

CITY OF BRANDON



Consolidated Financial Statements

For the Year Ended December 31, 2011

BDO CANADA LLP
CHARTERED ACCOUNTANTS
BRANDON - MANITOBA

STATEMENT OF RESPONSIBILITY

The accompanying Consolidated Financial Statements are the responsibility of the management of the City of Brandon and have been prepared in compliance with legislation, and in accordance with generally accepted accounting principles established by the Public Sector Accounting Board of The Canadian Institute of Chartered Accountants.

In carrying out its responsibilities, management maintains appropriate systems of internal and administrative controls designed to provide reasonable assurance that transactions are executed in accordance with proper authorization, that assets are properly accounted for and safeguarded, and that financial information produced is relevant and reliable.

Council of the Municipality met with management and the external auditors to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the consolidated financial statements.

BDO Canada LLP as the Municipality's appointed external auditors, have audited the Consolidated Financial Statements. The Auditor's report is addressed to the Mayor and members of Council and appears on the following page. Their opinion is based upon an examination conducted in accordance with Canadian generally accepted auditing standards, performing such tests and other procedures as they consider necessary to obtain reasonable assurance that the Consolidated Financial Statements are free of material misstatement and present fairly the financial position and results of the Municipality in accordance with Canadian generally accepted accounting principles.



Scott Hildebrand
City Manager

INDEPENDENT AUDITOR'S REPORT

To the Mayor and members of Council of the
CITY OF BRANDON

We have audited the accompanying consolidated financial statements of the City of Brandon, which comprise the consolidated statement of financial position as at December 31, 2011 and the consolidated statements of operations and accumulated surplus, change in net financial assets and cash flows for the year ended December 31, 2011, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian Public Sector Accounting Standards, and for such internal controls as management determines are necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and 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 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 circumstance, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of 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 in our audit is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the City of Brandon at December 31, 2011 and the results of its operations, change in net financial assets, and cash flows for the year ended December 31, 2011 in accordance with Canadian Public Sector Accounting Standards.



BDO Canada LLP
June 28, 2013
Brandon, Manitoba

CITY OF BRANDON

TABLE OF CONTENTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION	5
CONSOLIDATED STATEMENT OF OPERATIONS	6
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS	7
CONSOLIDATED STATEMENT OF CASH FLOWS	8
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT	9
SCHEDULE 1 - CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS	19
SCHEDULE 2 - CONSOLIDATED SCHEDULE OF REVENUES	20
SCHEDULE 3 - CONSOLIDATED SCHEDULE OF EXPENSES	21
SCHEDULE 4 - CONSOLIDATED SCHEDULE OF OPERATIONS BY PROGRAM	22
SCHEDULE 5 - CONSOLIDATED SCHEDULE OF DETAILS AND RECONCILIATION TO CORE GOVERNMENT RESULT	23
SCHEDULE 6 - SCHEDULE OF CHANGE IN RESERVE FUND BALANCES	24
SCHEDULE 7 - SCHEDULE OF TRUST FUNDS	25
SCHEDULE 8 - SCHEDULE OF FINANCIAL POSITION FOR UTILITIES	26
SCHEDULE 9 - SCHEDULE OF UTILITY OPERATIONS	27
SCHEDULE 10 - RECONCILIATION OF THE FINANCIAL PLAN TO THE BUDGET	28
SCHEDULE 11 - ANALYSIS OF TAXES ON ROLL	29
SCHEDULE 12 - ANALYSIS OF TAX LEVY	30
SCHEDULE 13 - ANALYSIS OF SCHOOL ACCOUNTS	31
SCHEDULE 14 - SCHEDULE OF GENERAL OPERATING FUND EXPENSES	32
SCHEDULE 16 - SCHEDULE OF DEBENTURES PENDING	33
SCHEDULE 17 - RECONCILIATION OF ANNUAL SURPLUS (DEFICIT)	34


**THE CITY OF BRANDON
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2011**

	2011	2010
FINANCIAL ASSETS		
Cash and temporary investments (Note 3)	\$ 9,869,959	\$ 1,433,925
Amounts receivable (Note 4)	26,834,700	23,240,848
Portfolio investments (Note 5)	15,247,649	15,056,218
Loans and advances	235,000	225,000
Real estate properties held for sale	3,778,896	3,963,556
Other assets	<u>-</u>	<u>-</u>
	<u>55,966,204</u>	<u>43,919,547</u>
LIABILITIES		
Accounts payable & accrued liabilities (Note 7)	13,540,818	13,511,203
Severance and vested sick leave payable	2,110,189	2,127,739
Deferred revenue	6,873,798	1,975,498
Landfill closure & post closure liabilities (Note 8)	911,809	848,924
Liability for remediation of contaminated site(s)	-	-
Long-term debt (Note 9)	21,578,955	13,975,497
Obligations under capital lease	-	-
Other liabilities	<u>1,076,052</u>	<u>1,162,803</u>
	<u>46,091,621</u>	<u>33,601,664</u>
NET FINANCIAL ASSETS	<u>9,874,583</u>	<u>10,317,883</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	293,404,022	285,250,089
Inventories (Note 6)	941,935	816,367
Prepaid expenses	<u>2,069,775</u>	<u>793,286</u>
	<u>296,415,732</u>	<u>286,859,742</u>
ACCUMULATED SURPLUS (DEFICIT) (Note 17)	<u>\$ 306,290,315</u>	<u>\$ 297,177,625</u>
COMMITMENTS AND CONTINGENCIES (NOTES 10 AND 11)		

Approved on behalf of Council:



Shari Decker Hirst - Mayor



Garth Rice - Deputy Mayor

**THE CITY OF BRANDON
CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2011**

	2011 Budget	2011	2010
REVENUES			
Property taxes	\$ 31,847,142	\$ 33,143,775	\$ 31,435,923
Grants in lieu of taxation	2,277,053	2,277,053	1,988,727
User fees	12,659,925	13,048,638	13,890,061
Grants - Province of Manitoba	15,344,384	15,485,372	18,154,218
Grants - Other	3,421,605	6,851,128	5,955,613
Permits, licenses and fines	2,451,631	3,245,592	2,511,238
Investment income	23,450	499,876	574,109
Other revenue	1,039,106	2,186,407	4,130,917
Water and sewer	17,399,972	22,432,280	20,779,379
Grants - Province of Manitoba	-	-	-
Grant - Other	-	-	-
Total revenue (Schedules 2, 4, 5)	<u>86,464,268</u>	<u>99,170,121</u>	<u>99,420,185</u>
EXPENSES			
General government services	9,550,660	7,968,641	7,157,105
Protective services	23,282,762	24,698,823	22,427,239
Transportation services	17,228,064	20,634,741	16,648,880
Environmental health services	4,020,641	4,577,167	5,117,620
Public health and welfare services	583,388	605,057	574,342
Regional planning and development	2,149,088	1,676,925	1,726,440
Resource conservation & indust dev	708,325	671,236	652,714
Recreation and cultural services	11,307,888	11,900,662	12,185,663
Water and sewer services	<u>19,265,944</u>	<u>17,324,178</u>	<u>16,921,686</u>
Total expenses (Schedules 3, 4, 5)	<u>88,096,760</u>	<u>90,057,430</u>	<u>83,411,689</u>
ANNUAL SURPLUS (DEFICIT)	\$ (1,632,492)	\$ 9,112,691	\$ 16,008,496
ACCUMULATED SURPLUS (DEFICIT) BEGINNING OF YEAR	<u>297,177.624</u>	<u>297,177.624</u>	<u>281,169.128</u>
ACCUMULATED SURPLUS (DEFICIT) END OF YEAR	<u>\$ 295,545,132</u>	<u>\$ 306,290,315</u>	<u>\$ 297,177.624</u>

**THE CITY OF BRANDON
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2011**

	2011 Budget	2011	2010
ANNUAL SURPLUS (DEFICIT)	\$ <u>12,215,734</u>	\$ <u>9,112,690</u>	\$ <u>16,008,496</u>
Acquisition of tangible capital assets	(31,847,142)	(22,658,427)	(35,232,356)
Amortization of tangible capital assets	13,732,803	13,732,803	12,949,874
Loss (gain) on sale of tangible capital assets	(844,517)	283,635	8,514
Proceeds on sale of tangible capital assets	1,611,581	488,054	175,212
Decrease (increase) in inventories	-	(125,568)	252,590
Decrease (increase) in prepaid expense	-	(1,276,488)	(208,820)
	<u>(17,347,275)</u>	<u>(9,555,991)</u>	<u>(22,054,986)</u>
CHANGE IN NET FINANCIAL ASSETS	\$ <u>(5,131,541)</u>	\$ <u>(443,301)</u>	\$ <u>(6,046,490)</u>
NET FINANCIAL ASSETS (DEBT), BEGINNING OF YEAR	<u>10,317,883</u>	<u>10,317,883</u>	<u>16,364,373</u>
NET FINANCIAL ASSETS (DEBT), END OF YEAR	\$ <u><u>5,186,342</u></u>	\$ <u><u>9,874,582</u></u>	\$ <u><u>10,317,883</u></u>

**THE CITY OF BRANDON
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2011**

	2011	2010
OPERATING TRANSACTIONS		
Annual surplus (deficit)	\$ <u>9,112,691</u>	\$ <u>16,008,496</u>
Changes in non-cash items:		
Amounts receivable	(3,593,852)	(5,230,555)
Inventories	(125,568)	252,590
Prepays	(1,276,488)	(208,820)
Accounts payable and accrued liabilities	29,614	2,996,588
Severance and vested sick leave payable	(17,550)	(6,289)
Deferred revenue	4,898,300	319,674
Landfill closure and post closure liabilities	62,885	58,964
Other liabilities	(86,751)	29,943
Loss (gain) on sale of tangible capital assets	283,635	8,514
Loss (gain) on sale of real estate properties	(527,811)	(929,393)
Amortization	<u>13,732,803</u>	<u>12,949,874</u>
Cash provided by operating transactions	<u>22,491,908</u>	<u>26,249,586</u>
CAPITAL TRANSACTIONS		
Proceeds on sale of tangible capital assets	488,056	175,212
Acquisition of tangible capital assets	<u>(22,658,427)</u>	<u>(35,232,356)</u>
Cash applied to capital transactions	<u>(22,170,371)</u>	<u>(35,057,144)</u>
INVESTING TRANSACTIONS		
Proceeds on sale of portfolio investments	9,183,567	15,173,845
Proceeds on sale of real estate properties	696,770	946,218
Loans and advances repaid	-	-
Purchase of portfolio investments	(9,334,298)	(7,058,000)
Acquisition of real estate properties	-	(3)
Loans and advances issued	<u>(35,000)</u>	<u>(25,000)</u>
Cash applied to investing transactions	<u>511,039</u>	<u>9,037,060</u>
FINANCING TRANSACTIONS		
Proceeds of long-term debt	9,875,000	-
Debt repayment	(2,271,542)	(5,918,221)
Obligation under capital lease	-	-
Repayment of obligation under capital lease	-	-
Cash applied to financing transactions	<u>7,603,458</u>	<u>(5,918,221)</u>
INCREASE (DECREASE) IN CASH AND TEMPORARY INVESTMENTS	\$ <u>8,436,034</u>	\$ <u>(5,688,719)</u>
CASH AND TEMPORARY INVESTMENTS, BEGINNING OF YEAR	<u>1,433,925</u>	<u>7,122,644</u>
CASH AND TEMPORARY INVESTMENTS, END OF YEAR	\$ <u>9,869,959</u>	\$ <u>1,433,925</u>

CITY OF BRANDON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2011

1. Status of the City of Brandon

The incorporated City of Brandon is a municipal government that was created in 1882 pursuant to the Manitoba Municipal Act. The City of Brandon provides or funds municipal services such as police, fire, public works, urban planning, airport, parks and recreation, library and other general government operations. The City of Brandon owns one utility, has several designated special purpose reserves and provides funding support for other financial entities involved in recreational and cultural services.

2. Significant Accounting Policies

The consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles as recommended by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants and reflect the following significant accounting policies:

a) Reporting Entity

The consolidated financial statements include the assets, liabilities, revenues and expenses of the reporting entity. The reporting entity is comprised of all the funds, agencies, local boards, and committees of the Council which are controlled by the City of Brandon. Control is defined as the power to govern the financial and reporting policies of another organization with the expected benefits or risk of loss to the Municipality. The controlled organizations are consolidated after adjusting their accounting policies to a basis consistent with the accounting policies of the municipality. Inter-fund and inter-company balances and transactions have been eliminated. The controlled organizations include:

Brandon Downtown Development Corporation

The City of Brandon has several partnership agreements in place, and as such, consistent with generally accepted accounting treatment for government partnerships, the following local agencies, boards and commissions are accounted on a proportionate consolidation basis whereby the City of Brandon's pro-rata share of each of the assets, liabilities, revenues and expenses are combined on a line by line basis in the financial statements. Inter-company balances and transactions have been eliminated. The government partnerships include:

Brandon & Area Planning District (21%) (2010 – 21%)

Western Manitoba Centennial Auditorium (50%) (2010 – 50%)

Keystone Agricultural & Recreational Centre (50%) (2010 – 50%)

Western Manitoba Regional Library (81%) (2010 – 81%)

The Keystone Centre has a July 31st year end.

The taxation with respect to the operations of the school divisions are not reflected in the Municipal surplus of these financial statements.

Trust funds and their related operations administered by the City of Brandon are not held in separate bank accounts and are recorded as Other Liabilities on the Consolidated Statement of Financial Position. The trust funds administered by the City of Brandon are presented in Schedule 7 - Schedule of Trust Funds and consist of funds held for the maintenance of Community Centers.

b) Basis of Accounting

The consolidated financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenses are recognized as they are incurred and measurable based upon the receipt of goods and services or the creation of an obligation to pay.

c) Cash and Temporary Investments

Cash and temporary investments include cash and short-term investments with maturities of three months or less from the date of acquisition.

d) Investments

Temporary investments are accounted for at the lower of cost and market.

Portfolio investments are accounted for at cost.

e) Real Estate Properties Held for Sale

Real estate properties held for sale are recorded at the lower of cost and net realizable value. Cost includes the amount of acquisition, legal fees, and improvements to prepare the properties for sale or servicing.

It is reasonably anticipated that real estate properties held for resale will be sold outside the reporting entity within one year of the balance sheet date.

f) Landfill Closure and Post Closure Liabilities

The estimated cost to close and maintain solid waste landfill sites are based on estimated future expenses, in current dollars, adjusted for estimated inflation, and are charged to expenses as the landfill capacity is used.

g) Non-Financial Assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the change in net financial assets for the year.

Real estate properties and inventories held for sale are classified as non-financial assets if it is anticipated that the sale will not be completed within one year of the reporting date.

h) Tangible Capital Assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to the acquisition, construction, development or betterment of the asset. Donated assets are recorded at their estimated fair value upon acquisition. Certain tangible capital assets for which historical cost information is not available have been recorded at current fair market values discounted by a relevant inflation factor. Certain assets are disclosed at a nominal value as the determination of current fair market value was not available. The City of Brandon does not capitalize interest charges as part of the cost of its tangible capital assets.

The cost, less residual value, of the tangible capital asset is amortized on a straight line basis over its useful life. Assets under construction are not amortized until the asset is put into use.

General Tangible Capital Assets

Land	Indefinite
Land Improvements	10 to 30 years
<u>Buildings and leasehold improvements</u>	
Buildings	25 to 40 years
Leasehold improvements	Life of lease
<u>Vehicles and Equipment</u>	
Vehicles	5 years
Machinery, equipment and furniture	10 years
Maintenance and road construction equipment	15 years

Infrastructure Assets

Transportation

Land	Indefinite
Road surface	20 to 30 years
Road grade	40 years
Bridges	25 to 50 years
Traffic lights and equipment	10 years

Water and Sewer

Land	Indefinite
Land improvements	30 to 50 years
Buildings	25 to 40 years
Underground networks	40 to 60 years
Machinery and equipment	10 to 20 years
Dams and other surface water structures	40 to 60 years

Certain assets which have historical or cultural value including works of art, historical documents as well as historical and cultural artifacts are not recognized as tangible capital assets because a reasonable estimate of the future benefits associated with such property cannot be made. Intangibles, Crown lands that have not been purchased by the municipality, forests, water, and other natural resources are not recognized as tangible capital assets.

i) Leases

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to the ownership or property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

j) Inventories

Inventories held for sale are recorded at the lower of cost and net realizable value.

Inventories held for consumption are recorded at the lower of cost and replacement value.

j) Revenue Recognition

Revenues are recognized as they are earned and measurable.

Government transfers are recognized in the financial statements in the period which the events giving rise to the transfer occur, eligibility criteria are met, and reasonable estimates of the amount can be made.

Deferred revenue represents user charges and other fees which have been collected, for which the related services have yet to be provided. These amounts will be recognized as revenue in the fiscal year the services are provided.

k) Measurement Uncertainty

Estimates are used to accrue revenues and expenses in circumstances where the actual accrued revenues are unknown at the time the financial statements are prepared. Uncertainty in the determination of the amount at which an item is recognized in the financial statements is known as measurement uncertainty. Such uncertainty exists when there is a variance between the recognized amount and another reasonable possible amount, as there is whenever estimates are used.

Measurement uncertainty in these financial statements exists in the accrual of the landfill closure and post closure liabilities. The accrual of the landfill liabilities is based on estimated future cash flows discounted to the financial statement date. The estimate of the future cash flows and the closure date of the landfill are based upon the best estimates by management. The actual future cash flows and closure date may differ significantly.

3. Cash and Temporary Investments

Cash and temporary investments are comprised of the following:

	<u>2011</u>	<u>2010</u>
Cash	\$ 9,535,365	\$ 1,101,233
Temporary Investments	<u>334,594</u>	<u>332,692</u>
	<u>\$ 9,869,959</u>	<u>\$ 1,433,925</u>

The City of Brandon has designated \$ 39,410,202 (2010 \$ 30,897,437) to special purpose reserves. See Schedule 6 – Schedule of Change in Reserve Fund Balances.

The City of Brandon has established an operating line of credit with the Bank of Montreal, authorized by Council resolution, of up to \$5,000,000. At December 31, 2011 the City had \$5,000,000 (2010 - \$749,185) credit available.

4. Amounts Receivable

Amounts receivable are valued at their net realizable value:

	<u>2011</u>	<u>2010</u>
Taxes on Roll (schedule 11)	\$ 3,116,620	\$ 3,176,618
Government Grants	7,571,137	3,294,473
Utility Customers	11,188,692	11,842,379
Accrued Interest	14,078	117,195
Organizations and Individuals	4,346,587	4,588,140
Federal Government - GST	<u>612,530</u>	<u>232,365</u>
	\$ 26,849,644	\$ 23,251,170
Less Allowances for Doubtful Amounts	<u>(14,944)</u>	<u>(10,322)</u>
	<u>\$ 26,834,700</u>	<u>\$ 23,240,848</u>

5. Portfolio Investments

	<u>2011</u>	<u>2010</u>
Marketable Securities:		
Government of Canada	\$ -	\$ -
Province of Manitoba	-	-
Bonds and Certificates	<u>5,500,000</u>	<u>14,500,000</u>
	\$ 5,500,000	\$ 14,500,000
Other Investments	<u>9,747,649</u>	<u>556,218</u>
	<u>\$ 15,247,649</u>	<u>\$ 15,056,218</u>

The aggregate market value of the marketable securities at December 31, 2011 is \$15,011,795 (2010 - \$14,963,060). Portfolio investments earned \$ 299,074 in investment income during the year (2010 - \$ 522,885).

6. **Inventories**

	<u>2011</u>	<u>2010</u>
Chemicals, herbicides, insecticides	\$ 137,663	\$ 130,690
Fuel	45,576	-
Other Supplies	<u>758,696</u>	<u>685,677</u>
	<u>\$ 941,935</u>	<u>\$ 816,367</u>

7. **Accounts Payable and Accrued Liabilities**

	<u>2011</u>	<u>2010</u>
Bank Overdraft	\$ -	\$ 4,472,911
Accounts Payable	7,308,433	4,122,433
Accrued Expenses	4,421,346	3,559,422
Accrued Interest Payable	5,077	12,838
School levies (Schedule 13)	<u>1,805,962</u>	<u>1,343,599</u>
	<u>\$ 13,540,818</u>	<u>\$ 13,511,203</u>

8. **Landfill Closure and Post Closure Liabilities**

The Municipality is currently operating a Class I landfill site in 2011. Legislation requires closure and post-closure care of solid waste landfill sites. Closure costs include final covering and landscaping of the landfill and implementation of drainage and gas management plans. Post closure care requirements include cap maintenance, groundwater monitoring, gas management system operations, inspections and annual reports.

	<u>2011</u>	<u>2010</u>
Estimated closure and post closure costs over the next 42 years	<u>\$ 7,637,000</u>	<u>\$ 7,637,000</u>
Discount rate (%)	<u>5.00</u>	<u>5.00</u>
Discounted costs	<u>\$ 1,635,192</u>	<u>\$ 1,557,325</u>
Expected year capacity will be reached	2042	2042
Capacity (tonnes):		
Used to date	2,007,500	1,962,500
Remaining	1,592,649	1,637,649
Total	3,600,149	3,600,149
Percent Utilized	<u>55.76</u>	<u>54.51</u>
Liability Based on Percentage	<u>\$ 911,809</u>	<u>\$ 848,924</u>

9. **Long Term Debt**

	<u>2011</u>	<u>2010</u>
General Authority:		
Library/Arts Centre Renovations, interest at 5.625% to 5.875%, payable at \$319,188 to \$320,801, annually including interest, maturing December 2011	\$ -	\$ 303,000
Materials Recycling Facility Purchase, interest at 1.50% to 5.00%, payable at \$187,686 to \$187,770, annually including interest, maturing December 2023	1,719,191	1,835,507

Keystone Renovations, interest at 1.50% to 5.00%, payable at \$372,877 to \$373,043, annually including interest, maturing December 2023	3,415,521	3,646,606
Fire Hall, interest at 4.92%, payable at \$811,788 annually including interest, maturing January 2030.	9,875,000	-
Total Municipal	<u>\$ 15,009,712</u>	<u>\$ 5,785,113</u>
Controlled Entities & Government Partnerships	<u>\$ 1,985,955</u>	<u>\$ 2,166,848</u>
	<u>\$ 16,995,667</u>	<u>\$ 7,951,961</u>
Utility Funds:		
Sewage Treatment Plant Upgrade, interest at 10.50%, payable at \$71,438 annually including interest, maturing December 2011.	-	64,650
Sewage Treatment Plant Upgrade, interest at 5.625% to 5.875%, payable at \$362,691 to \$363,151 annually including interest, maturing December 2011.	-	343,000
Sewage Treatment Plant Upgrade, interest at 8.375% to 8.50%, payable at \$572,666 to \$572,880 annually including interest, maturing December 2012.	528,000	1,015,000
Water Meter Upgrade, interest at 5.375% to 5.50%, payable at \$324,580 to \$323,885 annually including interest, maturing December 2012.	307,000	599,000
Central Wastewater Treatment Facility Expansion, interest at 1.50% to 5.00%, payable at \$409,205 to \$409,387 annually including interest, maturing December 2023.	<u>3,748,288</u>	<u>4,001,886</u>
Total Utility	<u>\$ 4,583,288</u>	<u>\$ 6,023,536</u>
Total Long Term Debt	<u>\$ 21,578,955</u>	<u>\$ 13,975,497</u>

Principal payments required in each of the next five years for the City of Brandon are as follows:

2012	\$2,078,969
2013	\$1,768,023
2014	\$1,834,120
2015	\$1,905,369
2016	\$1,981,868

10. Commitments

The City of Brandon and the Brandon School Division has entered into an agreement to exchange parcels of land in Blocks 47 and 48 of Plan 15 BLTO. As part of this agreement the City has agreed to pay the former owner of Lots 1 through 5 inclusive, Block 48, Plan 15 BLTO the sum of fifty thousand dollars (\$50,000) should this land be rezoned on or before June 15th, 2014.

The City of Brandon has a contractual obligation to fund 50% of any deficits of the Western Manitoba Centennial Auditorium.

City Council, at its meeting held November 19, 2001, adopted a resolution to pay to the Keystone Centre, for the duration of the ninety-nine year land lease between the Keystone Centre and Canad Inns, an annual grant equal to the municipal portion of taxes collected on the Canad Inns hotel development on the Keystone grounds. Payment made for the year 2011 was \$168,834 (2010 - \$164,708). The payment for 2012 is \$189,147.

City Council, at its meeting held December 5, 2001, adopted a resolution to pay the Keystone Centre for a ten-year funding commitment in the annual amount of \$250,000 ending in 2011. A further resolution adopted March 31, 2009 extended the annual payments for an additional ten years.

City Council, at its meeting held April 10, 2006, adopted a resolution to pay the Keystone Centre for a three-year debt and deficit funding commitment in the annual amount of \$125,000 beginning in 2008 and ending in 2010. A further resolution adopted March 31, 2009 extended the annual payments for an additional ten years.

City council, at its meeting held February 16, 2010 adopted a resolution to provide an annual grant to the Art Gallery of Southwestern Manitoba in an amount equal to their rent calculated for each year less \$10,000 for the years 2010 through 2014 inclusive. A further resolution adopted December 10, 2011 increased the funding by \$10,000 for the years 2011 through 2014 inclusive. The 2011 grant amount was \$187,308 (2010 - \$183,440). The 2012 payment is \$201,254.

City Council, at its meeting held November 28, 2005, adopted a resolution to pay to the Commonwealth Air Training Plan Museum an annual capital grant beginning in 2006 and ending in 2012. The 2011 amount was \$125,000 (2010 - \$120,000). Payment for the remaining year (2012) is \$125,000.

City council, at its meeting held September 24, 2007, adopted a resolution to enter into a five year agreement with the Royal Canadian Legion Branch #3 to cost share the Remembrance Day Ceremony expenses on a 50% basis up to a maximum annually beginning in 2008 and ending in 2012.

City council, at its meeting held September 8, 2008, passed By-law No. 6893 which agrees to provide financial assistance to Assiniboine Community College equal to the municipal portion of taxes collected on the culinary arts facility for a period of 25 years beginning in 2007 or a maximum of \$20,290,000. The 2011 payment was \$388,757 (2010 - \$ 67,331).

An agreement was signed May 26, 2011 between the City of Brandon and The Brandon Family YMCA with respect to the construction and operation of a joint facility. The City of Brandon has committed to contribute up to \$4,000,000 to the construction of the Recreation Facility. Borrowing of these funds has been authorized by By-law 6904/E-08-136.

The City of Brandon has entered into a Capital Cost Sharing Agreement with Maple Leaf Foods and Pfizer Canada with regards to the multi phased upgrade of the City's wastewater treatment facilities. Among other things, the agreement outlines the allocation of funds obtained under the Building Canada Fund for the Phase III component of the upgrade. This final phase will necessitate a capital contribution by the City of Brandon of \$10 million plus a contribution of \$5.6 million to Maple Leaf Foods to gain ownership of the assets they had fully paid for in Phase I of this project.

11. Contingencies

The City of Brandon owns property located on the east side of 1st Street at Pacific Avenue. Soil remediation occurred at this location during 2008. There will be ongoing monitoring requirements, although at this time the duration and extent of these has not been determined. Monitoring costs are estimated to be \$25,000 per year.

In accordance with PSAB's recommendations for environmental liabilities the City of Brandon has performed a risk assessment on potential city owned sites and has determined that there are no material liabilities and that no environmental remediation is required.

There are a number of legal claims pending against the City of Brandon. The estimated liability for these claims could not be determined as at the end of the year.

12. Retirement Benefits

The majority of the employees of the Municipality are members of the Municipal Employees' Benefit Program (MEBP), which is a multi-employer defined benefit pension plan. MEBP members will receive benefits based on 1.5% of their final average yearly Canada Pension Plan (CPP) earnings times years of service, plus 2% of their final average yearly non-CPP earnings times years of service. The costs of the retirement plan are not allocated to the individual entities within the related group. As a result, individual entities within the related group are not able to identify their share of the underlying assets and liabilities. Therefore, the plan is accounted for as a defined contribution plan in accordance with the requirements of the Canadian Institute of Chartered Accountants Handbook section PS3250.

Pension assets consist of investment grade securities. Market and credit risk on these securities are managed by MEBP by placing plan assets in trust and through MEBP investment policy. The pension expense is based on the contribution rate. The MEBP requires that employees contribute 6.3% of basic annual earnings up to the CPP ceiling plus 7.5% of basic annual earnings in excess of the CPP ceiling. The employers are required to match the employee contributions to the MEBP. Actual contributions to MEBP made during the year by the Municipality on behalf of its employees amounted to \$2,063,012 (2010 - \$1,935,946) and are included in the statement of operations.

Any unfunded liabilities are to be funded by the participating employers. The most recent actuarial valuation as of December 31, 2011 indicates the plan was 97.5% funded on a going concern basis and had an unfunded solvency liability of \$161.3 million. The solvency position of the plan is determined by comparing the solvency of the plan assets to the actuarial present value of the benefits accrued in respect of credited service prior to the valuation date, calculated as if the plan were wound up on December 31, 2011.

Some employees of the City of Brandon, who were employed prior to January 1, 1977, participate in pension plans for employees of the City of Brandon as provided under Pension By-law No. 6678 and 6679, which are both defined benefit pension plans. The actuarial report as of December 31, 2009 indicates a solvency deficiency of \$0 for these plans and a wind-up deficiency of \$11,019 which was paid in 2010. Based on the solvency ratio the next required actuarial valuation report is due December 31, 2012.

The City of Brandon has agreements with the Brandon Professional Firefighters'/Paramedics' Association, and the E911/Police Dispatcher Division, the Brandon Police Association, the Canadian Union of Public Employees Local 69, Amalgamated Transit Union Division 1505 and all out of scope employees for a supplementary pension benefit of \$200 per month for those eligible employees who retire after attaining the Municipal Employees Benefits Board "rule of 80". The "rule of 80" is achieved when the sum of the employee's age and years of service is 80 or greater. The benefit of this supplementary pension will cease after the earliest of 60 months or the month in which the employee attains age 65.

13. Financial Instruments

The Municipality as part of its operations carries a number of financial instruments. It is management's opinion the Municipality is not exposed to significant interest, currency or credit risk arising from these financial instruments, except as otherwise disclosed. Unless otherwise noted, the fair value of these financial instruments approximates their carrying values.

14. Budget

The financial plan is prepared on a revenue and expenditure basis. For comparative purposes, the City of Brandon has modified its financial plan to prepare a budget that is consistent with the scope and accounting principles used to report the actual results. The budget figures used in these financial statements have been approved by council.

The reconciliation between the financial plan and the budget figures used in these statements is disclosed in Schedule 10 - Reconciliation of the Financial Plan to the Budget.

15. Adjustment to Prior Year Figures

There were no prior period adjustments.

16. Public Sector Compensation Disclosure

It is a requirement of the Public Sector Compensation Disclosure Act that annual public disclosure be made of aggregate compensation paid to members of council, and of individual compensation in an amount exceeding \$50,000 annually to any member of council, officer or employee of the Municipality.

The City of Brandon issues a separate statement for The Public Sector Compensation Disclosure Report and receives a separate audit opinion.

a) Compensation paid to members of council amounted to \$ 283,870 in aggregate.

b) Compensation paid to individual members of City Council:

	Compensation	Expenses	Total
Mayor - Decter - Hirst, Shari	70,403	11,753	82,156
Councillor - Berry, Shawn	19,357	3,564	22,921
Councillor - Blight, Murray	19,442	6,122	25,564
Councillor - Chaboyer, Jan	18,258	875	19,133
Councillor - Fawcett, Jeff	17,883	1,196	19,079
Councillor - Harwood, Jeff	17,683	1,113	18,796
Councillor - Isleifson, Len	18,003	1,084	19,087
Councillor - McCrae, Jim	21,124	211	21,335
Councillor - Montague, Stephen	17,958	636	18,594
Councillor - Rice, Garth	17,683	492	18,175
Councillor - Roberts, Corey	<u>17,508</u>	<u>1,521</u>	<u>19,029</u>
	<u>\$ 255,303</u>	<u>\$ 28,567</u>	<u>\$ 283,870</u>

17. Accumulated Surplus

	<u>2011</u>	<u>2010</u>
Accumulated surplus consists of the following:		
General operating fund - Nominal surplus	\$ (9,673,215)	\$ (12,083,568)
Utility operating fund(s) - Nominal surplus	826,898	2,998,916
TCA net of related borrowings	266,464,005	265,512,832
Reserve funds	<u>39,410,202</u>	<u>30,897,437</u>
Accumulated surplus of municipality unconsolidated	297,027,891	287,325,617
Accumulated surpluses of consolidated entities	<u>9,262,424</u>	<u>9,852,008</u>
Accumulated surplus per Consolidated Statement of Financial Position	<u>\$306,290,315</u>	<u>\$297,177,625</u>

18. Public Utilities Board

The Public Utilities Board (PUB) regulates the rates charged by all water and sewer utilities, except the City of Winnipeg utility and those utilities operated by the Manitoba Water Services Board. PUB has the authority to order any owner of a utility to adopt uniform and prescribed accounting policies. PUB's prescribed accounting policies on tangible capital assets and government transfers do not meet the recommendations of PSAB.

No capital grants have been deferred and amortized in these financial statements.

Water Services:

Description of Utility	Unamortized Opening Balance	Additions During Year	Amortization During Year	Unamortized Balance Ending
9th St Reservoir Supply Line	\$ 630,000	\$ -	\$ 20,000	\$ 610,000
WTF UV Disinfection	<u>334,400</u>	<u>-</u>	<u>60,800</u>	<u>273,600</u>
	<u>\$ 964,400</u>	<u>\$ -</u>	<u>\$ 80,800</u>	<u>\$ 883,600</u>

Sewer Services:

Description of Utility	Unamortized Opening Balance	Additions During Year	Amortization During Year	Unamortized Balance Ending
Combined WWTF Phase II	\$ 14,729,841	\$ -	\$ 516,837	\$ 14,213,004
Lagoon Cell 3A	<u>245,833</u>	<u>-</u>	<u>8,333</u>	<u>237,500</u>
	<u>\$ 14,975,674</u>	<u>\$ -</u>	<u>\$ 525,170</u>	<u>\$ 14,450,504</u>

CITY OF BRANDON
CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
AS AT DECEMBER 31, 2011

SCHEDULE 1

Cost	General Capital Assets					Infrastructure			Totals	
	Land & Land Improvements	Buildings & Leasehold Improvements	Vehicles & Equipment	Hardware & Software	Asset Under Construction	Roads, Streets & Bridges	Water & Sewer	Assets Under Construction	2011	2010
Opening Costs	\$ 21,329,863	\$ 57,420,947	\$ 37,561,853	\$ 2,996,168	\$ 2,567,365	\$ 158,123,566	\$ 212,885,669	\$ 3,040,449	\$ 495,925,880	\$ 461,990,706
Additions During the Year	2,056,176	249,527	2,687,587	681,201	7,583,589	2,385,391	3,174,547	3,840,409	\$ 22,658,427	35,232,356
Classification Transfers	1,090,997	-	-	801,088	(2,057,037)	1,133,787	1,531,832	(2,500,667)	\$ -	-
Disposals and Write Downs	(3)	-	(4,021,548)	-	-	-	-	-	\$ (4,021,551)	(1,297,182)
Closing Costs	\$ 24,477,033	\$ 57,670,474	\$ 36,227,892	\$ 4,478,457	\$ 8,093,917	\$ 161,642,744	\$ 217,592,048	\$ 4,380,191	\$ 514,562,756	\$ 495,925,880
Accumulated Amortization										
Opening Accum'd Amort.	\$ 3,455,768	\$ 23,520,281	\$ 16,818,860	\$ 462,150	\$ -	\$ 93,422,300	\$ 72,996,432	\$ -	\$ 210,675,791	\$ 198,839,372
Amortization	510,770	1,645,300	2,977,196	331,173	-	3,455,177	4,813,187	-	\$ 13,732,803	12,949,874
Disposals and Write Downs	-	-	(3,249,860)	-	-	-	-	-	\$ (3,249,860)	(1,113,456)
Closing Accum'd Amort.	\$ 3,966,538	\$ 25,165,581	\$ 16,546,196	\$ 793,323	\$ -	\$ 96,877,477	\$ 77,809,619	\$ -	\$ 221,158,734	\$ 210,675,790
Net Book Value of Tangible Capital Assets	\$ 20,510,495	\$ 32,504,893	\$ 19,681,696	\$ 3,685,134	\$ 8,093,917	\$ 64,765,267	\$ 139,782,429	\$ 4,380,191	\$ 293,404,022	\$ 285,250,090

Water and sewer underground networks contributed to the Municipality totals \$1,841,385 (2010 - \$1,508,886) and were capitalized at their fair value at the time of their receipt. Streets and roads infrastructure contributed to the Municipality totals \$2,125,622 (2010 - \$2,770,155) and were capitalized at their fair value at the time of their receipt.

**THE CITY OF BRANDON
CONSOLIDATED SCHEDULE OF REVENUES
FOR THE YEAR ENDED DECEMBER 31, 2011**

SCHEDULE 2

	2011 Budget	2011	2010
Property taxes:			
Municipal taxes levied (Schedule 12)	\$ 30,722,142	\$ 30,720,434	\$ 29,597,739
Taxes added	800,000	1,906,686	1,453,788
Penalties and interest	<u>325,000</u>	<u>516,655</u>	<u>384,396</u>
	<u>31,847,142</u>	<u>33,143,775</u>	<u>31,435,923</u>
Grants in lieu of taxation:			
Federal government	-	-	349,618
Federal government enterprises	-	-	-
Provincial government	2,277,053	2,277,053	1,639,109
Provincial government enterprises	-	-	-
Other local governments	-	-	-
Non-government organizations	<u>-</u>	<u>-</u>	<u>-</u>
	<u>2,277,053</u>	<u>2,277,053</u>	<u>1,988,727</u>
User fees:			
Parking meters	239,733	272,797	268,365
Sales of service	7,752,675	8,308,040	8,406,751
Sales of goods	253,649	223,125	275,558
Rentals	863,543	645,940	686,794
Development charges	148,200	162,476	579,766
Facility use fees	<u>3,402,125</u>	<u>3,436,260</u>	<u>3,672,826</u>
	<u>12,659,925</u>	<u>13,048,638</u>	<u>13,890,060</u>
Grants - Province of Manitoba:			
General assistance payment	6,771,255	6,839,652	6,638,486
General support grant	666,250	711,428	691,099
VLT revenues	650,000	586,775	582,146
Other unconditional grants	-	-	-
Conditional grants	<u>7,256,879</u>	<u>7,347,517</u>	<u>10,242,488</u>
	<u>15,344,384</u>	<u>15,485,372</u>	<u>18,154,219</u>
Grants - Other:			
Federal government - gas tax funding	2,632,585	2,650,832	2,650,832
Federal government - other	3,200	31,242	1,577,759
Other local governments	<u>785,820</u>	<u>4,169,054</u>	<u>1,727,022</u>
	<u>3,421,605</u>	<u>6,851,128</u>	<u>5,955,613</u>
Permits, licenses and fines:			
Permits	772,234	1,538,544	816,695
Licenses	1,194,297	1,255,773	1,222,134
Aggregate mining & transportaton fees	-	-	-
Fines	<u>485,100</u>	<u>451,275</u>	<u>472,409</u>
	<u>2,451,631</u>	<u>3,245,592</u>	<u>2,511,238</u>
Investment income:			
Cash and temporary investments	3,450	194,751	83,990
Marketable securities	-	224,785	436,293
Municipal debentures	-	-	-
Other (Accounts Receivable Interest)	<u>20,000</u>	<u>80,340</u>	<u>53,826</u>
	<u>23,450</u>	<u>499,876</u>	<u>574,109</u>
Other revenue:			
Gain on sale of tangible capital assets	844,517	(283,635)	(8,514)
Gain on sale of real estate held for sale	185,000	527,811	929,393
Contributed assets	3,349	1,926,871	3,182,606
Miscellaneous	<u>6,240</u>	<u>15,360</u>	<u>27,432</u>
	<u>1,039,106</u>	<u>2,186,407</u>	<u>4,130,917</u>
Water and sewer			
Municipal utilities (Schedule 9)	17,399,972	22,432,280	20,779,379
Consolidated water co-operatives	<u>-</u>	<u>-</u>	<u>-</u>
	<u>17,399,972</u>	<u>22,432,280</u>	<u>20,779,379</u>
Total revenue	\$ <u>86,464,268</u>	\$ <u>99,170,121</u>	\$ <u>99,420,185</u>

**THE CITY OF BRANDON
CONSOLIDATED SCHEDULE OF EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2011**

SCHEDULE 3

	2011 Budget	2011	2010
General government services:			
Legislative	\$ 455,423	\$ 442,921	\$ 441,364
General administrative	5,901,980	5,790,474	5,237,510
Other	<u>3,193,257</u>	<u>1,735,246</u>	<u>1,478,229</u>
	<u>9,550,660</u>	<u>7,968,641</u>	<u>7,157,103</u>
Protective services:			
Police	12,146,935	13,138,761	12,196,154
Fire	4,712,816	7,677,952	4,232,894
Emergency measures	5,637,981	2,638,695	5,243,186
Other protection	<u>785,030</u>	<u>1,243,415</u>	<u>755,005</u>
	<u>23,282,762</u>	<u>24,698,823</u>	<u>22,427,239</u>
Transportation services:			
Road transport			
Administration and engineering	1,908,372	4,625,174	2,307,637
Road and street maintenance	6,119,301	6,128,904	8,090,994
Bridge maintenance	1,021	861	927
Sidewalk and boulevard maintenance	834,613	605,399	661,867
Street lighting	1,180,379	1,049,034	1,053,643
Other road transport	2,502,439	3,196,518	(60,866)
Air transport	779,608	782,831	602,364
Public transit	<u>3,902,331</u>	<u>4,246,020</u>	<u>3,992,314</u>
	<u>17,228,064</u>	<u>20,634,741</u>	<u>16,648,880</u>
Environmental health services:			
Waste collection and disposal	2,344,867	2,417,793	2,355,957
Recycling	1,675,774	2,159,374	2,761,664
Other	<u>-</u>	<u>-</u>	<u>-</u>
	<u>4,020,641</u>	<u>4,577,167</u>	<u>5,117,621</u>
Public health and welfare services:			
Public health	316,356	338,025	307,310
Medical care	-	-	-
Hospital care	-	-	-
Social assistance	<u>267,032</u>	<u>267,032</u>	<u>267,032</u>
	<u>583,388</u>	<u>605,057</u>	<u>574,342</u>
Regional planning and development:			
Planning and zoning	586,641	537,299	670,360
Urban renewal	984,686	668,204	460,889
Beautification and land rehabilitation	-	-	-
Urban area weed control	181,363	203,659	249,010
Other	<u>396,398</u>	<u>267,763</u>	<u>346,181</u>
	<u>2,149,088</u>	<u>1,676,925</u>	<u>1,726,440</u>
Resource conservation and industrial development:			
Rural area weed control	-	-	-
Drainage of land	-	-	-
Veterinary services	-	-	-
Water resources and conservation	-	-	-
Regional development	363,216	336,127	322,281
Industrial development	-	-	-
Tourism	345,109	335,109	330,433
Other	<u>-</u>	<u>-</u>	<u>-</u>
	<u>708,325</u>	<u>671,236</u>	<u>652,714</u>

THE CITY OF BRANDON
CONSOLIDATED SCHEDULE OF OPERATIONS BY PROGRAM
FOR THE YEAR ENDED DECEMBER 31, 2011

SCHEDULE 4

	General Government*		Protective Services		Transportation Services		Environmental Health Services	
	2011	2010	2011	2010	2011	2010	2011	2010
REVENUES								
Property taxes	\$ 33,143,775	\$ 31,435,923	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants in lieu of taxation	2,277,053	1,988,727	-	-	-	-	-	-
User fees	122,004	408,614	3,909,102	3,912,890	1,698,870	1,897,369	2,663,220	2,411,837
Province of MB - Unconditional	8,137,854	7,911,731	-	-	-	-	-	-
Province of MB - Conditional	2,499	214,341	2,164,942	2,012,796	2,954,690	2,264,430	4,652,901	839,995
Grants - Other	4,650	218,092	-	58,717	2,650,832	3,150,832	6,265	5,608
Permits, licenses and fines	1,257,077	1,229,301	449,971	465,241	303,517	57,318	-	-
Investment income	476,053	564,010	-	-	-	-	-	-
Other revenue	18,535	282,722	600	12,470	1,618,128	2,799,654	650	7,372
Water and sewer	-	-	-	-	-	-	-	-
Total revenue (Schedules 2, 4, 5)	<u>45,439,500</u>	<u>44,253,461</u>	<u>6,524,615</u>	<u>6,462,114</u>	<u>9,226,037</u>	<u>10,169,603</u>	<u>7,323,036</u>	<u>3,264,812</u>
EXPENSES								
Personnel services	3,813,295	3,509,359	20,861,670	19,020,970	7,610,469	7,638,456	1,141,691	1,043,440
Contract services	1,638,931	1,870,510	952,570	736,348	5,331,096	3,251,446	875,074	1,558,153
Utilities	162,634	164,178	626,256	564,788	973,087	995,990	67,445	93,144
Maintenance materials and supplies	228,437	253,888	528,654	272,358	3,047,078	3,088,709	287,018	77,113
Grants and contributions	683,428	352,357	25,016	27,167	-	-	588,856	483,443
Amortization	348,527	207,464	709,485	570,424	6,155,258	5,678,232	75,109	79,655
Interest on long-term debt	-	-	-	-	-	-	73,779	75,101
Other	1,093,389	799,348	995,172	1,235,185	(2,482,247)	(4,002,766)	1,468,195	1,707,571
Total expenses (Schedules 3, 4, 5)	<u>7,968,641</u>	<u>7,157,104</u>	<u>24,698,823</u>	<u>22,427,240</u>	<u>20,634,741</u>	<u>16,650,067</u>	<u>4,577,167</u>	<u>5,117,620</u>
SURPLUS (DEFICIT)	<u>\$ 37,470,859</u>	<u>\$ 37,096,357</u>	<u>\$ (18,174,208)</u>	<u>\$ (15,965,126)</u>	<u>\$ (11,408,704)</u>	<u>\$ (6,480,464)</u>	<u>\$ 2,745,869</u>	<u>\$ (1,852,808)</u>

* The General Government category includes revenues and expenses that cannot be attributed to a particular program

THE CITY OF BRANDON
CONSOLIDATED SCHEDULE OF OPERATIONS BY PROGRAM
FOR THE YEAR ENDED DECEMBER 31, 2011

SCHEDULE 4

	Public Health and Welfare Services		Regional Planning and Development		Resource Conservation and Industrial Dev		Recreation and Cultural Services	
	2011	2010	2011	2010	2011	2010	2011	2010
REVENUES								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants in lieu of taxation	-	-	-	-	-	-	-	-
User fees	252,387	239,612	641,010	542,440	-	-	3,762,045	4,463,923
Province of MB - Unconditional	-	-	413,967	320,033	-	-	944,834	4,590,892
Province of MB - Conditional	-	-	17,341	18,066	-	-	385,725	2,504,299
Grants - Other	-	-	1,235,027	759,378	-	-	-	-
Permits, licenses and fines	-	-	690	423	-	-	23,133	9,676
Investment income	-	-	527,811	929,394	-	-	20,683	112,680
Other revenue	-	-	-	-	-	-	-	-
Water and sewer	-	-	-	-	-	-	-	-
Total revenue (Schedules 2, 4, 5)	<u>252,387</u>	<u>239,612</u>	<u>2,835,846</u>	<u>2,569,734</u>	<u>-</u>	<u>-</u>	<u>5,136,420</u>	<u>11,681,470</u>
EXPENSES								
Personnel services	151,985	185,324	711,086	764,932	238,981	197,446	4,652,716	4,387,452
Contract services	331,046	303,799	356,176	448,098	1,470	14,595	759,700	690,176
Utilities	12,229	10,013	77,197	76,250	2,851	3,257	845,092	888,556
Maintenance materials and supplies	32,926	24,526	55,262	47,429	4,363	1,003	1,877,889	1,976,284
Grants and contributions	-	-	(95,138)	(211,814)	335,109	330,433	816,476	1,409,490
Amortization	287	287	2,372	2,372	-	-	1,628,579	1,645,955
Interest on long-term debt	-	-	-	-	-	-	287,269	287,888
Other	76,583	49,205	569,970	599,173	88,462	105,980	1,032,941	899,862
Total expenses (Schedules 3, 4, 5)	<u>605,056</u>	<u>573,154</u>	<u>1,676,925</u>	<u>1,726,440</u>	<u>671,236</u>	<u>652,714</u>	<u>11,900,662</u>	<u>12,185,663</u>
SURPLUS (DEFICIT)	<u>\$ (352,669)</u>	<u>\$ (333,542)</u>	<u>\$ 1,158,921</u>	<u>\$ 843,294</u>	<u>\$ (671,236)</u>	<u>\$ (652,714)</u>	<u>\$ (6,764,242)</u>	<u>\$ (504,193)</u>

THE CITY OF BRANDON
CONSOLIDATED SCHEDULE OF OPERATIONS BY PROGRAM
FOR THE YEAR ENDED DECEMBER 31, 2011

SCHEDULE 4

	Water and Sewer Services		Total
	2011	2010	
REVENUES			
Property taxes	\$ -	\$ -	\$ 33,143,775
Grants in lieu of taxation	-	-	2,277,053
User fees	-	-	13,048,638
Province of MB - Unconditional	-	-	8,137,854
Province of MB - Conditional	-	-	11,133,833
Grants - Other	-	-	3,064,813
Permits, licenses and fines	-	-	3,245,592
Investment income	-	-	499,876
Other revenue	-	-	2,186,407
Water and sewer	<u>22,432,280</u>	<u>20,779,379</u>	<u>22,432,280</u>
Total revenue (Schedules 2, 4, 5)	<u>22,432,280</u>	<u>20,779,379</u>	<u>99,170,121</u>
EXPENSES			
Personnel services	4,725,442	4,729,966	43,907,335
Contract services	1,568,156	1,182,952	11,814,219
Utilities	1,216,254	1,192,369	3,983,045
Maintenance materials and supplies	3,320,397	3,118,047	9,382,024
Grants and contributions	296,463	131,771	2,650,210
Amortization	4,813,186	4,767,290	13,732,803
Interest on long-term debt	299,746	519,997	660,794
Other	<u>1,084,535</u>	<u>1,279,294</u>	<u>3,927,000</u>
Total expenses (Schedules 3, 4, 5)	<u>\$ 17,324,179</u>	<u>\$ 16,921,686</u>	<u>\$ 90,057,430</u>
SURPLUS (DEFICIT)	<u>\$ 5,108,101</u>	<u>\$ 3,857,693</u>	<u>\$ 9,112,691</u>
			<u>\$ 16,008,497</u>

THE CITY OF BRANDON
CONSOLIDATED SCHEDULE OF DETAILS AND RECONCILIATION TO CORE GOVERNMENT RESULTS
FOR THE YEAR ENDED DECEMBER 31, 2011

SCHEDULE 5

	Core Government		Controlled Entities		Government Partnerships		Total
	2011	2010	2011	2010	2011	2010	2011
REVENUES							
Property taxes	\$ 33,143,775	\$ 31,435,923	\$ -	\$ -	\$ -	\$ -	\$ 33,143,775
Grants in lieu of taxation	2,277,053	1,988,727	-	-	-	-	2,277,053
User fees	10,467,656	11,204,318	-	-	2,580,982	2,672,367	13,048,638
Province of MB - Unconditional	8,137,854	7,911,731	-	-	-	-	8,137,854
Province of MB - Conditional	10,083,564	6,878,976	413,967	320,033	636,302	3,043,478	11,133,833
Other	2,808,599	4,137,902	-	-	256,214	1,817,712	3,064,813
Permits, licenses and fines	3,236,777	2,499,282	-	-	8,815	11,956	3,245,592
Investment income	476,052	564,010	3,503	-	20,321	10,099	499,876
Other revenue	2,171,544	4,035,999	-	2,625	14,863	105,668	2,186,407
Water and sewer	22,432,280	20,779,379	-	-	-	-	22,432,280
Total revenue	<u>95,235,154</u>	<u>91,436,247</u>	<u>417,470</u>	<u>322,658</u>	<u>3,517,497</u>	<u>7,661,280</u>	<u>99,170,121</u>
EXPENSES							
Personnel services	42,087,035	39,658,266	61,972	52,688	1,758,328	1,766,391	43,907,335
Contract services	11,240,208	9,740,014	8,219	2,800	315,792	313,264	11,564,219
Utilities	3,573,350	3,564,747	-	-	409,695	423,798	3,983,045
Maintenance materials and supplies	8,252,585	7,590,118	2,987	5,455	1,126,452	1,263,785	9,382,024
Grants and contributions	2,870,285	3,459,322	29,925	(238,440)	-	(698,035)	2,900,210
Amortization	12,687,612	11,857,371	-	-	1,045,191	1,094,308	13,732,803
Interest on long-term debt	536,441	777,145	-	-	124,353	105,842	660,794
Other	3,385,863	2,289,213	365,920	301,999	175,217	81,640	3,927,000
Total expenses	<u>84,633,379</u>	<u>78,936,196</u>	<u>469,023</u>	<u>124,502</u>	<u>4,955,028</u>	<u>4,350,993</u>	<u>90,057,430</u>
SURPLUS (DEFICIT)	<u>\$ 10,601,775</u>	<u>\$ 12,500,051</u>	<u>\$ (51,553)</u>	<u>\$ 198,156</u>	<u>\$ (1,437,531)</u>	<u>\$ 3,310,287</u>	<u>\$ 9,112,691</u>
							<u>\$ 16,008,494</u>

CITY OF BRANDON
 SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
 FOR THE YEAR ENDED DECEMBER 31, 2011

SCHEDULE 6

	2011							
	Affordable Housing	Ambulance	Andrews Field	Brandon Municipal Airport	Capital Development	Centennial Auditorium	Civic Services Complex	Clare Ave Extension
REVENUE								
Investment Income	\$ 9,606	\$ 3,690	\$ 968	\$ 4,731	\$ 17,196	\$ 2,426	\$ 6,136	\$ 4,124
Other Income	-	-	-	-	-	-	-	-
Total Revenue	<u>9,606</u>	<u>3,690</u>	<u>968</u>	<u>4,731</u>	<u>17,196</u>	<u>2,426</u>	<u>6,136</u>	<u>4,124</u>
EXPENSES								
Investment Charges	-	-	-	-	-	-	-	-
Other Expenses	-	-	-	-	-	-	-	-
Total Expenses	-	-	-	-	-	-	-	-
NET REVENUES	<u>9,606</u>	<u>3,690</u>	<u>968</u>	<u>4,731</u>	<u>17,196</u>	<u>2,426</u>	<u>6,136</u>	<u>4,124</u>
TRANSFERS								
Debt Repayments	-	-	-	-	-	-	-	-
Transfers from Operating Fund	250,000	25,000	5,000	200,000	230,718	90,000	50,000	-
Transfers to Operating Fund	(100,000)	-	-	-	(75,675)	(18,450)	(8,932)	-
Transfers from (to) Utility Fund	-	-	-	-	-	-	-	-
Acquisition of Tangible Capital Assets	-	-	-	-	-	-	-	-
CHANGE IN RESERVE FUND BALANCE	<u>159,606</u>	<u>28,690</u>	<u>5,968</u>	<u>204,731</u>	<u>172,239</u>	<u>73,976</u>	<u>47,204</u>	<u>4,124</u>
FUND SURPLUS, BEGINNING OF YEAR	<u>452,320</u>	<u>222,722</u>	<u>109,976</u>	<u>158,095</u>	<u>822,492</u>	<u>248,181</u>	<u>461,315</u>	<u>276,842</u>
FUND SURPLUS, END OF YEAR	<u>\$ 611,926</u>	<u>\$ 251,412</u>	<u>\$ 115,944</u>	<u>\$ 362,826</u>	<u>\$ 994,731</u>	<u>\$ 322,157</u>	<u>\$ 508,519</u>	<u>\$ 280,966</u>

CITY OF BRANDON
 SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
 FOR THE YEAR ENDED DECEMBER 31, 2011

SCHEDULE 6

	2011							
	Cummulative Benefits	Disposal Site (Sanitation)	Diking & Flood Control	E-911 Equipment	Elections	Fire Fighting Equipment	Fire Vehicles	Gas Tax
REVENUE								
Investment Income	\$ 4,688	\$ 9,432	\$ 14,376	\$ 2,031	\$ 2,337	\$ 12,677	\$ 21,458	\$ 41,480
Other Income	-	-	-	-	-	-	-	-
Total Revenue	<u>4,688</u>	<u>9,432</u>	<u>14,376</u>	<u>2,031</u>	<u>2,337</u>	<u>12,677</u>	<u>21,458</u>	<u>41,480</u>
EXPENSES								
Investment Charges	-	-	-	-	-	-	-	-
Other Expenses	-	-	-	-	-	-	-	-
Total Expenses	-	-	-	-	-	-	-	-
NET REVENUES	<u>4,688</u>	<u>9,432</u>	<u>14,376</u>	<u>2,031</u>	<u>2,337</u>	<u>12,677</u>	<u>21,458</u>	<u>41,480</u>
TRANSFERS								
Debt Repayments	-	-	-	-	-	-	-	-
Transfers from Operating Fund	-	45,000	200,000	75,000	15,000	-	144,357	2,265,632
Transfers to Operating Fund	-	-	(142,980)	-	-	(9,228)	(39,790)	(651,178)
Transfers from (to) Utility Fund	-	-	-	-	-	-	-	-
Acquisition of Tangible Capital Assets	-	-	-	-	-	-	-	-
CHANGE IN RESERVE FUND BALANCE	<u>4,688</u>	<u>54,432</u>	<u>71,396</u>	<u>77,031</u>	<u>17,337</u>	<u>3,449</u>	<u>126,025</u>	<u>1,655,934</u>
FUND SURPLUS, BEGINNING OF YEAR	<u>314,700</u>	<u>588,004</u>	<u>864,941</u>	<u>211,439</u>	<u>141,874</u>	<u>981,167</u>	<u>1,341,953</u>	<u>2,708,474</u>
FUND SURPLUS, END OF YEAR	<u>\$ 319,388</u>	<u>\$ 642,436</u>	<u>\$ 936,337</u>	<u>\$ 288,470</u>	<u>\$ 159,211</u>	<u>\$ 984,616</u>	<u>\$ 1,467,978</u>	<u>\$ 4,364,408</u>

CITY OF BRANDON

SCHEDULE 6

SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2011

	2011							
	General	Gravel Pit	Kirkcaldy Heights	Land Acquisition	Library / Arts Building	Machinery & Equipment	Major Events Hosting	Municipal Building
REVENUE								
Investment Income	\$ 16,186	\$ -	\$ -	\$ 19,384	\$ 1,910	\$ 40,086	\$ 3,151	\$ 459
Other Income	-	-	-	-	-	-	-	-
Total Revenue	<u>16,186</u>	-	-	<u>19,384</u>	<u>1,910</u>	<u>40,086</u>	<u>3,151</u>	<u>459</u>
EXPENSES								
Investment Charges	-	-	-	-	-	-	-	-
Other Expenses	-	-	-	-	-	-	-	-
Total Expenses	-	-	-	-	-	-	-	-
NET REVENUES	<u>16,186</u>	-	-	<u>19,384</u>	<u>1,910</u>	<u>40,086</u>	<u>3,151</u>	<u>459</u>
TRANSFERS								
Debt Repayments	-	-	-	-	-	-	-	-
Transfers from Operating Fund	-	-	-	250,000	50,000	2,551,158	145,000	-
Transfers to Operating Fund	-	-	-	(92,000)	-	(1,861,653)	(112,000)	-
Transfers from (to) Utility Fund	-	-	-	-	-	-	-	-
Acquisition of Tangible Capital Assets	-	-	-	-	-	-	-	-
CHANGE IN RESERVE FUND BALANCE	<u>16,186</u>	-	-	<u>177,384</u>	<u>51,910</u>	<u>729,591</u>	<u>36,151</u>	<u>459</u>
FUND SURPLUS, BEGINNING OF YEAR	<u>1,086,488</u>	-	<u>75,000</u>	<u>1,442,182</u>	<u>128,229</u>	<u>2,199,415</u>	<u>136,117</u>	<u>105,826</u>
FUND SURPLUS, END OF YEAR	<u>\$ 1,102,674</u>	<u>\$ -</u>	<u>\$ 75,000</u>	<u>\$ 1,619,566</u>	<u>\$ 180,139</u>	<u>\$ 2,929,006</u>	<u>\$ 172,268</u>	<u>\$ 106,285</u>

CITY OF BRANDON
 SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
 FOR THE YEAR ENDED DECEMBER 31, 2011

SCHEDULE 6

	2011							
	Municipal Bulding Maintenance	Office Equipment	Parks	Perpetual Care	Police Equipment	Police Vehicles	Professional Fees	Protective Services Buidling
REVENUE								
Investment Income	\$ 4,837	\$ 10,771	\$ 20,264	\$ 8,918	\$ 5,543	\$ 9,483	\$ 1,282	\$ 12,206
Other Income	-	-	-	-	-	-	-	-
Total Revenue	<u>4,837</u>	<u>10,771</u>	<u>20,264</u>	<u>8,918</u>	<u>5,543</u>	<u>9,483</u>	<u>1,282</u>	<u>12,206</u>
EXPENSES								
Investment Charges	-	-	-	-	-	-	-	-
Other Expenses	-	-	-	-	-	-	-	-
Total Expenses	-	-	-	-	-	-	-	-
NET REVENUES	<u>4,837</u>	<u>10,771</u>	<u>20,264</u>	<u>8,918</u>	<u>5,543</u>	<u>9,483</u>	<u>1,282</u>	<u>12,206</u>
TRANSFERS								
Debt Repayments	-	-	-	-	-	-	-	-
Transfers from Operating Fund	85,000	400,000	489,716	50,525	175,000	336,523	-	50,000
Transfers to Operating Fund	(1,055,838)	(529,918)	(137,673)	(127,802)	-	(339,849)	-	-
Transfers from (to) Utility Fund	-	-	-	-	-	-	-	-
Acquisition of Tangible Capital Assets	-	-	-	-	-	-	-	-
CHANGE IN RESERVE FUND BALANCE	<u>(966,001)</u>	<u>(119,147)</u>	<u>372,307</u>	<u>(68,359)</u>	<u>180,543</u>	<u>6,157</u>	<u>1,282</u>	<u>62,206</u>
FUND SURPLUS, BEGINNING OF YEAR	<u>365,456</u>	<u>886,224</u>	<u>1,064,103</u>	<u>583,686</u>	<u>383,991</u>	<u>593,749</u>	<u>86,088</u>	<u>769,335</u>
FUND SURPLUS, END OF YEAR	<u><u>\$(600,545)</u></u>	<u><u>\$ 767,077</u></u>	<u><u>\$ 1,436,410</u></u>	<u><u>\$ 515,327</u></u>	<u><u>\$ 564,534</u></u>	<u><u>\$ 599,906</u></u>	<u><u>\$ 87,370</u></u>	<u><u>\$ 831,541</u></u>

CITY OF BRANDON
 SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
 FOR THE YEAR ENDED DECEMBER 31, 2011

SCHEDULE 6

	2011							
	Recreation Centre	Snow Clearing	Social Development	Sportsplex	Storm Sewer	Traffic Control Devices	Transit Funding	Transit System Equipment
REVENUE								
Investment Income	\$ 6,810	\$ 4,073	\$ 133	\$ 15,289	\$ 47,275	\$ 866	\$ 10,893	\$ 1,714
Other Income	-	-	-	-	-	-	-	-
Total Revenue	<u>6,810</u>	<u>4,073</u>	<u>133</u>	<u>15,289</u>	<u>47,275</u>	<u>866</u>	<u>10,893</u>	<u>1,714</u>
EXPENSES								
Investment Charges	-	-	-	-	-	-	-	-
Other Expenses	-	-	-	-	-	-	-	-
Total Expenses	-	-	-	-	-	-	-	-
NET REVENUES	<u>6,810</u>	<u>4,073</u>	<u>133</u>	<u>15,289</u>	<u>47,275</u>	<u>866</u>	<u>10,893</u>	<u>1,714</u>
TRANSFERS								
Debt Repayments	-	-	-	-	-	-	-	-
Transfers from Operating Fund	275,000	-	-	200,000	365,000	-	385,200	145,645
Transfers to Operating Fund	(65,441)	-	-	(69,943)	(502,268)	-	-	-
Transfers from (to) Utility Fund	-	-	-	-	-	-	-	-
Acquisition of Tangible Capital Assets	-	-	-	-	-	-	-	-
CHANGE IN RESERVE FUND BALANCE	<u>216,369</u>	<u>4,073</u>	<u>133</u>	<u>145,346</u>	<u>(89,993)</u>	<u>866</u>	<u>396,093</u>	<u>147,359</u>
FUND SURPLUS, BEGINNING OF YEAR	<u>197,519</u>	<u>273,403</u>	<u>8,922</u>	<u>838,764</u>	<u>2,921,964</u>	<u>108,112</u>	<u>274,842</u>	<u>521,059</u>
FUND SURPLUS, END OF YEAR	<u>\$ 413,888</u>	<u>\$ 277,476</u>	<u>\$ 9,055</u>	<u>\$ 984,110</u>	<u>\$ 2,831,971</u>	<u>\$ 108,978</u>	<u>\$ 670,935</u>	<u>\$ 668,418</u>

CITY OF BRANDON
 SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
 FOR THE YEAR ENDED DECEMBER 31, 2011

SCHEDULE 6

	2011					2010	
	26th Street South of Maryland	8th Street Bridge	Water Distribution	Wastewater Distribution	Industrial WWTF	Total	Total
REVENUE							
Investment Income	\$ 2,272	\$ 31,448	\$ 57,894	\$ 12,353	\$ 4,042	\$ 506,898	\$ 628,129
Other Income	-	-	-	-	-	-	461,342
Total Revenue	<u>2,272</u>	<u>31,448</u>	<u>57,894</u>	<u>12,353</u>	<u>4,042</u>	<u>506,898</u>	<u>1,089,471</u>
EXPENSES							
Investment Charges	-	-	-	-	-	-	-
Other Expenses	-	-	-	-	-	-	-
Total Expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET REVENUES	<u>2,272</u>	<u>31,448</u>	<u>57,894</u>	<u>12,353</u>	<u>4,042</u>	<u>506,898</u>	<u>1,089,471</u>
TRANSFERS							
Debt Repayments	-	-	-	-	-	-	-
Transfers from Operating Fund	-	75,000	-	-	-	9,624,474	12,555,412
Transfers to Operating Fund	-	(171,935)	-	-	-	(6,112,553)	(15,346,506)
Transfers from Utility Fund	-	-	1,877,569	3,134,963	20,000	5,032,532	2,667,536
Transfers to Utility Fund	-	-	(471,259)	(67,333)	-	(538,592)	(5,435,681)
Acquisition of Tangible Capital Assets	-	-	-	-	-	-	-
CHANGE IN RESERVE FUND BALANCE	<u>2,272</u>	<u>(65,487)</u>	<u>1,464,204</u>	<u>3,079,983</u>	<u>24,042</u>	<u>8,512,759</u>	<u>(4,469,768)</u>
FUND SURPLUS, BEGINNING OF YEAR	<u>152,485</u>	<u>2,076,932</u>	<u>2,853,854</u>	<u>599,268</u>	<u>259,935</u>	<u>30,897,443</u>	<u>35,367,205</u>
FUND SURPLUS, END OF YEAR	<u>\$ 154,757</u>	<u>\$ 2,011,445</u>	<u>\$ 4,318,058</u>	<u>\$ 3,679,251</u>	<u>\$ 283,977</u>	<u>\$ 39,410,202</u>	<u>\$ 30,897,437</u>

**CITY OF BRANDON
SCHEDULE OF TRUST FUNDS
AS AT DECEMBER 31, 2011**

SCHEDULE 7

	Commnunity Center Assistance	2011	2010
ASSETS			
Cash and Temporary Investments	\$ -	\$ -	\$ -
Porfolio Investments	-	-	-
Other	<u>160,250</u>	<u>160,250</u>	<u>152,780</u>
	<u>160,250</u>	<u>160,250</u>	<u>152,780</u>
LIABILITIES AND FUND BALANCES			
Due to Municipality	-	-	-
Fund Balance	<u>160,250</u>	<u>160,250</u>	<u>152,780</u>
	<u>160,250</u>	<u>160,250</u>	<u>152,780</u>
REVENUES			
Contributions and Donations	48,635	48,635	48,635
Investment Income	<u>-</u>	<u>-</u>	<u>-</u>
	<u>48,635</u>	<u>48,635</u>	<u>48,635</u>
EXPENDITURES			
Cemetary Maintenance	-	-	-
Distribution to Beneficiaries	41,165	41,165	26,405
Other	<u>-</u>	<u>-</u>	<u>-</u>
	<u>41,165</u>	<u>41,165</u>	<u>26,405</u>
EXCESS REVENUES OVER EXPENDITURES	7,470	7,470	22,230
FUND BALANCE, BEGINNING OF YEAR	<u>152,780</u>	<u>152,780</u>	<u>130,550</u>
FUND BALANCE, END OF YEAR	<u>\$ 160,250</u>	<u>\$ 160,250</u>	<u>\$ 152,780</u>

**THE CITY OF BRANDON
SCHEDULE OF FINANCIAL POSITION FOR UTILITIES
AS AT DECEMBER 31, 2011**

SCHEDULE 8

	2011	2010
FINANCIAL ASSETS		
Cash and temporary investments	\$ -	\$ -
Amounts receivable	11,188,692	11,842,379
Portfolio investments	-	-
Loans and advances	-	-
Real estate properties held for sale	-	-
Due from other funds	-	-
	<u>11,188,692</u>	<u>11,842,379</u>
LIABILITIES		
Accounts payable & accrued liabilities	-	-
Severance and vested sick leave payable	-	-
Deferred revenue	-	-
Landfill closure & post closure liabilities	-	-
Liability for remediation of contaminated site(s)	-	-
Long-term debt (Note 9)	4,583,288	6,023,536
Obligations under capital lease	-	-
Due to other funds	<u>21,809,931</u>	<u>20,360,027</u>
	<u>26,393,219</u>	<u>26,383,563</u>
NET FINANCIAL ASSETS	<u>(15,204,527)</u>	<u>(14,541,184)</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	144,162,621	142,929,687
Inventories	324,815	349,283
Prepaid expenses	<u>63,028</u>	<u>68,280</u>
	<u>144,550,464</u>	<u>143,347,250</u>
FUND SURPLUS (DEFICIT)	<u>\$ 129,345,937</u>	<u>\$ 128,806,066</u>
COMMITMENTS AND CONTINGENCIES (NOTES 10 AND 11)		

**THE CITY OF BRANDON
SCHEDULE OF UTILITY OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2011**

SCHEDULE 9

	2011 Budget	2011	2010
REVENUES			
Water			
Water fees	\$ 9,484,091	\$ 9,107,085	\$ 8,929,699
Bulk water fees	<u>62,000</u>	<u>40,143</u>	<u>63,031</u>
Sub-total - Water	9,546,091	9,147,228	8,992,730
Sewer			
Sewer fees	4,133,192	3,840,259	3,803,594
Lagoon tipping fees	<u>95,770</u>	<u>17,602</u>	<u>41,073</u>
Sub-total - Sewer	4,228,962	3,857,861	3,844,667
Property Taxes			
	-	698,741	783,082
Government transfers			
Capital funding - government transfers	-	4,408,115	3,983,874
Capital funding - other organizations	<u>-</u>	<u>-</u>	<u>-</u>
Sub-total - Government transfers	-	4,408,115	3,983,874
Other			
Hydrant rentals	259,000	257,600	261,000
Connection charges	872,960	864,359	856,409
Penalties	60,000	38,991	76,001
Installation service			
Contributed tangible capital assets			
Investment income	-	-	-
Administration Fees			
Gain on sale of tangible assets			
Other income	<u>2,432,959</u>	<u>3,085,096</u>	<u>1,875,023</u>
Sub-total - Other	<u>3,624,919</u>	<u>4,246,046</u>	<u>3,068,433</u>
Total revenue	<u>17,399,972</u>	<u>22,357,991</u>	<u>20,672,786</u>
EXPENSES			
General			
Administration	458,505	537,058	491,988
Overhead, billing and collection	<u>1,657,517</u>	<u>1,496,086</u>	<u>1,630,987</u>
Sub-total - General	2,116,022	2,033,144	2,122,975
Water			
Purification	4,823,595	4,060,609	3,612,302
Transmission and distribution	819,878	726,157	668,813
Training costs	43,239	36,119	43,515
Utilities (telephone, electricity, etc.)	619,017	446,329	476,301
Connection costs	<u>564,709</u>	<u>391,682</u>	<u>547,179</u>
Sub-total - Water	6,870,438	5,660,896	5,348,110
Water Amortization & Interest			
Amortization	2,253,817	2,253,817	2,204,154
Interest on long-term debt	<u>32,580</u>	<u>31,290</u>	<u>98,996</u>
Sub-total - Water Amortization & Interest	2,286,397	2,285,107	2,303,150
Sewer			
Collection system costs	567,732	686,467	696,152
Treatment and disposal costs	3,691,361	2,996,632	2,698,982
Lift stations costs	38,080	38,657	27,655
Training costs	34,000	18,706	26,771
Utilities (telephone, electricity, etc.)	<u>813,150</u>	<u>769,925</u>	<u>713,427</u>
Sub-total - Sewer	5,144,323	4,510,387	4,162,987
Sewage Amortization & Interest			
Amortization	2,559,369	2,559,369	2,563,136
Interest on long-term debt	<u>289,395</u>	<u>275,276</u>	<u>421,328</u>
Sub-total - Sewer Amortization & Interest	<u>2,848,764</u>	<u>2,834,645</u>	<u>2,984,464</u>
Total expenses	<u>19,265,944</u>	<u>17,324,179</u>	<u>16,921,686</u>
NET REVENUES	(1,865,972)	5,033,812	3,751,100

**THE CITY OF BRANDON
 SCHEDULE OF UTILITY OPERATIONS
 FOR THE YEAR ENDED DECEMBER 31, 2011**

SCHEDULE 9

TRANSFERS

Transfers from (to) operating fund	-	538,591	5,435,681
Transfers from (to) reserve funds	<u>-</u>	<u>(5,032,532)</u>	<u>(2,667,536)</u>
CHANGE IN UTILITY FUND BALANCE	<u>(1,865,972)</u>	<u>539,871</u>	<u>6,519,245</u>
FUND BALANCE, BEGINNING OF YEAR	<u>128,806,066</u>	<u>128,806,066</u>	<u>122,286,821</u>
FUND BALANCE, END OF YEAR	<u>\$ 126,940,094</u>	<u>\$ 129,345,937</u>	<u>\$ 128,806,066</u>

CITY OF BRANDON
 RECONCILIATION OF THE FINANCIAL PLAN TO THE BUDGET
 FOR THE YEAR ENDED DECEMBER 31, 2011

	Financial Plan General	Financial Plan Utility(ies)	Amortization (TCA)	Interest Expense	Transfers	Long Term Accruals	Consolidated Entities	PSAB Budget
REVENUE								
Property Taxes	\$ 32,545,883	\$ -	\$ -	\$ -	\$ (698,741)	\$ -	\$ -	\$ 31,847,142
Grants in Lieu of Taxation	2,277,053	-	-	-	-	-	-	2,277,053
User Fees	9,997,146	-	-	-	-	2,662,779	2,662,779	12,659,925
Grants - Province of Manitoba	14,668,435	-	-	-	-	675,949	675,949	15,344,384
Grants - Other	2,635,785	-	-	-	-	785,820	785,820	3,421,605
Permits, Licences and Fines	2,442,246	-	-	-	-	9,385	9,385	2,451,631
Investment Income	20,000	-	-	-	-	3,450	3,450	23,450
Other Revenue	1,035,575	-	-	-	-	3,531	3,531	1,039,106
Water and Sewer	-	17,399,972	-	-	-	-	-	17,399,972
Transfers from Accumulated Surplus	-	-	-	-	-	-	-	-
Transfers from Reserves	2,220,000	698,741	-	-	(2,918,741)	-	-	-
TOTAL REVENUE	67,842,123	18,098,713	-	-	(3,617,482)	-	4,140,914	86,464,268
EXPENSES								
General Government Services	9,202,135	-	348,525	-	-	-	-	9,550,660
Protective Services	22,573,277	-	709,485	-	-	-	-	23,282,762
Transportation Services	11,072,806	-	6,155,258	-	-	-	-	17,228,064
Environmental Services	3,945,532	-	75,109	-	-	-	-	4,020,641
Public Health and Welfare Services	583,101	-	287	-	-	-	-	583,388
Regional Planning and Development	1,474,825	-	-	-	-	674,263	674,263	2,149,088
Resource Cons and Industrial Development	708,325	-	-	-	-	-	-	708,325
Recreation and Cultural Services	6,968,226	-	585,761	-	-	-	3,753,901	11,307,888
Water and Sewer Services	-	18,098,713	4,813,186	(1,478,955)	(2,167,000)	-	-	19,265,944
Fiscal Services:								
Transfer to Utility	698,741	-	-	-	(698,741)	-	-	-
Transfer to Capital	376,800	-	-	-	(376,800)	-	-	-
Debt Charges	910,742	-	-	(910,742)	-	-	-	-
Short Term Interest	99,385	-	-	(99,385)	-	-	-	-
Transfer to Reserves	9,222,764	-	-	-	(9,222,764)	-	-	-
Allowance for Tax Assets	5,464	-	-	-	(5,464)	-	-	-
TOTAL EXPENSES	67,842,123	18,098,713	12,687,611	(2,489,082)	(12,470,769)	-	4,428,164	88,096,760
SURPLUS (DEFICIT)	\$ -	\$ -	\$ (12,687,611)	\$ 2,489,082	\$ 8,853,287	\$ -	\$ (287,250)	\$ (1,632,492)

**CITY OF BRANDON
ANALYSIS OF TAXES ON ROLL
FOR THE YEAR ENDED DECEMBER 31, 2011**

SCHEDULE 11

	2011	2010
Balance, Beginning of Year	\$ <u>3,176,618</u>	\$ <u>2,949,903</u>
Add:		
Tax Levy (Schedule 12)	62,916,326	59,801,987
Taxed Added	1,906,687	1,453,788
Penalties or Interest	516,655	384,395
Other Accounts Added	-	374,404
Tax Adjustments (Specify)		
Difference Between Levy & Financial Plan	-	-
Sub-total	<u>65,339,668</u>	<u>62,014,574</u>
Deduct:		
Cash Collection - Current	60,492,031	57,013,430
Cash Collection - Arrears	3,824,396	3,924,328
Writeoffs	337,342	340,123
Title Value of Land Sales	-	-
Title Value of Tax Titles Acquired	-	-
Tax Discounts	83,463	75,677
M.P.T.C. - Cash Advance	225,717	159,769
Other Credits (Tax Offsetting Grants)	436,717	274,531
Sub-total	<u>65,399,666</u>	<u>61,787,858</u>
Balance, End of Year	<u>\$ 3,116,620</u>	<u>\$ 3,176,618</u>

**CITY OF BRANDON
ANALYSIS OF TAX LEVY
FOR THE YEAR ENDED DECEMBER 31, 2011**

SCHEDULE 12

	<u>2011</u>		<u>2010</u>	
	<u>Assessment</u>	<u>Mill Rate</u>	<u>Levy</u>	<u>Levy</u>
Debt Charges:	\$		\$ 14,036	\$ 50,865
Frontage	1,784,534,485	0.366	653,140	1,614,780
L.I.D.	1,587,356,770	0.815	1,293,696	1,053,907
Other (At Large)				
Deferred Surplus Reserves:				
Various	1,587,356,770	3.798	6,028,781	5,933,280
General Municipal	1,587,356,770	14.573	23,132,550	21,242,913
Special Levies:				
Department of Rural Development	1,587,356,770	0.417	661,928	617,111
School Portion - Mobile Home Revenue	-	-	(450,083)	(207,343)
Business Tax (Rate %)	8,425,400	1.000	<u>84,254</u>	<u>75,308</u>
Total Municipal Taxes ***			<u>31,418,302</u>	<u>30,380,821</u>
Education Support Levy	475,775,610	12.330	5,866,313	5,832,389
Special Levy:				
Brandon School Division	1,547,353,320	16.274	25,181,628	23,381,434
Mobile Home Revenue	-	-	<u>450,083</u>	<u>207,343</u>
Total Education Taxes			<u>31,498,024</u>	<u>29,421,166</u>
Total Tax Levy (Schedule 11)			<u>\$ 62,916,326</u>	<u>\$ 59,801,987</u>
*** Total Municipal Taxes Comprised of				
General Municipal (Schedule 2)			\$ 30,720,434	\$ 29,597,739
Utility Debenture Debt Servicing (Schedule 9)			<u>698,741</u>	<u>783,082</u>
			\$ 31,419,175	\$ 30,380,821

CITY OF BRANDON
 ANALYSIS OF SCHOOL ACCOUNTS
 FOR THE YEAR ENDED DECEMBER 31, 2011

SCHEDULE 13

	2011			2010
	Opening Balance	Current Requirement	Current Payment	Ending Balance
Education Support Levy	\$ 350,527	\$ 6,918,745	\$ (6,819,554)	\$ 350,527
Special Levies				
Brandon School Division	993,073	20,865,300	(20,502,129)	993,073
Sub-total	993,073	20,865,300	(20,502,129)	993,073
Total	\$ 1,343,600	\$ 27,784,045	\$ (27,321,683)	\$ 1,343,600

**CITY OF BRANDON
SCHEDULE OF GENERAL OPERATING FUND EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2011**

SCHEDULE 14

	2011 Actual	2010 Actual
General government services:		
Legislative	\$ 442,921	\$ 441,364
General administrative	5,790,474	5,237,510
Other	<u>1,386,721</u>	<u>1,270,765</u>
	<u>7,620,116</u>	<u>6,949,639</u>
Protective services:		
Police	12,818,924	12,067,636
Fire	7,281,118	3,963,279
Emergency measures	2,482,691	5,104,767
Other	<u>1,206,607</u>	<u>721,133</u>
	<u>23,789,340</u>	<u>21,856,815</u>
Transportation services:		
Road transport		
Administration	4,625,174	2,307,637
Road and street maintenance	299,563	2,651,615
Bridge maintenance	861	927
Sidewalk maintenance	605,399	661,867
Street lighting	1,049,034	1,053,643
Other	3,196,518	(60,866)
Air transport	466,857	375,983
Public transport	4,386,077	3,979,842
Other	-	-
	<u>14,629,483</u>	<u>10,970,648</u>
Environmental health services:		
Waste collection and disposal	2,415,434	2,353,599
Recycling	2,086,623	2,684,367
Other	-	-
	<u>4,502,057</u>	<u>5,037,966</u>
Public health and welfare services:		
Public health	337,738	307,023
Medical care	-	-
Social assistance	267,032	267,032
Other	-	-
	<u>604,770</u>	<u>574,055</u>
Regional planning and development:		
Planning and zoning	492,597	637,786
Urban renewal	459,370	344,785
Beautification and land rehabilitation	-	-
Urban area weed control	193,470	240,612
Other	<u>267,763</u>	<u>346,181</u>
	<u>1,413,200</u>	<u>1,569,364</u>
Resource conservation and industrial development:		
Rural area weed control	-	-
Drainage of land	-	-
Veterinary services	-	-
Water resources and conservation	-	-
Regional development	336,128	322,281
Industrial development	-	-
Tourism	335,109	330,433
Other	-	-
	<u>671,237</u>	<u>652,714</u>

Recreation and cultural services:

Administration	773,943	615,909
Community centers and halls	48,635	48,635
Swimming pools and beaches	172,225	176,124
Golf courses	704,212	669,588
Skating and curling rinks	111,901	56,627
Parks and playgrounds	1,831,528	1,635,908
Other recreational facilities	2,543,747	2,425,004
Museums	86,001	77,619
Libraries	629,989	624,900
Other cultural facilities	304,354	982,912
	<u>7,206,535</u>	<u>7,313,226</u>

Total expenses

\$ 60,436,738 **\$ 54,924,427**

**CITY OF BRANDON
 SCHEDULE OF DEBENTURES PENDING
 FOR THE YEAR ENDED DECEMBER 31, 2011**

SCHEDULE 16

Authority	Purpose	Source of Funds	Authorized	Expended
B/L 6919/E-09-035	Police Station		\$ 12,994,000	\$ 8,093,917
B/L 6904/E-08-136	Aquatics Centre Project		5,000,000	1,136,094
B/L 6979/E-10-172	Central WWTF Project		10,000,000	4,278,195
TOTAL			<u>\$ 27,994,000</u>	<u>\$ 13,508,206</u>

CITY OF BRANDON
 RECONCILIATION OF ANNUAL SURPLUS (DEFICIT)
 FOR THE YEAR ENDED DECEMBER 31, 2011

	2011		2010	
	General	Utility	Total	Total
MUNICIPAL NET SURPLUS (DEFICIT) UNDER THE MUNICIPAL ACT	\$ 57,259	\$ -	\$ 57,259	\$ -
Adjustments for reporting under public sector accounting standards				
Eliminate expense - transfers to reserves	9,624,474	5,032,532	14,657,006	15,222,948
Eliminate revenue - transfers from reserves	(6,112,553)	(538,592)	(6,651,145)	(20,782,187)
Increase revenue - reserve funds interest	432,609	74,289	506,898	628,128
Increase (Decrease) revenue - Net surplus (deficit) of consolidated entities	(589,583)	-	(589,583)	(947,155)
Eliminate revenue - transfer from nominal surplus(es)	-	-	-	-
Increase revenue - developer contributions	2,125,622	1,841,385	3,967,007	4,279,041
Increase expense - amortization of tangible capital assets	(8,919,616)	(4,813,187)	(13,732,803)	(12,949,874)
Decrease expense - principal portion of debenture debt	662,396	1,478,954	2,141,350	5,532,110
Eliminate expense - acquisitions of tangible capital assets	6,433,126	2,010,930	8,444,056	24,478,687
Eliminate expense - acquisitions of non tangible capital purchases from reserves	<u>290,855</u>	<u>21,791</u>	<u>312,646</u>	<u>546,798</u>
NET SURPLUS (DEFICIT) PER CONSOLIDATED STATEMENT OF OPERATIONS	\$ <u>4,004,589</u>	\$ <u>5,108,102</u>	\$ <u>9,112,691</u>	\$ <u>16,008,496</u>