

CITY OF BRANDON



Consolidated Financial Statements
For the Year Ended December 31, 2013

BDO CANADA LLP
CHARTERED ACCOUNTANTS
BRANDON - MANITOBA

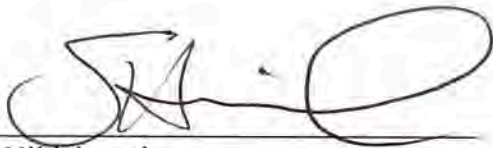
STATEMENT OF RESPONSIBILITY

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 Chartered Professional Accountants Canada.

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, 2013 and the consolidated statements of operations and accumulated surplus, change in net financial assets and cash flows for the year ended December 31, 2013, 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, 2013 and the results of its operations, change in net financial assets, and cash flows for the year ended December 31, 2013 in accordance with Canadian Public Sector Accounting Standards.

BDO Canada LLP

BDO Canada LLP
July 10, 2014
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	23
SCHEDULE 5 - CONSOLIDATED SCHEDULE OF DETAILS AND RECONCILIATION TO CORE GOVERNMENT RESULT	26
SCHEDULE 6 - SCHEDULE OF CHANGE IN RESERVE FUND BALANCES	27
SCHEDULE 7 - SCHEDULE OF TRUST FUNDS	34
SCHEDULE 8 - SCHEDULE OF FINANCIAL POSITION FOR UTILITIES	35
SCHEDULE 9 - SCHEDULE OF UTILITY OPERATIONS	36
SCHEDULE 10 - RECONCILIATION OF THE FINANCIAL PLAN TO THE BUDGET	38
SCHEDULE 11 - ANALYSIS OF TAXES ON ROLL	39
SCHEDULE 12 - ANALYSIS OF TAX LEVY	40
SCHEDULE 13 - ANALYSIS OF SCHOOL ACCOUNTS	41
SCHEDULE 14 - SCHEDULE OF GENERAL OPERATING FUND EXPENSES	42
SCHEDULE 16 - SCHEDULE OF DEBENTURES PENDING	44
SCHEDULE 17 - RECONCILIATION OF ANNUAL SURPLUS (DEFICIT)	45


**THE CITY OF BRANDON
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2013**

	2013	2012
FINANCIAL ASSETS		
Cash and temporary investments (Note 3)	\$ 19,598,916	\$ 2,618,014
Amounts receivable (Note 4)	25,258,631	36,105,177
Portfolio investments (Note 5)	9,221,210	9,301,545
Loans and advances	200,000	200,000
Real estate properties held for sale	4,232,263	3,908,838
Other assets	<u>-</u>	<u>567,604</u>
	<u>58,511,020</u>	<u>52,701,178</u>
LIABILITIES		
Accounts payable & accrued liabilities (Note 7)	11,500,204	13,765,340
Severance and vested sick leave payable	2,007,152	2,122,178
Deferred revenue	2,219,427	1,554,759
Landfill closure & post closure liabilities (Note 8)	1,050,337	978,860
Liability for remediation of contaminated site(s) (Note 9)	-	-
Long-term debt (Note 10)	34,046,741	21,994,726
Obligations under capital lease	-	-
Other liabilities	<u>1,510,490</u>	<u>1,221,342</u>
	<u>52,334,351</u>	<u>41,637,205</u>
NET FINANCIAL ASSETS	<u>6,176,669</u>	<u>11,063,973</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	336,063,378	312,260,860
Inventories (Note 6)	1,357,701	893,539
Prepaid expenses	<u>657,824</u>	<u>680,321</u>
	<u>338,078,903</u>	<u>313,834,720</u>
ACCUMULATED SURPLUS (DEFICIT) (Note 18)	<u>\$ 344,255,572</u>	<u>\$ 324,898,693</u>
COMMITMENTS AND CONTINGENCIES (NOTES 11 AND 12)		

Approved on behalf of Council:



Shari Decter Hirst - Mayor



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, 2013**

	2013 Budget (Note 15)	2013	2012
REVENUES			
Property taxes	\$ 36,939,351	\$ 37,991,845	\$ 35,447,846
Grants in lieu of taxation	2,368,270	2,368,271	2,350,391
User fees	14,854,557	16,179,968	14,224,643
Grants - Province of Manitoba	16,725,711	16,277,098	21,915,498
Grants - Other	3,646,644	3,452,958	3,450,113
Permits, licenses and fines	2,911,576	3,021,663	3,117,656
Investment income	66,721	327,945	248,723
Other revenue	1,560,566	2,971,139	1,728,698
Water and sewer	<u>18,138,648</u>	<u>32,804,047</u>	<u>32,616,394</u>
Total revenue (Schedules 2, 4, 5)	<u>97,212,044</u>	<u>115,394,934</u>	<u>115,099,962</u>
EXPENSES			
General government services	8,891,962	8,807,494	11,094,732
Protective services	28,655,123	27,274,262	25,782,720
Transportation services	19,037,853	19,114,421	17,636,923
Environmental health services	4,283,510	4,934,232	4,526,024
Public health and welfare services	724,215	657,982	650,139
Regional planning and development	3,087,852	1,906,931	1,915,519
Resource conservation & indust dev	816,075	1,011,717	823,050
Recreation and cultural services	12,363,157	13,612,876	16,342,529
Water and sewer services	<u>20,186,899</u>	<u>18,718,140</u>	<u>17,719,948</u>
Total expenses (Schedules 3, 4, 5)	<u>98,046,646</u>	<u>96,038,055</u>	<u>96,491,584</u>
ANNUAL SURPLUS (DEFICIT)	\$ (834,602)	\$ 19,356,879	\$ 18,608,378
ACCUMULATED SURPLUS (DEFICIT) BEGINNING OF YEAR	<u>324,898,693</u>	<u>324,898,693</u>	<u>306,290,315</u>
ACCUMULATED SURPLUS (DEFICIT) END OF YEAR	<u>\$ 324,064,091</u>	<u>\$ 344,255,572</u>	<u>\$ 324,898,693</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, 2013**

	2013 Budget	2013	2012
ANNUAL SURPLUS (DEFICIT)	\$ <u>(834,602)</u>	\$ <u>19,356,879</u>	\$ <u>18,608,379</u>
Acquisition of tangible capital assets	(36,939,351)	(39,111,347)	(33,616,303)
Amortization of tangible capital assets	14,364,556	14,364,556	13,930,352
Loss (gain) on sale of tangible capital assets	(938,554)	(11,929)	(69,525)
Proceeds on sale of tangible capital assets	2,361,154	956,202	898,638
Decrease (increase) in inventories	-	(464,162)	48,396
Decrease (increase) in prepaid expense	-	22,497	1,389,454
	<u>(21,152,195)</u>	<u>(24,244,183)</u>	<u>(17,418,988)</u>
CHANGE IN NET FINANCIAL ASSETS	\$ <u>(21,986,797)</u>	\$ <u>(4,887,304)</u>	\$ <u>1,189,391</u>
NET FINANCIAL ASSETS (DEBT), BEGINNING OF YEAR	<u>11,063,973</u>	<u>11,063,973</u>	<u>9,874,582</u>
NET FINANCIAL ASSETS (DEBT), END OF YEAR	\$ <u>(10,922,824)</u>	\$ <u>6,176,669</u>	\$ <u>11,063,973</u>

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, 2013**

	2013	2012
OPERATING TRANSACTIONS		
Annual surplus (deficit)	\$ <u>19,356,879</u>	\$ <u>18,608,380</u>
Changes in non-cash working capital balances:		
Amounts receivable	10,846,546	(9,270,477)
Inventories	(464,162)	48,396
Prepays	22,497	1,389,454
Accounts payable and accrued liabilities	(2,265,135)	224,522
Severance and vested sick leave payable	(115,026)	11,989
Deferred revenue	664,668	(5,319,039)
Landfill closure and post closure liabilities	71,477	67,051
Other liabilities	289,146	145,290
Adjustments for:		
Loss (gain) on sale of tangible capital assets	(11,929)	(69,525)
Loss (gain) on sale of real estate properties	-	74,835
Amortization	<u>14,364,556</u>	<u>13,930,352</u>
Cash provided by operating transactions	<u>42,759,517</u>	<u>19,841,228</u>
CAPITAL TRANSACTIONS		
Proceeds on sale of tangible capital assets	956,202	898,638
Acquisition of tangible capital assets	<u>(39,111,347)</u>	<u>(33,616,303)</u>
Cash applied to capital transactions	<u>(38,155,145)</u>	<u>(32,717,665)</u>
INVESTING TRANSACTIONS		
Proceeds on sale of portfolio investments	139,932	46,572,690
Proceeds on sale of real estate properties	-	306,886
Loans and advances repaid	-	35,000
Purchase of portfolio investments	(59,601)	(40,626,586)
Acquisition of real estate properties	(323,420)	(511,665)
Loans and advances issued	-	-
Other assets	<u>567,604</u>	<u>(567,604)</u>
Cash applied to investing transactions	<u>324,515</u>	<u>5,208,721</u>
FINANCING TRANSACTIONS		
Proceeds of long-term debt	13,941,960	2,460,313
Debt repayment	(1,889,945)	(2,044,542)
Obligation under capital lease	-	-
Repayment of obligation under capital lease	-	-
Cash applied to financing transactions	<u>12,052,015</u>	<u>415,771</u>
INCREASE (DECREASE) IN CASH AND TEMPORARY INVESTMENTS	\$ <u>16,980,902</u>	\$ <u>(7,251,945)</u>
CASH AND TEMPORARY INVESTMENTS, BEGINNING OF YEAR	<u>2,618,014</u>	<u>9,869,959</u>
CASH AND TEMPORARY INVESTMENTS, END OF YEAR	\$ <u>19,598,916</u>	\$ <u>2,618,014</u>

The accompanying notes are an integral part of this financial statement

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%) (2012 – 21%)

Western Manitoba Centennial Auditorium (50%) (2012 – 50%)

Keystone Agricultural & Recreational Centre (50%) (2012 – 50%)

Western Manitoba Regional Library (81%) (2012 – 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 when the transfer is authorized and eligibility criteria are met except, when and to the extent, stipulations by the transferor gives rise to an obligation that meets the definition of a liability. Stipulations by the transferor may require that the funds only be used for providing specific services or the acquisition of tangible capital assets. For transfers with stipulations, an equivalent amount of revenue is recognized as the liability is settled.

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>2013</u>	<u>2012</u>
Cash	\$ 19,346,126	\$ 2,368,931
Temporary Investments	<u>252,790</u>	<u>249,083</u>
	<u>\$ 19,598,916</u>	<u>\$ 2,618,014</u>

The City of Brandon has designated \$ 81,851,942 (2012 \$ 63,938,728) 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, 2013 the City had \$5,000,000 (2012 - \$5,000,000) credit available.

4. Amounts Receivable

Amounts receivable are valued at their net realizable value:

	<u>2013</u>	<u>2012</u>
Taxes on Roll (schedule 11)	\$ 2,801,954	\$ 2,446,662
Government Grants	-	-
Utility Customers	13,412,832	16,013,343
Accrued Interest	17,125	16,415
Organizations and Individuals	8,588,302	16,839,936
Federal Government - GST	<u>475,891</u>	<u>806,123</u>
	\$ 25,296,104	\$ 36,122,479
Less Allowances for Doubtful Amounts	<u>(37,473)</u>	<u>(17,302)</u>
	<u>\$ 25,258,631</u>	<u>\$ 36,105,177</u>

5. Portfolio Investments

	<u>2013</u>	<u>2012</u>
Marketable Securities:		
Government of Canada	\$ -	\$ -
Province of Manitoba	-	-
Bonds and Certificates	<u>9,000,096</u>	<u>9,000,096</u>
	\$ 9,000,096	\$ 9,000,096
Other Investments	<u>221,114</u>	<u>301,449</u>
	<u>\$ 9,221,210</u>	<u>\$ 9,301,545</u>

The aggregate market value of the marketable securities at December 31, 2013 is \$10,057,716 (2012 - \$9,419,648). Portfolio investments earned \$ 79,195 in investment income during the year (2012 - \$ 116,681).

6. Inventories

	<u>2013</u>	<u>2012</u>
Chemicals, herbicides, insecticides	\$ 105,122	\$ 152,667
Fuel	22,509	39,463
Other Supplies	<u>1,230,070</u>	<u>701,409</u>
	<u>\$ 1,357,701</u>	<u>\$ 893,539</u>

7. Accounts Payable and Accrued Liabilities

	<u>2013</u>	<u>2012</u>
Bank Overdraft	\$ -	\$ 52,761
Accounts Payable	6,613,680	8,321,670
Accrued Expenses	2,695,919	3,437,875
Accrued Interest Payable	540,850	430,663
School levies (Schedule 13)	<u>1,649,755</u>	<u>1,522,371</u>
	<u>\$ 11,500,204</u>	<u>\$ 13,765,340</u>

8. Landfill Closure and Post Closure Liabilities

The Municipality is currently operating a Class I landfill site in 2013. 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>2013</u>	<u>2012</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>\$ 1,802,799</u>	<u>\$ 1,716,951</u>
Expected year capacity will be reached	2042	2042
Capacity (tonnes):		
Used to date	2,097,500	2,052,500
Remaining	1,502,649	1,547,649
Total	3,600,149	3,600,149
Percent Utilized	<u>58.26</u>	<u>57.01</u>
Liability Based on Percentage	<u>\$ 1,050,337</u>	<u>\$ 978,860</u>

9. Liability for Contaminated Sites

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when all the following criteria are met:

- i. an environmental standard exists;
- ii. contamination exceeds the environmental standard;
- iii. The municipality:
 - is directly responsible; or
 - accepts responsibility; and
- iv. a reasonable estimate of the amount can be made.

10. Long Term Debt

	<u>2013</u>	<u>2012</u>
General Authority:		
Acquatics Facility, interest at 3.250%, payable at \$399,356, annually including interest, maturing January 2019	\$ 2,142,120	\$ 2,460,313
Materials Recycling Facility Purchase, interest at 2.75% to 5.00%, payable at \$187,737 to \$187,770, annually including interest, maturing December 2023	1,480,366	1,601,133
Keystone Renovations, interest at 2.75% to 5.00%, payable at \$372,977 to \$373,043, annually including interest, maturing December 2023	2,941,048	3,180,976
Keystone Capital Improvements, interest at 4% payable at \$127,494 annually including interest, maturing August 2022.	947,960	-
Fire Hall, interest at 4.92%, payable at \$811,788 annually including interest, maturing January 2030.	9,207,085	9,549,062
Police Station, interest at 4.5%, payable at \$1,018,924 to \$1,068,586 annually including interest, maturing December 2030.	12,510,144	-
Total Municipal	<u>\$ 29,228,723</u>	<u>\$ 16,791,484</u>
Controlled Entities & Government Partnerships	<u>\$ 1,590,431</u>	<u>\$ 1,712,351</u>
	<u>\$ 30,819,154</u>	<u>\$ 18,503,835</u>
Utility Funds:		
Central Wastewater Treatment Facility Expansion, interest at 2.75% to 5.00%, payable at \$409,315 to \$409,387 annually including interest, maturing December 2023.	<u>3,227,587</u>	<u>3,490,891</u>
Total Utility	<u>\$ 3,227,587</u>	<u>\$ 3,490,891</u>
Total Long Term Debt	<u>\$ 34,046,741</u>	<u>\$ 21,994,726</u>

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

2014	\$1,923,695
2015	\$1,998,528
2016	\$2,078,753
2017	\$2,163,479
2018	\$2,253,815

11. Commitments

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 2013 was \$191,002 (2012 - \$189,147). The payment for 2014 is \$166,267.

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 2013 grant amount was \$211,988 (2012 - \$201,254). The 2014 payment is \$209,385.

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 2013 payment was \$307,665 (2012 - \$302,271). The 2014 payment is \$279,217.

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.

12. Contingencies

The City of Brandon owns property located on the east side of 1st Street at Pacific Avenue. Soil remediation occurred at this location in 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.

The City of Brandon owns property located at 156 9th Street. A Phase II Environmental Site Assessment will be conducted in 2014. The Phase II Assessment is warranted due to findings in the Phase I Environmental Site Assessment which showed a potential for subsurface impacts due to past uses of the site.

In accordance with PSAB's recommendations for environmental liabilities the City of Brandon has performed a risk assessment on other 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.

13. 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 Chartered Professional Accountants of Canada 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 required that employees contribute 8.3% of basic annual earnings up to the CPP ceiling (\$51,100) plus 9.5% of basic annual earnings in excess of the CPP ceiling to \$122,640 plus 9.0% of additional earnings to a cap of \$147,608.50, plus an additional 0.1% of earnings from employees that are not members of the Municipal Disability Income Plan. 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 \$2,914,896 (2012 - \$2,330,497) and are included in the statement of operations.

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, 2012 indicated the plan was 94% funded on a going concern basis and had an unfunded solvency liability of \$220.5 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, 2012.

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

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, 2012 indicates a solvency deficiency of \$0 for these plans and a wind-up deficiency of \$74,285. As with MEBP, the City has elected permanent exemption from solvency funding requirements. As a result, solvency funding is no longer required by the City. Based on the solvency ratio the next required actuarial valuation report is due December 31, 2015.

The City of Brandon has agreements with the Brandon Professional Firefighters'/Paramedics' Association, and its E911/Police Dispatcher Division, the Brandon Police Association, the Canadian Union of Public Employees Local 69, the 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 MEBP "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.

14. 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.

15. 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.

16. Adjustment to Prior Year Figures

There were no prior period adjustments.

17. 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 \$ 263,000 in aggregate.

b) Compensation paid to individual members of City Council:

	Compensation	Expenses	Total
Mayor - Decter - Hirst, Shari	51,671	23,462	75,134
Councillor - Berry, Shawn	12,462	6,140	18,603
Councillor - Blight, Murray	12,212	6,015	18,228
Councillor - Chaboyer, Jan	12,712	6,265	18,978
Councillor - Fawcett, Jeff	12,412	6,115	18,528
Councillor - Harwood, Jeff	12,762	6,290	19,053
Councillor - Isleifson, Len	13,249	6,540	19,789
Councillor - LoRegio, John	6,486	3,158	9,644
Councillor - McCrae, Jim	4,079	1,977	6,056
Councillor - Montague, Stephen	12,112	5,965	18,078
Councillor - Rice, Garth	14,949	7,358	22,306
Councillor - Roberts, Corey	12,462	6,140	18,603
	<u>\$ 177,568</u>	<u>\$ 85,425</u>	<u>\$ 263,000</u>

18. Accumulated Surplus

	<u>2013</u>	<u>2012</u>
Accumulated surplus consists of the following:		
General operating fund - Nominal surplus	\$ (48,561,039)	\$ (39,309,059)
Utility operating fund(s) - Nominal surplus	22,452	819,717
TCA net of related borrowings	302,017,637	290,266,134
Reserve funds	<u>81,851,942</u>	<u>63,938,728</u>
Accumulated surplus of municipality unconsolidated	335,330,992	315,715,520
Accumulated surpluses of consolidated entities	<u>8,924,580</u>	<u>9,188,173</u>
Accumulated surplus per Consolidated Statement of Financial Position	<u>\$344,255,572</u>	<u>\$324,898,693</u>

19. 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	\$ 590,000	\$ -	\$ 20,000	\$ 570,000
WTF UV Disinfection	<u>212,800</u>	<u>-</u>	<u>60,800</u>	<u>152,000</u>
	<u>\$ 802,800</u>	<u>\$ -</u>	<u>\$ 80,800</u>	<u>\$ 722,000</u>

Sewer Services:

Description of Utility	Unamortized Opening Balance	Additions During Year	Amortization During Year	Unamortized Balance Ending
Combined WWTF Phase II	\$ 13,696,167	\$ -	\$ 516,837	\$ 13,179,330
Lagoon Cell 3A	<u>229,167</u>	<u>-</u>	<u>8,333</u>	<u>220,834</u>
	<u>\$ 13,925,334</u>	<u>\$ -</u>	<u>\$ 525,170</u>	<u>\$ 13,400,164</u>

CITY OF BRANDON
CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
AS AT DECEMBER 31, 2013

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	2013	2012
Opening 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
Additions During the Year	2,213,523	1,814,299	4,784,612	309,495	204,238	3,275,111	3,806,751	22,703,318	\$ 39,111,347	33,616,303
Classification Transfers	-	-	-	-	-	-	3,258,557	(3,258,557)	\$ -	-
Disposals and Write Downs	(1)	(1,089,556)	(2,370,807)	-	-	-	-	-	\$ (3,460,364)	(2,343,182)
Closing Costs	\$ 28,318,335	\$ 72,345,660	\$ 40,424,437	\$ 4,945,713	\$ 204,238	\$ 167,325,764	\$ 225,848,850	\$ 42,073,863	\$ 581,486,860	\$ 545,835,877
Accumulated Amortization										
Opening 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
Amortization	545,018	1,797,868	3,149,582	434,885	-	3,449,663	4,987,540	-	\$ 14,364,556	13,930,352
Disposals and Write Downs	-	(676,431)	(1,839,660)	-	-	-	-	-	\$ (2,516,091)	(1,514,069)
Closing Accum'd Amort.	\$ 5,028,474	\$ 27,945,219	\$ 19,274,078	\$ 1,689,465	-	\$ 103,770,956	\$ 87,715,290	-	\$ 245,423,482	\$ 233,575,017
Net Book Value of Tangible Capital Assets	\$ 23,289,861	\$ 44,400,441	\$ 21,150,359	\$ 3,256,248	\$ 204,238	\$ 63,554,808	\$ 138,133,560	\$ 42,073,863	\$ 336,063,378	\$ 312,260,860

Water and sewer underground networks contributed to the Municipality totals \$2,099,665 (2012 - \$375,538) and were capitalized at their fair value at the time of their receipt. Streets and roads infrastructure contributed to the Municipality totals \$2,147,671 (2012 - \$1,708,932) 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, 2013**

SCHEDULE 2

	2013 Budget	2013	2012
Property taxes:			
Municipal taxes levied (Schedule 12)	\$ 35,754,351	\$ 35,754,354	\$ 33,967,983
Taxes added	800,000	1,807,300	1,158,859
Penalties and interest	385,000	430,191	321,004
	<u>36,939,351</u>	<u>37,991,845</u>	<u>35,447,846</u>
Grants in lieu of taxation:			
Federal government	346,837	346,837	343,469
Federal government enterprises	-	-	-
Provincial government	2,021,433	2,021,434	2,006,922
Provincial government enterprises	-	-	-
Other local governments	-	-	-
Non-government organizations	-	-	-
	<u>2,368,270</u>	<u>2,368,271</u>	<u>2,350,391</u>
User fees:			
Parking meters	306,200	296,596	293,133
Sales of service	8,687,138	9,115,709	8,313,908
Sales of goods	346,100	354,809	371,382
Rentals	980,497	689,264	632,008
Development charges	132,158	426,304	326,368
Facility use fees	4,402,464	5,297,286	4,287,844
	<u>14,854,557</u>	<u>16,179,968</u>	<u>14,224,643</u>
Grants - Province of Manitoba:			
General assistance payment	7,402,314	7,306,783	7,329,023
General support grant	795,596	780,447	779,996
VLT revenues	600,000	672,144	689,910
Other unconditional grants	-	-	-
Conditional grants	7,927,801	7,517,724	13,116,569
	<u>16,725,711</u>	<u>16,277,098</u>	<u>21,915,498</u>
Grants - Other:			
Federal government - gas tax funding	2,650,832	2,650,833	2,650,832
Federal government - other	60,300	620,685	104,554
Other local governments	935,512	181,440	694,727
	<u>3,646,644</u>	<u>3,452,958</u>	<u>3,450,113</u>
Permits, licenses and fines:			
Permits	1,128,371	1,232,994	1,373,148
Licenses	1,280,455	1,304,711	1,266,738
Aggregate mining & transportaton fees	-	-	-
Fines	502,750	483,958	477,770
	<u>2,911,576</u>	<u>3,021,663</u>	<u>3,117,656</u>
Investment income:			
Cash and temporary investments	1,721	377,170	108,144
Marketable securities	-	(114,561)	66,891
Municipal debentures	-	-	-
Other (Accounts Receivable Interest)	65,000	65,336	73,688
	<u>66,721</u>	<u>327,945</u>	<u>248,723</u>
Other revenue:			
Gain on sale of tangible capital assets	938,554	11,929	69,525
Gain on sale of real estate held for sale	150,000	645,610	(74,835)
Contributed assets	465,247	2,294,568	1,708,694
Miscellaneous	6,765	19,032	25,314
	<u>1,560,566</u>	<u>2,971,139</u>	<u>1,728,698</u>
Water and sewer			
Municipal utilities (Schedule 9)	18,138,648	32,804,047	32,616,394
Consolidated water co-operatives	-	-	-
	<u>18,138,648</u>	<u>32,804,047</u>	<u>32,616,394</u>
Total revenue	<u>\$ 97,212,044</u>	<u>\$ 115,394,934</u>	<u>\$ 115,099,962</u>

**THE CITY OF BRANDON
CONSOLIDATED SCHEDULE OF EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2013**

SCHEDULE 3

	2013 Budget	2013	2012
General government services:			
Legislative	\$ 425,791	\$ 408,245	\$ 400,093
General administrative	7,173,175	6,884,098	7,136,011
Other	<u>1,292,996</u>	<u>1,515,151</u>	<u>3,558,628</u>
	<u>8,891,962</u>	<u>8,807,494</u>	<u>11,094,732</u>
Protective services:			
Police	15,635,919	14,964,084	13,616,343
Fire	8,851,163	8,452,298	8,654,660
Emergency measures	2,894,191	2,696,757	2,587,862
Other protection	<u>1,273,850</u>	<u>1,161,123</u>	<u>923,855</u>
	<u>28,655,123</u>	<u>27,274,262</u>	<u>25,782,720</u>
Transportation services:			
Road transport			
Administration and engineering	2,110,171	3,393,790	2,661,129
Road and street maintenance	6,447,750	5,645,695	5,534,899
Bridge maintenance	200	607	2,895
Sidewalk and boulevard maintenance	1,350,965	669,484	641,835
Street lighting	1,166,013	1,106,307	1,079,811
Other road transport	2,451,562	2,355,188	2,609,848
Air transport	876,001	970,553	790,885
Public transit	<u>4,635,191</u>	<u>4,972,797</u>	<u>4,315,621</u>
	<u>19,037,853</u>	<u>19,114,421</u>	<u>17,636,923</u>
Environmental health services:			
Waste collection and disposal	2,405,594	2,633,039	2,714,156
Recycling	1,877,916	2,301,193	1,811,868
Other	-	-	-
	<u>4,283,510</u>	<u>4,934,232</u>	<u>4,526,024</u>
Public health and welfare services:			
Public health	457,183	390,950	383,107
Medical care	-	-	-
Hospital care	-	-	-
Social assistance	<u>267,032</u>	<u>267,032</u>	<u>267,032</u>
	<u>724,215</u>	<u>657,982</u>	<u>650,139</u>
Regional planning and development:			
Planning and zoning	972,277	877,127	757,641
Urban renewal	1,364,974	374,036	590,419
Beautification and land rehabilitation	-	-	-
Urban area weed control	294,517	271,650	307,947
Other	<u>456,084</u>	<u>384,118</u>	<u>259,512</u>
	<u>3,087,852</u>	<u>1,906,931</u>	<u>1,915,519</u>
Resource conservation and industrial development:			
Rural area weed control	-	-	-
Drainage of land	-	-	-
Veterinary services	-	-	-
Water resources and conservation	-	-	-
Regional development	403,453	524,695	439,044
Industrial development	-	-	-
Tourism	412,622	487,022	384,006
Other	<u>-</u>	<u>-</u>	<u>-</u>
	<u>816,075</u>	<u>1,011,717</u>	<u>823,050</u>

**THE CITY OF BRANDON
CONSOLIDATED SCHEDULE OF EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2013**

SCHEDULE 3

Recreation and cultural services:

Administration	888,306	825,302	868,186
Community centres and halls	48,635	48,635	48,635
Swimming pools and beaches	288,355	327,393	4,263,192
Golf courses	616,277	662,022	895,628
Skating and curling rinks	68,282	52,923	77,046
Parks and playgrounds	2,001,804	2,087,442	2,034,945
Other recreational facilities	5,769,669	7,742,416	6,241,356
Museums	123,838	123,134	119,805
Libraries	1,830,025	1,148,922	1,124,071
Other cultural facilities	<u>727,966</u>	<u>594,687</u>	<u>669,665</u>
	<u>12,363,157</u>	<u>13,612,876</u>	<u>16,342,529</u>

Water and sewer

Municipal utilities (Schedule 9)	20,186,899	18,718,140	17,719,948
Consolidated water co-operatives	-	-	-
	<u>20,186,899</u>	<u>18,718,140</u>	<u>17,719,948</u>

Total expenses

\$ 98,046,646 \$ 96,038,055 \$ 96,491,584

THE CITY OF BRANDON
CONSOLIDATED SCHEDULE OF OPERATIONS BY PROGRAM
FOR THE YEAR ENDED DECEMBER 31, 2013

SCHEDULE 4

	General Government*		Protective Services		Transportation Services		Environmental Health Services	
	2013	2012	2013	2012	2013	2012	2013	2012
REVENUES								
Property taxes	\$ 37,991,845	\$ 35,447,846	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants in lieu of taxation	2,368,271	2,350,391	-	-	-	-	-	-
User fees	229,921	87,126	4,318,760	4,248,190	1,816,743	1,655,453	2,773,853	2,528,749
Province of MB - Unconditional	8,759,374	8,798,929	-	-	-	-	-	-
Province of MB - Conditional	2,498	1,881,500	2,637,136	2,415,790	1,997,863	6,902,646	1,297,367	1,306,898
Grants - Other	52,540	3,300	-	-	2,650,832	2,650,832	6,535	5,742
Permits, licenses and fines	1,292,551	1,268,469	496,119	476,039	114,339	72,403	-	-
Investment income	300,479	236,440	-	-	-	-	-	-
Other revenue	3,465	3,400	4,314	8,375	2,258,584	1,777,382	9,907	9,331
Water and sewer	-	-	-	-	-	-	-	-
Total revenue (Schedules 2, 5)	<u>51,000,944</u>	<u>50,077,401</u>	<u>7,456,329</u>	<u>7,148,394</u>	<u>8,838,361</u>	<u>13,058,716</u>	<u>4,087,662</u>	<u>3,850,720</u>
EXPENSES								
Personnel services	4,634,318	4,477,499	22,202,677	20,999,937	7,191,110	6,969,600	1,294,522	1,263,267
Contract services	2,026,398	1,888,652	776,898	801,528	4,332,350	3,484,598	890,815	697,423
Utilities	183,129	174,250	520,315	525,956	1,011,525	964,056	80,102	71,334
Maintenance materials and supplies	195,349	298,191	501,072	468,835	2,719,167	2,488,189	556,187	334,920
Grants and contributions	474,809	2,469,199	22,073	28,190	-	-	626,562	594,724
Amortization	514,640	476,990	1,070,195	887,866	6,204,000	6,026,743	74,699	75,109
Interest on long-term debt	-	-	1,055,502	916,513	-	-	69,378	72,035
Other	778,851	1,309,951	1,125,530	1,153,895	(2,343,731)	(2,296,263)	1,341,967	1,417,212
Total expenses (Schedules 3, 5)	<u>8,807,494</u>	<u>11,094,732</u>	<u>27,274,262</u>	<u>25,782,720</u>	<u>19,114,421</u>	<u>17,636,923</u>	<u>4,934,232</u>	<u>4,526,024</u>
SURPLUS (DEFICIT)	<u>\$ 42,193,450</u>	<u>\$ 38,982,669</u>	<u>\$ (19,817,933)</u>	<u>\$ (18,634,326)</u>	<u>\$ (10,276,060)</u>	<u>\$ (4,578,207)</u>	<u>\$ (846,570)</u>	<u>\$ (675,304)</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, 2013

SCHEDULE 4

	Public Health and Welfare Services	Regional Planning and Development	Resource Conservation and Industrial Dev	Recreation and Cultural Services
	2013	2013	2013	2012
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
Grants in lieu of taxation	-	-	-	-
User fees	281,391	777,279	36,535	4,723,898
Province of MB - Unconditional	-	70,034	4,014	1,508,812
Province of MB - Conditional	-	18,593	-	724,458
Grants - Other	-	1,118,654	-	-
Permits, licenses and fines	-	542	-	26,924
Investment income	-	(74,835)	-	11,599
Other revenue	-	-	-	49,250
Water and sewer	-	-	-	-
Total revenue (Schedules 2, 5)	<u>281,391</u>	<u>2,630,721</u>	<u>40,549</u>	<u>8,254,930</u>
EXPENSES				
Personnel services	260,657	1,168,893	280,910	5,195,151
Contract services	283,777	534,514	107,505	775,869
Utilities	11,792	62,308	3,591	774,924
Maintenance materials and supplies	42,041	51,439	52,371	1,755,822
Grants and contributions	-	(149,373)	487,022	1,382,266
Amortization	11,985	2,372	-	1,597,414
Interest on long-term debt	-	-	-	428,970
Other	47,730	236,778	80,318	1,702,460
Total expenses (Schedules 3, 5)	<u>657,982</u>	<u>1,906,931</u>	<u>1,011,717</u>	<u>13,612,876</u>
SURPLUS (DEFICIT)	<u>\$ (376,591)</u>	<u>\$ 723,790</u>	<u>\$ (971,168)</u>	<u>\$ (5,357,946)</u>
				<u>\$ (10,472,850)</u>

THE CITY OF BRANDON
CONSOLIDATED SCHEDULE OF OPERATIONS BY PROGRAM
FOR THE YEAR ENDED DECEMBER 31, 2013

SCHEDULE 4

	Water and Sewer Services		Total
	2013	2012	
REVENUES			
Property taxes	\$ -	\$ -	\$ 37,991,845
Grants in lieu of taxation	-	-	2,368,271
User fees	-	-	16,179,968
Province of MB - Unconditional	-	-	8,759,374
Province of MB - Conditional	-	-	7,517,724
Grants - Other	-	-	3,452,958
Permits, licenses and fines	-	-	3,021,663
Investment income	-	-	327,945
Other revenue	-	-	2,971,139
Water and sewer	<u>32,804,047</u>	<u>32,616,394</u>	<u>32,804,047</u>
Total revenue (Schedules 2, 5)	<u>32,804,047</u>	<u>32,616,394</u>	<u>115,394,934</u>
EXPENSES			
Personnel services	5,262,737	5,226,030	47,490,975
Contract services	2,305,296	1,700,466	12,033,422
Utilities	1,219,768	1,106,310	3,867,454
Maintenance materials and supplies	3,918,929	3,628,466	9,792,377
Grants and contributions	-	154,559	2,843,359
Amortization	4,987,541	4,918,131	14,462,846
Interest on long-term debt	151,263	213,743	1,705,113
Other	<u>872,606</u>	<u>772,243</u>	<u>3,842,509</u>
Total expenses (Schedules 3, 5)	<u>18,718,140</u>	<u>17,719,948</u>	<u>96,038,055</u>
SURPLUS (DEFICIT)	<u>\$ 14,085,907</u>	<u>\$ 14,896,446</u>	<u>\$ 19,356,879</u>
			<u>\$ 18,608,378</u>

**THE CITY OF BRANDON
CONSOLIDATED SCHEDULE OF DETAILS AND RECONCILIATION TO CORE GOVERNMENT RESULTS
FOR THE YEAR ENDED DECEMBER 31, 2013**

SCHEDULE 5

	Core Government		Controlled Entities		Government Partnerships		Total
	2013	2012	2013	2012	2013	2012	
REVENUES							
Property taxes	\$ 37,991,845	\$ 35,447,846	\$ -	\$ -	\$ -	\$ -	\$ 37,991,845
Grants in lieu of taxation	2,368,271	2,350,391	-	-	-	-	2,368,271
User fees	12,538,008	11,334,509	11,372	-	3,630,588	2,890,134	16,179,968
Province of MB - Unconditional	8,759,374	8,798,929	-	-	-	-	8,759,374
Province of MB - Conditional	6,042,479	12,575,443	62,500	250,000	1,412,745	677,609	7,517,724
Other	2,770,987	2,798,513	-	-	681,971	265,117	3,452,958
Permits, licenses and fines	3,013,732	3,107,956	-	-	7,931	9,700	3,021,663
Investment income	300,478	236,440	54	-	27,413	12,283	327,945
Other revenue	2,965,286	1,720,653	-	3,917	5,853	4,128	2,971,139
Water and sewer	32,804,047	32,616,394	-	-	-	-	32,804,047
Total revenue	<u>109,554,507</u>	<u>110,987,074</u>	<u>73,926</u>	<u>253,917</u>	<u>5,766,501</u>	<u>3,858,971</u>	<u>115,394,934</u>
EXPENSES							
Personnel services	45,329,023	43,340,650	72,418	64,929	2,089,534	1,770,375	47,490,975
Contract services	11,567,738	9,802,481	56,953	4,586	408,731	373,424	12,033,422
Utilities	3,535,654	3,346,022	973	-	330,827	392,145	3,867,454
Maintenance materials and supplies	8,678,477	8,152,693	7,545	-	1,106,355	1,272,851	9,792,377
Grants and contributions	2,772,080	8,880,462	71,279	29,050	-	-	2,843,359
Amortization	13,461,199	12,976,886	-	-	1,001,647	914,988	14,462,846
Interest on long-term debt	1,573,837	1,436,726	-	-	131,276	94,168	1,705,113
Other	3,021,027	3,497,748	78,073	62,296	743,409	79,104	3,842,509
Total expenses	<u>89,939,035</u>	<u>91,433,668</u>	<u>287,241</u>	<u>160,861</u>	<u>5,811,779</u>	<u>4,897,055</u>	<u>96,038,055</u>
SURPLUS (DEFICIT)	<u>\$ 19,615,472</u>	<u>\$ 19,553,406</u>	<u>\$ (213,315)</u>	<u>\$ 93,056</u>	<u>\$ (45,278)</u>	<u>\$ (1,038,084)</u>	<u>\$ 19,356,879</u>
							<u>\$ 18,608,378</u>

CITY OF BRANDON
 SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
 FOR THE YEAR ENDED DECEMBER 31, 2013

SCHEDULE 6

	2013							
	Accommodation Tax	Affordable Housing	Ambulance	Andrews Field	Brandon Municipal Airport	Capital Development	Centennial Auditorium	Civic Services Complex
REVENUE								
Investment Income	4,059	3,780	3,255	863	2,661	11,310	2,530	4,133
Other Income	-	-	-	-	-	-	-	-
Total Revenue	<u>4,059</u>	<u>3,780</u>	<u>3,255</u>	<u>863</u>	<u>2,661</u>	<u>11,310</u>	<u>2,530</u>	<u>4,133</u>
EXPENSES								
Investment Charges	-	-	-	-	-	-	-	-
Other Expenses	-	-	-	-	-	-	-	-
Total Expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET REVENUES	<u>4,059</u>	<u>3,780</u>	<u>3,255</u>	<u>863</u>	<u>2,661</u>	<u>11,310</u>	<u>2,530</u>	<u>4,133</u>
TRANSFERS								
Debt Repayments	-	-	-	-	-	-	-	-
Transfers from Operating Fund	627,992	250,000	-	8,000	-	807,281	60,000	37,800
Transfers to Operating Fund	(89,400)	-	-	(52,387)	(68,183)	-	-	(6,469)
Transfers from (to) Utility Fund	-	-	-	-	-	-	-	-
Acquisition of Tangible Capital Assets	-	-	-	-	-	-	-	-
CHANGE IN RESERVE FUND BALANCE	<u>542,651</u>	<u>253,780</u>	<u>3,255</u>	<u>(43,524)</u>	<u>(65,522)</u>	<u>818,591</u>	<u>62,530</u>	<u>35,464</u>
FUND SURPLUS, BEGINNING OF YEAR	<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>
FUND SURPLUS, END OF YEAR	<u>881,092</u>	<u>647,003</u>	<u>435,823</u>	<u>73,057</u>	<u>299,298</u>	<u>2,154,587</u>	<u>352,274</u>	<u>571,863</u>

SCHEDULE 6

CITY OF BRANDON
 SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
 FOR THE YEAR ENDED DECEMBER 31, 2013

	2013							
	Clare Ave Extension	Cumulative Benefits	Disposal Site (Sanitation)	Diking & Flood Control	E-911 Equipment	Elections	Fire Fighting Equipment	Fire Vehicles
REVENUE								
Investment Income	\$ 2,126	\$ 2,417	\$ 5,051	\$ 38,463	\$ 2,806	\$ 1,479	\$ 6,456	\$ 8,681
Other Income	-	-	-	-	-	-	-	-
Total Revenue	<u>2,126</u>	<u>2,417</u>	<u>5,051</u>	<u>38,463</u>	<u>2,806</u>	<u>1,479</u>	<u>6,456</u>	<u>8,681</u>
EXPENSES								
Investment Charges	-	-	-	-	-	-	-	-
Other Expenses	-	-	-	-	-	-	-	-
Total Expenses	-	-	-	-	-	-	-	-
NET REVENUES	<u>2,126</u>	<u>2,417</u>	<u>5,051</u>	<u>38,463</u>	<u>2,806</u>	<u>1,479</u>	<u>6,456</u>	<u>8,681</u>
TRANSFERS								
Debt Repayments	-	-	-	-	-	-	-	-
Transfers from Operating Fund	-	-	-	600,000	210,000	45,000	50,000	184,473
Transfers to Operating Fund	-	-	-	(1,354,280)	-	(10,284)	-	(73,132)
Transfers from (to) Utility Fund	-	-	-	-	-	-	-	-
Acquisition of Tangible Capital Assets	-	-	-	-	-	-	-	-
CHANGE IN RESERVE FUND BALANCE	<u>2,126</u>	<u>2,417</u>	<u>5,051</u>	<u>(715,817)</u>	<u>212,806</u>	<u>36,195</u>	<u>56,456</u>	<u>120,022</u>
FUND SURPLUS, BEGINNING OF YEAR	<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>
FUND SURPLUS, END OF YEAR	<u>\$ 284,636</u>	<u>\$ 323,560</u>	<u>\$ 677,571</u>	<u>\$ 4,522,582</u>	<u>\$ 553,031</u>	<u>\$ 216,349</u>	<u>\$ 887,111</u>	<u>\$ 1,220,452</u>

CITY OF BRANDON
 SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
 FOR THE YEAR ENDED DECEMBER 31, 2013

SCHEDULE 6

	2013							
	Gas Tax	General	Gravel Pit	Kirkcaldy Heights	Land Acquisition	Large Events Acquisition	Library / Arts Building	Machinery & Equipment
REVENUE								
Investment Income	\$ 36,520	\$ 8,344	\$ -	\$ -	\$ 5,723	490	1,363	\$ 23,587
Other Income	-	-	-	-	-	-	-	-
Total Revenue	<u>36,520</u>	<u>8,344</u>	-	-	<u>5,723</u>	<u>490</u>	<u>1,363</u>	<u>23,587</u>
EXPENSES								
Investment Charges	-	-	-	-	-	-	-	-
Other Expenses	-	-	-	-	-	-	-	-
Total Expenses	-	-	-	-	-	-	-	-
NET REVENUES	<u>36,520</u>	<u>8,344</u>	-	-	<u>5,723</u>	<u>490</u>	<u>1,363</u>	<u>23,587</u>
TRANSFERS								
Debt Repayments	-	-	-	-	-	-	-	-
Transfers from Operating Fund	2,365,632	-	-	-	-	70,766	26,400	2,506,285
Transfers to Operating Fund	(2,530,249)	-	-	-	(341,000)	-	-	(3,892,839)
Transfers from (to) Utility Fund	-	-	-	-	-	-	-	-
Acquisition of Tangible Capital Assets	-	-	-	-	-	-	-	-
CHANGE IN RESERVE FUND BALANCE	<u>(128,097)</u>	<u>8,344</u>	-	-	<u>(335,277)</u>	<u>71,256</u>	<u>27,763</u>	<u>(1,362,967)</u>
FUND SURPLUS, BEGINNING OF YEAR	<u>4,403,391</u>	<u>1,108,735</u>	-	<u>75,000</u>	<u>901,132</u>	<u>38,717</u>	<u>181,129</u>	<u>4,099,377</u>
FUND SURPLUS, END OF YEAR	<u>\$ 4,275,294</u>	<u>\$ 1,117,079</u>	<u>\$ -</u>	<u>\$ 75,000</u>	<u>\$ 565,855</u>	<u>\$ 109,973</u>	<u>\$ 208,892</u>	<u>\$ 2,736,410</u>

SCHEDULE 6

CITY OF BRANDON
 SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
 FOR THE YEAR ENDED DECEMBER 31, 2013

	2013							
	Major Events Hosting	Municipal Building	Municipal Building Maintenance	Office Equipment	Parks	Perpetual Care	Police Equipment	Police Vehicles
REVENUE								
Investment Income	\$ 1,198	\$ 1,349	\$ 1,508	\$ 11,323	\$ 9,698	\$ 4,516	\$ 4,311	\$ 6,016
Other Income	-	-	-	-	-	-	-	-
Total Revenue	<u>1,198</u>	<u>1,349</u>	<u>1,508</u>	<u>11,323</u>	<u>9,698</u>	<u>4,516</u>	<u>4,311</u>	<u>6,016</u>
EXPENSES								
Investment Charges	-	-	-	-	-	-	-	-
Other Expenses	-	-	-	-	-	-	-	-
Total Expenses	-	-	-	-	-	-	-	-
NET REVENUES	<u>1,198</u>	<u>1,349</u>	<u>1,508</u>	<u>11,323</u>	<u>9,698</u>	<u>4,516</u>	<u>4,311</u>	<u>6,016</u>
TRANSFERS								
Debt Repayments	-	-	-	-	-	-	-	-
Transfers from Operating Fund	-	900,684	27,800	550,000	80,383	55,845	548,975	355,496
Transfers to Operating Fund	(25,000)	-	(88,993)	(159,525)	(723,779)	-	(349,073)	(41,839)
Transfers from (to) Utility Fund	-	-	-	-	-	-	-	-
Acquisition of Tangible Capital Assets	-	-	-	-	-	-	-	-
CHANGE IN RESERVE FUND BALANCE	<u>(23,802)</u>	<u>902,033</u>	<u>(59,685)</u>	<u>401,798</u>	<u>(633,698)</u>	<u>60,361</u>	<u>204,213</u>	<u>319,673</u>
FUND SURPLUS, BEGINNING OF YEAR	<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>
FUND SURPLUS, END OF YEAR	<u>\$ 137,413</u>	<u>\$ 1,008,902</u>	<u>\$ 164,488</u>	<u>\$ 1,821,410</u>	<u>\$ 854,928</u>	<u>\$ 633,748</u>	<u>\$ 731,555</u>	<u>\$ 962,142</u>

CITY OF BRANDON
 SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
 FOR THE YEAR ENDED DECEMBER 31, 2013

SCHEDULE 6

	2013							
	Professional Fees	Protective Services Building	Recreation Centre	Snow Clearing	Social Development	Sportsplex	Storm Sewer	Traffic Control Devices
REVENUE								
Investment Income	\$ 96	\$ 6,395	\$ 2,927	\$ 2,100	\$ -	\$ 9,634	\$ 21,236	\$ 2,346
Other Income	-	-	-	-	-	-	-	-
Total Revenue	<u>96</u>	<u>6,395</u>	<u>2,927</u>	<u>2,100</u>	<u>-</u>	<u>9,634</u>	<u>21,236</u>	<u>2,346</u>
EXPENSES								
Investment Charges	-	-	-	-	-	-	-	-
Other Expenses	-	-	-	-	-	-	-	-
Total Expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET REVENUES	<u>96</u>	<u>6,395</u>	<u>2,927</u>	<u>2,100</u>	<u>-</u>	<u>9,634</u>	<u>21,236</u>	<u>2,346</u>
TRANSFERS								
Debt Repayments	-	-	-	-	-	-	-	-
Transfers from Operating Fund	-	25,000	100,000	-	-	700,000	500,000	5,000
Transfers to Operating Fund	-	-	(74,735)	-	-	(30,067)	(87,341)	(7,500)
Transfers from (to) Utility Fund	-	-	-	-	-	-	-	-
Acquisition of Tangible Capital Assets	-	-	-	-	-	-	-	-
CHANGE IN RESERVE FUND BALANCE	<u>96</u>	<u>31,395</u>	<u>28,192</u>	<u>2,100</u>	<u>-</u>	<u>679,567</u>	<u>433,895</u>	<u>(154)</u>
FUND SURPLUS, BEGINNING OF YEAR	<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>
FUND SURPLUS, END OF YEAR	<u>\$ 12,864</u>	<u>\$ 867,506</u>	<u>\$ 400,961</u>	<u>\$ 281,101</u>	<u>\$ 9,105</u>	<u>\$ 1,863,331</u>	<u>\$ 3,255,696</u>	<u>\$ 309,423</u>

SCHEDULE 6

CITY OF BRANDON
 SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
 FOR THE YEAR ENDED DECEMBER 31, 2013

	2013			
	Transit Funding	Transit System Equipment	26th Street South of Maryland	8th Street Bridge
REVENUE				
Investment Income	\$ 5,632	\$ 4,230	\$ 1,171	\$ 15,664
Other Income	-	-	-	-
Total Revenue	<u>5,632</u>	<u>4,230</u>	<u>1,171</u>	<u>15,664</u>
EXPENSES				
Investment Charges	-	-	-	-
Other Expenses	-	-	-	-
Total Expenses	-	-	-	-
NET REVENUES	<u>5,632</u>	<u>4,230</u>	<u>1,171</u>	<u>15,664</u>
TRANSFERS				
Debt Repayments	-	-	-	-
Transfers from Operating Fund	385,200	131,000	-	76,520
Transfers to Operating Fund	-	-	-	(75,347)
Transfers from (to) Utility Fund	-	-	-	-
Acquisition of Tangible Capital Assets	-	-	-	-
CHANGE IN RESERVE FUND BALANCE	<u>390,832</u>	<u>135,230</u>	<u>1,171</u>	<u>16,837</u>
FUND SURPLUS, BEGINNING OF YEAR	<u>617,596</u>	<u>450,400</u>	<u>155,608</u>	<u>2,099,394</u>
FUND SURPLUS, END OF YEAR	<u>\$ 1,008,428</u>	<u>\$ 585,630</u>	<u>\$ 156,779</u>	<u>\$ 2,116,231</u>

CITY OF BRANDON
 SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
 FOR THE YEAR ENDED DECEMBER 31, 2013

SCHEDULE 6

	2013			2012 Total
	Water Distribution	Wastewater Distribution	Industrial WWTF	
REVENUE				
Investment Income	\$ 45,582	\$ 145,838	2,337	\$ 234,571
Other Income	-	-	-	-
Total Revenue	<u>45,582</u>	<u>145,838</u>	<u>2,337</u>	<u>234,571</u>
EXPENSES				
Investment Charges	-	-	-	-
Other Expenses	-	-	-	-
Total Expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET REVENUES	<u>45,582</u>	<u>145,838</u>	<u>2,337</u>	<u>234,571</u>
TRANSFERS				
Debt Repayments	-	-	-	-
Transfers from Operating Fund	-	-	-	14,217,800
Transfers to Operating Fund	-	-	-	(7,658,622)
Transfers from Utility Fund	15,260,000	-	6,667	17,734,777
Transfers to Utility Fund	-	(44,767)	-	-
Acquisition of Tangible Capital Assets	-	-	-	-
CHANGE IN RESERVE FUND BALANCE	<u>15,305,582</u>	<u>101,071</u>	<u>9,004</u>	<u>24,528,526</u>
FUND SURPLUS, BEGINNING OF YEAR	<u>6,377,649</u>	<u>19,382,622</u>	<u>305,581</u>	<u>39,410,202</u>
FUND SURPLUS, END OF YEAR	<u>\$ 21,683,231</u>	<u>\$ 19,483,693</u>	<u>\$ 314,585</u>	<u>\$ 63,938,728</u>

**CITY OF BRANDON
SCHEDULE OF TRUST FUNDS
AS AT DECEMBER 31, 2013**

SCHEDULE 7

	Commnunity Center Assistance	2013	2012
ASSETS			
Cash and Temporary Investments	\$ -	\$ -	\$ -
Porfolio Investments	-	-	-
Other	<u>152,201</u>	<u>152,201</u>	<u>160,739</u>
	<u>152,201</u>	<u>152,201</u>	<u>160,739</u>
LIABILITIES AND FUND BALANCES			
Due to Municipality	-	-	-
Fund Balance	<u>152,201</u>	<u>152,201</u>	<u>160,739</u>
	<u>152,201</u>	<u>152,201</u>	<u>160,739</u>
REVENUES			
Contributions and Donations	48,635	51,135	48,635
Investment Income	-	-	-
	<u>48,635</u>	<u>51,135</u>	<u>48,635</u>
EXPENDITURES			
Cemetary Maintenance	-	-	-
Distribution to Beneficiaries	57,172	59,672	48,146
Other	-	-	-
	<u>57,172</u>	<u>59,672</u>	<u>48,146</u>
EXCESS REVENUES OVER EXPENDITURES	(8,537)	(8,537)	489
FUND BALANCE, BEGINNING OF YEAR	<u>160,739</u>	<u>160,739</u>	<u>160,250</u>
FUND BALANCE, END OF YEAR	<u>\$ 152,202</u>	<u>\$ 152,202</u>	<u>\$ 160,739</u>

**THE CITY OF BRANDON
SCHEDULE OF FINANCIAL POSITION FOR UTILITIES
AS AT DECEMBER 31, 2013**

SCHEDULE 8

	2013	2012
FINANCIAL ASSETS		
Cash and temporary investments	\$ -	\$ -
Amounts receivable	13,412,832	16,013,343
Portfolio investments	-	-
Loans and advances	-	-
Real estate properties held for sale	-	-
Due from other funds	-	-
	<u>13,412,832</u>	<u>16,013,343</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)	3,227,587	3,490,891
Obligations under capital lease	-	-
Due to other funds	<u>65,626,397</u>	<u>45,134,950</u>
	<u>68,853,984</u>	<u>48,625,841</u>
NET FINANCIAL ASSETS	<u>(55,441,152)</u>	<u>(32,612,498)</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	180,207,423	158,684,894
Inventories	309,272	327,644
Prepaid expenses	<u>52,523</u>	<u>57,776</u>
	<u>180,569,218</u>	<u>159,070,314</u>
FUND SURPLUS (DEFICIT)	<u>\$ 125,128,066</u>	<u>\$ 126,457,816</u>
COMMITMENTS AND CONTINGENCIES (NOTES 10 AND 11)		

**THE CITY OF BRANDON
SCHEDULE OF UTILITY OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2013**

SCHEDULE 9

	2013 Budget	2013	2012
REVENUES			
Water			
Water fees	\$ 10,404,822	\$ 8,816,685	\$ 9,238,895
Bulk water fees	<u>35,000</u>	<u>46,379</u>	<u>50,197</u>
Sub-total - Water	10,439,822	8,863,064	9,289,092
Sewer			
Sewer fees	4,341,448	3,771,179	3,927,274
Lagoon tipping fees	<u>57,000</u>	<u>32,923</u>	<u>32,673</u>
Sub-total - Sewer	4,398,448	3,804,102	3,959,947
Property Taxes			
	54,636	54,636	627,516
Government transfers			
Capital funding - government transfers	-	15,955,856	15,063,864
Capital funding - other organizations	<u>-</u>	<u>-</u>	<u>-</u>
Sub-total - Government transfers	-	15,955,856	15,063,864
Other			
Hydrant rentals	275,000	254,600	253,600
Connection charges	865,000	878,921	874,411
Penalties	90,000	84,542	88,047
Installation service			
Contributed tangible capital assets			
Investment income	-	-	-
Administration Fees			
Gain on sale of tangible assets			
Other income	<u>2,015,742</u>	<u>2,714,569</u>	<u>2,410,127</u>
Sub-total - Other	<u>3,245,742</u>	<u>3,932,632</u>	<u>3,626,185</u>
Total revenue	<u>18,138,648</u>	<u>32,610,290</u>	<u>32,566,604</u>
EXPENSES			
General			
Administration	382,744	413,645	620,462
Overhead, billing and collection	<u>1,670,324</u>	<u>1,458,546</u>	<u>1,479,937</u>
Sub-total - General	2,053,068	1,872,191	2,100,399
Water			
Purification	4,465,928	4,326,707	4,170,115
Transmission and distribution	796,046	865,251	680,140
Training costs	56,339	38,463	44,602
Utilities (telephone, electricity, etc.)	531,627	451,345	420,582
Connection costs	<u>984,680</u>	<u>926,586</u>	<u>530,507</u>
Sub-total - Water	6,834,620	6,608,352	5,845,946
Water Amortization & Interest			
Amortization	2,360,524	2,360,524	2,309,742
Interest on long-term debt	<u>-</u>	<u>-</u>	<u>15,497</u>
Sub-total - Water Amortization & Interest	2,360,524	2,360,524	2,325,239
Sewer			
Collection system costs	687,756	660,507	643,256
Treatment and disposal costs	4,209,601	3,571,382	3,192,053
Lift stations costs	64,878	58,590	92,869
Training costs	151,000	42,335	29,941
Utilities (telephone, electricity, etc.)	<u>1,038,521</u>	<u>765,979</u>	<u>683,230</u>
Sub-total - Sewer	6,151,756	5,098,793	4,641,349
Sewage Amortization & Interest			
Amortization	2,627,017	2,627,017	2,608,389
Interest on long-term debt	<u>159,914</u>	<u>151,263</u>	<u>198,626</u>
Sub-total - Sewer Amortization & Interest	<u>2,786,931</u>	<u>2,778,280</u>	<u>2,807,015</u>
Total expenses	<u>20,186,899</u>	<u>18,718,140</u>	<u>17,719,948</u>
NET REVENUES	(2,048,251)	13,892,150	14,846,656

**THE CITY OF BRANDON
 SCHEDULE OF UTILITY OPERATIONS
 FOR THE YEAR ENDED DECEMBER 31, 2013**

SCHEDULE 9

TRANSFERS			
Transfers from (to) operating fund	-	44,767	-
Transfers from (to) reserve funds	<u>-</u>	<u>(15,266,667)</u>	<u>(17,734,777)</u>
CHANGE IN UTILITY FUND BALANCE	<u>(2,048,251)</u>	<u>(1,329,750)</u>	<u>(2,888,121)</u>
FUND BALANCE, BEGINNING OF YEAR	<u>126,457,816</u>	<u>126,457,816</u>	<u>129,345,937</u>
FUND BALANCE, END OF YEAR	<u>\$ 124,409,565</u>	<u>\$ 125,128,066</u>	<u>\$ 126,457,816</u>

**RECONCILIATION OF THE FINANCIAL PLAN TO THE BUDGET
FOR THE YEAR ENDED DECEMBER 31, 2013**

	Financial Plan General	Financial Plan Utility(ies)	Amortization (TCA)	Interest Expense	Transfers	Long Term Accruals	Consolidated Entities	PSAB Budget
REVENUE								
Property Taxes	\$ 36,939,351	\$ 54,636	\$ -	\$ -	\$ (54,636)	\$ -	\$ -	\$ 36,939,351
Grants in Lieu of Taxation	2,368,270	-	-	-	-	-	-	2,368,270
User Fees	11,711,284	-	-	-	-	-	3,143,273	14,854,557
Grants - Province of Manitoba	16,046,669	-	-	-	-	-	679,042	16,725,711
Grants - Other	2,715,132	-	-	-	-	-	931,512	3,646,644
Permits, Licences and Fines	2,902,130	-	-	-	-	-	9,446	2,911,576
Investment Income	65,000	-	-	-	-	-	1,721	66,721
Other Revenue	1,557,986	-	-	-	-	-	2,580	1,560,566
Water and Sewer	-	18,084,012	-	-	54,636	-	-	18,138,648
Transfers from Accumulated Surplus	-	-	-	-	-	-	-	-
Transfers from Reserves	1,980,000	270,000	-	-	(2,250,000)	-	-	-
TOTAL REVENUE	76,285,822	18,408,648			(2,250,000)		4,767,574	97,212,044
EXPENSES								
General Government Services	8,377,322	-	514,640	-	-	-	-	8,891,962
Protective Services	27,584,928	-	1,070,195	-	-	-	-	28,655,123
Transportation Services	12,833,853	-	6,204,000	-	-	-	-	19,037,853
Environmental Services	4,208,811	-	74,699	-	-	-	-	4,283,510
Public Health and Welfare Services	712,230	-	11,985	-	-	-	-	724,215
Regional Planning and Development	2,030,323	-	-	-	-	-	1,057,529	3,087,852
Resource Cons and Industrial Development	816,075	-	-	-	-	-	-	816,075
Recreation and Cultural Services	7,410,300	-	598,139	-	-	-	4,354,718	12,363,157
Water and Sewer Services	-	15,199,358	4,987,541	-	-	-	-	20,186,899
Fiscal Services:								
Transfer to Utility	54,636	-	-	-	(54,636)	-	-	-
Transfer to Capital	302,000	900,000	-	-	(1,202,000)	-	-	-
Debt Charges, principal	1,554,121	309,290	-	(1,863,411)	-	-	-	-
Short Term Interest	149,621	-	-	(149,621)	-	-	-	-
Transfer to Reserves	10,242,677	2,000,000	-	-	(12,242,677)	-	-	-
Allowance for Tax Assets	8,925	-	-	-	(8,925)	-	-	-
TOTAL EXPENSES	76,285,822	18,408,648	13,461,199	(2,013,032)	(13,508,238)		5,412,247	98,046,646
SURPLUS (DEFICIT)	\$ -	\$ -	\$ (13,461,199)	\$ 2,013,032	\$ 11,258,238	\$ -	\$ (644,673)	\$ (834,602)

**CITY OF BRANDON
ANALYSIS OF TAXES ON ROLL
FOR THE YEAR ENDED DECEMBER 31, 2013**

SCHEDULE 11

	2013	2012
Balance, Beginning of Year	\$ <u>2,446,662</u>	\$ <u>3,116,621</u>
Add:		
Tax Levy (Schedule 12)	72,705,545	68,345,707
Taxed Added	1,807,299	1,158,859
Penalties or Interest	430,191	321,004
Other Accounts Added	313,268	396,595
Tax Adjustments (Specify)		
Difference Between Levy & Financial Plan	-	-
Sub-total	<u>75,256,303</u>	<u>70,222,165</u>
Deduct:		
Cash Collection - Current	72,286,392	67,063,038
Cash Collection - Arrears	1,796,792	2,975,605
Writeoffs	221,734	256,604
Title Value of Land Sales	-	-
Title Value of Tax Titles Acquired	-	-
Tax Discounts	119,879	97,416
M.P.T.C. - Cash Advance	114,578	143,722
Other Credits (Tax Offsetting Grants)	<u>361,636</u>	<u>355,739</u>
Sub-total	<u>74,901,011</u>	<u>70,892,124</u>
Balance, End of Year	<u>\$ 2,801,954</u>	<u>\$ 2,446,662</u>

CITY OF BRANDON
ANALYSIS OF TAX LEVY
FOR THE YEAR ENDED DECEMBER 31, 2013

SCHEDULE 12

	2013		2012	
	Assessment	Mill Rate	Levy	Levy
Debt Charges:	\$		\$	\$
Frontage	2,087,060,120	0.866	97,074	7,843
L.I.D.	1,863,784,920	0.561	1,807,394	595,821
Other (At Large)			1,045,583	1,667,948
Deferred Surplus Reserves:				
Various	1,863,784,920	2.565	4,780,608	4,311,455
General Municipal	1,863,784,920	14.893	27,757,349	27,659,080
Special Levies:				
Department of Rural Development	1,863,784,920	0.372	693,328	668,641
School Portion - Mobile Home Revenue	-	-	(484,444)	(417,300)
Business Tax (Rate %)	11,161,300	1.000	<u>111,613</u>	<u>101,656</u>
Total Municipal Taxes ***			<u>35,808,505</u>	<u>34,595,144</u>
Education Support Levy	523,843,980	11.830	6,197,074	5,880,173
Special Levy:				
Brandon School Division	1,822,627,700	16.578	30,215,522	27,453,090
Mobile Home Revenue	-	-	<u>484,444</u>	<u>417,300</u>
Total Education Taxes			<u>36,897,040</u>	<u>33,750,563</u>
Total Tax Levy (Schedule 11)			<u>\$ 72,705,545</u>	<u>\$ 68,345,707</u>
*** Total Municipal Taxes Comprised of				
General Municipal (Schedule 2)			\$ 35,754,354	\$ 33,967,983
Utility Debenture Debt Servicing (Schedule 9)			<u>54,636</u>	<u>627,516</u>
			\$ 35,808,990	\$ 34,595,499

CITY OF BRANDON
 ANALYSIS OF SCHOOL ACCOUNTS
 FOR THE YEAR ENDED DECEMBER 31, 2013

	2013			2012
	Opening Balance	Current Requirement	Current Payment	Ending Balance
Education Support Levy	\$ 352,131	\$ 7,263,848	\$ (7,252,786)	\$ 352,131
Special Levies				
Brandon School Division	1,170,240	25,731,241	(25,614,919)	1,170,240
Total	\$ 1,522,371	\$ 32,995,089	\$ (32,867,705)	\$ 1,522,371

**CITY OF BRANDON
SCHEDULE OF GENERAL OPERATING FUND EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2013**

SCHEDULE 14

	2013 Actual	2012 Actual
General government services:		
Legislative	\$ 408,245	\$ 400,093
General administrative	6,884,097	7,136,011
Other	<u>1,000,511</u>	<u>3,081,638</u>
	<u>8,292,853</u>	<u>10,617,742</u>
Protective services:		
Police	14,484,432	13,317,533
Fire	8,050,587	8,257,086
Emergency measures	2,542,083	2,433,188
Other	<u>1,126,965</u>	<u>887,046</u>
	<u>26,204,067</u>	<u>24,894,853</u>
Transportation services:		
Road transport		
Administration	3,393,790	2,661,127
Road and street maintenance	(147,498)	(144,239)
Bridge maintenance	607	2,895
Sidewalk maintenance	669,484	641,835
Street lighting	1,106,307	1,079,811
Other	2,355,188	2,609,848
Air transport	610,931	472,579
Public transport	4,921,612	4,286,322
Other	-	-
	<u>12,910,421</u>	<u>11,610,178</u>
Environmental health services:		
Waste collection and disposal	2,631,090	2,711,799
Recycling	2,228,443	1,739,117
Other	-	-
	<u>4,859,533</u>	<u>4,450,916</u>
Public health and welfare services:		
Public health	378,965	382,486
Medical care	-	-
Social assistance	267,032	267,032
Other	-	-
	<u>645,997</u>	<u>649,518</u>
Regional planning and development:		
Planning and zoning	830,677	712,162
Urban renewal	359,923	704,986
Beautification and land rehabilitation	-	-
Urban area weed control	248,522	282,519
Other	<u>384,118</u>	<u>259,512</u>
	<u>1,823,240</u>	<u>1,959,179</u>
Resource conservation and industrial development:		
Rural area weed control	-	-
Drainage of land	-	-
Veterinary services	-	-
Water resources and conservation	-	-
Regional development	524,695	439,043
Industrial development	-	-
Tourism	487,022	384,006
Other	-	-
	<u>1,011,717</u>	<u>823,049</u>

Recreation and cultural services:

Administration	825,302	868,186
Community centers and halls	48,635	48,635
Swimming pools and beaches	321,862	4,257,662
Golf courses	533,616	769,867
Skating and curling rinks	57,828	82,303
Parks and playgrounds	1,875,193	1,831,856
Other recreational facilities	3,786,746	2,641,063
Museums	120,566	117,238
Libraries	685,081	632,506
Other cultural facilities	<u>351,300</u>	<u>421,534</u>
	<u>8,606,129</u>	<u>11,670,850</u>
Total expenses	\$ <u>64,353,957</u>	\$ <u>66,676,285</u>

**CITY OF BRANDON
SCHEDULE OF DEBENTURES PENDING
FOR THE YEAR ENDED DECEMBER 31, 2013**

SCHEDULE 16

Authority	Purpose	Source of Funds	Authorized	Expended
B/L 6979/E-10-172	Central WWTF Project		10,000,000	10,335,818
B/L 7060/E-13-087	638 Princess Ave Retrofit		3,000,000	204,238
B/L 7063/E-13-112	Keystone Centre Roof Repairs		2,000,000	-
TOTAL			<u>\$ 15,000,000</u>	<u>\$ 10,540,056</u>

**RECONCILIATION OF ANNUAL SURPLUS (DEFICIT)
FOR THE YEAR ENDED DECEMBER 31, 2013**

	2013		2012	
	General	Utility	Total	Total
MUNICIPAL NET SURPLUS (DEFICIT) UNDER THE MUNICIPAL ACT	\$ (3,756) \$	6,984 \$	3,228 \$	123,172
Adjustments for reporting under public sector accounting standards				
Eliminate expense - transfers to reserves	12,291,532	15,266,667	27,558,199	31,952,577
Eliminate revenue - transfers from reserves	(10,081,422)	(44,767)	(10,126,189)	(7,658,622)
Increase revenue - reserve funds interest	287,450	193,757	481,207	234,574
Increase (Decrease) revenue - Net surplus (deficit) of consolidated entities	1,189,284	-	1,189,284	(79,255)
Eliminate revenue - transfer from nominal surplus(es)	-	-	-	-
Increase revenue - developer contributions	2,147,671	2,099,665	4,247,336	2,084,470
Increase expense - amortization of tangible capital assets	(9,377,016)	(4,987,540)	(14,364,556)	(13,930,352)
Decrease expense - principal portion of debenture debt	1,504,720	263,304	1,768,024	2,044,542
Decrease expense - accrued interest portion of debenture debt	540,850	-	540,850	430,663
Eliminate expense - acquisitions of tangible capital assets	6,576,666	1,287,837	7,864,503	3,085,052
Eliminate expense - acquisitions of non tangible capital purchases from reserves	<u>194,993</u>	<u>-</u>	<u>194,993</u>	<u>321,557</u>
NET SURPLUS (DEFICIT) PER CONSOLIDATED STATEMENT OF OPERATIONS	<u>\$ 5,270,972</u>	<u>\$ 14,085,907</u>	<u>\$ 19,356,879</u>	<u>\$ 18,608,378</u>

