	45,235	372,573
Developer construction advances	31,509	-	31,509
Total deferred inflows of resources	<u>358,847</u>	<u>45,235</u>	<u>404,082</u>
NET POSITION			
Net investment in capital assets	17,819,986	12,783,542	30,603,528
Restricted			
Debt service	717,146	-	717,146
Capital activities	6,482,018	-	6,482,018
Other	1,848,796	-	1,848,796
Unrestricted	(12,028,912)	2,043,467	(9,985,445)
Total net position	<u>\$ 14,839,034</u>	<u>\$ 14,827,009</u>	<u>\$ 29,666,043</u>

See accompanying notes to financial statements.

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CITY OF BRANDON
STATEMENT OF ACTIVITIES
For the year ended September 30, 2017

Function / Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Totals
Primary Government							
Governmental activities							
General government	\$ 1,974,129	\$ 58,037	\$ 4,534	\$ -	\$ (1,911,558)	\$ -	\$ (1,911,558)
Public safety	7,935,801	795,995	73,246	664,379	(6,402,181)	-	(6,402,181)
Public services	3,118,625	208,247	-	4,785	(2,905,593)	-	(2,905,593)
Culture and recreation	2,095,102	358,833	-	-	(1,736,269)	-	(1,736,269)
Economic development	133,243	-	-	-	(133,243)	-	(133,243)
Debt service - interest and fiscal charges	1,386,455	-	-	-	(1,386,455)	-	(1,386,455)
Total governmental activities	<u>16,643,355</u>	<u>1,421,112</u>	<u>77,780</u>	<u>669,164</u>	<u>(14,475,299)</u>	<u>-</u>	<u>(14,475,299)</u>
Business-type activities							
Water and sewer	6,537,525	6,319,745	-	308,160	-	90,380	90,380
Sanitation	1,249,135	1,028,716	-	-	-	(220,419)	(220,419)
Total business-type activities	<u>7,786,660</u>	<u>7,348,461</u>	<u>-</u>	<u>308,160</u>	<u>-</u>	<u>(130,039)</u>	<u>(130,039)</u>
Total primary government	<u>\$ 24,430,015</u>	<u>\$ 8,769,573</u>	<u>\$ 77,780</u>	<u>\$ 977,324</u>	<u>(14,475,299)</u>	<u>(130,039)</u>	<u>(14,605,338)</u>
General revenues							
Taxes							
Sales and use taxes					7,158,740	-	7,158,740
Property taxes					6,475,766	-	6,475,766
Franchise fees					829,544	-	829,544
Other taxes and shared revenue					1,079,867	-	1,079,867
Investment income					34,393	4,878	39,271
Gain (loss) on sale of assets					(23,435)	-	(23,435)
Other					189,591	-	189,591
Total general revenues and transfers					<u>15,744,466</u>	<u>4,878</u>	<u>15,749,344</u>
Change in net position					<u>1,269,167</u>	<u>(125,161)</u>	<u>1,144,006</u>
Net Position, September 30, 2016					<u>13,569,867</u>	<u>14,952,170</u>	<u>28,522,037</u>
Net Position, September 30, 2017					<u>\$ 14,839,034</u>	<u>\$ 14,827,009</u>	<u>\$ 29,666,043</u>

See accompanying notes to financial statements.

**CITY OF BRANDON
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2017**

	General Fund	Capital Projects Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 2,726,258	\$ 7,559,744	\$ 875,084	\$ 1,500	\$ 11,162,586
Receivables					
Ad valorem and road taxes	139,259	-	70,046	-	209,305
Current sales tax	1,183,114	-	-	-	1,183,114
Franchise tax	189,707	-	-	-	189,707
Other receivables	2,558	-	-	-	2,558
Restricted cash	1,848,796	-	-	71,325	1,920,121
Total Assets	6,089,692	7,559,744	945,130	72,825	14,667,391
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	288,591	1,077,726	5,310	-	1,371,627
Accrued wages payable	253,095	-	-	-	253,095
Advances from other funds	153,469	-	-	-	153,469
Total Liabilities	695,155	1,077,726	5,310	-	1,778,191
Fund Balance					
Restricted	1,848,796	6,482,018	939,820	72,825	9,343,459
Committed	62,539	-	-	-	62,539
Assigned	367,437	-	-	-	367,437
Unassigned	3,115,765	-	-	-	3,115,765
Total Fund Balances	5,394,537	6,482,018	939,820	72,825	12,889,200
Total Liabilities and Fund Balances	\$ 6,089,692	\$ 7,559,744	\$ 945,130	\$ 72,825	\$ 14,667,391

See accompanying notes to financial statements.

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CITY OF BRANDON
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
September 30, 2017

Total fund balances - governmental funds		\$ 12,889,200
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	82,939,286	
Less accumulated depreciation	<u>(22,706,312)</u>	60,232,974
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		1,655,794
Deferred outflows related to bond refunding		142,043
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		(364,717)
Accounts payable		(84,026)
Deferred inflows for developer construction advances		(31,509)
Long-term liabilities (including current portion due) are not due and payable in the current period and accordingly are not reported in the governmental funds.		
		<u>(59,600,725)</u>
Net position of governmental activities		\$ <u><u>14,839,034</u></u>

See accompanying notes to financial statements.

CITY OF BRANDON
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

For the year ended September 30, 2017

	General Fund	Capital Projects Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
Revenues					
Property tax	\$ 3,976,491	\$ -	\$ 2,677,461	\$ -	\$ 6,653,952
Sales tax	5,820,570	-	-	-	5,820,570
Sales tax - restaurants	1,086,364	-	-	-	1,086,364
Franchise tax	829,544	-	-	-	829,544
Licenses and permits	233,249	-	-	-	233,249
State shared revenues	465,085	-	-	-	465,085
County shared revenues	1,443,575	-	-	-	1,443,575
Charges for services	343,714	-	-	35,000	378,714
Fines and forfeitures	498,210	-	-	297,785	795,995
Other revenues	184,276	23,190	1,565	210	209,241
Total Revenues	<u>14,881,078</u>	<u>23,190</u>	<u>2,679,026</u>	<u>332,995</u>	<u>17,916,289</u>
Expenditures					
Current (operating)					
General government	1,694,583	-	-	-	1,694,583
Public safety	6,729,351	-	-	61,386	6,790,737
Public services	2,248,215	-	-	-	2,248,215
Culture and recreation	1,481,787	-	-	-	1,481,787
Economic Development	124,365	-	-	-	124,365
Capital outlay	2,378,367	15,467,846	-	225,856	18,072,069
Debt service					
Principal	696,615	-	1,735,000	-	2,431,615
Interest and fiscal charges	75,546	-	1,372,653	-	1,448,199
Total Expenditures	<u>15,428,829</u>	<u>15,467,846</u>	<u>3,107,653</u>	<u>287,242</u>	<u>34,291,570</u>
Excess of revenues over (under) expenditures	<u>(547,751)</u>	<u>(15,444,656)</u>	<u>(428,627)</u>	<u>45,753</u>	<u>(16,375,281)</u>
Other financing sources and uses, including transfers					
Proceeds from sale of assets	42,724	-	-	4,150	46,874
Transfers in (out)	(615,919)	-	615,919	-	-
Total other financing sources and (uses)	<u>(573,195)</u>	<u>-</u>	<u>615,919</u>	<u>4,150</u>	<u>46,874</u>
Net change in fund balances	(1,120,946)	(15,444,656)	187,292	49,903	(16,328,407)
Fund Balances, September 30, 2016	6,515,483	21,926,674	752,528	22,922	29,217,607
Fund Balances, September 30, 2017	<u>\$ 5,394,537</u>	<u>\$ 6,482,018</u>	<u>\$ 939,820</u>	<u>\$ 72,825</u>	<u>\$ 12,889,200</u>

See accompanying notes to financial statements.

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

For the year ended September 30, 2017

Net change in fund balances - governmental funds \$ (16,328,407)

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	17,855,101	
Depreciation expense	<u>(1,759,244)</u>	16,095,857

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		(22,114)
Pension expense for the current period		(918,884)
Interest expense		64,609
Other revenues (expenses)		(53,509)

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

Retirement of debt	<u>2,431,615</u>	<u>2,431,615</u>
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Change in net position - governmental funds		\$ <u><u>1,269,167</u></u>
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See accompanying notes to financial statements.

CITY OF BRANDON
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2017

	Business-Type Activities Enterprise Funds		
	Water & Sewer Fund	Sanitation Fund	Totals
ASSETS			
Current assets			
Cash and cash equivalents	\$ 3,508,688	\$ 122,612	\$ 3,631,300
Receivables			
Accounts receivable, net of allowance for uncollectible accounts	949,719	142,811	1,092,530
Due from other governments	174,887	-	174,887
Internal balances - advances due from other funds	153,469	-	153,469
Inventory	192,786	-	192,786
Total current assets	4,979,549	265,423	5,244,972
Noncurrent assets			
Capital assets, net	17,721,581	47,312	17,768,893
Total noncurrent assets	17,721,581	47,312	17,768,893
Total assets	22,701,130	312,735	23,013,865
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflow related to pensions	242,130	40,520	282,650
Total deferred outflows of resources	242,130	40,520	282,650
LIABILITIES			
Current liabilities			
Accounts payable	441,113	4,588	445,701
Accrued payroll liabilities	19,468	1,765	21,233
Meter deposits payable	775,272	-	775,272
Current portion of capital improvement loan	681,036	-	681,036
Current portion of capital lease payable	-	3,546	3,546
Total current liabilities	1,916,889	9,899	1,926,788
Noncurrent liabilities			
Compensated absences	58,553	2,145	60,698
Net pension liability	1,873,281	262,735	2,136,016
Capital improvement loan	4,300,769	-	4,300,769
Total noncurrent liabilities	6,232,603	264,880	6,497,483
Total liabilities	8,149,492	274,779	8,424,271
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	41,822	3,413	45,235
Total deferred inflows of resources	41,822	3,413	45,235
NET POSITION			
Net investment in capital assets	12,739,776	43,766	12,783,542
Unrestricted	2,012,170	31,297	2,043,467
Total net position	\$ 14,751,946	\$ 75,063	\$ 14,827,009

See accompanying notes to financial statements.

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CITY OF BRANDON
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the year ended September 30, 2017

	Business-Type Activities Enterprise Funds		
	Water & Sewer Fund	Sanitation Fund	Totals
Operating Revenues			
Charges for services	\$ 6,319,745	\$ 1,028,716	\$ 7,348,461
Total operating revenues	6,319,745	1,028,716	7,348,461
Operating Expenses			
Personnel services	1,153,226	108,051	1,261,277
Supplies, services and other charges	4,084,229	1,121,307	5,205,536
Depreciation and amortization	1,188,565	19,643	1,208,208
Total operating expenses	6,426,020	1,249,001	7,675,021
Operating income (loss)	(106,275)	(220,285)	(326,560)
Nonoperating revenues (expenses)			
Capital grant	308,160	-	308,160
Interest income	4,646	232	4,878
Interest expense and bond fees	(111,505)	(134)	(111,639)
Total nonoperating revenues (expenses)	201,301	98	201,399
Income (loss) before transfers	95,026	(220,187)	(125,161)
Transfers	-	-	-
Change in net position	95,026	(220,187)	(125,161)
Net Position, September 30, 2016	14,656,920	295,250	14,952,170
Net Position, September 30, 2017	\$ 14,751,946	\$ 75,063	\$ 14,827,009

See accompanying notes to financial statements.

CITY OF BRANDON
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the year ended September 30, 2017

	Business-Type Activities Enterprise Funds		
	Water & Sewer Fund	Sanitation Fund	Totals
Cash flows from operating activities			
Cash received from customers	\$ 6,301,371	\$ 1,018,345	\$ 7,319,716
Cash payments for goods and services	(3,868,131)	(1,120,697)	(4,988,828)
Cash payments for personnel services	(1,027,982)	(97,990)	(1,125,972)
Net cash provided by operating activities	<u>1,405,258</u>	<u>(200,342)</u>	<u>1,204,916</u>
Cash flows from non-capital financing activities			
Receipts from other funds on internal balances	<u>110,823</u>	<u>(4,985)</u>	<u>105,838</u>
Net cash provided (used) by non-capital financing activities	<u>110,823</u>	<u>(4,985)</u>	<u>105,838</u>
Cash flows from capital and related financing activities			
Proceeds from capital loan and leases	871,646	-	871,646
Principal paid on notes payable and capital leases	(661,886)	(8,411)	(670,297)
Interest paid on notes and capital leases	(111,505)	(134)	(111,639)
Acquisition and construction of capital assets	(2,017,556)	-	(2,017,556)
Proceeds from capital grants	308,160	-	308,160
Net cash used for capital and related financing activities	<u>(1,611,141)</u>	<u>(8,545)</u>	<u>(1,619,686)</u>
Cash flows from investing activities			
Interest on investments	<u>4,646</u>	<u>232</u>	<u>4,878</u>
Net cash provided (used) by investing activities	<u>4,646</u>	<u>232</u>	<u>4,878</u>
Net increase (decrease) in cash and cash equivalents	(90,414)	(213,640)	(304,054)
Cash and cash equivalents, October 1, 2016	<u>3,599,102</u>	<u>336,252</u>	<u>3,935,354</u>
Cash and cash equivalents, September 30, 2017	\$ <u>3,508,688</u>	\$ <u>122,612</u>	\$ <u>3,631,300</u>
Cash and cash equivalents consists of the following statement of net position amounts			
Cash and cash equivalents	\$ <u>3,508,688</u>	\$ <u>122,612</u>	\$ <u>3,631,300</u>

See accompanying notes to financial statements.

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CITY OF BRANDON
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the year ended September 30, 2017

	Business-Type Activities Enterprise Funds		Totals
	Water & Sewer Fund	Sanitation Fund	
Reconciliation of operating income to net cash provided by operating activities			
Operating income (loss)	\$ (106,275)	\$ (220,285)	\$ (326,560)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities			
Depreciation	1,188,565	19,643	1,208,208
Changes in assets and liabilities			
(Increase) decrease in accounts receivable, net	(38,680)	(10,371)	(49,051)
(Increase) deferred outflow of resources	154,955	12,342	167,297
Increase (decrease) in accounts payable	216,098	610	216,708
Increase (decrease) in customer meter deposits	20,306	-	20,306
Increase (decrease) in payroll liabilities	6,982	642	7,624
Increase (decrease) in pension liability	(75,001)	(5,974)	(80,975)
Increase (decrease) in deferred inflows of resources	38,308	3,051	41,359
Net cash provided (used) by operating activities	\$ <u>1,405,258</u>	\$ <u>(200,342)</u>	\$ <u>1,204,916</u>

See accompanying notes to financial statements.

CITY OF BRANDON
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2017

(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.

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 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.

CITY OF BRANDON
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2017

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).

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.

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

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.

CITY OF BRANDON
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2017

Fund Balance

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

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

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

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

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

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

Cash and Investments

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

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

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.

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CITY OF BRANDON
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2017

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, 2016, was 29 mills. Of that amount, 18 mills were for general fund and 11 mills for the debt service fund. The taxes were distributed to funds in accordance with prescribed tax levies. Remaining uncollected taxes were not accrued. An annual tax sale is held for uncollected taxes.

Inventory

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

Restricted Assets

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

Capital Assets

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

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

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

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.

CITY OF BRANDON
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2017

Deferred Outflows and Inflows of Resources

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

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

Long-term Debt

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

Bond Discounts, Premiums and Issuance Costs

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

Pensions

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

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

Use of Estimates

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

CITY OF BRANDON
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2017

Comparative Data

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

Reclassifications

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

(2) Budget and Budgetary Accounting

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

1. 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.
2. During September, the budget must be published in a newspaper published in the city (or the county if none is published by the city).
3. 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.
4. Prior to September 15, the budget is legally enacted through passage of an ordinance.
5. 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.
6. It is the City's policy for the Board to approve all budget transfers between departments and/or funds.
7. 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.
8. 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.

CITY OF BRANDON
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2017

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, 2017.

At September 30, 2017, the carrying amount of the City's deposits was \$16,714,005 and the bank balance was \$16,863,428.

(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	\$ 203,245
Allowances related to Sanitation Fund receivables	67,500
Total	<u>\$ 270,745</u>

(5) Interfund Advances and Transfers

1. Individual fund interfund receivable and payable balances at September 30, 2017 were:

<u>Receivable fund</u>	<u>Amount</u>	
Water & Sewer Fund	General Fund	\$ 264,292
General Fund	Water & Sewer Fund	<u>(110,823)</u>
Net Internal Balances		<u>\$ 153,469</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, 2017

(6) Capital Assets

A summary of changes in Capital Assets at September 30, 2017 follows:

	Balance 09/30/16	Increases	Decrease	CIP Completed	Balance 09/30/17
Governmental Activities					
Non-depreciable					
Land	\$ 3,073,607	\$ -	\$ -	\$ -	3,073,607
Construction in progress	9,642,121	16,692,864	-	(8,160,206)	18,174,779
Total	12,715,728	16,692,864	-	(8,160,206)	21,248,386
Depreciable					
Buildings	17,487,857	-	-	2,446,066	19,933,923
Improvement other than bldg.	27,686,527	107,712	-	5,684,303	33,478,542
Machinery, equip. & vehicles	8,201,703	335,737	(288,842)	29,837	8,278,435
Total	53,376,087	443,449	(288,842)	8,160,206	61,690,900
Less accum. depreciation					
Buildings	3,362,002	399,039	-	-	3,761,041
Improvement other than bldg.	12,059,538	979,981	-	-	13,039,519
Machinery, equip. & vehicles	5,760,860	380,224	(235,332)	-	5,905,752
Total	21,182,400	1,759,244	(235,332)	-	22,706,312
Governmental Activities, net	\$ 44,909,415	\$ 15,377,069	\$ (53,510)	\$ -	\$ 60,232,974

Depreciation expense was charged to governmental functions as follows:

General government	\$ 151,559
Public safety	423,112
Public service	740,149
Culture and recreation	444,424
	<u>\$ 1,759,244</u>

Business-type Activities					
Non-depreciable					
Land	\$ 130,377	\$ -	\$ -	\$ -	130,377
Construction in progress	1,976,956	1,986,671	-	(2,844,481)	1,119,146
Total	2,107,333	1,986,671	-	(2,844,481)	1,249,523
Depreciable					
Buildings	1,022,391	-	-	-	1,022,391
Improvement other than bldg.	32,896,113	16,585	-	2,844,481	35,757,179
Machinery, equip. & vehicles	1,821,134	14,300	-	-	1,835,434
Total	35,739,638	30,885	-	2,844,481	38,615,004
Less accum. depreciation					
Buildings	361,588	19,064	-	-	380,652
Improvement other than bldg.	19,089,892	1,120,918	-	-	20,210,810
Machinery, equip. & vehicles	1,435,946	68,226	-	-	1,504,172
Total	20,887,426	1,208,208	-	-	22,095,634
Business-type Activities, net	\$ 16,959,545	\$ 809,348	\$ -	\$ -	\$ 17,768,893

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CITY OF BRANDON
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2017

Obligations under capital lease

The City has entered into the following lease agreements as of September 30, 2017, which qualify as capital leases for accounting purposes:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Lease dated April 25, 2014, with Motorola for the acquisition of police radios in the amount of \$148,575 at 1.93% payable in 60 monthly payments of \$2,591.	\$ 50,964	\$ -
Lease dated June 25, 2015, with Trustmark National Bank for the acquisition of equipment in the amount of \$68,105 at 1.57% payable in 36 monthly payments of \$1,938.	17,331	-
Lease dated February 25, 2015, with Regions Equipment Finance Corp. for the acquisition of equipment and vehicles in the amount of \$206,299 at 1.65% payable in 36 monthly payments of \$5,877.	25,721	3,546
Lease dated December 15, 2015, with Trustmark National Bank for the acquisition of equipment and vehicles in the amount of \$105,989 at 1.43% payable in 36 monthly payments of \$3,009.	44,715	-
Total obligations under capital leases	\$ 138,731	\$ 3,546

As of September 30, 2017, the City had future minimum payments under capital leases as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
September 30:		
2018	\$ 111,700	\$ 3,546
2019	27,031	-
2020	-	-
2021	-	-
2022	-	-
Total	138,731	3,546
Less amount representing interest	1,550	15
Present value of future minimum lease payments	\$ 137,181	\$ 3,531
Cost of equipment	\$ 503,973	\$ 24,995
Accumulated depreciation	\$ 246,005	\$ 13,331

CITY OF BRANDON
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2017

(7) Long-Term Debt

Transactions for the fiscal year ended September 30, 2017 are summarized as follows:

<u>Governmental Activities</u>	Balance 09/30/16	Additions	Payments	Balance 09/30/17
Capital improvement loans	\$ 180,621	\$ -	\$ 47,806	\$ 132,815
General obligation bonds	27,395,000	-	1,605,000	25,790,000
Special obligation bonds	14,000,000	-	130,000	13,870,000
Other long-term liabilities	2,400,000	-	500,000	1,900,000
Obligations under capital lease	287,540	-	148,809	138,731
Compensated absences	342,379	22,114	-	364,493
Total governmental activities	44,605,540	22,114	2,431,615	42,196,039
<u>Business-type Activities</u>				
Capital improvement loans	4,772,045	871,646	661,886	4,981,805
Obligations under capital lease	11,957	-	8,411	3,546
Compensated absences	60,698	-	-	60,698
Total business-type activities	4,844,700	871,646	670,297	5,046,049
Total government-wide	\$ 49,450,240	\$ 893,760	\$ 3,101,912	\$ 47,242,088

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, 2017, including interest payments are as follows:

Year Ended 30-Sep	Governmental Activities		Business-type Activities		Total
	Principal	Interest	Principal	Interest	
2018	\$ 2,260,603	\$ 1,434,281	\$ 686,371	\$ 106,430	\$ 4,487,685
2019	2,326,335	1,384,472	700,785	92,017	4,503,608
2020	2,382,089	1,327,328	277,281	80,788	4,067,486
2021	1,887,864	1,274,021	284,605	73,463	3,519,953
2022	1,095,924	1,221,484	292,126	65,942	2,675,476
2023-2027	8,605,000	5,385,063	1,574,209	209,671	15,773,943
2028-2032	9,690,000	3,672,969	603,895	53,601	14,020,465
2033-2037	5,915,000	1,957,550	190,887	10,889	8,074,326
2038-2042	3,665,000	1,216,088	-	-	4,881,088
2043-2047	3,865,000	398,200	-	-	4,263,200
Total	\$ 41,692,815	\$ 19,271,455	\$ 4,610,159	\$ 692,801	\$ 66,267,230

CITY OF BRANDON
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2017

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 Activities</u>
\$5,619,951 Water Pollution Control Revolving Loan for pollution control improvements through the Mississippi Department of Environmental Quality. Payments are \$36,228 monthly for 15 years through 9/1/2019. Interest is 1.75% APR.	\$ -	\$ 853,813
\$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.	-	680,883
\$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.	-	1,920,143
\$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.	-	662,974
\$250,091 Capital Improvement Revolving Loan for the purchase of a fire truck through the Mississippi Development Authority. Payments are \$2,515 monthly for 10 years through 2025. Interest is 3% APR.	132,815	-
\$500,000 Cap Loan for sewer projects 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.	-	492,347
\$1,425,843 Water Pollution Control Revolving Loan for pollution control improvements through the Mississippi Department of Environmental Quality. Monthly payments will be determined when loan is finalized.	-	371,645
Total Capital Improvement Loans	\$ <u>132,815</u>	\$ <u>4,981,805</u>

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.

CITY OF BRANDON
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2017

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, 2017 are comprised of the following:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
<u>General Obligation Bonds</u>		
\$2,535,000 2009 Refunding Bonds due in annual installments ranging from \$5,000 to \$360,000 for 12 years through April 2021, bearing interest of 2.875%.	\$ 1,385,000	\$ -
\$3,160,000 2011 Refunding Bonds due in annual installments ranging from \$20,000 to \$435,000 for 9 years through September 2020, with interest ranging from 2.0% to 3.0%.	1,265,000	-
\$2,790,000 2013 Refunding Bonds due in annual installments ranging from \$40,000 to \$420,000 for 8 years through September 2021, bearing interest of 2.36%.	1,625,000	-
\$2,355,000 2015 Refunding Bonds due in annual installments ranging from \$20,000 to \$760,000 for 9 years through September 2024, with interest ranging from 2.0% to 3.0%.	2,105,000	-
\$13,680,000 2014 Public Improvement Bonds due in annual installments ranging from \$270,000 to \$1,130,000 for 18 years through November 2034, with interest ranging from 2.0% to 5.0%.	13,410,000	-
\$6,000,000 2016 Special Obligation Bonds due in annual installments ranging from \$0 to \$900,000 for 15 years through 2031, with interest ranging from 3.0% to 4.0%.	6,000,000	-
Total General Obligation Bonds	<u>25,790,000</u>	<u>-</u>
\$14,000,000 2016 Special Obligation Bonds 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%.	13,870,000	-
Total Special Obligation Bonds	<u>13,870,000</u>	<u>-</u>
Total before premiums/(discounts), net	39,660,000	-
Premiums/(discounts), net	2,481,442	-
Total Bonds Payable	<u>\$ 42,141,442</u>	<u>\$ -</u>

CITY OF BRANDON
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2017

Other Long-term Liabilities

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

Other Long-term Liabilities payable at September 30, 2017 are comprised of the following:

<u>Other Long-Term Liabilities</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>
\$500,000 due to B&B Family Properties, L.P. for the purchase of property due in 5 annual installments of \$100,000 through June 2020, bearing no interest (see footnote 11).	\$ 300,000	\$ -
\$2,000,000 General Obligation Note Payable to Community Bank for the construction of roads due in 5 annual installments of \$400,000 through June 2020, with an interest rate of 1.739%.	1,600,000	-
Total Long-Term Liabilities	<u>\$ 1,900,000</u>	<u>\$ -</u>

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, 2017:

Authorized Debt Limit:	<u>15 Percent</u>	<u>20 Percent</u>
Assessed valuation for the fiscal year ended September 30, 2017 - \$ 238,348,168	\$ 35,752,225	\$ 47,669,634
Total long-term debt - governmental activities	42,196,039	42,196,039
Less amounts not subject to statutory limitation	<u>(16,406,039)</u>	<u>(14,234,493)</u>
Present debt subject to debt limitation	<u>25,790,000</u>	<u>27,961,546</u>
Margin for further general indebtedness	<u>\$ 9,962,225</u>	<u>\$ 19,708,088</u>

CITY OF BRANDON
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2017

(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, 2017, the government-wide statement of net position reports \$9,047,960 of restricted net position, of which \$1,561,324 is restricted by this enabling legislation.

(9) Defined Benefit Pension Plan

Plan Description

The City contributes to the Public Employees' Retirement System of Mississippi ("PERS"). PERS was created with the purpose to provide pension benefits for all state and public education employees, sworn officers of the Mississippi Highway Safety Patrol, other public employees whose employers have elected to participate in PERS, and elected members of the State Legislature and the President of the Senate. PERS administers a cost-sharing, multiple-employer defined benefit pension plan as defined in Governmental Accounting Standards Board (GASB) Statement No. 67, Financial Reporting for Pension Plans.

For the cost-sharing plan participating members who are vested and retire at or after age 60 or those who retire regardless of age with at least 30 years of creditable service (25 years of creditable service for employees who became members of PERS before July 1, 2011) are entitled, upon application, to an annual retirement allowance payable monthly for life in an amount equal to 2.00% of their average compensation for each year of creditable service up to and including 30 years (25 years for those who became members of PERS before July 1, 2011), plus 2.50% for each additional year of creditable service with an actuarial reduction in the benefit for each year of creditable service below 30 years or the number of years in age that the member is below 65, whichever is less. Average compensation is the average of the employee's earnings during the four highest compensated years of creditable service. A member may elect a reduced retirement allowance payable for life with the provision that, after death, a beneficiary receives benefits for life or for a specified number of years. Benefits vest upon completion of eight years of membership service (four years of membership service for those who became members of PERS before July 1, 2007). PERS also provides certain death and disability benefits. In the event of death prior to retirement of any member whose spouse and/or children are not entitled to a retirement allowance, the deceased member's accumulated contributions and interest are paid to the designated beneficiary.

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 employer's contractually required contribution rate for the year ended September 30, 2017 was 15.75% of annual covered payroll. The City's contributions to PERS for the years ended September 30, 2017, 2016, and 2015 was \$1,044,539, \$1,053,983, and \$948,315, respectively, which was 100% of the required contribution for each year.

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CITY OF BRANDON
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2017

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

At September 30, 2017, the City reported a liability of \$17,059,260 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, 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, 2017, the City's proportion was 0.102622 percent, which was an increase of .003403 from its proportion measured as of June 30, 2016.

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 2017, this was 3.37 years, which was a decrease of .11 years from the prior year average of 3.48.

Changes in Assumptions.

2017

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

2016

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

2015

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

CITY OF BRANDON
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2017

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, 2017, the City recognized pension expense of \$2,091,104, which included net amortization of deferred outflows and deferred inflows. Of this amount, \$1,835,071 was allocated to governmental activities and \$256,033 was allocated to business-type activities.

At September 30, 2017, the City reported \$2,265,782 in deferred outflows of resources and \$372,573 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	\$ 245,087	\$ 124,476
Net difference between projected and actual earnings on pension plan investments	-	219,028
Change of assumptions	379,163	29,069
City contributions subsequent to the measurement date	287,436	-
Differences between City contributions and proportionate share of contributions	1,354,096	-
Total	<u>\$ 2,265,782</u>	<u>\$ 372,573</u>

The \$287,436 of deferred outflows of resources resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending September 30, 2017. 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, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary increases	3.75-18.5% average, including inflation
Investment rate of return	7.75% net of pension plan investment expense, including inflation

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

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

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected

CITY OF BRANDON
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2017

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, 2017 are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
U.S. Broad	27%	4.60%
International equity	18%	4.50%
Emerging markets equity	4%	4.75%
Global	12%	4.75%
Fixed income	18%	0.75%
Real assets	10%	3.50%
Private equity	8%	5.10%
Emerging debt	2%	2.25%
Cash	1%	0.00%
Total	100%	

Discount Rate

The discount rate used to measure the total pension liability was 7.75%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate (9%) and that employer contributions will be made at the current employer contribution rate (15.75%). Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

	Discount Rate		
	1% Decrease 6.75 %	Current 7.75 %	1% Increase 8.75 %
City's proportional share of the net pension liability	\$ 22,374,358	\$ 17,059,259	\$ 12,646,573

CITY OF BRANDON
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2017

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 \$8,680,000. These contracts will be paid in future periods as work is performed. Payment will be made with proceeds remaining from past bond issues, operating revenues, Federal grants and restaurant sales tax receipts to be received.

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

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

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CITY OF BRANDON
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2017

(11) Risk Management

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

Participation in Public Entity Risk Pool

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

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

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

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

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 February 20, 2018, the date which the financial statements were available to be issued, noting no subsequent events to be disclosed.

CITY OF BRANDON
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended September 30, 2017

	Original Budget	Budget as Amended	Actual	Variance from Final Amended Budget Over (under)
Revenues:				
Taxes	\$ 4,565,606	\$ 4,565,606	\$ 4,018,385	\$ (547,221)
Licenses and permits	1,066,000	1,066,000	1,057,793	(8,207)
State shared revenues	7,033,344	7,033,344	7,116,847	83,503
Grants	1,313,000	1,313,000	582,565	(730,435)
County shared revenues	881,101	881,101	1,066,060	184,959
Charges for services	434,710	434,710	372,581	(62,129)
Fines and forfeits	583,022	583,022	498,210	(84,812)
Other	116,975	116,975	168,637	51,662
Total Revenues	15,993,758	15,993,758	14,881,078	(1,112,680)
Expenditures:				
City court				
Personnel costs	284,310	284,310	259,808	(24,502)
Supplies	3,320	3,320	3,142	(178)
Charges for services	8,685	8,685	6,831	(1,854)
Total city court	296,315	296,315	269,781	(26,534)
Elections				
Supplies	3,200	3,200	1,709	(1,491)
Charges for services	14,100	14,100	3,991	(10,109)
Capital expenditures	2,850	2,850	2,200	(650)
Total election	20,150	20,150	7,900	(12,250)
Executive / Administrative				
Personnel cost	272,419	272,419	269,142	(3,277)
Supplies	825	1,425	1,384	(41)
Charges for services	44,121	44,121	40,804	(3,317)
Total executive / administrative	317,365	317,965	311,330	(6,635)
General Government				
Personnel cost	450,839	450,839	409,122	(41,717)
Supplies	18,470	19,220	18,766	(454)
Charges for services	244,793	244,793	237,237	(7,556)
Capital expenditures	-	12,000	11,178	(822)
Debt service	120,000	120,000	116,485	(3,515)
Total general government	834,102	846,852	792,788	(54,064)

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

CITY OF BRANDON
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

For the Year Ended September 30, 2017

	Original Budget	Budget as Amended	Actual	Variance from Final Amended Budget Over (under)
Animal Control Department				
Personnel cost	45,107	45,107	41,815	(3,292)
Supplies	4,000	4,000	1,797	(2,203)
Charges for services	7,715	7,715	5,996	(1,719)
Total animal control department	56,822	56,822	49,608	(7,214)
Police Department				
Personnel cost	2,686,049	2,712,048	2,697,380	(14,668)
Supplies	261,239	261,239	185,553	(75,686)
Charges for services	322,901	322,901	265,094	(57,807)
Capital expenditures	216,670	216,670	100,000	(116,670)
Debt service	31,099	31,099	31,097	(2)
Total police department	3,517,958	3,543,957	3,279,124	(264,833)
Fire Department				
Personnel cost	3,495,462	3,495,462	3,205,805	(289,657)
Supplies	89,833	89,833	84,171	(5,662)
Charges for services	305,002	305,002	241,740	(63,262)
Capital expenditures	70,750	70,750	66,166	(4,584)
Debt service	96,818	96,818	61,793	(35,025)
Total fire department	4,057,865	4,057,865	3,659,675	(398,190)
Street Department				
Personnel cost	324,435	346,435	341,547	(4,888)
Supplies	162,125	182,125	175,446	(6,679)
Charges for services	1,237,923	1,396,923	1,385,304	(11,619)
Capital expenditures	3,180,650	3,180,650	2,192,295	(988,355)
Debt service	473,338	473,338	462,786	(10,552)
Total street department	5,378,471	5,579,471	4,557,378	(1,022,093)
Community development				
Personnel cost	306,965	306,965	273,026	(33,939)
Supplies	8,200	8,200	7,160	(1,040)
Charges for services	71,691	71,691	65,731	(5,960)
Total community development	386,856	386,856	345,917	(40,939)

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CITY OF BRANDON
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended September 30, 2017

	Original Budget	Budget as Amended	Actual	Variance from Final Amended Budget Over (under)
Cemetery Maintenance				
Supplies	3,000	3,000	-	(3,000)
Charges for services	41,063	41,063	23,933	(17,130)
Capital expenditures	3,000	3,000	-	(3,000)
Total cemetery maintenance	47,063	47,063	23,933	(23,130)
Parks Department				
Personnel cost	656,249	656,249	512,394	(143,855)
Supplies	158,405	158,405	150,045	(8,360)
Charges for services	397,538	397,538	326,246	(71,292)
Capital expenditures	48,000	72,000	41,130	(30,870)
Total parks department	1,260,192	1,284,192	1,029,815	(254,377)
Splash Park Department				
Personnel cost	15,940	15,940	13,610	(2,330)
Supplies	2,850	2,850	1,000	(1,850)
Charges for services	3,700	3,700	2,275	(1,425)
Capital expenditures	250	250	-	(250)
Total splash park department	22,740	22,740	16,885	(5,855)
Library				
Supplies	5,600	5,600	5,238	(362)
Charges for services	103,635	128,635	121,000	(7,635)
Total library	109,235	134,235	126,238	(7,997)
Senior Citizen Department				
Personnel cost	59,248	62,248	61,654	(594)
Supplies	14,030	14,030	12,919	(1,111)
Charges for services	56,526	56,526	35,367	(21,159)
Capital expenditures	2,599	2,599	194	(2,405)
Total senior citizen department	132,403	135,403	110,134	(25,269)

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

CITY OF BRANDON
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

For the Year Ended September 30, 2017

	Original Budget	Budget as Amended	Actual	Variance from Final Amended Budget Over (under)
Conference Center				
Personnel cost	98,885	98,885	98,100	(785)
Supplies	7,478	8,978	8,480	(498)
Charges for services	196,092	196,092	109,331	(86,761)
Capital expenditures	13,390	22,390	17,510	(4,880)
Total conference center	315,845	326,345	233,421	(92,924)
Economic Development				
Personnel cost	81,663	81,663	80,009	(1,654)
Supplies	200	200	-	(200)
Charges for services	60,540	60,540	44,357	(16,183)
Total economic development	142,403	142,403	124,366	(18,037)
Information Technology				
Personnel cost	64,520	66,020	64,509	(1,511)
Supplies	12,302	12,302	3,223	(9,079)
Charges for services	413,319	413,319	372,715	(40,604)
Capital expenditures	147,125	147,125	50,089	(97,036)
Total information technology	637,266	638,766	490,536	(148,230)
Total Expenditures	17,533,051	17,837,400	15,428,829	(2,408,571)
Excess of revenues over (under) expenditures	(1,539,293)	(1,843,642)	(547,751)	1,295,891
Other financing sources (uses):				
Non-revenue receipts	13,000	13,000	42,724	29,724
Operating transfers out	(916,869)	(916,869)	(615,919)	300,950
Total other financing sources (uses)	(903,869)	(903,869)	(573,195)	330,674
Excess (deficiency) of revenues and other sources over expenditures and other uses, budgetary basis	\$ (2,443,162)	\$ (2,747,511)	(1,120,946)	\$ 1,626,565
Fund Balance, September 30, 2016			6,515,483	
Fund Balance, September 30, 2017			\$ 5,394,537	

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>
City's proportion of the net pension liability	\$ 17,059,260	\$ 17,722,991	\$ 14,431,151
City's proportionate share of the net pension liability	0.102622%	0.099219%	0.093357%
City's covered - employee payroll	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	259.13%	279.22%	247.43%
Plan fiduciary net position as a percentage of the total pension liability	61.49%	57.47%	61.70%

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

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

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

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

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

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

CITY OF BRANDON
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended September 30, 2017

Budgetary Comparision 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, 2017.

Change of Assumptions

- a) The expectation of retired life mortality was changed to the RP-20 14 Healthy Annuitant Blue Collar Mortality Table projected with Scale BB to 2022. Small adjustments were also made to the Mortality Table for disabled lives.
- b) The wage inflation assumption was reduced from 3.75% to 3.25%.
- c) Withdrawal rates, pre-retirement mortality rates, disability rates and service retirement rates were also adjusted to more closely reflect actual experience.
- d) The percentage of active member disabilities assumed to be in the line of duty was increased from 6% to 7%.

CITY OF BRANDON
SCHEDULE OF SURETY BONDS FOR MUNICIPAL OFFICIALS
September 30, 2017

Position	Name	Surety	Amount
Mayor	Lee, Butch	St Paul	\$ 100,000
Alderman	Coker, Lu	St Paul	\$ 100,000
Alderman	Corley, Monica (Roland)	St Paul	\$ 100,000
Alderman	Dobbs, Tahya	St Paul	\$ 100,000
Alderman	Middleton, Dwight	St Paul	\$ 100,000
Alderman	Morris, James	St Paul	\$ 100,000
Alderman	Vinson, Cris	St Paul	\$ 100,000
Alderman	Williams, Harry	St Paul	\$ 100,000
City Clerk/Tax Collector	Bean, Angela	St Paul	\$ 50,000
Deputy City Clerk	Davis, Amy	Western Surety Company	\$ 50,000
Accountant	Greenwood, Elizabeth	Western Surety Company	\$ 50,000
Accounts Payable Clerk	Rankin, Susan	Western Surety Company	\$ 50,000
Payroll Clerk	Jobe, Niki	Western Surety Company	\$ 50,000
Receptionist	Johnson, Elizabeth	Western Surety Company	\$ 50,000
Events Coordinator	Farrar, Lori	Western Surety Company	\$ 50,000
Police Chief	Thompson, William	St Paul	\$ 50,000
Administrative Assistant	Arendale, Byrnnne	Western Surety Company	\$ 50,000
Court Clerk	Yates, Tara	Western Surety Company	\$ 50,000
Deputy Court Clerk	Berry, Lydia	Western Surety Company	\$ 50,000
Deputy Court Clerk	Young-Daniels, Cassandra	Western Surety Company	\$ 50,000
Administrative Assistant	Palmer, Carolyn	Western Surety Company	\$ 50,000
Community Development Director	Hillman, Jordan	Western Surety Company	\$ 50,000
Community Development Office Manager	Hazen, Catherine	Western Surety Company	\$ 50,000
Code Enforcement Officer	Parrish, Heather	Western Surety Company	\$ 50,000
P&R Director	Ford, Ramie	Western Surety Company	\$ 50,000
P&R Office Manager	Pardo, Brianne	Western Surety Company	\$ 50,000
Parks Superintendent	Tyrone, Josh	Western Surety Company	\$ 50,000
Recreation Program Coordinator	Leach, Brent	Western Surety Company	\$ 50,000
Recreation Program Coordinator	Hopson, Julie	Western Surety Company	\$ 50,000
Public Works Director	Smith, Charles	Western Surety Company	\$ 50,000
PW Operations Coordinator	Dearman, Carly	Western Surety Company	\$ 50,000
Utility Billing Clerk	Blackwell, Tonya	Western Surety Company	\$ 50,000
Utility Billing Clerk	Massey, Sharon	Western Surety Company	\$ 50,000
Utility Billing Clerk	Scanlon, Lindsay	Western Surety Company	\$ 50,000
Public Employees Blanket Bond (Faithful Performance Blanket position)	Covers 134 Employees Including Police Officers	Western Surety Company	\$ 50,000
Parks & Rec Splash Park	Convers 15 Employees	Western Surety Company	\$ 10,000
Various Communications Personnel			

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**CITY OF BRANDON
BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
September 30, 2017**

	Drug Seizure Fund	Amphi- Theater Fund	Total Nonmajor Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 1,500	\$ -	\$ 1,500
Restricted cash	<u>36,312</u>	<u>35,013</u>	<u>71,325</u>
Total Assets	<u><u>37,812</u></u>	<u><u>\$ 35,013</u></u>	<u><u>72,825</u></u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	<u>-</u>	<u>\$ -</u>	<u>-</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance			
Restricted	<u>37,812</u>	<u>35,013</u>	<u>72,825</u>
Total Fund Balances	<u>37,812</u>	<u>35,013</u>	<u>72,825</u>
Total Liabilities and Fund Balances	<u><u>\$ 37,812</u></u>	<u><u>\$ 35,013</u></u>	<u><u>\$ 72,825</u></u>

CITY OF BRANDON
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS

For the year ended September 30, 2017

	Drug Seizure Fund	Amphi- Theater Fund	Total Nonmajor Governmental Funds
Revenues			
Property tax	\$ -	\$ -	\$ -
Charges for services	-	35,000	35,000
Fines and forfeitures	297,785	-	297,785
Other revenues	197	13	210
Total Revenues	<u>297,982</u>	<u>35,013</u>	<u>332,995</u>
Expenditures			
Current (operating)			
Public safety	61,386	-	61,386
Capital outlay	225,856	-	225,856
Debt service			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Total Expenditures	<u>287,242</u>	<u>-</u>	<u>287,242</u>
Excess of revenues over (under) expenditures	<u>10,740</u>	<u>35,013</u>	<u>45,753</u>
Other financing sources and uses, including transfers			
Proceeds from sale of assets	4,150	-	4,150
Transfers in (out)	-	-	-
Total other financing sources and (uses)	<u>4,150</u>	<u>-</u>	<u>4,150</u>
Net change in fund balances	14,890	35,013	49,903
Fund Balances, September 30, 2016	22,922	-	22,922
Fund Balances, September 30, 2017	<u>\$ 37,812</u>	<u>\$ 35,013</u>	<u>\$ 72,825</u>

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**CITY OF BRANDON
GENERAL FUND
COMPARISON SCHEDULES OF REVENUES AND EXPENDITURES
AND CHANGES IN FUND BALANCE
For the Years Ended September 30, 2017 and 2016**

	<u>2017</u>	<u>2016</u>
Revenues		
Taxes		
Property tax	\$ 3,976,492	\$ 3,896,516
Sales tax	5,820,570	5,473,459
Sales tax - restaurants	1,081,830	1,062,823
Franchise tax	829,544	980,175
	<u>11,708,436</u>	<u>11,412,973</u>
Licenses and Permits		
Privilege licenses	44,216	43,240
Building permits	170,212	172,686
Other licenses	18,821	41,875
Total Licenses and Permits	<u>233,249</u>	<u>257,801</u>
State Shared Revenues		
Payment in lieu of taxes - Grand Gulf	184,777	156,463
Fire protection	164,379	174,306
Municipal aid	10,824	10,824
Gasoline tax	18,846	18,846
Emergency disaster funds	8,228	-
Department of Transportation grant	4,785	97,468
Department of Public Safety funds	56,251	87,250
Other grant funds	21,528	15,298
Total State Shared Revenue	<u>469,618</u>	<u>560,455</u>
County Shared Revenues		
Pro-rata county road tax	860,886	842,800
Auto rental and rail tax	46,694	41,340
Tourism tax	35,995	35,869
County reimbursements	500,000	30,000
Total County Shared Revenues	<u>1,443,575</u>	<u>950,009</u>
Service Charges		
Facility rental fees	87,210	59,190
Park sales and fees	223,468	217,395
Plan review and inspection fees	31,710	20,170
Zoning & development fees	1,326	17,004
Total Service Charges	<u>343,714</u>	<u>313,759</u>
Court Fines and Forfeits	<u>498,210</u>	<u>574,647</u>
Other revenues	<u>184,276</u>	<u>211,788</u>
Total Revenues	<u>14,881,078</u>	<u>14,281,432</u>

**CITY OF BRANDON
GENERAL FUND
COMPARISON SCHEDULES OF REVENUES AND EXPENDITURES
AND CHANGES IN FUND BALANCE
For the Years Ended September 30, 2017 and 2016**

	<u>2017</u>	<u>2016</u>
<u>Expenditures</u>		
General Government and Administration		
City Court		
Salaries		
Salaries	189,760	181,109
Employer costs	70,048	69,353
Total Salaries	<u>259,808</u>	<u>250,462</u>
Supplies, Services and Other Charges		
Office supplies	3,142	1,929
Professional fees	6,831	4,159
Total Supplies, Services and Other Charges	<u>9,973</u>	<u>6,088</u>
Capital Outlay		
Machinery and equipment	-	530
Total Capital Outlay	<u>-</u>	<u>530</u>
Total City Court	<u>269,781</u>	<u>257,080</u>
Election		
Operating supplies	7,900	2,731
Total Election Costs	<u>7,900</u>	<u>2,731</u>
Executive / Administration		
Salaries		
Salaries	189,817	191,245
Employer costs	79,325	77,856
Total Salaries	<u>269,142</u>	<u>269,101</u>
Supplies, Services and Other Charges		
Advertising	174	1,661
Bond fees and expenses	1,225	1,138
Conventions	5,066	5,335
Donations	7,000	4,000
Dues and subscriptions	7,761	7,726
Exhibitions and promotions	889	1,274
Insurance	3,592	3,500
Miscellaneous	94	9,261

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**CITY OF BRANDON
GENERAL FUND
COMPARISON SCHEDULES OF REVENUES AND EXPENDITURES
AND CHANGES IN FUND BALANCE
For the Years Ended September 30, 2017 and 2016**

	<u>2017</u>	<u>2016</u>
Operating supplies	1,182	2,271
Printing and binding	720	251
Professional fees	7,807	13,460
Rentals	661	232
Repairs - Other	-	215
Repairs - Vehicles	211	1,493
Telephone and communication	1,801	2,686
Training	2,812	2,023
Transportation	1,193	1,930
Total Supplies, Services and Other Charges	<u>42,188</u>	<u>58,456</u>
Capital Outlay		
Machinery and equipment	-	1,464
Total Capital Outlay	<u>-</u>	<u>1,464</u>
Total Executive / Administrative Department	<u>311,330</u>	<u>329,021</u>
General Government Department		
Salaries		
Salaries	349,356	331,081
Employer costs	124,274	117,967
Total Salaries	<u>473,630</u>	<u>449,048</u>
Supplies, Services and Other Charges		
Advertising	1,627	3,449
Bond fees and expenses	2,210	1,187
Cleaning and janitorial	4,419	4,290
Contract labor	1,957	2,123
Conventions	1,771	-
Data Processing	-	5,715
Dues and subscriptions	20,835	11,931
Insurance	10,723	10,597
Land leases	1,200	1,200
Miscellaneous	939	34,714
Office supplies	5,302	5,351
Operating supplies	11,114	17,027
Postage	5,215	3,103
Printing and binding	3,705	3,595
Professional fees	261,103	154,249
Rentals	100,888	11,184
Repairs - equipment	2,730	2,618
Repairs - other	41,282	67,071
Repairs - vehicles	173	1,044
Telephone and communication	104,380	14,828

**CITY OF BRANDON
GENERAL FUND
COMPARISON SCHEDULES OF REVENUES AND EXPENDITURES
AND CHANGES IN FUND BALANCE
For the Years Ended September 30, 2017 and 2016**

	<u>2017</u>	<u>2016</u>
Training	330	6,189
Transportation	525	634
Uniforms	284	-
Utilities	49,229	76,144
Total Supplies, Services and Other Charges	<u>631,941</u>	<u>438,243</u>
Capital Outlay		
Machinery and equipment	61,267	199,997
Total Capital Outlay	<u>61,267</u>	<u>199,997</u>
Debt Service		
Debt service principal	108,242	-
Debt service interest	8,243	-
Total Debt Service	<u>116,485</u>	<u>-</u>
Total General Government Department	<u>1,283,323</u>	<u>1,087,288</u>
Total General Government and Administration	<u>1,872,334</u>	<u>1,676,120</u>
Public Services		
Street Department		
Salaries		
Wages	240,214	250,747
Employer costs	101,334	107,271
Total Salaries	<u>341,548</u>	<u>358,018</u>
Supplies, Services and Other Charges		
Advertising	741	1,551
Chemicals	19,803	18,405
Contract labor	237,459	146,699
Dues and subscriptions	-	385
Insurance	24,974	25,497
Miscellaneous	121	24
Operating supplies	122,713	57,435
Professional fees	327,106	184,479
Repairs - equipment	77,914	73,321
Repairs - vehicles	23,718	24,464
Repairs - other	194,392	168,386
Telephone and communications	1,796	3,364
Training	150	481
Transportation	27,462	25,880
Uniforms	5,469	5,924
Utilities - street lights	496,931	510,580
Total Supplies, Services and Other Charges	<u>1,560,749</u>	<u>1,246,875</u>

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**CITY OF BRANDON
GENERAL FUND
COMPARISON SCHEDULES OF REVENUES AND EXPENDITURES
AND CHANGES IN FUND BALANCE
For the Years Ended September 30, 2017 and 2016**

	<u>2017</u>	<u>2016</u>
Capital Outlay		
Improvements other than buildings	2,192,295	1,209,104
Machinery and equipment	-	14,653
Vehicles	-	105,989
Total Capital Outlay	<u>2,192,295</u>	<u>1,329,746</u>
Debt Service		
Debt service principal	435,834	100,755
Debt service interest	26,952	3,548
Total Debt Service	<u>462,786</u>	<u>104,303</u>
Total Street Department	<u>4,557,378</u>	<u>3,038,942</u>
Community Development Department		
Salaries		
Salaries	196,891	211,404
Employer costs	76,135	87,531
Total Salaries	<u>273,026</u>	<u>298,935</u>
Supplies, Services and Other Charges		
Advertising	449	1,599
Contract labor	6,710	14,663
Convention	1,014	-
Dues and subscriptions	865	1,340
Insurance	5,189	4,970
Miscellaneous expenses	5,806	5,954
Office supplies	1,684	1,613
Operating supplies	1,862	1,360
Printing and binding	695	592
Professional fees	36,613	39,110
Repairs - vehicles	674	4,206
Communications	5,487	6,899
Training	2,231	1,316
Transportation	3,173	2,243
Uniforms	439	764
Total Supplies, Services and Other Charges	<u>72,891</u>	<u>86,629</u>

**CITY OF BRANDON
GENERAL FUND
COMPARISON SCHEDULES OF REVENUES AND EXPENDITURES
AND CHANGES IN FUND BALANCE
For the Years Ended September 30, 2017 and 2016**

	<u>2017</u>	<u>2016</u>
Capital Outlay		
Machinery and equipment	-	11,951
Vehicles	-	18,175
Total Capital Outlay	-	30,126
Total Community Development Department	<u>345,917</u>	<u>415,690</u>
Total Public Services	<u>4,903,295</u>	<u>3,454,632</u>
Public Safety		
Police Department		
Salaries		
Salaries	1,975,129	1,978,029
Employer costs	722,251	721,501
Total Salaries	<u>2,697,380</u>	<u>2,699,530</u>
Supplies, Services and Other Charges		
Bond fees and expenses	1,925	1,925
Cleaning and janitorial	3,564	3,829
Contract labor	6,887	2,623
Conventions	942	-
D.P.S. Fund expenses	11,240	2,700
Dues and subscriptions	598	1,724
Insurance	93,751	87,306
Miscellaneous	11,465	8,659
Office supplies	4,939	5,249
Operating supplies	9,212	7,369
Printing and binding	1,403	1,191
Prisoners expense	49,869	83,888
Professional fees	17,374	31,961
Repairs - equipment	3,423	44,178
Repairs - other	21,215	20,430
Repairs - vehicles	31,364	28,400
SRT expenses	4,628	8,421
Telephone and communications	31,375	41,774
Training	13,032	12,898
Transportation	85,135	76,869
Uniforms	16,967	17,148
Utilities	30,339	29,587
Total Supplies, Services and Other Charges	<u>450,647</u>	<u>518,129</u>

**CITY OF BRANDON
GENERAL FUND
COMPARISON SCHEDULES OF REVENUES AND EXPENDITURES
AND CHANGES IN FUND BALANCE
For the Years Ended September 30, 2017 and 2016**

	<u>2017</u>	<u>2016</u>
Capital Outlay		
Land	-	8,752
Machinery and equipment	-	85,447
Vehicles	-	25,498
Total Capital Outlay	<u>-</u>	<u>119,697</u>
Debt Service		
Debt service principal	129,801	129,232
Debt service interest	1,296	1,865
Total Debt Service	<u>131,097</u>	<u>131,097</u>
Total Police Department	<u>3,279,124</u>	<u>3,468,453</u>
Fire Department		
Salaries		
Salaries	2,308,995	2,182,487
Employer costs	896,810	856,942
Total Salaries	<u>3,205,805</u>	<u>3,039,429</u>
Supplies, Services and Other Charges		
Advertising	197	194
Bond fees and expenses	175	175
Chemicals	-	885
Cleaning	5,637	7,231
Communications	18,409	32,863
Conventions	3,050	2,712
Data processing	84	96
Dues and subscriptions	6,380	3,099
Exhibitions and promotions	1,491	503
Insurance	48,649	47,816
Miscellaneous	16,715	8,273
Office supplies	2,445	2,395
Operating supplies	7,357	8,961
Printing and binding	924	832
Professional fees	10,598	6,038
Rentals	2,566	2,950
Repairs - vehicles	42,419	57,571
Repairs - equipment	12,778	19,007
Repairs - other	5,794	3,763
Storm Team	2,205	2,935

**CITY OF BRANDON
GENERAL FUND
COMPARISON SCHEDULES OF REVENUES AND EXPENDITURES
AND CHANGES IN FUND BALANCE
For the Years Ended September 30, 2017 and 2016**

	<u>2017</u>	<u>2016</u>
Training	36,775	21,186
Transportation	31,168	32,893
Uniforms	36,727	44,713
Utilities	33,368	22,919
Total Supplies, Services and Other Charges	<u>325,911</u>	<u>330,010</u>
Capital Outlay		
Machinery and equipment	62,847	74,342
Vehicles	-	866,355
Furniture and fixtures	3,319	32,623
Total Capital Outlay	<u>66,166</u>	<u>973,320</u>
Debt Service		
Debt service principal	55,707	77,242
Debt service interest	6,086	5,821
Total Debt Service	<u>61,793</u>	<u>83,063</u>
Total Fire Department	<u>3,659,675</u>	<u>4,425,822</u>
Animal Control		
Salaries		
Salaries	29,275	29,758
Employer costs	12,540	14,343
Total Salaries	<u>41,815</u>	<u>44,101</u>
Supplies, Services and Other Costs		
Advertising	15	30
Insurance	2,992	2,737
Operating supplies	61	-
Professional fees	2,071	1,406
Repairs - vehicles	268	1,013
Telephone and communications	652	550
Transportation	1,708	1,836
Uniforms	26	422
Total Supplies, Services and Other Charges	<u>7,793</u>	<u>7,994</u>
Total Animal Control	<u>49,608</u>	<u>52,095</u>
Total Public Safety	<u>6,988,407</u>	<u>7,946,370</u>

**CITY OF BRANDON
GENERAL FUND
COMPARISON SCHEDULES OF REVENUES AND EXPENDITURES
AND CHANGES IN FUND BALANCE
For the Years Ended September 30, 2017 and 2016**

	<u>2017</u>	<u>2016</u>
Culture and Recreation		
Cemetery Department		
Supplies, Services and Other Charges		
Contract labor	23,255	29,416
Miscellaneous expenses	-	1,993
Utilities	678	736
Total Supplies, Services and Other Charges	<u>23,933</u>	<u>32,145</u>
Capital Outlay		
Improvements other than buildings	-	3,408
Total Capital Outlay	<u>-</u>	<u>3,408</u>
Total Cemetery Department	<u>23,933</u>	<u>35,553</u>
Parks Department		
Salaries		
Salaries	178,023	148,844
Wages	207,793	180,939
Employer costs	126,577	102,473
Total Salaries	<u>512,393</u>	<u>432,256</u>
Supplies, Services and Other Charges		
Advertising	501	568
Beautification	19,201	1,820
Chemicals	23,892	21,282
Cleaning and janitorial	15,497	13,220
Contract labor	89,352	112,931
Dues and subscriptions	45	561
Exhibitions and promotions	2,150	-
Insurance	22,224	23,341
Miscellaneous expenses	2,653	391
Office supplies	2,217	812
Operational supplies	61,197	39,998
Printing and binding	692	2,181
Professional fees	24,007	38,046
Rental	12,983	122,462
Repairs - equipment	22,621	8,985
Repairs - other	37,071	17,009
Repairs - vehicles	6,668	2,985
Telephone and communications	5,734	10,679
Tournament fees	2,145	3,039
Training	954	3,550

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**CITY OF BRANDON
GENERAL FUND
COMPARISON SCHEDULES OF REVENUES AND EXPENDITURES
AND CHANGES IN FUND BALANCE
For the Years Ended September 30, 2017 and 2016**

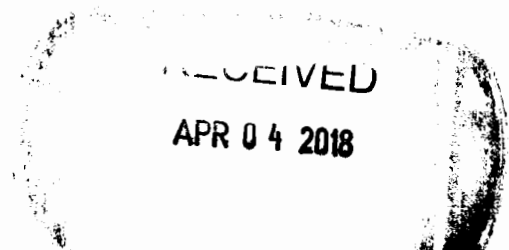
	<u>2017</u>	<u>2016</u>
Transportation	10,471	10,867
Uniforms	36,771	30,587
Utilities	77,247	55,260
Total Supplies, Services and Other Charges	<u>476,293</u>	<u>520,574</u>
Capital Outlay		
Buildings and land	-	541
Improvements other than buildings	19,138	-
Machinery and equipment	21,991	53,436
Total Capital Outlay	<u>41,129</u>	<u>53,977</u>
Total Parks Department	<u>1,029,815</u>	<u>1,006,807</u>
Splash Park Department		
Salaries		
Wages	12,642	14,621
Employer costs	968	1,119
Total Salaries	<u>13,610</u>	<u>15,740</u>
Supplies, Services and Other Charges		
Chemicals	339	181
Cleaning and janitorial	68	-
Office supplies	97	135
Operational supplies	121	5,924
Professional fees	540	217
Repairs - other	1,481	3,118
Uniforms	375	1,217
Utilities	254	-
Total Supplies, Services and Other Charges	<u>3,275</u>	<u>10,792</u>
Capital Outlay		
Machinery and equipment	-	800
Total Capital Outlay	<u>-</u>	<u>800</u>
Total Splash Park Department	<u>16,885</u>	<u>27,332</u>
Senior Citizens Department		
Salaries		
Wages	44,307	41,388
Employer costs	17,347	15,596
Total Salaries	<u>61,654</u>	<u>56,984</u>

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**CITY OF BRANDON
GENERAL FUND
COMPARISON SCHEDULES OF REVENUES AND EXPENDITURES
AND CHANGES IN FUND BALANCE
For the Years Ended September 30, 2017 and 2016**

	<u>2017</u>	<u>2016</u>
Supplies, Services and Other Charges		
Advertising	415	418
Cleaning and janitorial	2,759	1,709
Contract labor	22,725	42,900
Dues and subscriptions	625	678
Insurance	2,279	2,164
Miscellaneous expenses	784	781
Office supplies	140	66
Operational supplies	9,786	11,539
Printing and binding	54	-
Professional fees	52	227
Rental	3,825	3,675
Repairs - equipment	3,365	2,320
Repairs - vehicles	-	803
Telephone and communications	1,155	696
Training	89	-
Transportation	427	558
Total Supplies, Services and Other Charges	<u>48,480</u>	<u>68,534</u>
Capital Outlay		
Machinery and equipment	-	4,175
Total Capital Outlay	<u>-</u>	<u>4,175</u>
Total Senior Citizens Department	<u>110,134</u>	<u>129,693</u>
Library		
Supplies, Services and Other Charges		
Cleaning and janitorial	4,551	3,968
Contract labor	725	537
Insurance	684	696
Operating supplies	687	539
Miscellaneous expenses	146	163
Professional fees	3,688	438
Repairs - equipment	14,823	18,516
Telephone and communications	8,186	5,001
Utilities	92,749	61,650
Total Supplies, Services and Other Charges	<u>126,239</u>	<u>91,508</u>
Total Library Department	<u>126,239</u>	<u>91,508</u>



**CITY OF BRANDON
GENERAL FUND
COMPARISON SCHEDULES OF REVENUES AND EXPENDITURES
AND CHANGES IN FUND BALANCE
For the Years Ended September 30, 2017 and 2016**

	<u>2017</u>	<u>2016</u>
Conference Center		
Salaries		
Salaries	69,178	63,196
Employer costs	28,922	27,099
Total Salaries	<u>98,100</u>	<u>90,295</u>
Supplies, Services and Other Charges		
Advertising	3,485	692
Bond fees	350	-
Brandon Opry	7,193	12,345
Cleaning and janitorial	5,110	4,031
Contract labor	3,300	2,036
Communications	892	1,031
Dues and subscriptions	-	105
Insurance	1,474	1,704
Office supplies	507	461
Operating supplies	2,863	2,655
Miscellaneous expenses	562	922
Professional fees	43,494	1,299
Repairs and maintenance	2,740	1,909
Special Events	29,639	40,487
Veteran's Day	16,202	10,257
Total Supplies, Services and Other Charges	<u>117,811</u>	<u>79,934</u>
Capital Outlay		
Machinery and equipment	17,510	10,765
Total Capital Outlay	<u>17,510</u>	<u>10,765</u>
Debt Service		
Debt service principal	-	3,555
Debt service interest	-	128
Total Debt Service	<u>-</u>	<u>3,683</u>
Total Conference Center Department	<u>233,421</u>	<u>184,677</u>
Total Culture and Recreation	<u>1,540,427</u>	<u>1,475,570</u>
Economic Development		
Salaries		
Wages	60,742	60,957
Employer costs	19,266	19,337
Total Salaries	<u>80,008</u>	<u>80,294</u>

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**CITY OF BRANDON
GENERAL FUND
COMPARISON SCHEDULES OF REVENUES AND EXPENDITURES
AND CHANGES IN FUND BALANCE
For the Years Ended September 30, 2017 and 2016**

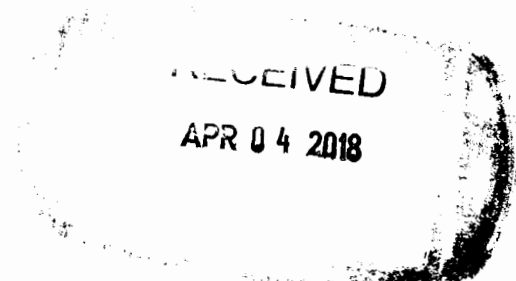
	<u>2017</u>	<u>2016</u>
Supplies, Services and Other Charges		
Advertising	226	5,110
Conventions	988	-
Dues & subscriptions	300	320
Insurance	1,527	1,552
Postage	45	5,871
Professional fees	41,272	216,246
Total Supplies, Services and Other Charges	<u>44,358</u>	<u>229,099</u>
Total Economic Development	<u>124,366</u>	<u>309,393</u>
Total Expenditures	<u>15,428,829</u>	<u>14,862,085</u>
Excess of Revenues over (under) Expenditures	<u>(547,751)</u>	<u>(580,653)</u>
Other Financing Sources (Uses)		
Issuance of debt	-	2,356,080
Operating transfers in (out)	(615,919)	(474,392)
Sales of general fixed assets	42,724	10,109
Total Other Financing Sources (Uses)	<u>(573,195)</u>	<u>1,891,797</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>(1,120,946)</u>	<u>1,311,144</u>
Fund Balance, beginning	<u>6,515,483</u>	<u>5,204,339</u>
Fund Balance, ending	<u>\$ 5,394,537</u>	<u>\$ 6,515,483</u>

**CITY OF BRANDON
DEBT SERVICE FUND
COMPARISON SCHEDULES OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
For the Years Ended September 30, 2017 and 2016**

	<u>2017</u>	<u>2016</u>
Revenues		
Taxes	\$ 2,677,461	\$ 2,615,464
Other income	<u>1,565</u>	<u>1,398</u>
Total Revenues	<u>2,679,026</u>	<u>2,616,862</u>
Debt Service		
Debt service principal	1,735,000	1,825,000
Interest and fiscal charges	<u>1,372,653</u>	<u>786,224</u>
Total Debt Service	<u>3,107,653</u>	<u>2,611,224</u>
Total Expenditures, Capital Outlay and Debt Service	<u>3,107,653</u>	<u>2,611,224</u>
Excess of revenues over (under) expenditures	<u>(428,627)</u>	<u>5,638</u>
Other Financing Sources and Uses		
Transfers In	<u>615,919</u>	<u>474,392</u>
Total other financing sources and (uses)	<u>615,919</u>	<u>474,392</u>
Net change in fund balances	187,292	480,030
Fund Balance, beginning	<u>752,528</u>	<u>272,498</u>
Fund Balance, ending	<u>\$ 939,820</u>	<u>\$ 752,528</u>

**CITY OF BRANDON
DRUG SEIZURE FUND
COMPARISON SCHEDULES OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
For the Years Ended September 30, 2017 and 2016**

	<u>2017</u>	<u>2016</u>
Revenues		
Forfeitures - cash	\$ 297,785	\$ 765
Other income	<u>197</u>	<u>84</u>
Total Revenues	<u>297,982</u>	<u>849</u>
Expenditures		
Buy money	-	300
Paid to other agencies	58,575	-
Operating supplies	<u>2,811</u>	<u>1,972</u>
Total Expenditures	<u>61,386</u>	<u>2,272</u>
Capital Outlay		
Machinery and equipment	<u>225,856</u>	<u>2,999</u>
Total Capital Outlay	<u>225,856</u>	<u>2,999</u>
Total Expenditures	<u>287,242</u>	<u>5,271</u>
Excess of revenues over (under) expenditures	10,740	(4,422)
Other Financing Uses		
Proceeds from sale of assets	<u>4,150</u>	<u>450</u>
Excess of revenues over (under) expenditures and other financing uses	14,890	(3,972)
Fund Balance, beginning	<u>22,922</u>	<u>26,894</u>
Fund Balance, ending	\$ <u><u>37,812</u></u>	\$ <u><u>22,922</u></u>



**CITY OF BRANDON
CAPITAL PROJECTS FUND
COMPARISON SCHEDULES OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
For the Years Ended September 30, 2017 and 2016**

	<u>2017</u>	<u>2016</u>
Revenues		
Interest income	\$ 23,190	\$ 11,909
Total Revenues	<u>23,190</u>	<u>11,909</u>
Capital Outlay		
Morgan's Way Fire Station	3,121	773,474
Grant's Ferry Fire Station	3,121	756,057
Kennedy Farms Fire Station	3,121	765,836
Rankin Trails	254,220	773,968
Shiloh Park Improvements	1,158,057	4,704,805
City Park Improvement	56,685	544,711
Amphitheater	13,891,863	1,885,089
Conference Center	<u>97,658</u>	<u>94,471</u>
Total Capital Outlay	<u>15,467,846</u>	<u>10,298,411</u>
Debt Service		
Interest and fiscal charges	<u>-</u>	<u>912,649</u>
Total Debt Service	-	912,649
Total Expenditures, Capital Outlay and Debt Service	<u>15,467,846</u>	<u>11,211,060</u>
Excess of revenues over (under) expenditures	<u>(15,444,656)</u>	<u>(11,199,151)</u>
Other Financing Sources and Uses		
Proceeds from debt issuance	-	20,000,000
Premiums on bonds issued	-	1,946,668
Transfers In	<u>-</u>	<u>(31,666)</u>
Total other financing sources and (uses)	-	21,915,002
Net change in fund balances	<u>(15,444,656)</u>	<u>10,715,851</u>
Fund Balance, beginning	<u>21,926,674</u>	<u>11,210,823</u>
Fund Balance, ending	<u>\$ 6,482,018</u>	<u>\$ 21,926,674</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, 2017 and 2016**

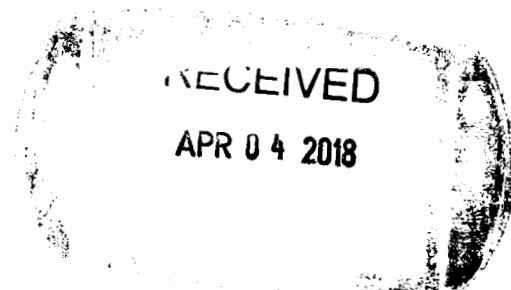
	<u>2017</u>	<u>2016</u>
Operating Revenues		
Water sales	\$ 1,589,611	\$ 1,702,549
Flat rate	757,363	739,544
Late charges and reconnect fees	126,906	96,348
Sewer charges	1,105,367	1,140,487
Service connect charges	121,750	172,366
Sewer charges - West Rankin	2,588,016	2,650,783
Miscellaneous revenue	30,732	14,580
Total Operating Revenues	<u>6,319,745</u>	<u>6,516,657</u>
Operating Expenses		
Salaries		
Salaries	179,911	176,795
Wages	576,621	506,093
Employer costs	396,694	485,235
Total Salaries	<u>1,153,226</u>	<u>1,168,123</u>
Supplies, Service and Other Charges		
Advertising	1,119	2,379
Bad Debt	-	75,000
Chemicals	37,800	40,374
Contract labor	176,329	149,087
Dues & subscriptions	50	1,260
Insurance	76,777	74,964
Land leases	2,400	2,400
Miscellaneous	1,867	6,396
Office supplies	56,678	61,550
Operating supplies	136,372	179,777
Printing & binding	12,959	1,369
Professional services	173,092	112,715
Rentals	37,529	2,327
Repairs - equipment	242,063	160,569
Repairs - other	580,268	389,000
Repairs - vehicles	14,030	11,347
Sub-interceptor usage expense	2,170,144	2,127,552
Telephone and communications	31,406	30,387
Training	3,945	12,769
Transportation	56,915	70,385
Uniforms	9,758	12,262
Utilities	262,728	247,040
Total Supplies, Services and Other Charges	<u>4,084,229</u>	<u>3,770,909</u>
Total Operating Expenses	<u>5,237,455</u>	<u>4,939,032</u>

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**CITY OF BRANDON
WATER AND SEWER FUND
COMPARISON SCHEDULES OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
For the Years Ended September 30, 2017 and 2016**

	<u>2017</u>	<u>2016</u>
Operating Income Before Depreciation	1,082,290	1,577,625
Depreciation expense	1,188,565	1,188,889
Amortization expense	-	28,250
Operating Income	<u>(106,275)</u>	<u>360,486</u>
Non-operating Revenues (Expenses)		
Capital grant	308,160	458,727
Interest earnings	4,646	6,548
Interest and fiscal charges - loans	<u>(111,505)</u>	<u>(119,469)</u>
Total Non-operating Revenues (Expenses)	<u>201,301</u>	<u>345,806</u>
Net Income Before Operating Transfers	95,026	706,292
Operating transfers in (out)	<u>-</u>	<u>28,666</u>
Change in Net Position	95,026	734,958
Net Position, beginning	14,656,920	13,921,962
Net Position, ending	<u>\$ 14,751,946</u>	<u>\$ 14,656,920</u>



**CITY OF BRANDON
SANITATION FUND
COMPARISON SCHEDULES OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
For the Years Ended September 30, 2017 and 2016**

	<u>2017</u>	<u>2016</u>
Operating Revenue		
Sanitation fees	\$ 1,028,716	\$ 1,001,726
Total Operating Revenue	<u>1,028,716</u>	<u>1,001,726</u>
Operating Expenses		
Personnel Costs		
Wages	72,617	77,698
Employer costs	<u>35,434</u>	<u>54,136</u>
Total Personnel Costs	<u>108,051</u>	<u>131,834</u>
Supplies, Service and Other Charges		
Advertising	2,906	-
Communications	70	94
Contract labor	40	-
Insurance	10,262	9,924
Miscellaneous	1,706	353
Operating supplies	2,168	1,066
Printing and binding	1,111	-
Prisoner meals	35,973	32,996
Professional services	1,314	38
Repairs - equipment	7,058	10,696
Repairs - other	-	236,148
Repairs - vehicles	2,768	1,543
Sanitation contract	1,048,503	1,003,555
Transportation	5,387	3,598
Uniforms	<u>2,041</u>	<u>2,583</u>
Total Supplies, Services and Other Charges	<u>1,121,307</u>	<u>1,302,594</u>
Total Operating Expenses	<u>1,229,358</u>	<u>1,434,428</u>
Operating Loss Before Depreciation	(200,642)	(432,702)
Depreciation expense	<u>19,643</u>	<u>2,699</u>
Operating Gain (Loss)	<u>(220,285)</u>	<u>(435,401)</u>

**CITY OF BRANDON
SANITATION FUND
COMPARISON SCHEDULES OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
For the Years Ended September 30, 2017 and 2016**

	<u>2017</u>	<u>2016</u>
Non-operating Revenues (Expenses)		
Gain (loss) on sale of equipment	-	10,295
Interest income	232	760
Interest expense	<u>(134)</u>	<u>(271)</u>
Total Non-operating Revenues (Expenses)	<u>98</u>	<u>10,784</u>
Net loss before operating transfers	(220,187)	(424,617)
Operating transfers in / (out)	<u>-</u>	<u>3,000</u>
Change in Net Position	(220,187)	(421,617)
Net Position, beginning	<u>295,250</u>	<u>716,867</u>
Net Position, ending	<u>\$ 75,063</u>	<u>\$ 295,250</u>

Barlow & Company, PLLC

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

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

We have audited the basic financial statements of the City of Brandon, Mississippi as of and for the year ended September 30, 2017, and have issued our report dated February 20, 2018. 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 the following instance of noncompliance with state laws and regulations:

The City did not have Surety Bonds for two employees who were responsible for handling money.

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
February 20, 2018

