

# CITY OF BRANDON



## Consolidated Financial Statements

For the Year Ended December 31, 2012

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.



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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, 2012 and the consolidated statements of operations and accumulated surplus, change in net financial assets and cash flows for the year ended December 31, 2012, 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, 2012 and the results of its operations, change in net financial assets, and cash flows for the year ended December 31, 2012 in accordance with Canadian Public Sector Accounting Standards.



**BDO Canada LLP**  
November 18, 2013  
Brandon, Manitoba



# CITY OF BRANDON

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**THE CITY OF BRANDON  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT DECEMBER 31, 2012**

	<b>2012</b>	<b>2011</b>
<b>FINANCIAL ASSETS</b>		
Cash and temporary investments (Note 3)	\$ 2,618,014	\$ 9,869,959
Amounts receivable (Note 4)	36,105,177	26,834,700
Portfolio investments (Note 5)	9,301,545	15,247,649
Loans and advances	200,000	235,000
Real estate properties held for sale	3,908,838	3,778,896
Other assets	<u>567,604</u>	<u>-</u>
	<u>52,701,178</u>	<u>55,966,204</u>
<b>LIABILITIES</b>		
Accounts payable & accrued liabilities (Note 7)	13,765,340	13,540,818
Severance and vested sick leave payable	2,122,178	2,110,189
Deferred revenue	1,554,759	6,873,798
Landfill closure & post closure liabilities (Note 8)	978,860	911,809
Liability for remediation of contaminated site(s)	-	-
Long-term debt (Note 9)	21,994,726	21,578,955
Obligations under capital lease	-	-
Other liabilities	<u>1,221,342</u>	<u>1,076,052</u>
	<u>41,637,205</u>	<u>46,091,621</u>
<b>NET FINANCIAL ASSETS</b>	<b><u>11,063,973</u></b>	<b><u>9,874,583</u></b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Schedule 1)	312,260,860	293,404,022
Inventories (Note 6)	893,539	941,935
Prepaid expenses	<u>680,321</u>	<u>2,069,775</u>
	<u>313,834,720</u>	<u>296,415,732</u>
<b>ACCUMULATED SURPLUS (DEFICIT) (Note 17)</b>	<b><u>\$ 324,898,693</u></b>	<b><u>\$ 306,290,315</u></b>

**COMMITMENTS AND CONTINGENCIES (NOTES 10 AND 11)**

Approved on behalf of Council:

  
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**Shari Decter Hirst - Mayor**

  
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**Len Isleifson - Deputy Mayor**

**The accompanying notes are an integral part of this financial statement**

**THE CITY OF BRANDON  
CONSOLIDATED STATEMENT OF OPERATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2012**

	2012 Budget (Note 14)	2012	2011
<b>REVENUES</b>			
Property taxes	\$ 35,252,983	\$ 35,447,846	\$ 33,143,775
Grants in lieu of taxation	2,350,391	2,350,391	2,277,053
User fees	14,105,968	14,224,643	13,048,638
Grants - Province of Manitoba	15,735,353	21,915,498	15,485,372
Grants - Other	3,591,129	3,450,113	6,851,128
Permits, licenses and fines	2,621,705	3,117,656	3,245,592
Investment income	46,830	248,723	499,876
Other revenue	831,671	1,728,698	2,186,407
Water and sewer	16,794,564	32,616,394	22,432,280
Grants - Province of Manitoba	-	-	-
Grant - Other	-	-	-
Total revenue (Schedules 2, 4, 5)	<u>91,330,594</u>	<u>115,099,962</u>	<u>99,170,121</u>
<b>EXPENSES</b>			
General government services	10,647,232	11,094,732	7,968,641
Protective services	26,004,773	25,782,720	24,698,823
Transportation services	18,137,895	17,636,923	20,634,741
Environmental health services	4,508,588	4,526,024	4,577,167
Public health and welfare services	703,254	650,139	605,057
Regional planning and development	3,078,970	1,915,519	1,676,925
Resource conservation & indust dev	886,892	823,050	671,236
Recreation and cultural services	12,251,474	16,342,529	11,900,662
Water and sewer services	18,700,625	17,719,948	17,324,178
Total expenses (Schedules 3, 4, 5)	<u>94,919,703</u>	<u>96,491,584</u>	<u>90,057,430</u>
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>\$ (3,589,109)</b>	<b>\$ 18,608,378</b>	<b>\$ 9,112,691</b>
<b>ACCUMULATED SURPLUS (DEFICIT) BEGINNING OF YEAR</b>	<u>306,290,315</u>	<u>306,290,315</u>	<u>297,177,624</u>
<b>ACCUMULATED SURPLUS (DEFICIT) END OF YEAR</b>	<u><b>\$ 302,701,206</b></u>	<u><b>\$ 324,898,693</b></u>	<u><b>\$ 306,290,315</b></u>

**The accompanying notes are an integral part of this financial statement**

**THE CITY OF BRANDON  
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2012**

	<b>2012 Budget</b>	<b>2012</b>	<b>2011</b>
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>\$ <u>(3,589,109)</u></b>	<b>\$ <u>18,608,378</u></b>	<b>\$ <u>9,112,690</u></b>
Acquisition of tangible capital assets	(35,252,983)	(33,616,303)	(22,658,427)
Amortization of tangible capital assets	13,930,352	13,930,352	13,732,803
Loss (gain) on sale of tangible capital assets	(724,500)	(69,525)	283,635
Proceeds on sale of tangible capital assets	1,805,002	898,638	488,054
Decrease (increase) in inventories	-	48,396	(125,568)
Decrease (increase) in prepaid expense	-	<u>1,389,454</u>	<u>(1,276,488)</u>
	<u>(20,242,129)</u>	<u>(17,418,988)</u>	<u>(9,555,991)</u>
 <b>CHANGE IN NET FINANCIAL ASSETS</b>	 <b>\$ <u>(23,831,238)</u></b>	 <b>\$ <u>1,189,390</u></b>	 <b>\$ <u>(443,301)</u></b>
 <b>NET FINANCIAL ASSETS (DEBT), BEGINNING OF YEAR</b>	 <u>9,874,582</u>	 <u>9,874,582</u>	 <u>10,317,883</u>
<b>NET FINANCIAL ASSETS (DEBT), END OF YEAR</b>	<b>\$ <u>(13,956,656)</u></b>	<b>\$ <u>11,063,973</u></b>	<b>\$ <u>9,874,582</u></b>

**The accompanying notes are an integral part of this financial statement**

**THE CITY OF BRANDON  
CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2012**

	2012	2011
<b>OPERATING TRANSACTIONS</b>		
Annual surplus (deficit)	\$ <u>18,608,380</u>	\$ <u>9,112,691</u>
Changes in non-cash working capital balances:		
Amounts receivable	(9,270,477)	(3,593,852)
Inventories	48,396	(125,568)
Prepays	1,389,454	(1,276,488)
Accounts payable and accrued liabilities	224,522	29,614
Severance and vested sick leave payable	11,989	(17,550)
Deferred revenue	(5,319,039)	4,898,300
Landfill closure and post closure liabilities	67,051	62,885
Other liabilities	145,290	(86,751)
Adjustments for:		
Loss (gain) on sale of tangible capital assets	(69,525)	283,635
Loss (gain) on sale of real estate properties	74,835	(527,811)
Amortization	<u>13,930,352</u>	<u>13,732,803</u>
Cash provided by operating transactions	<u>19,841,228</u>	<u>22,491,908</u>
<b>CAPITAL TRANSACTIONS</b>		
Proceeds on sale of tangible capital assets	898,638	488,056
Acquisition of tangible capital assets	<u>(33,616,303)</u>	<u>(22,658,427)</u>
Cash applied to capital transactions	<u>(32,717,665)</u>	<u>(22,170,371)</u>
<b>INVESTING TRANSACTIONS</b>		
Proceeds on sale of portfolio investments	46,572,690	9,183,567
Proceeds on sale of real estate properties	306,886	696,770
Loans and advances repaid	35,000	-
Purchase of portfolio investments	(40,626,586)	(9,334,298)
Acquisition of real estate properties	(511,665)	-
Loans and advances issued	-	(35,000)
Other assets	<u>(567,604)</u>	<u>-</u>
Cash applied to investing transactions	<u>5,208,721</u>	<u>511,039</u>
<b>FINANCING TRANSACTIONS</b>		
Proceeds of long-term debt	2,460,313	9,875,000
Debt repayment	(2,044,542)	(2,271,542)
Obligation under capital lease	-	-
Repayment of obligation under capital lease	<u>-</u>	<u>-</u>
Cash applied to financing transactions	<u>415,771</u>	<u>7,603,458</u>
<b>INCREASE (DECREASE) IN CASH AND  TEMPORARY INVESTMENTS</b>	<b>\$ (7,251,945)</b>	<b>\$ 8,436,034</b>
<b>CASH AND TEMPORARY INVESTMENTS,  BEGINNING OF YEAR</b>	<u>9,869,959</u>	<u>1,433,925</u>
<b>CASH AND TEMPORARY INVESTMENTS,  END OF YEAR</b>	<b>\$ <u>2,618,014</u></b>	<b>\$ <u>9,869,959</u></b>

The accompanying notes are an integral part of this financial statement

**CITY OF BRANDON**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**AS AT DECEMBER 31, 2012**

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**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, cultural and tourism 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%) (2011 – 21%)*

*Western Manitoba Centennial Auditorium (50%) (2011 – 50%)*

*Keystone Agricultural & Recreational Centre (50%) (2011 – 50%)*

*Western Manitoba Regional Library (81%) (2011 – 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 internal finance 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.

Measurement uncertainty in these financial statements exists in the accrual of the employee retirement and severance liabilities. The accrual of the retirement and severance liabilities is based on estimated future cash flows discounted to the financial statement date and actuarial assumptions. The estimate of the future cash flows and the actuarial assumptions are based upon the best estimates by management. The actual future cash flows valuation assumptions for the future may differ significantly.

**3. Cash and Temporary Investments**

Cash and temporary investments are comprised of the following:

	<u>2012</u>	<u>2011</u>
Cash	\$ 2,368,931	\$ 9,535,365
Temporary Investments	<u>249,083</u>	<u>334,594</u>
	<u>\$ 2,618,014</u>	<u>\$ 9,869,959</u>

The City of Brandon has designated \$ 63,938,728 (2011 \$ 39,410,202 ) 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, 2012 the City had \$5,000,000 (2011 - \$5,000,000) credit available.

**4. Amounts Receivable**

Amounts receivable are valued at their net realizable value:

	<u>2012</u>	<u>2011</u>
Taxes on Roll (schedule 11)	\$ 2,446,662	\$ 3,116,620
Government Grants	-	7,571,137
Utility Customers	16,013,343	11,188,692
Accrued Interest	16,415	14,078
Organizations and Individuals	16,839,936	4,346,587
Federal Government - GST	<u>806,123</u>	<u>612,530</u>
	\$ 36,122,479	\$ 26,849,644
Less Allowances for Doubtful Amounts	<u>(17,302)</u>	<u>(14,944)</u>
	<u>\$ 36,105,177</u>	<u>\$ 26,834,700</u>

**5. Portfolio Investments**

	<u>2012</u>	<u>2011</u>
Marketable Securities:		
Government of Canada	\$ -	\$ -
Province of Manitoba	-	-
Bonds and Certificates	<u>9,000,096</u>	<u>5,500,000</u>
	\$ 9,000,096	\$ 5,500,000
Other Investments	<u>301,448</u>	<u>9,747,649</u>
	<u>\$ 9,301,544</u>	<u>\$ 15,247,649</u>

The aggregate market value of the marketable securities at December 31, 2012 is \$9,419,648 (2011 - \$15,011,795). Portfolio investments earned \$ 116,681 in investment income during the year (2011 - \$ 299,074 ).



**6. Inventories**

	<u>2012</u>	<u>2011</u>
Chemicals, herbicides, insecticides	\$ 152,667	\$ 137,663
Fuel	39,463	45,576
Other Supplies	<u>701,409</u>	<u>758,696</u>
	<u>\$ 893,539</u>	<u>\$ 941,935</u>

**7. Accounts Payable and Accrued Liabilities**

	<u>2012</u>	<u>2011</u>
Bank Overdraft	\$ 52,761	\$ -
Accounts Payable	8,321,670	7,308,433
Accrued Expenses	3,437,875	4,421,346
Accrued Interest Payable	430,662	5,077
School levies (Schedule 13)	<u>1,522,372</u>	<u>1,805,963</u>
	<u>\$ 13,765,340</u>	<u>\$ 13,540,819</u>

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

The Municipality is currently operating a Class I landfill site in 2012. 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>2012</u>	<u>2011</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>
<b>Discounted costs</b>	<u>\$ 1,716,951</u>	<u>\$ 1,635,192</u>
Expected year capacity will be reached	2042	2042
Capacity (tonnes):		
Used to date	2,052,500	2,007,500
Remaining	1,547,649	1,592,649
Total	3,600,149	3,600,149
Percent Utilized	<u>57.01</u>	<u>55.76</u>
<b>Liability Based on Percentage</b>	<u>\$ 978,860</u>	<u>\$ 911,809</u>

**9. Long Term Debt**

	<u>2012</u>	<u>2011</u>
<b>General Authority:</b>		
Acquatics Facility, interest at 3.250%, payable at \$399,356, annually including interest, maturing November 2019	\$ 2,460,313	\$ -
Materials Recycling Facility Purchase, interest at 2.25% to 5.00%, payable at \$187,683 to \$187,770, annually including interest, maturing December 2023	1,601,133	1,719,191

Keystone Renovations, interest at 2.25% to 5.00%, payable at \$372,871 to \$373,043, annually including interest, maturing December 2023	3,180,976	3,415,521
Fire Hall, interest at 4.92%, payable at \$811,788 annually including interest, maturing January 2030.	9,549,062	9,875,000
<b>Total Municipal</b>	<u>\$ 16,791,484</u>	<u>\$ 15,009,712</u>
Controlled Entities & Government Partnerships	<u>\$ 1,712,351</u>	<u>\$ 1,985,955</u>
	<u>\$ 18,503,835</u>	<u>\$ 16,995,667</u>
<b>Utility Funds:</b>		
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
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
Central Wastewater Treatment Facility Expansion, interest at 2.25% to 5.00%, payable at \$409,199 to \$409,387 annually including interest, maturing December 2023.	<u>3,490,891</u>	<u>3,748,288</u>
<b>Total Utility</b>	<u>\$ 3,490,891</u>	<u>\$ 4,583,288</u>
<b>Total Long Term Debt</b>	<u>\$ 21,994,726</u>	<u>\$ 21,578,955</u>

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

2013	\$1,768,023
2014	\$1,923,695
2015	\$1,998,528
2016	\$2,078,753
2017	\$2,163,479

## 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 2012 was \$189,147 (2011 - \$168,834). The payment for 2013 is \$191,002.

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, ending in 2019.

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, ending in 2019.

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 2012 grant amount was \$201,254 (2011 - \$187,308 ). The 2013 payment is \$205,279.

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 2012 amount was \$125,000 (2011 - \$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 2012 payment was \$302,271 (2011 - \$388,757 ).

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 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. For the period January 1, 2012 to June 30, 2012, 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. For the period July 1, 2012 to December 31, 2012, the MEBP requires that employees contribute 7.3% of basic annual earnings up to the CPP ceiling plus 8.5% 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 \$2,330,497 (2011 - \$2,063,012 ) 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.

Subject to the following paragraph, any unfunded liabilities are to be funded by the participating employers. The most recent actuarial valuation as of December 31, 2011 indicated 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 plan assets to the actuarial present value of the benefits accrued in respect of credited service up to the valuation date, calculated as if the plan were wound up on December 31, 2011. The valuation also disclosed that the existing contribution rate was insufficient to pay the minimum required contribution being the normal actuarial cost of the annual benefit accrued and the required amortization payment in respect of the going concern unfunded actuarial liability. The Board of Trustees amended the plan to increase the contribution rate by 1% effective July 1, 2012 and by another 1% effective January 1, 2013 to meet the minimum contribution requirement.

In 2010, the Government of Manitoba enacted a regulation which permits sponsors of public sector pension plans, including MEPP, to elect permanent exemption from solvency funding requirements subject to certain conditions stated in the regulation. MEPP has elected permanent exemption from solvency funding requirements. As a result, solvency funding is no longer required by MEPP.

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 \$ 258,880 in aggregate.

b) Compensation paid to individual members of City Council:

	Compensation	Expenses	Total
Mayor - Decter - Hirst, Shari	51,664	23,319	74,983
Councillor - Berry, Shawn	12,349	6,096	18,445
Councillor - Blight, Murray	14,460	7,126	21,586
Councillor - Chaboyer, Jan	11,804	6,046	17,850
Councillor - Fawcett, Jeff	12,149	5,996	18,145
Councillor - Harwood, Jeff	12,699	6,271	18,970
Councillor - Isleifson, Len	12,249	6,046	18,295
Councillor - McCrae, Jim	11,753	5,796	17,549
Councillor - Montague, Stephen	11,749	5,796	17,545
Councillor - Rice, Garth	12,026	5,941	17,967
Councillor - Roberts, Corey	<u>11,749</u>	<u>5,796</u>	<u>17,545</u>
	<u>\$ 174,651</u>	<u>\$ 84,229</u>	<u>\$ 258,880</u>

17. **Accumulated Surplus**

	<u>2012</u>	<u>2011</u>
Accumulated surplus consists of the following:		
General operating fund - Nominal surplus	\$ (39,309,059)	\$ (9,673,215)
Utility operating fund(s) - Nominal surplus	819,717	826,898
TCA net of related borrowings	290,266,134	266,464,005
Reserve funds	<u>63,938,728</u>	<u>39,410,202</u>
Accumulated surplus of municipality unconsolidated	315,715,520	297,027,891
Accumulated surpluses of consolidated entities	<u>9,183,173</u>	<u>9,262,424</u>
Accumulated surplus per Consolidated Statement of Financial Position	<u>\$324,898,693</u>	<u>\$306,290,315</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	\$ 610,000	\$ -	\$ 20,000	\$ 590,000
WTF UV Disinfection	<u>273,600</u>	<u>-</u>	<u>60,800</u>	<u>212,800</u>
	<u>\$ 883,600</u>	<u>\$ -</u>	<u>\$ 80,800</u>	<u>\$ 802,800</u>

**Sewer Services:**

Description of Utility	Unamortized Opening Balance	Additions During Year	Amortization During Year	Unamortized Balance Ending
Combined WWTF Phase II	\$ 14,213,004	\$ -	\$ 516,837	\$ 13,696,167
Lagoon Cell 3A	<u>237,500</u>	<u>-</u>	<u>8,333</u>	<u>229,167</u>
	<u>\$ 14,450,504</u>	<u>\$ -</u>	<u>\$ 525,170</u>	<u>\$ 13,925,334</u>





CITY OF BRANDON  
CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS  
AS AT DECEMBER 31, 2012

SCHEDULE 1

Cost	General Capital Assets					Infrastructure Assets			Totals	
	Land & Land Improvements	Buildings & Leasehold Improvements	Vehicles & Equipment	Hardware & Software	Asset Under Construction	Roads, Streets & Bridges	Water & Sewer	Under Construction	2011	2012
Opening 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
Additions During the Year	1,839,518	200,913	3,914,184	157,761	5,655,613	2,407,909	1,191,494	18,248,911	\$ 33,616,303	22,658,427
Classification Transfers	-	13,749,530	-	-	(13,749,530)	-	-	-	\$ -	-
Disposals and Write Downs	(211,738)	-	(2,131,444)	-	-	-	-	-	\$ (2,343,182)	(4,021,551)
Closing Costs	\$ 26,104,813	\$ 71,620,917	\$ 38,010,632	\$ 4,636,218	\$ -	\$ 164,050,653	\$ 218,783,542	\$ 22,629,102	\$ 545,835,877	\$ 514,562,756
Accumulated Amortization										
Opening Accum'd Amort.	\$ 3,966,538	\$ 25,165,581	\$ 16,546,196	\$ 793,323	\$ -	\$ 96,877,477	\$ 77,809,619	\$ -	\$ 221,158,734	\$ 210,675,791
Amortization	516,918	1,658,201	2,932,029	461,257	-	3,443,816	4,918,131	-	\$ 13,930,352	13,732,803
Disposals and Write Downs	-	-	(1,514,069)	-	-	-	-	-	\$ (1,514,069)	(3,249,860)
Closing Accum'd Amort.	\$ 4,483,456	\$ 26,823,782	\$ 17,964,156	\$ 1,254,580	\$ -	\$ 100,321,293	\$ 82,727,750	\$ -	\$ 233,575,017	\$ 221,158,734
Net Book Value of Tangible Capital Assets	\$ 21,621,357	\$ 44,797,135	\$ 20,046,476	\$ 3,381,638	\$ -	\$ 63,729,360	\$ 136,055,792	\$ 22,629,102	\$ 312,260,860	\$ 293,404,022

Water and sewer underground networks contributed to the Municipality totals \$375,538 (2011 - \$1,841,385) and were capitalized at their fair value at the time of their receipt. Streets and roads infrastructure contributed to the Municipality totals \$1,708,932 (2011 - \$2,125,622) 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, 2012**

**SCHEDULE 2**

	2012 Budget	2012	2011
<b>Property taxes:</b>			
Municipal taxes levied (Schedule 12)	\$ 33,967,983	\$ 33,967,983	\$ 30,720,434
Taxes added	900,000	1,158,859	1,906,686
Penalties and interest	385,000	321,004	516,655
	<u>35,252,983</u>	<u>35,447,846</u>	<u>33,143,775</u>
<b>Grants in lieu of taxation:</b>			
Federal government	343,469	343,469	-
Federal government enterprises	-	-	-
Provincial government	2,006,922	2,006,922	2,277,053
Provincial government enterprises	-	-	-
Other local governments	-	-	-
Non-government organizations	-	-	-
	<u>2,350,391</u>	<u>2,350,391</u>	<u>2,277,053</u>
<b>User fees:</b>			
Parking meters	249,733	293,133	272,797
Sales of service	8,745,634	8,313,908	8,308,040
Sales of goods	265,917	371,382	223,125
Rentals	935,928	632,008	645,940
Development charges	143,052	326,368	162,476
Facility use fees	3,765,704	4,287,844	3,436,260
	<u>14,105,968</u>	<u>14,224,643</u>	<u>13,048,638</u>
<b>Grants - Province of Manitoba:</b>			
General assistance payment	7,044,839	7,329,023	6,839,652
General support grant	732,770	779,996	711,428
VLT revenues	585,000	689,910	586,775
Other unconditional grants	-	-	-
Conditional grants	7,372,744	13,116,569	7,347,517
	<u>15,735,353</u>	<u>21,915,498</u>	<u>15,485,372</u>
<b>Grants - Other:</b>			
Federal government - gas tax funding	2,650,832	2,650,832	2,650,832
Federal government - other	139,785	104,554	31,242
Other local governments	800,512	694,727	4,169,054
	<u>3,591,129</u>	<u>3,450,113</u>	<u>6,851,128</u>
<b>Permits, licenses and fines:</b>			
Permits	882,849	1,373,148	1,538,544
Licenses	1,257,856	1,266,738	1,255,773
Aggregate mining & transportaton fees	-	-	-
Fines	481,000	477,770	451,275
	<u>2,621,705</u>	<u>3,117,656</u>	<u>3,245,592</u>
<b>Investment income:</b>			
Cash and temporary investments	1,830	108,144	194,751
Marketable securities	-	66,891	224,785
Municipal debentures	-	-	-
Other (Accounts Receivable Interest)	45,000	73,688	80,340
	<u>46,830</u>	<u>248,723</u>	<u>499,876</u>
<b>Other revenue:</b>			
Gain on sale of tangible capital assets	724,501	69,525	(283,635)
Gain on sale of real estate held for sale	100,000	(74,835)	527,811
Contributed assets	1,215	1,708,694	1,926,871
Miscellaneous	5,955	25,314	15,360
	<u>831,671</u>	<u>1,728,698</u>	<u>2,186,407</u>
<b>Water and sewer</b>			
Municipal utilities (Schedule 9)	16,794,564	32,616,394	22,432,280
Consolidated water co-operatives	-	-	-
	<u>16,794,564</u>	<u>32,616,394</u>	<u>22,432,280</u>
<b>Total revenue</b>	<b><u>\$ 91,330,594</u></b>	<b><u>\$ 115,099,962</u></b>	<b><u>\$ 99,170,121</u></b>

**THE CITY OF BRANDON  
CONSOLIDATED SCHEDULE OF EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2012**

**SCHEDULE 3**

	2012 Budget	2012	2011
<b>General government services:</b>			
Legislative	\$ 442,523	\$ 400,093	\$ 442,921
General administrative	6,981,076	7,136,011	5,790,474
Other	<u>3,223,633</u>	<u>3,558,628</u>	<u>1,735,246</u>
	<u>10,647,232</u>	<u>11,094,732</u>	<u>7,968,641</u>
<b>Protective services:</b>			
Police	13,832,847	13,616,343	13,138,761
Fire	5,446,684	8,654,660	7,677,952
Emergency measures	5,731,305	2,587,862	2,638,695
Other protection	<u>993,937</u>	<u>923,855</u>	<u>1,243,415</u>
	<u>26,004,773</u>	<u>25,782,720</u>	<u>24,698,823</u>
<b>Transportation services:</b>			
Road transport			
Administration and engineering	1,995,695	2,661,129	4,625,174
Road and street maintenance	6,258,368	5,534,899	6,128,904
Bridge maintenance	1,200	2,895	861
Sidewalk and boulevard maintenance	1,169,566	641,835	605,399
Street lighting	1,174,070	1,079,811	1,049,034
Other road transport	2,514,955	2,609,848	3,196,518
Air transport	857,924	790,885	782,831
Public transit	<u>4,166,117</u>	<u>4,315,621</u>	<u>4,246,020</u>
	<u>18,137,895</u>	<u>17,636,923</u>	<u>20,634,741</u>
<b>Environmental health services:</b>			
Waste collection and disposal	2,463,284	2,714,156	2,417,793
Recycling	2,045,304	1,811,868	2,159,374
Other	<u>-</u>	<u>-</u>	<u>-</u>
	<u>4,508,588</u>	<u>4,526,024</u>	<u>4,577,167</u>
<b>Public health and welfare services:</b>			
Public health	436,222	383,107	338,025
Medical care	-	-	-
Hospital care	-	-	-
Social assistance	<u>267,032</u>	<u>267,032</u>	<u>267,032</u>
	<u>703,254</u>	<u>650,139</u>	<u>605,057</u>
<b>Regional planning and development:</b>			
Planning and zoning	864,030	757,641	537,299
Urban renewal	1,582,901	590,419	668,204
Beautification and land rehabilitation	-	-	-
Urban area weed control	352,727	307,947	203,659
Other	<u>279,312</u>	<u>259,512</u>	<u>267,763</u>
	<u>3,078,970</u>	<u>1,915,519</u>	<u>1,676,925</u>
<b>Resource conservation and industrial development:</b>			
Rural area weed control	-	-	-
Drainage of land	-	-	-
Veterinary services	-	-	-
Water resources and conservation	-	-	-
Regional development	512,886	439,044	336,127
Industrial development	-	-	-
Tourism	374,006	384,006	335,109
Other	<u>-</u>	<u>-</u>	<u>-</u>
	<u>886,892</u>	<u>823,050</u>	<u>671,236</u>

**THE CITY OF BRANDON  
CONSOLIDATED SCHEDULE OF EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2012**

**SCHEDULE 3**

<b>Recreation and cultural services:</b>			
Administration	899,306	868,186	773,943
Community centres and halls	48,635	48,635	48,635
Swimming pools and beaches	269,809	4,263,192	177,755
Golf courses	744,212	895,628	836,876
Skating and curling rinks	61,833	77,046	110,343
Parks and playgrounds	2,271,042	2,034,945	2,034,152
Other recreational facilities	5,579,316	6,241,356	6,156,975
Museums	118,686	119,805	88,568
Libraries	1,735,794	1,124,071	1,120,235
Other cultural facilities	<u>522,841</u>	<u>669,665</u>	<u>553,180</u>
	<u>12,251,474</u>	<u>16,342,529</u>	<u>11,900,662</u>
<b>Water and sewer</b>			
Municipal utilities (Schedule 9)	18,700,625	17,719,948	17,324,178
Consolidated water co-operatives	-	-	-
	<u>18,700,625</u>	<u>17,719,948</u>	<u>17,324,178</u>
<b>Total expenses</b>	<b>\$ <u>94,919,703</u></b>	<b>\$ <u>96,491,584</u></b>	<b>\$ <u>90,057,430</u></b>

THE CITY OF BRANDON  
CONSOLIDATED SCHEDULE OF OPERATIONS BY PROGRAM  
FOR THE YEAR ENDED DECEMBER 31, 2012

SCHEDULE 4

	General Government*		Protective Services		Transportation Services		Environmental Health Services	
	2012	2011	2012	2011	2012	2011	2012	2011
<b>REVENUES</b>								
Property taxes	\$ 35,447,846	\$ 33,143,775	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants in lieu of taxation	2,350,391	2,277,053	-	-	-	-	-	-
User fees	87,126	122,004	4,248,190	3,909,102	1,655,453	1,698,870	2,528,749	2,663,220
Province of MB - Unconditional	8,798,929	8,137,854	-	-	-	-	-	-
Province of MB - Conditional	1,881,500	2,499	2,415,790	2,164,942	6,902,646	2,954,690	1,306,898	4,652,901
Grants - Other	3,300	4,650	-	-	2,650,832	2,650,832	5,742	6,265
Permits, licenses and fines	1,268,469	1,257,077	476,039	449,971	72,403	303,517	-	-
Investment income	236,440	476,053	-	-	-	-	-	-
Other revenue	3,400	18,535	8,375	600	1,777,382	1,618,128	9,331	650
Water and sewer	-	-	-	-	-	-	-	-
Total revenue (Schedules 2, 5)	<u>50,077,401</u>	<u>45,439,500</u>	<u>7,148,394</u>	<u>6,524,615</u>	<u>13,058,716</u>	<u>9,226,037</u>	<u>3,850,720</u>	<u>7,323,036</u>
<b>EXPENSES</b>								
Personnel services	4,477,499	3,813,295	20,999,937	20,861,670	6,969,600	7,610,469	1,263,267	1,141,691
Contract services	1,888,652	1,638,931	801,528	952,570	3,484,598	5,331,096	697,423	875,074
Utilities	174,250	162,634	525,956	626,256	964,056	973,087	71,334	67,445
Maintenance materials and supplies	298,191	228,437	468,835	528,654	2,488,189	3,047,078	334,920	287,018
Grants and contributions	2,469,199	683,428	28,190	25,016	-	-	594,724	588,856
Amortization	476,990	348,527	887,866	709,485	6,026,743	6,155,258	75,109	75,109
Interest on long-term debt	-	-	916,513	-	-	-	72,035	73,779
Other	1,309,951	1,093,389	1,153,895	995,172	(2,296,263)	(2,482,247)	1,417,212	1,468,195
Total expenses (Schedules 3, 5)	<u>11,094,732</u>	<u>7,968,641</u>	<u>25,782,720</u>	<u>24,698,823</u>	<u>17,636,923</u>	<u>20,634,741</u>	<u>4,526,024</u>	<u>4,577,167</u>
<b>SURPLUS (DEFICIT)</b>	<u>\$ 38,982,669</u>	<u>\$ 37,470,859</u>	<u>\$ (18,634,326)</u>	<u>\$ (18,174,208)</u>	<u>\$ (4,578,207)</u>	<u>\$ (11,408,704)</u>	<u>\$ (675,304)</u>	<u>\$ 2,745,869</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, 2012

SCHEDULE 4

	Public Health and Welfare Services		Regional Planning and Development		Resource Conservation and Industrial Dev		Recreation and Cultural Services	
	2012	2011	2012	2011	2012	2011	2012	2011
<b>REVENUES</b>								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants in lieu of taxation	-	-	-	-	-	-	-	-
User fees	275,161	252,387	706,066	641,010	-	-	4,723,898	3,762,045
Province of MB - Unconditional	-	-	252,336	413,967	-	-	743,882	944,834
Province of MB - Conditional	-	-	18,501	17,341	-	-	385,255	385,725
Grants - Other	-	-	1,300,745	1,235,027	-	-	-	-
Permits, licenses and fines	-	-	684	690	-	-	11,599	23,133
Investment income	-	-	(74,835)	527,811	-	-	5,045	20,683
Other revenue	-	-	-	-	-	-	-	-
Water and sewer	-	-	-	-	-	-	-	-
Total revenue (Schedules 2, 5)	<u>275,161</u>	<u>252,387</u>	<u>2,203,497</u>	<u>2,835,846</u>	<u>-</u>	<u>-</u>	<u>5,869,679</u>	<u>5,136,420</u>
<b>EXPENSES</b>								
Personnel services	235,366	151,985	945,130	711,086	244,883	238,981	4,814,242	4,652,716
Contract services	316,389	331,046	420,286	356,176	146,814	1,470	974,335	759,700
Utilities	12,925	12,229	60,264	77,197	1,981	2,851	821,091	845,092
Maintenance materials and supplies	36,838	32,926	135,885	55,262	4,640	4,363	2,029,580	1,877,889
Grants and contributions	-	-	148,749	(95,138)	384,006	335,109	4,880,085	816,476
Amortization	621	287	2,372	2,372	-	-	1,504,042	1,628,579
Interest on long-term debt	-	-	-	-	-	-	328,603	287,269
Other	48,000	76,583	202,833	569,970	40,726	88,462	990,551	1,032,941
Total expenses (Schedules 3, 5)	<u>650,139</u>	<u>605,056</u>	<u>1,915,519</u>	<u>1,676,925</u>	<u>823,050</u>	<u>671,236</u>	<u>16,342,529</u>	<u>11,900,662</u>
<b>SURPLUS (DEFICIT)</b>	<u>\$ (374,978)</u>	<u>\$ (352,669)</u>	<u>\$ 287,978</u>	<u>\$ 1,158,921</u>	<u>\$ (823,050)</u>	<u>\$ (671,236)</u>	<u>\$ (10,472,850)</u>	<u>\$ (6,764,242)</u>

THE CITY OF BRANDON  
CONSOLIDATED SCHEDULE OF OPERATIONS BY PROGRAM  
FOR THE YEAR ENDED DECEMBER 31, 2012

SCHEDULE 4

	Water and Sewer Services		Total
	2012	2011	
<b>REVENUES</b>			
Property taxes	\$ -	\$ -	\$ 35,447,846
Grants in lieu of taxation	-	-	2,350,391
User fees	-	-	14,224,643
Province of MB - Unconditional	-	-	8,798,929
Province of MB - Conditional	-	-	13,503,052
Grants - Other	-	-	3,063,630
Permits, licenses and fines	-	-	3,117,656
Investment income	-	-	248,723
Other revenue	-	-	1,728,698
Water and sewer	<u>32,616,394</u>	<u>22,432,280</u>	<u>32,616,394</u>
Total revenue (Schedules 2, 5)	<u>32,616,394</u>	<u>22,432,280</u>	<u>115,099,962</u>
<b>EXPENSES</b>			
Personnel services	5,226,030	4,725,442	45,175,954
Contract services	1,700,466	1,568,156	10,430,491
Utilities	1,106,310	1,216,254	3,738,167
Maintenance materials and supplies	3,628,466	3,320,397	9,425,544
Grants and contributions	154,559	296,463	8,659,512
Amortization	4,918,131	4,813,186	13,891,874
Interest on long-term debt	213,743	299,746	1,530,894
Other	<u>772,243</u>	<u>1,084,535</u>	<u>3,639,148</u>
Total expenses (Schedules 3, 5)	<u>\$ 17,719,948</u>	<u>\$ 17,324,179</u>	<u>\$ 96,491,584</u>
<b>SURPLUS (DEFICIT)</b>	<u>\$ 14,896,446</u>	<u>\$ 5,108,101</u>	<u>\$ 18,608,378</u>
			<u>\$ 9,112,691</u>

**THE CITY OF BRANDON  
CONSOLIDATED SCHEDULE OF DETAILS AND RECONCILIATION TO CORE GOVERNMENT RESULTS  
FOR THE YEAR ENDED DECEMBER 31, 2012**

**SCHEDULE 5**

	Core Government		Controlled Entities		Government Partnerships		Total
	2012	2011	2012	2011	2012	2011	
<b>REVENUES</b>							
Property taxes	\$ 35,447,846	\$ 33,143,775	\$ -	\$ -	\$ -	\$ -	\$ 35,447,846
Grants in lieu of taxation	2,350,391	2,277,053	-	-	-	-	2,350,391
User fees	11,334,509	10,467,656	-	-	2,890,134	2,580,982	14,224,643
Province of MB - Unconditional	8,798,929	8,137,854	-	-	677,609	636,302	8,798,929
Province of MB - Conditional	12,575,443	10,083,564	250,000	413,967	-	-	13,503,052
Other	2,798,513	2,808,599	-	-	265,117	256,214	3,063,630
Permits, licenses and fines	3,107,956	3,236,777	-	-	9,700	8,815	3,117,656
Investment income	236,440	476,052	-	3,503	12,283	20,321	248,723
Other revenue	1,720,653	2,171,544	3,917	-	4,128	14,863	1,728,698
Water and sewer	32,616,394	22,432,280	-	-	-	-	32,616,394
Total revenue	<u>110,987,074</u>	<u>95,235,154</u>	<u>253,917</u>	<u>417,470</u>	<u>3,858,971</u>	<u>3,517,497</u>	<u>115,099,962</u>
<b>EXPENSES</b>							
Personnel services	43,340,651	42,087,035	64,929	61,972	1,770,375	1,758,328	45,175,955
Contract services	9,802,481	11,240,208	4,586	8,219	373,424	315,792	10,180,491
Utilities	3,346,022	3,573,350	-	-	392,145	409,695	3,738,167
Maintenance materials and supplies	8,152,693	8,252,585	-	2,987	1,272,851	1,126,452	9,425,544
Grants and contributions	8,880,461	2,870,285	29,050	29,925	-	-	8,909,511
Amortization	12,976,886	12,687,612	-	-	914,988	1,045,191	13,891,874
Interest on long-term debt	1,436,726	536,441	-	-	94,168	124,353	1,530,894
Other	3,497,748	3,385,863	62,296	365,920	79,104	175,217	3,639,148
Total expenses	<u>91,433,668</u>	<u>84,633,379</u>	<u>160,861</u>	<u>469,023</u>	<u>4,897,055</u>	<u>4,955,028</u>	<u>96,491,584</u>
<b>SURPLUS (DEFICIT)</b>	<b>\$ 19,553,406</b>	<b>\$ 10,601,775</b>	<b>\$ 93,056</b>	<b>\$ (51,553)</b>	<b>\$ (1,038,084)</b>	<b>\$ (1,437,531)</b>	<b>\$ 18,608,378</b>
							<b>\$ 9,112,691</b>



**SCHEDULE 6**

**CITY OF BRANDON  
SCHEDULE OF CHANGE IN RESERVE FUND BALANCES  
FOR THE YEAR ENDED DECEMBER 31, 2012**

	2012							
	Accommodation Tax	Affordable Housing	Ambulance	Andrews Field	Brandon Municipal Airport	Capital Development	Centennial Auditorium	Civic Services Complex
<b>REVENUE</b>								
Investment Income	370	2,997	1,578	637	1,994	5,881	1,818	2,880
Other Income	-	-	-	-	-	(6,820)	-	-
Total Revenue	<u>370</u>	<u>2,997</u>	<u>1,578</u>	<u>637</u>	<u>1,994</u>	<u>(939)</u>	<u>1,818</u>	<u>2,880</u>
<b>EXPENSES</b>								
Investment Charges	-	-	-	-	-	-	-	-
Other Expenses	-	-	-	-	-	-	-	-
Total Expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET REVENUES</b>	<u>370</u>	<u>2,997</u>	<u>1,578</u>	<u>637</u>	<u>1,994</u>	<u>(939)</u>	<u>1,818</u>	<u>2,880</u>
<b>TRANSFERS</b>								
Debt Repayments	-	-	-	-	-	-	-	-
Transfers from Operating Fund	348,071	125,000	179,578	-	-	342,204	30,000	25,000
Transfers to Operating Fund	(10,000)	(346,700)	-	-	-	-	(64,231)	-
Transfers from (to) Utility Fund	-	-	-	-	-	-	-	-
Acquisition of Tangible Capital Assets	-	-	-	-	-	-	-	-
<b>CHANGE IN RESERVE FUND BALANCE</b>	<u>338,441</u>	<u>(218,703)</u>	<u>181,156</u>	<u>637</u>	<u>1,994</u>	<u>341,265</u>	<u>(32,413)</u>	<u>27,880</u>
<b>FUND SURPLUS, BEGINNING OF YEAR</b>	<u>-</u>	<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>
<b>FUND SURPLUS, END OF YEAR</b>	<u>338,441</u>	<u>393,223</u>	<u>432,568</u>	<u>116,581</u>	<u>364,820</u>	<u>1,335,996</u>	<u>289,744</u>	<u>536,399</u>

SCHEDULE 6

**CITY OF BRANDON  
SCHEDULE OF CHANGE IN RESERVE FUND BALANCES  
FOR THE YEAR ENDED DECEMBER 31, 2012**

	2012							
	Clare Ave Extension	Cumulative Benefits	Disposal Site (Sanitation)	Diking & Flood Control	E-911 Equipment	Elections	Fire Fighting Equipment	Fire Vehicles
<b>REVENUE</b>								
Investment Income	\$ 1,544	\$ 1,755	\$ 3,450	\$ 10,072	\$ 1,755	\$ 943	\$ 4,792	\$ 7,867
Other Income	-	-	-	-	-	-	-	-
Total Revenue	<u>1,544</u>	<u>1,755</u>	<u>3,450</u>	<u>10,072</u>	<u>1,755</u>	<u>943</u>	<u>4,792</u>	<u>7,867</u>
<b>EXPENSES</b>								
Investment Charges	-	-	-	-	-	-	-	-
Other Expenses	-	-	-	-	-	-	-	-
Total Expenses	-	-	-	-	-	-	-	-
<b>NET REVENUES</b>	<u>1,544</u>	<u>1,755</u>	<u>3,450</u>	<u>10,072</u>	<u>1,755</u>	<u>943</u>	<u>4,792</u>	<u>7,867</u>
<b>TRANSFERS</b>								
Debt Repayments	-	-	-	-	-	-	-	-
Transfers from Operating Fund	-	-	300,000	4,302,190	50,000	20,000	-	135,100
Transfers to Operating Fund	-	-	(273,366)	(10,200)	-	-	(158,753)	(510,515)
Transfers from (to) Utility Fund	-	-	-	-	-	-	-	-
Acquisition of Tangible Capital Assets	-	-	-	-	-	-	-	-
<b>CHANGE IN RESERVE FUND BALANCE</b>	<u>1,544</u>	<u>1,755</u>	<u>30,084</u>	<u>4,302,062</u>	<u>51,755</u>	<u>20,943</u>	<u>(153,961)</u>	<u>(367,548)</u>
<b>FUND SURPLUS, BEGINNING OF YEAR</b>	<u>280,966</u>	<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>
<b>FUND SURPLUS, END OF YEAR</b>	<u>\$ 282,510</u>	<u>\$ 321,143</u>	<u>\$ 672,520</u>	<u>\$ 5,238,399</u>	<u>\$ 340,225</u>	<u>\$ 180,154</u>	<u>\$ 830,655</u>	<u>\$ 1,100,430</u>

**SCHEDULE 6**

**CITY OF BRANDON  
SCHEDULE OF CHANGE IN RESERVE FUND BALANCES  
FOR THE YEAR ENDED DECEMBER 31, 2012**

	2012							
	Gas Tax	General	Gravel Pit	Kirkcaldy Heights	Land Acquisition	Large Events Acquisition	Library / Arts Building	Machinery & Equipment
<b>REVENUE</b>								
Investment Income	\$ 21,517	\$ 6,061	\$ -	\$ -	\$ 7,487	\$ 42	\$ 990	\$ 20,878
Other Income	-	-	-	-	-	-	-	-
Total Revenue	<u>21,517</u>	<u>6,061</u>	<u>-</u>	<u>-</u>	<u>7,487</u>	<u>42</u>	<u>990</u>	<u>20,878</u>
<b>EXPENSES</b>								
Investment Charges	-	-	-	-	-	-	-	-
Other Expenses	-	-	-	-	-	-	-	-
Total Expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET REVENUES</b>	<u>21,517</u>	<u>6,061</u>	<u>-</u>	<u>-</u>	<u>7,487</u>	<u>42</u>	<u>990</u>	<u>20,878</u>
<b>TRANSFERS</b>								
Debt Repayments	-	-	-	-	-	-	-	-
Transfers from Operating Fund	2,265,632	-	-	-	300,000	38,675	-	2,751,268
Transfers to Operating Fund	(2,248,166)	-	-	-	(1,025,921)	-	-	(1,601,775)
Transfers from (to) Utility Fund	-	-	-	-	-	-	-	-
Acquisition of Tangible Capital Assets	-	-	-	-	-	-	-	-
<b>CHANGE IN RESERVE FUND BALANCE</b>	<u>38,983</u>	<u>6,061</u>	<u>-</u>	<u>-</u>	<u>(718,434)</u>	<u>38,717</u>	<u>990</u>	<u>1,170,371</u>
<b>FUND SURPLUS, BEGINNING OF YEAR</b>	<u>4,364,408</u>	<u>1,102,674</u>	<u>-</u>	<u>75,000</u>	<u>1,619,566</u>	<u>-</u>	<u>180,139</u>	<u>2,929,006</u>
<b>FUND SURPLUS, END OF YEAR</b>	<u>\$ 4,403,391</u>	<u>\$ 1,108,735</u>	<u>\$ -</u>	<u>\$ 75,000</u>	<u>\$ 901,132</u>	<u>\$ 38,717</u>	<u>\$ 181,129</u>	<u>\$ 4,099,377</u>

**SCHEDULE 6**

**CITY OF BRANDON  
SCHEDULE OF CHANGE IN RESERVE FUND BALANCES  
FOR THE YEAR ENDED DECEMBER 31, 2012**

	2012							
	Major Events Hosting	Municipal Building	Municipal Building Maintenance	Office Equipment	Parks	Perpetual Care	Police Equipment	Police Vehicles
<b>REVENUE</b>								
Investment Income	\$ 947	\$ 584	\$ 1,713	\$ 4,900	\$ 8,026	\$ 3,028	\$ 3,538	\$ 3,767
Other Income	-	-	-	-	<u>6,820</u>	-	-	-
Total Revenue	<u>947</u>	<u>584</u>	<u>1,713</u>	<u>4,900</u>	<u>14,846</u>	<u>3,028</u>	<u>3,538</u>	<u>3,767</u>
<b>EXPENSES</b>								
Investment Charges	-	-	-	-	-	-	-	-
Other Expenses	-	-	-	-	-	-	-	-
Total Expenses	-	-	-	-	-	-	-	-
<b>NET REVENUES</b>	<u>947</u>	<u>584</u>	<u>1,713</u>	<u>4,900</u>	<u>14,846</u>	<u>3,028</u>	<u>3,538</u>	<u>3,767</u>
<b>TRANSFERS</b>								
Debt Repayments	-	-	-	-	-	-	-	-
Transfers from Operating Fund	-	-	-	802,870	37,370	55,032	310,000	359,540
Transfers to Operating Fund	(12,000)	-	823,005	(155,235)	-	-	(350,730)	(320,744)
Transfers from (to) Utility Fund	-	-	-	-	-	-	-	-
Acquisition of Tangible Capital Assets	-	-	-	-	-	-	-	-
<b>CHANGE IN RESERVE FUND BALANCE</b>	<u>(11,053)</u>	<u>584</u>	<u>824,718</u>	<u>652,535</u>	<u>52,216</u>	<u>58,060</u>	<u>(37,192)</u>	<u>42,563</u>
<b>FUND SURPLUS, BEGINNING OF YEAR</b>	<u>172,268</u>	<u>106,285</u>	<u>(600,545)</u>	<u>767,077</u>	<u>1,436,410</u>	<u>515,327</u>	<u>564,534</u>	<u>599,906</u>
<b>FUND SURPLUS, END OF YEAR</b>	<u>\$ 161,215</u>	<u>\$ 106,869</u>	<u>\$ 224,173</u>	<u>\$ 1,419,612</u>	<u>\$ 1,488,626</u>	<u>\$ 573,387</u>	<u>\$ 527,342</u>	<u>\$ 642,469</u>

**SCHEDULE 6**

**CITY OF BRANDON  
SCHEDULE OF CHANGE IN RESERVE FUND BALANCES  
FOR THE YEAR ENDED DECEMBER 31, 2012**

	2012							
	Professional Fees	Protective Services Building	Recreation Centre	Snow Clearing	Social Development	Sportsplex	Storm Sewer	Traffic Control Devices
<b>REVENUE</b>								
Investment Income	\$ 398	\$ 4,570	\$ 2,226	\$ 1,525	\$ 50	\$ 6,069	\$ 16,197	\$ 599
Other Income	-	-	-	-	-	-	-	-
Total Revenue	<u>398</u>	<u>4,570</u>	<u>2,226</u>	<u>1,525</u>	<u>50</u>	<u>6,069</u>	<u>16,197</u>	<u>599</u>
<b>EXPENSES</b>								
Investment Charges	-	-	-	-	-	-	-	-
Other Expenses	-	-	-	-	-	-	-	-
Total Expenses	-	-	-	-	-	-	-	-
<b>NET REVENUES</b>	<u>398</u>	<u>4,570</u>	<u>2,226</u>	<u>1,525</u>	<u>50</u>	<u>6,069</u>	<u>16,197</u>	<u>599</u>
<b>TRANSFERS</b>								
Debt Repayments	-	-	-	-	-	-	-	-
Transfers from Operating Fund	-	-	-	-	-	200,000	300,000	200,000
Transfers to Operating Fund	(75,000)	-	(43,345)	-	-	(6,415)	(326,367)	-
Transfers from (to) Utility Fund	-	-	-	-	-	-	-	-
Acquisition of Tangible Capital Assets	-	-	-	-	-	-	-	-
<b>CHANGE IN RESERVE FUND BALANCE</b>	<u>(74,602)</u>	<u>4,570</u>	<u>(41,119)</u>	<u>1,525</u>	<u>50</u>	<u>199,654</u>	<u>(10,170)</u>	<u>200,599</u>
<b>FUND SURPLUS, BEGINNING OF YEAR</b>	<u>87,370</u>	<u>831,541</u>	<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>
<b>FUND SURPLUS, END OF YEAR</b>	<u>\$ 12,768</u>	<u>\$ 836,111</u>	<u>\$ 372,769</u>	<u>\$ 279,001</u>	<u>\$ 9,105</u>	<u>\$ 1,183,764</u>	<u>\$ 2,821,801</u>	<u>\$ 309,577</u>

SCHEDULE 6

**CITY OF BRANDON  
SCHEDULE OF CHANGE IN RESERVE FUND BALANCES  
FOR THE YEAR ENDED DECEMBER 31, 2012**

	2012			
	Transit Funding	Transit System Equipment	26th Street South of Maryland	8th Street Bridge
<b>REVENUE</b>				
Investment Income	\$ 3,625	\$ 3,432	\$ 851	\$ 11,429
Other Income	-	-	-	-
Total Revenue	<u>3,625</u>	<u>3,432</u>	<u>851</u>	<u>11,429</u>
<b>EXPENSES</b>				
Investment Charges	-	-	-	-
Other Expenses	-	-	-	-
Total Expenses	-	-	-	-
<b>NET REVENUES</b>	<u>3,625</u>	<u>3,432</u>	<u>851</u>	<u>11,429</u>
<b>TRANSFERS</b>				
Debt Repayments	-	-	-	-
Transfers from Operating Fund	385,200	278,550	-	76,520
Transfers to Operating Fund	(442,164)	(500,000)	-	-
Transfers from (to) Utility Fund	-	-	-	-
Acquisition of Tangible Capital Assets	-	-	-	-
<b>CHANGE IN RESERVE FUND BALANCE</b>	<u>(53,339)</u>	<u>(218,018)</u>	<u>851</u>	<u>87,949</u>
<b>FUND SURPLUS, BEGINNING OF YEAR</b>	<u>670,935</u>	<u>668,418</u>	<u>154,757</u>	<u>2,011,445</u>
<b>FUND SURPLUS, END OF YEAR</b>	<u>\$ 617,596</u>	<u>\$ 450,400</u>	<u>\$ 155,608</u>	<u>\$ 2,099,394</u>

CITY OF BRANDON  
 SCHEDULE OF CHANGE IN RESERVE FUND BALANCES  
 FOR THE YEAR ENDED DECEMBER 31, 2012

SCHEDULE 6

	2012			2011 Total
	Water Distribution	Wastewater Distribution	Industrial WWTF	
<b>REVENUE</b>				
Investment Income	\$ 24,591	\$ 23,594	\$ 1,604	\$ 506,898
Other Income	-	-	-	-
Total Revenue	<u>24,591</u>	<u>23,594</u>	<u>1,604</u>	<u>506,898</u>
<b>EXPENSES</b>				
Investment Charges	-	-	-	-
Other Expenses	-	-	-	-
Total Expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET REVENUES</b>	<u>24,591</u>	<u>23,594</u>	<u>1,604</u>	<u>506,898</u>
<b>TRANSFERS</b>				
Debt Repayments	-	-	-	-
Transfers from Operating Fund	-	-	-	9,624,474
Transfers to Operating Fund	-	-	-	(6,112,553)
Transfers from Utility Fund	2,035,000	15,679,777	20,000	5,032,532
Transfers to Utility Fund	-	-	-	(538,592)
Acquisition of Tangible Capital Assets	-	-	-	-
<b>CHANGE IN RESERVE FUND BALANCE</b>	<u>2,059,591</u>	<u>15,703,371</u>	<u>21,604</u>	<u>8,512,759</u>
<b>FUND SURPLUS, BEGINNING OF YEAR</b>	<u>4,318,058</u>	<u>3,679,251</u>	<u>283,977</u>	<u>30,897,443</u>
<b>FUND SURPLUS, END OF YEAR</b>	<u>\$ 6,377,649</u>	<u>\$ 19,382,622</u>	<u>\$ 305,581</u>	<u>\$ 39,410,202</u>





**CITY OF BRANDON  
SCHEDULE OF TRUST FUNDS  
AS AT DECEMBER 31, 2012**

**SCHEDULE 7**

	<b>Commnunity Center Assistance</b>	<b>2012</b>	<b>2011</b>
<b>ASSETS</b>			
Cash and Temporary Investments	\$ -	\$ -	\$ -
Porfolio Investments	-	-	-
Other	<u>160,739</u>	<u>160,739</u>	<u>160,250</u>
	<u>160,739</u>	<u>160,739</u>	<u>160,250</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Due to Municipality	-	-	-
Fund Balance	<u>160,739</u>	<u>160,739</u>	<u>160,250</u>
	<u>160,739</u>	<u>160,739</u>	<u>160,250</u>
<b>REVENUES</b>			
Contributions and Donations	48,635	48,635	48,635
Investment Income	-	-	-
	<u>48,635</u>	<u>48,635</u>	<u>48,635</u>
<b>EXPENDITURES</b>			
Cemetary Maintenance	-	-	-
Distribution to Beneficiaries	48,146	48,146	41,165
Other	-	-	-
	<u>48,146</u>	<u>48,146</u>	<u>41,165</u>
<b>EXCESS REVENUES OVER EXPENDITURES</b>	489	489	7,470
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>160,250</u>	<u>160,250</u>	<u>152,780</u>
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 160,739</u>	<u>\$ 160,739</u>	<u>\$ 160,250</u>

**THE CITY OF BRANDON  
SCHEDULE OF FINANCIAL POSITION FOR UTILITIES  
AS AT DECEMBER 31, 2012**

**SCHEDULE 8**

	<b>2012</b>	<b>2011</b>
<b>FINANCIAL ASSETS</b>		
Cash and temporary investments	\$ -	\$ -
Amounts receivable	16,013,343	11,188,692
Portfolio investments	-	-
Loans and advances	-	-
Real estate properties held for sale	-	-
Due from other funds	-	-
	<u>16,013,343</u>	<u>11,188,692</u>
<b>LIABILITIES</b>		
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)	3,490,891	4,583,288
Obligations under capital lease	-	-
Due to other funds	45,134,950	21,809,931
	<u>48,625,841</u>	<u>26,393,219</u>
<b>NET FINANCIAL ASSETS</b>	<u><b>(32,612,498)</b></u>	<u><b>(15,204,527)</b></u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Schedule 1)	158,684,894	144,162,621
Inventories	327,644	324,815
Prepaid expenses	57,776	63,028
	<u>159,070,314</u>	<u>144,550,464</u>
<b>FUND SURPLUS (DEFICIT)</b>	<u><b>\$ 126,457,816</b></u>	<u><b>\$ 129,345,937</b></u>
<b>COMMITMENTS AND CONTINGENCIES (NOTES 10 AND 11)</b>		

**THE CITY OF BRANDON  
SCHEDULE OF UTILITY OPERATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2012**

**SCHEDULE 9**

	2012 Budget	2012	2011
<b>REVENUES</b>			
<b>Water</b>			
Water fees	\$ 9,025,372	\$ 9,238,895	\$ 9,107,085
Bulk water fees	<u>62,000</u>	<u>50,197</u>	<u>40,143</u>
Sub-total - Water	9,087,372	9,289,092	9,147,228
<b>Sewer</b>			
Sewer fees	3,853,782	3,927,274	3,840,259
Lagoon tipping fees	<u>59,770</u>	<u>32,673</u>	<u>17,602</u>
Sub-total - Sewer	3,913,552	3,959,947	3,857,861
<b>Property Taxes</b>			
	-	627,516	698,741
<b>Government transfers</b>			
Capital funding - government transfers	-	15,063,864	4,408,115
Capital funding - other organizations	<u>-</u>	<u>-</u>	<u>-</u>
Sub-total - Government transfers	-	15,063,864	4,408,115
<b>Other</b>			
Hydrant rentals	267,000	253,600	257,600
Connection charges	853,994	874,411	864,359
Penalties	60,000	88,047	38,991
Installation service			
Contributed tangible capital assets			
Investment income	-	-	-
Administration Fees			
Gain on sale of tangible assets			
Other income	<u>2,612,646</u>	<u>2,410,127</u>	<u>3,085,096</u>
Sub-total - Other	<u>3,793,640</u>	<u>3,626,185</u>	<u>4,246,046</u>
<b>Total revenue</b>	<u>16,794,564</u>	<u>32,566,604</u>	<u>22,357,991</u>
<b>EXPENSES</b>			
<b>General</b>			
Administration	372,856	620,462	537,058
Overhead, billing and collection	<u>1,740,363</u>	<u>1,479,937</u>	<u>1,496,086</u>
Sub-total - General	2,113,219	2,100,399	2,033,144
<b>Water</b>			
Purification	3,848,329	4,170,115	4,060,609
Transmission and distribution	877,190	680,140	726,157
Training costs	58,476	44,602	36,119
Utilities (telephone, electricity, etc.)	589,842	420,582	446,329
Connection costs	<u>596,824</u>	<u>530,507</u>	<u>391,682</u>
Sub-total - Water	5,970,661	5,845,946	5,660,896
<b>Water Amortization &amp; Interest</b>			
Amortization	2,309,742	2,309,742	2,253,817
Interest on long-term debt	<u>16,885</u>	<u>15,497</u>	<u>31,290</u>
Sub-total - Water Amortization & Interest	2,326,627	2,325,239	2,285,107
<b>Sewer</b>			
Collection system costs	680,962	643,256	686,467
Treatment and disposal costs	3,814,405	3,192,053	2,996,632
Lift stations costs	38,670	92,869	38,657
Training costs	126,000	29,941	18,706
Utilities (telephone, electricity, etc.)	<u>807,310</u>	<u>683,230</u>	<u>769,925</u>
Sub-total - Sewer	5,467,347	4,641,349	4,510,387
<b>Sewage Amortization &amp; Interest</b>			
Amortization	2,608,389	2,608,389	2,559,369
Interest on long-term debt	<u>214,382</u>	<u>198,626</u>	<u>275,276</u>
Sub-total - Sewer Amortization & Interest	<u>2,822,771</u>	<u>2,807,015</u>	<u>2,834,645</u>
<b>Total expenses</b>	<u>18,700,625</u>	<u>17,719,948</u>	<u>17,324,179</u>
<b>NET REVENUES</b>	(1,906,061)	14,846,656	5,033,812

**THE CITY OF BRANDON  
 SCHEDULE OF UTILITY OPERATIONS  
 FOR THE YEAR ENDED DECEMBER 31, 2012**

**SCHEDULE 9**

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<b>TRANSFERS</b>			
Transfers from (to) operating fund	-	-	538,591
Transfers from (to) reserve funds	<u>-</u>	<u>(17,734,777)</u>	<u>(5,032,532)</u>
<b>CHANGE IN UTILITY FUND BALANCE</b>	<b><u>(1,906,061)</u></b>	<b><u>(2,888,121)</u></b>	<b><u>539,871</u></b>
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>129,345,937</u>	<u>129,345,937</u>	<u>128,806,066</u>
<b>FUND BALANCE, END OF YEAR</b>	<b><u>\$ 127,439,876</u></b>	<b><u>\$ 126,457,816</u></b>	<b><u>\$ 129,345,937</u></b>

CITY OF BRANDON  
 RECONCILIATION OF THE FINANCIAL PLAN TO THE BUDGET  
 FOR THE YEAR ENDED DECEMBER 31, 2012

	Financial Plan General	Financial Plan Utility(ies)	Amortization (TCA)	Interest Expense	Transfers	Long Term Accruals	Consolidated Entities	PSAB Budget
<b>REVENUE</b>	\$ 35,880,499	\$ -	\$ -	\$ -	\$ (627,516)	\$ -	\$ -	\$ 35,252,983
Property Taxes	2,350,391	-	-	-	-	-	-	2,350,391
Grants in Lieu of Taxation	11,198,006	-	-	-	-	-	2,907,962	14,105,968
User Fees	15,089,618	-	-	-	-	-	645,735	15,735,353
Grants - Province of Manitoba	2,833,149	-	-	-	-	-	757,980	3,591,129
Grants - Other	2,613,389	-	-	-	-	-	8,316	2,621,705
Permits, Licences and Fines	45,000	-	-	-	-	-	1,830	46,830
Investment Income	830,036	-	-	-	-	-	1,635	831,671
Other Revenue	-	16,794,564	-	-	-	-	-	16,794,564
Water and Sewer	-	-	-	-	-	-	-	-
Transfers from Accumulated Surplus	-	-	-	-	-	-	-	-
Transfers from Reserves	2,295,680	897,516	-	-	(3,193,196)	-	-	-
<b>TOTAL REVENUE</b>	<b>73,135,768</b>	<b>17,692,080</b>	-	-	<b>(3,820,712)</b>	-	<b>4,323,458</b>	<b>91,330,594</b>
<b>EXPENSES</b>								
General Government Services	10,170,242	-	476,990	-	-	-	-	10,647,232
Protective Services	25,116,907	-	887,866	-	-	-	-	26,004,773
Transportation Services	12,111,152	-	6,026,743	-	-	-	-	18,137,895
Environmental Services	4,433,479	-	75,109	-	-	-	-	4,508,588
Public Health and Welfare Services	702,633	-	621	-	-	-	-	703,254
Regional Planning and Development	2,084,459	-	-	-	-	-	994,511	3,078,970
Resource Cons and Industrial Development	886,892	-	-	-	-	-	-	886,892
Recreation and Cultural Services	7,731,364	-	591,425	-	-	-	-	12,251,474
Water and Sewer Services	-	17,692,080	4,918,131	(1,134,586)	(2,775,000)	-	3,928,685	18,700,625
Fiscal Services:								
Transfer to Utility	627,516	-	-	-	(627,516)	-	-	-
Transfer to Capital	589,000	-	-	-	(589,000)	-	-	-
Debt Charges	993,125	-	-	(993,125)	-	-	-	-
Short Term Interest	152,030	-	-	(152,030)	-	-	-	-
Transfer to Reserves	7,531,306	-	-	-	(7,531,306)	-	-	-
Allowance for Tax Assets	5,663	-	-	-	(5,663)	-	-	-
<b>TOTAL EXPENSES</b>	<b>73,135,768</b>	<b>17,692,080</b>	<b>12,976,885</b>	<b>(2,279,741)</b>	<b>(11,528,485)</b>	-	<b>4,923,196</b>	<b>94,919,703</b>
<b>SURPLUS (DEFICIT)</b>	\$ -	\$ -	\$ (12,976,885)	\$ 2,279,741	\$ 7,707,773	\$ -	\$ (599,738)	\$ (3,589,109)

**CITY OF BRANDON  
ANALYSIS OF TAXES ON ROLL  
FOR THE YEAR ENDED DECEMBER 31, 2012**

**SCHEDULE 11**

	<b>2012</b>	<b>2011</b>
<b>Balance, Beginning of Year</b>	\$ <u>3,116,620</u>	\$ <u>3,176,618</u>
<b>Add:</b>		
Tax Levy (Schedule 12)	68,345,707	62,916,326
Taxed Added	1,158,859	1,906,687
Penalties or Interest	321,004	516,655
Other Accounts Added	396,595	-
Tax Adjustments (Specify)		
Difference Between Levy & Financial Plan	-	-
<b>Sub-total</b>	<u><b>70,222,165</b></u>	<u><b>65,339,668</b></u>
<b>Deduct:</b>		
Cash Collection - Current	67,063,038	60,492,031
Cash Collection - Arrears	2,975,605	3,824,396
Writeoffs	256,604	337,342
Title Value of Land Sales	-	-
Title Value of Tax Titles Acquired	-	-
Tax Discounts	97,416	83,463
M.P.T.C. - Cash Advance	143,722	225,717
Other Credits (Tax Offsetting Grants)	355,739	436,717
<b>Sub-total</b>	<u><b>70,892,124</b></u>	<u><b>65,399,666</b></u>
<b>Balance, End of Year</b>	<u><b>\$ 2,446,662</b></u>	<u><b>\$ 3,116,620</b></u>

**CITY OF BRANDON  
ANALYSIS OF TAX LEVY  
FOR THE YEAR ENDED DECEMBER 31, 2012**

**SCHEDULE 12**

	<u>2012</u>		<u>2011</u>	
	Assessment	Mill Rate	Levy	Levy
Debt Charges:				
Frontage	\$ 2,047,494,290	0.291	\$ 595,821	\$ 653,140
L.I.D.	1,826,887,710	0.913	1,667,948	1,293,696
Other (At Large)				
Deferred Surplus Reserves:				
Various	1,826,887,710	2.360	4,311,455	6,028,781
General Municipal	1,826,887,710	15.140	27,659,080	23,132,550
Special Levies:				
Department of Rural Development	1,826,887,710	0.366	668,641	661,928
School Portion - Mobile Home Revenue	-	-	(417,300)	(450,083)
Business Tax (Rate %)	10,165,600	1.000	<u>101,656</u>	<u>84,254</u>
<b>Total Municipal Taxes ***</b>			<b><u>34,595,144</u></b>	<b><u>31,418,302</u></b>
Education Support Levy	517,620,850	11.360	5,880,173	5,866,313
Special Levy:				
Brandon School Division	1,785,102,400	15.379	27,453,090	25,181,628
Mobile Home Revenue	-	-	<u>417,300</u>	<u>450,083</u>
<b>Total Education Taxes</b>			<b><u>33,750,563</u></b>	<b><u>31,498,024</u></b>
<b>Total Tax Levy (Schedule 11)</b>			<b><u>\$ 68,345,707</u></b>	<b><u>\$ 62,916,326</u></b>
*** Total Municipal Taxes Comprised of				
General Municipal (Schedule 2)			\$ 33,967,983	\$ 30,720,434
Utility Debenture Debt Servicing (Schedule 9)			<u>627,516</u>	<u>698,741</u>
			<b>\$ 34,595,499</b>	<b>\$ 31,419,175</b>

CITY OF BRANDON  
 ANALYSIS OF SCHOOL ACCOUNTS  
 FOR THE YEAR ENDED DECEMBER 31, 2012

SCHEDULE 13

	2012			2011
	Opening Balance	Current Requirement	Current Payment	Ending Balance
Education Support Levy	\$ 449,718	\$ 6,904,543	\$ (7,002,129)	\$ 449,718
Special Levies				
Brandon School Division	1,356,244	22,945,874	(23,131,878)	1,356,244
<b>Total</b>	<b>\$ 1,805,962</b>	<b>\$ 29,850,417</b>	<b>\$ (30,134,007)</b>	<b>\$ 1,805,962</b>



**CITY OF BRANDON  
SCHEDULE OF GENERAL OPERATING FUND EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2012**

**SCHEDULE 14**

	<b>2012 Actual</b>	<b>2011 Actual</b>
<b>General government services:</b>		
Legislative	\$ 400,093	\$ 442,921
General administrative	7,136,011	5,790,474
Other	<u>3,081,638</u>	<u>1,386,721</u>
	<u>10,617,742</u>	<u>7,620,116</u>
<b>Protective services:</b>		
Police	13,317,533	12,818,924
Fire	8,257,086	7,281,118
Emergency measures	2,433,188	2,482,691
Other	<u>887,046</u>	<u>1,206,607</u>
	<u>24,894,853</u>	<u>23,789,340</u>
<b>Transportation services:</b>		
Road transport		
Administration	2,661,127	4,625,174
Road and street maintenance	(144,239)	299,563
Bridge maintenance	2,895	861
Sidewalk maintenance	641,835	605,399
Street lighting	1,079,811	1,049,034
Other	2,609,848	3,196,518
Air transport	472,579	466,857
Public transport	4,286,322	4,386,077
Other	-	-
	<u>11,610,178</u>	<u>14,629,483</u>
<b>Environmental health services:</b>		
Waste collection and disposal	2,711,799	2,415,434
Recycling	1,739,117	2,086,623
Other	-	-
	<u>4,450,916</u>	<u>4,502,057</u>
<b>Public health and welfare services:</b>		
Public health	382,486	337,738
Medical care	-	-
Social assistance	267,032	267,032
Other	-	-
	<u>649,518</u>	<u>604,770</u>
<b>Regional planning and development:</b>		
Planning and zoning	712,162	492,597
Urban renewal	704,986	459,370
Beautification and land rehabilitation	-	-
Urban area weed control	282,519	193,470
Other	<u>259,512</u>	<u>267,763</u>
	<u>1,959,179</u>	<u>1,413,200</u>
<b>Resource conservation and industrial development:</b>		
Rural area weed control	-	-
Drainage of land	-	-
Veterinary services	-	-
Water resources and conservation	-	-
Regional development	439,043	336,128
Industrial development	-	-
Tourism	384,006	335,109
Other	-	-
	<u>823,049</u>	<u>671,237</u>

**Recreation and cultural services:**

Administration	868,186	773,943
Community centers and halls	48,635	48,635
Swimming pools and beaches	4,257,662	172,225
Golf courses	769,867	704,212
Skating and curling rinks	82,303	111,901
Parks and playgrounds	1,831,856	1,831,528
Other recreational facilities	2,641,063	2,543,747
Museums	117,238	86,001
Libraries	632,506	629,989
Other cultural facilities	<u>421,534</u>	<u>304,354</u>
	<u>11,670,850</u>	<u>7,206,535</u>

**Total expenses**

**\$ 66,676,285**                      **\$ 60,436,738**

**CITY OF BRANDON  
 SCHEDULE OF DEBENTURES PENDING  
 FOR THE YEAR ENDED DECEMBER 31, 2012**

**SCHEDULE 16**

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<b>Authority</b>	<b>Purpose</b>	<b>Source of Funds</b>	<b>Authorized</b>	<b>Expended</b>
B/L 6919/E-09-035	Police Station		\$ 12,994,000	\$ 12,994,000
B/L 6979/E-10-172	Central WWTF Project		10,000,000	7,208,536
<b>TOTAL</b>			<u><u>\$ 22,994,000</u></u>	<u><u>\$ 20,202,536</u></u>

CITY OF BRANDON  
 RECONCILIATION OF ANNUAL SURPLUS (DEFICIT)  
 FOR THE YEAR ENDED DECEMBER 31, 2012

	2012		2011	
	General	Utility	Total	Total
<b>MUNICIPAL NET SURPLUS (DEFICIT) UNDER THE MUNICIPAL ACT</b>	\$ 46,851	\$ 76,321	\$ 123,172	\$ 57,259
<b>Adjustments for reporting under public sector accounting standards</b>				
Eliminate expense - transfers to reserves	14,217,800	17,734,777	31,952,577	14,657,006
Eliminate revenue - transfers from reserves	(7,658,622)	-	(7,658,622)	(6,651,145)
Increase revenue - reserve funds interest	184,785	49,789	234,574	506,898
Increase (Decrease) revenue - Net surplus (deficit) of consolidated entities	(79,255)	-	(79,255)	(589,583)
Eliminate revenue - transfer from nominal surplus(es)	-	-	-	-
Increased revenue - developer contributions	1,708,932	375,538	2,084,470	3,967,007
Increase expense - amortization of tangible capital assets	(9,012,221)	(4,918,131)	(13,930,352)	(13,732,803)
Decrease expense - principal portion of debenture debt	952,145	1,092,397	2,044,542	2,141,350
Decrease expense - accrued interest portion of debenture debt	430,663	-	430,663	-
Eliminate expense - acquisitions of tangible capital assets	2,678,472	406,580	3,085,052	8,444,056
Eliminate expense - acquisitions of non tangible capital purchases from reserves	<u>242,382</u>	<u>79,175</u>	<u>321,557</u>	<u>312,646</u>
<b>NET SURPLUS (DEFICIT) PER CONSOLIDATED STATEMENT OF OPERATIONS</b>	<u>\$ 3,711,932</u>	<u>\$ 14,896,446</u>	<u>\$ 18,608,378</u>	<u>\$ 9,112,691</u>



