

CITY OF BRANDON



Consolidated Financial Statements

For the Year Ended December 31, 2015

BDO CANADA LLP
CHARTERED PROFESSIONAL ACCOUNTANTS
BRANDON - MANITOBA

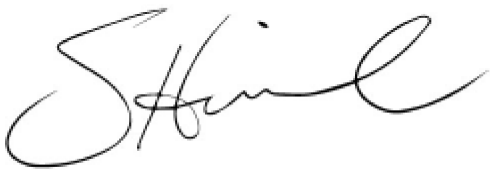
STATEMENT OF RESPONSIBILITY

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, 2015 and the consolidated statements of operations and accumulated surplus, change in net financial assets and cash flows for the year ended December 31, 2015, 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, 2015 and the results of its operations, change in net financial assets, and cash flows for the year ended December 31, 2015 in accordance with Canadian Public Sector Accounting Standards.



BDO Canada LLP
July 13, 2016
Brandon, Manitoba

CITY OF BRANDON

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**THE CITY OF BRANDON
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2015**


	2015	2014
FINANCIAL ASSETS		
Cash and temporary investments (Note 3)	\$ 9,578,064	\$ 16,773,059
Amounts receivable (Note 4)	28,341,896	26,520,625
Portfolio investments (Note 5)	9,945,340	9,937,101
Loans and advances	100,000	150,000
Real estate properties held for sale	4,249,512	4,249,655
Other assets	<u>-</u>	<u>-</u>
	<u>52,214,812</u>	<u>57,630,440</u>
LIABILITIES		
Accounts payable & accrued liabilities (Note 7)	12,977,679	14,977,250
Severance and vested sick leave payable	1,884,856	1,879,606
Deferred revenue	1,883,679	1,903,721
Landfill closure & post closure liabilities (Note 8)	912,007	847,283
Liability for remediation of contaminated site(s) (Note 9)	-	-
Long-term debt (Note 10)	29,846,718	31,992,273
Obligations under capital lease	-	-
Other liabilities	<u>1,233,667</u>	<u>1,339,992</u>
	<u>48,738,606</u>	<u>52,940,125</u>
NET FINANCIAL ASSETS	<u>3,476,206</u>	<u>4,690,315</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	342,746,356	340,514,993
Inventories (Note 6)	1,648,189	1,710,916
Prepaid expenses	<u>699,233</u>	<u>722,305</u>
	<u>345,093,778</u>	<u>342,948,214</u>
ACCUMULATED SURPLUS (Note 18)	<u>\$ 348,569,984</u>	<u>\$ 347,638,529</u>

COMMITMENTS AND CONTINGENCIES (NOTES 11 AND 12)

Approved on behalf of Council:



Rick Chrest - Mayor



Shawn Berry - 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, 2015**

	2015 Budget (Note 15)	2015	2014
REVENUES			
Property taxes	\$ 40,067,705	\$ 40,234,431	\$ 40,038,926
Grants in lieu of taxation	2,339,760	2,339,760	2,298,918
User fees	15,889,285	17,006,524	16,748,384
Grants - Province of Manitoba	15,664,582	18,991,941	17,657,766
Grants - Other	3,318,731	4,742,398	2,896,202
Permits, licenses and fines	3,186,964	2,849,074	2,924,039
Investment income	45,150	174,930	618,055
Other revenue	1,594,351	850,283	570,959
Water and sewer	<u>15,792,500</u>	<u>17,185,743</u>	<u>21,643,804</u>
Total revenue (Schedules 2, 4, 5)	<u>97,899,028</u>	<u>104,375,084</u>	<u>105,397,053</u>
EXPENSES			
General government services	9,224,128	9,392,992	9,398,832
Protective services	30,116,155	29,485,608	29,137,160
Transportation services	19,215,482	19,501,200	20,464,139
Environmental health services	5,010,620	5,192,530	4,864,825
Public health and welfare services	739,246	790,171	714,104
Regional planning and development	2,487,447	2,126,285	2,107,748
Resource conservation & indust dev	948,564	1,191,549	988,058
Recreation and cultural services	11,487,754	13,742,107	13,292,690
Water and sewer services	<u>20,857,785</u>	<u>20,798,959</u>	<u>19,819,042</u>
Total expenses (Schedules 3, 4, 5)	<u>100,087,181</u>	<u>102,221,401</u>	<u>100,786,598</u>
ANNUAL SURPLUS (DEFICIT) BEFORE ADJUSTMENTS	\$ (2,188,153)	\$ 2,153,683	\$ 4,610,455
ADJUSTMENT TO OPENING ACCOUNTS PAYABLE (Note 16)	-	(168,360)	(1,227,498)
ACCOUNTS RECEIVABLE (Note 16)	<u>-</u>	<u>(1,053,868)</u>	<u>-</u>
ANNUAL SURPLUS (DEFICIT)	(2,188,153)	931,455	3,382,957
ACCUMULATED SURPLUS BEGINNING OF YEAR	<u>347,638,529</u>	<u>347,638,529</u>	<u>344,255,572</u>
ACCUMULATED SURPLUS END OF YEAR	<u>\$ 345,450,376</u>	<u>\$ 348,569,984</u>	<u>\$ 347,638,529</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, 2015**

	2015 Budget	2015	2014
ANNUAL SURPLUS (DEFICIT)	\$ <u>(2,188,153)</u>	\$ <u>931,455</u>	\$ <u>3,382,957</u>
Acquisition of tangible capital assets	-	(19,953,159)	(20,579,679)
Amortization of tangible capital assets	16,231,949	16,231,949	15,529,528
Loss (gain) on sale of tangible capital assets	-	(28,270)	717
Proceeds on sale of tangible capital assets	953,614	1,518,116	597,820
Decrease (increase) in inventories	-	62,728	(353,216)
Decrease (increase) in prepaid expense	-	<u>23,072</u>	<u>(64,481)</u>
	<u>17,185,563</u>	<u>(2,145,564)</u>	<u>(4,869,311)</u>
CHANGE IN NET FINANCIAL ASSETS	\$ <u>14,997,410</u>	\$ <u>(1,214,109)</u>	\$ <u>(1,486,354)</u>
NET FINANCIAL ASSETS			
BEGINNING OF YEAR	<u>4,690,315</u>	<u>4,690,315</u>	<u>6,176,669</u>
NET FINANCIAL ASSETS			
END OF YEAR	\$ <u>19,687,725</u>	\$ <u>3,476,206</u>	\$ <u>4,690,315</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, 2015**

	2015	2014
OPERATING TRANSACTIONS		
Annual surplus	\$ <u>931,455</u>	\$ <u>3,382,957</u>
Changes in non-cash working capital balances:		
Amounts receivable	(1,821,272)	(1,261,993)
Inventories	62,728	(353,216)
Prepays	23,072	(64,481)
Accounts payable and accrued liabilities	(1,999,571)	3,477,045
Severance and vested sick leave payable	5,250	(127,546)
Deferred revenue	(20,041)	(315,707)
Landfill closure and post closure liabilities	64,724	(203,054)
Other liabilities	(106,324)	(170,497)
Adjustments for:		
Loss (gain) on sale of tangible capital assets	(28,270)	717
Loss (gain) on sale of real estate properties	722,226	(13,072)
Amortization	<u>16,231,949</u>	<u>15,529,528</u>
Cash provided by operating transactions	<u>14,065,926</u>	<u>19,880,681</u>
CAPITAL TRANSACTIONS		
Proceeds on sale of tangible capital assets	1,518,116	597,820
Acquisition of tangible capital assets	<u>(19,953,159)</u>	<u>(20,579,679)</u>
Cash applied to capital transactions	<u>(18,435,043)</u>	<u>(19,981,859)</u>
INVESTING TRANSACTIONS		
Proceeds on sale of portfolio investments	2,743,846	5,213,717
Proceeds on sale of real estate properties	(722,369)	30,464
Loans and advances repaid	50,000	50,000
Purchase of portfolio investments	(2,752,086)	(5,929,607)
Acquisition of real estate properties	286	(34,785)
Loans and advances issued	-	-
Other assets	-	-
Cash applied to investing transactions	<u>(680,323)</u>	<u>(670,211)</u>
FINANCING TRANSACTIONS		
Proceeds of long-term debt	151,630	325,763
Debt repayment	(2,297,185)	(2,380,231)
Obligation under capital lease	-	-
Repayment of obligation under capital lease	-	-
Cash applied to financing transactions	<u>(2,145,555)</u>	<u>(2,054,468)</u>
DECREASE IN CASH AND TEMPORARY INVESTMENTS	\$ (7,194,995)	\$ (2,825,857)
CASH AND TEMPORARY INVESTMENTS, BEGINNING OF YEAR	<u>16,773,059</u>	<u>19,598,916</u>
CASH AND TEMPORARY INVESTMENTS, END OF YEAR	\$ <u>9,578,064</u>	\$ <u>16,773,059</u>

The accompanying notes are an integral part of this financial statement

**CITY OF BRANDON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2015**

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%) (2014 – 21%)
Western Manitoba Centennial Auditorium (50%) (2014 – 50%)
Keystone Agricultural & Recreational Centre (50%) (2014 – 50%)
Western Manitoba Regional Library (81%) (2014 – 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 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.

k) 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.

l) 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, severance, and non-vested sick liabilities. The accrual of the retirement, severance, and non-vested sick 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>2015</u>	<u>2014</u>
Cash	\$ 9,221,750	\$ 16,418,209
Temporary Investments	<u>356,314</u>	<u>354,850</u>
	<u>\$ 9,578,064</u>	<u>\$ 16,773,059</u>

The City of Brandon has designated \$ 92,796,821 (2014 - \$ 89,999,365) 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, 2015 the City had \$5,000,000 (2014 - \$5,000,000) credit available.

4. Amounts Receivable

Amounts receivable are valued at their net realizable value:

	<u>2015</u>	<u>2014</u>
Taxes on Roll (schedule 11)	\$ 3,341,013	\$ 3,421,403
Government Grants	-	-
Utility Customers	11,776,890	13,435,389
Accrued Interest	6,551	5,952
Organizations and Individuals	13,994,623	9,172,911
Federal Government - GST	<u>446,741</u>	<u>493,781</u>
	\$ 29,565,818	\$ 26,529,436
Less Allowances for Doubtful Amounts	<u>(1,223,922)</u>	<u>(8,811)</u>
	<u>\$ 28,341,896</u>	<u>\$ 26,520,625</u>

5. Portfolio Investments

	<u>2015</u>	<u>2014</u>
Marketable Securities:		
Bonds and Certificates	9,937,421	7,200,373
Other Investments	<u>7,919</u>	<u>2,736,728</u>
	<u>\$ 9,945,340</u>	<u>\$ 9,937,101</u>

The aggregate market value of the marketable securities at December 31, 2015 is \$10,173,124 (2014 - \$10,625,193). Portfolio investments earned \$ 21,385 in investment income during the year (2014 - \$863,103).

6. Inventories

	<u>2015</u>	<u>2014</u>
Chemicals, herbicides, insecticides	\$ 165,051	\$ 193,651
Fuel	35,311	58,962
Other Supplies	<u>1,447,827</u>	<u>1,458,303</u>
	<u>\$ 1,648,189</u>	<u>\$ 1,710,916</u>

7. Accounts Payable and Accrued Liabilities

	<u>2015</u>	<u>2014</u>
Accounts Payable	6,509,804	8,318,949
Accrued Expenses	4,181,376	4,146,663
Accrued Interest Payable	480,922	511,517
School levies (Schedule 13)	<u>1,805,577</u>	<u>2,000,121</u>
	<u>\$ 12,977,679</u>	<u>\$ 14,977,250</u>

8. Landfill Closure and Post Closure Liabilities

The Municipality is currently operating a Class I landfill site in 2015. 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>2015</u>	<u>2014</u>
Estimated closure and post closure costs	\$ <u>5,953,175</u>	\$ <u>5,953,175</u>
Discount rate (%)	<u>5.00</u>	<u>5.00</u>
Discounted costs	<u>\$ 1,548,801</u>	<u>\$ 1,548,801</u>
Expected year capacity will be reached	2041	2041
Capacity (tonnes):		
Used to date	2,018,989	1,969,489
Remaining	1,581,160	1,630,660
Total	3,600,149	3,600,149
Percent Utilized	<u>56.08</u>	<u>54.71</u>
Liability Based on Percentage	<u>\$ 912,007</u>	<u>\$ 847,283</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>2015</u>	<u>2014</u>
General Authority:		
Acquatics Facility, interest at 3.250%, payable at \$399,356, annually including interest, maturing January 2019.	\$ 1,473,896	\$ 1,813,429
Materials Recycling Facility Purchase, interest at 3.40% to 5.00%, payable at \$187,668 to \$187,770, annually including interest, maturing December 2023.	1,228,381	1,356,309
Keystone Renovations, interest at 3.40% to 5.00%, payable at \$372,841 to \$373,043, annually including interest, maturing December 2023.	2,440,427	2,694,583
Keystone Capital Improvements, interest at 4% payable at \$127,494 annually including interest, maturing August 2022.	765,226	858,384
Fire Hall, interest at 4.92%, payable at \$811,788 annually including interest, maturing January 2030.	8,471,835	8,848,287
Police Station, interest at 4.5%, payable at \$1,068,586 annually including interest, maturing December 2030.	11,476,131	12,004,514
Total Municipal	<u>\$ 25,855,896</u>	<u>\$ 27,575,506</u>
Controlled Entities & Government Partnerships	<u>\$ 1,312,630</u>	<u>\$ 1,459,658</u>
	<u>\$ 27,168,526</u>	<u>\$ 29,035,164</u>
Utility Funds:		
Central Wastewater Treatment Facility Expansion, interest at 3.40% to 5.00%, payable at \$409,167 to \$409,387 annually including interest, maturing December 2023.	<u>2,678,192</u>	<u>2,957,109</u>
Total Utility	<u>\$ 2,678,192</u>	<u>\$ 2,957,109</u>
Total Long Term Debt	<u>\$ 29,846,718</u>	<u>\$ 31,992,273</u>

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

2016	\$2,794,825
2017	\$2,650,782
2018	\$2,757,333
2019	\$2,871,149
2020	\$2,591,015

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 2015 was \$136,025 (2014 - \$166,267). The payment for 2016 is \$143,496.

City Council, at its meeting held December 5, 2001, adopted a resolution to pay the Keystone Centre, for a ten-year funding commitment, an 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 September 8, 2008, passed By-law No. 6893 which provides for 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 2015 payment was \$280,424 (2014 - \$279,217). The 2016 payment is \$260,361.

The City of Brandon, in June 2009, entered into a Capital Cost Sharing Agreement with Maple Leaf Foods and Pfizer Canada with regards to a 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 contribution of \$5.7 million to Maple Leaf Foods to gain ownership of the assets they fully paid for in Phase I of this project. This obligation is included in the City of Brandon 2016 Financial Plan, adopted by City Council on April 4, 2016.

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 was undertaken in 2014 and the property was designated impacted pursuant to the The Contaminated Sites Remediation Act. In January 2015 Manitoba Conservation and Water Stewardship accepted the City's Remediation Plan including routine annual groundwater monitoring and sampling until it can be demonstrated the site is no longer impacted. Should redevelopment of the site occur, an amended Remediation Plan would be required for approval.

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 (\$54,900) plus 9.5% of basic annual earnings in excess of the CPP ceiling to \$131,760 plus 9.0% of additional earnings to a cap of \$158,225, 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 \$3,115,525 (2014 - \$3,081,496) 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, 2014 indicated the plan was 95.2% funded on a going concern basis and had an unfunded solvency liability of \$237.2 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, 2014.

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-laws 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. The preliminary actuarial report as of December 31, 2015 indicates there is a Going Concern surplus equal to \$125,976 for these plans and a solvency deficiency / hypothetical wind-up deficiency of \$90,023. 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 contained in the preliminary actuarial report, the next required actuarial valuation report would be due December 31, 2018.

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 Balances

Accounts Payable:

During the current year the City of Brandon recorded a liability for retail sales tax owing to the Provincial Government. This has been presented as follows:

Accounts payable & Accrued liabilities	\$ 168,360
Adjustment made directly to surplus	\$ (168,360)

Accounts Receivable:

During the current year the City of Brandon recorded a liability for allowance for doubtful accounts for the first time. This has been presented as follows:

Accounts receivable	\$ 1,053,868
Adjustment made directly to surplus	\$ (1,053,868)

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 \$273,031 in aggregate.

b) Compensation paid to individual members of City Council:

	Compensation	Expense Allowance	Total
Mayor - Chrest, Rick	56,132	24,290	80,422
Councillor - Berry, Shawn	13,045	6,465	19,510
Councillor - Brown, Ronald	12,924	6,430	19,354
Councillor - Chaboyer, Jan	12,410	6,130	18,540
Councillor - Cullen, Barry	12,259	6,130	18,389
Councillor - Desjarlais, Kris	12,410	6,130	18,540
Councillor - Fawcett, Jeff	12,410	6,130	18,540
Councillor - Hamilton, Vanessa	12,710	6,280	18,990
Councillor - Harwood, Jeff	15,489	7,577	23,066
Councillor - LoRegio, John	12,710	6,280	18,990
Councillor - Patterson, Lonnie	12,510	6,180	18,690
	<u>\$ 185,009</u>	<u>\$ 88,022</u>	<u>\$ 273,031</u>

18. Accumulated Surplus

	<u>2015</u>	<u>2014</u>
Accumulated surplus consists of the following:		
Adjustment made directly to surplus	(1,222,228)	(1,227,498)
General operating fund - Nominal surplus	\$ 3,824,385	\$ 1,199,396
Utility operating fund(s) - Nominal surplus	<u>(59,876,750)</u>	<u>(54,720,848)</u>
TCA net of related borrowings	302,282,776	299,196,252
Reserve funds	<u>92,796,821</u>	<u>89,999,365</u>
Accumulated surplus of municipality unconsolidated	<u>337,805,004</u>	<u>334,446,667</u>
Accumulated surpluses of consolidated entities	148,118	387,469
TCA net of borrowing of consolidated entities	<u>10,616,862</u>	<u>9,326,468</u>
Accumulated surplus of consolidated entities	<u>10,764,980</u>	<u>9,713,937</u>
Accumulated surplus per Consolidated Statement of Financial Position	<u>\$ 348,569,984</u>	<u>\$ 347,638,549</u>

19. Segmented Information

The City of Brandon provides a wide range of services to its residents. Segment information has been provided in Schedule 4 for the following services:

- General Government
- Protective Services
- Transportation Services
- Environmental Health
- Public Health and Welfare
- Regional Planning and Development
- Resource Conservation and Industrial Development
- Recreation and Cultural Services
- Water and Sewer Services

Revenues and expenses represent amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. The accounting of the segments are consistent with those followed in the preparation of the financial statements as described in the summary of significant accounting policies.

20. Government Partnerships

The municipality has several partnership agreements for municipal services. The consolidated financial statements include the municipality's proportionate interest, as disclosed in note 2(a). The aggregate financial statements of the government partnerships, in condensed summary, are as follows:

	<u>2015</u>	<u>2014</u>
Financial Position		
Financial Assets	\$ 127,645	\$ 1,199,396
Liabilities	<u>2,846,689</u>	<u>3,604,464</u>
Net financial assets (liabilities)	(2,719,044)	(2,405,068)
Non-financial assets	<u>12,127,464</u>	<u>10,786,127</u>
Accumulated surplus	<u>9,408,420</u>	<u>8,381,059</u>
Result of Operations		
Revenues	3,770,579	3,986,706
Expenses	<u>4,680,696</u>	<u>5,666,986</u>
Annual surplus	<u>(910,117)</u>	<u>(1,680,280)</u>

21. 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	\$ 550,000	\$ -	\$ 20,000	\$ 530,000
WTF UV Disinfection	<u>91,200</u>	<u>-</u>	<u>60,800</u>	<u>30,400</u>
	<u>\$ 641,200</u>	<u>\$ -</u>	<u>\$ 80,800</u>	<u>\$ 560,400</u>

Sewer Services:

Description of Utility	Unamortized Opening Balance	Additions During Year	Amortization During Year	Unamortized Balance Ending
Combined WWTF Phase II	\$ 12,662,493	\$ -	\$ 516,837	\$ 12,145,656
Lagoon Cell 3A	212,501	-	8,333	204,168
Combined WWTF Phase III	<u>35,321,977</u>	<u>-</u>	<u>894,227</u>	<u>34,427,750</u>
	<u>\$ 48,196,971</u>	<u>\$ -</u>	<u>\$ 1,419,397</u>	<u>\$ 46,777,574</u>

CITY OF BRANDON
CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
AS AT DECEMBER 31, 2015

SCHEDULE 1

	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	2015	2014
Cost										
Opening Costs	\$ 29,634,693	\$ 76,698,012	\$ 42,975,575	\$ 5,239,612	\$ -	\$ 168,370,322	\$ 277,459,780	\$ -	\$ 600,377,994	\$ 581,486,860
Additions During the Year	5,105,519	2,150,764	2,014,732	221,420	3,950,201	2,892,386	3,618,137	-	\$ 19,953,159	20,579,679
Classification Transfers	814,133	173,145	(173,145)	-	(814,133)	-	-	-	\$ -	-
Disposals and Write Downs	<u>(1)</u>	<u>(5,041,465)</u>	<u>(1,821,112)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ (6,862,578)</u>	<u>(1,688,545)</u>
Closing Costs	<u>\$ 35,554,344</u>	<u>\$ 73,980,456</u>	<u>\$ 42,996,050</u>	<u>\$ 5,461,032</u>	<u>\$ 3,136,068</u>	<u>\$ 171,262,708</u>	<u>\$ 281,077,917</u>	<u>\$ -</u>	<u>\$ 613,468,575</u>	<u>\$ 600,377,994</u>
Accumulated Amortization										
Opening Accum'd Amort.	\$ 5,591,747	\$ 29,815,000	\$ 21,586,932	\$ 2,268,898	\$ -	\$ 107,208,872	\$ 93,391,552	\$ -	\$ 259,863,001	\$ 245,423,482
Amortization	581,945	1,954,604	3,522,250	469,947	-	3,385,884	6,317,319	-	\$ 16,231,949	15,529,528
Disposals and Write Downs	<u>-</u>	<u>(3,988,791)</u>	<u>(1,383,940)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ (5,372,731)</u>	<u>(1,090,009)</u>
Closing Accum'd Amort.	<u>\$ 6,173,692</u>	<u>\$ 27,780,813</u>	<u>\$ 23,725,242</u>	<u>\$ 2,738,845</u>	<u>\$ -</u>	<u>\$ 110,594,756</u>	<u>\$ 99,708,871</u>	<u>\$ -</u>	<u>\$ 270,722,219</u>	<u>\$ 259,863,001</u>
Net Book Value of Tangible Capital Assets	<u>\$ 29,380,652</u>	<u>\$ 46,199,643</u>	<u>\$ 19,270,808</u>	<u>\$ 2,722,187</u>	<u>\$ 3,136,068</u>	<u>\$ 60,667,952</u>	<u>\$ 181,369,046</u>	<u>\$ -</u>	<u>\$ 342,746,356</u>	<u>\$ 340,514,993</u>

Water and sewer underground networks contributed to the Municipality totals \$744,976 (2014 - \$603,335) and were capitalized at their fair value at the time of their receipt. Streets and roads infrastructure contributed to the Municipality totals \$1,379,656 (2014 - \$439,768) 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, 2015**

SCHEDULE 2

	2015 Budget	2015	2014
Property taxes:			
Municipal taxes levied (Schedule 12)	\$ 38,532,705	\$ 38,532,705	\$ 37,540,020
Taxes added	1,100,000	1,185,943	1,987,628
Penalties and interest	435,000	515,783	511,278
	<u>40,067,705</u>	<u>40,234,431</u>	<u>40,038,926</u>
Grants in lieu of taxation:			
Federal government	340,422	340,422	338,359
Federal government enterprises	-	-	-
Provincial government	1,999,338	1,999,338	1,960,559
Provincial government enterprises	-	-	-
Other local governments	-	-	-
Non-government organizations	-	-	-
	<u>2,339,760</u>	<u>2,339,760</u>	<u>2,298,918</u>
User fees:			
Parking meters	354,400	331,667	329,345
Sales of service	9,525,340	10,246,329	9,304,948
Sales of goods	304,450	316,191	341,350
Rentals	1,306,015	700,094	624,729
Development charges	161,146	398,897	930,946
Facility use fees	4,237,934	5,013,346	5,217,066
	<u>15,889,285</u>	<u>17,006,524</u>	<u>16,748,384</u>
Grants - Province of Manitoba:			
General assistance payment	7,306,783	7,306,783	7,306,783
General support grant	825,000	872,923	806,480
VLT revenues	650,000	672,143	672,144
Other unconditional grants	-	-	-
Conditional grants	6,882,799	10,140,092	8,872,359
	<u>15,664,582</u>	<u>18,991,941</u>	<u>17,657,766</u>
Grants - Other:			
Federal government - gas tax funding	2,773,107	5,148,696	2,773,107
Federal government - other	30,500	542,856	13,818
Other local governments	515,124	(949,154)	109,277
	<u>3,318,731</u>	<u>4,742,398</u>	<u>2,896,202</u>
Permits, licenses and fines:			
Permits	1,244,208	1,072,541	1,064,617
Licenses	1,293,906	1,287,869	1,285,258
Aggregate mining & transportaton fees	-	-	-
Fines	648,850	488,664	574,164
	<u>3,186,964</u>	<u>2,849,074</u>	<u>2,924,039</u>
Investment income:			
Cash and temporary investments	150	194,574	280,886
Marketable securities	-	(91,785)	300,546
Municipal debentures	-	-	-
Other (Accounts Receivable Interest)	45,000	72,141	36,623
	<u>45,150</u>	<u>174,930</u>	<u>618,055</u>
Other revenue:			
Gain on sale of tangible capital assets	953,614	28,268	(716)
Gain on sale of real estate held for sale	558,650	(722,226)	13,072
Contributed assets	66,683	1,527,537	501,978
Miscellaneous	15,404	16,704	56,625
	<u>1,594,351</u>	<u>850,283</u>	<u>570,959</u>
Water and sewer:			
Municipal utilities	15,792,500	17,185,743	21,643,804
Consolidated water co-operatives	-	-	-
	<u>15,792,500</u>	<u>17,185,743</u>	<u>21,643,804</u>
Total revenue	<u>\$ 97,899,028</u>	<u>\$ 104,375,084</u>	<u>\$ 105,397,053</u>

**THE CITY OF BRANDON
CONSOLIDATED SCHEDULE OF EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2015**

SCHEDULE 3

	2015 Budget	2015	2014
General government services:			
Legislative	\$ 438,229	\$ 433,468	\$ 426,250
General administrative	7,376,080	7,206,427	6,927,460
Other	<u>1,409,819</u>	<u>1,753,097</u>	<u>2,045,122</u>
	<u>9,224,128</u>	<u>9,392,992</u>	<u>9,398,832</u>
Protective services:			
Police	15,995,484	15,958,216	15,539,021
Fire	9,365,643	9,070,703	9,298,988
Emergency measures	3,216,871	3,103,009	2,892,060
Other protection	<u>1,538,157</u>	<u>1,353,680</u>	<u>1,407,091</u>
	<u>30,116,155</u>	<u>29,485,608</u>	<u>29,137,160</u>
Transportation services:			
Road transport			
Administration and engineering	3,602,910	3,766,695	4,345,773
Road and street maintenance	4,398,160	3,625,401	4,831,962
Bridge maintenance	200	1,147	1,079
Sidewalk and boulevard maintenance	743,036	1,098,403	1,059,455
Street lighting	1,113,131	1,051,484	1,019,740
Other road transport	2,733,807	2,748,937	2,389,406
Air transport	1,118,096	1,115,007	1,194,816
Public transit	<u>5,411,142</u>	<u>6,094,126</u>	<u>5,621,908</u>
	<u>19,120,482</u>	<u>19,501,200</u>	<u>20,464,139</u>
Environmental health services:			
Waste collection and disposal	3,384,322	3,444,380	3,413,465
Recycling	1,626,298	1,748,150	1,451,360
Other	-	-	-
	<u>5,010,620</u>	<u>5,192,530</u>	<u>4,864,825</u>
Public health and welfare services:			
Public health	472,214	523,139	447,072
Medical care	-	-	-
Hospital care	-	-	-
Social assistance	<u>267,032</u>	<u>267,032</u>	<u>267,032</u>
	<u>739,246</u>	<u>790,171</u>	<u>714,104</u>
Regional planning and development:			
Planning and zoning	1,030,703	871,379	931,952
Urban renewal	692,576	352,919	363,482
Beautification and land rehabilitation	-	-	-
Urban area weed control	320,237	414,347	391,437
Other	<u>443,931</u>	<u>487,640</u>	<u>420,877</u>
	<u>2,487,447</u>	<u>2,126,285</u>	<u>2,107,748</u>
Resource conservation and industrial development:			
Rural area weed control	-	-	-
Drainage of land	-	-	-
Veterinary services	-	-	-
Water resources and conservation	-	-	-
Regional development	407,693	409,304	366,209
Industrial development	-	-	-
Tourism	540,871	782,245	621,849
Other	<u>-</u>	<u>-</u>	<u>-</u>
	<u>948,564</u>	<u>1,191,549</u>	<u>988,058</u>

**THE CITY OF BRANDON
CONSOLIDATED SCHEDULE OF OPERATIONS BY PROGRAM
FOR THE YEAR ENDED DECEMBER 31, 2015**

SCHEDULE 4

	General Government*		Protective Services		Transportation Services		Environmental Health Services	
	2015	2014	2015	2014	2015	2014	2015	2014
REVENUES								
Property taxes	\$ 40,234,431	\$ 40,038,926	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants in lieu of taxation	2,339,760	2,298,918	-	-	-	-	-	-
User fees	101,812	187,246	4,973,476	4,397,783	2,099,398	2,038,628	3,395,079	3,143,747
Province of MB - Unconditional	8,851,849	8,785,408	-	-	-	-	-	-
Province of MB - Conditional	-	-	3,094,658	3,417,379	3,817,437	2,347,223	1,676,833	2,290,518
Grants - Other	109,119	62,303	-	-	5,657,454	2,773,108	9,674	7,118
Permits, licenses and fines	1,277,028	1,276,009	499,506	583,414	18,050	30,934	-	-
Investment income	166,751	575,302	-	-	-	-	-	-
Other revenue	85,760	41,766	2,364	18,434	1,350,662	409,423	10,847	9,719
Water and sewer	-	-	-	-	-	-	-	-
Total revenue (Schedules 2, 5)	<u>53,166,510</u>	<u>53,265,878</u>	<u>8,570,004</u>	<u>8,417,010</u>	<u>12,943,001</u>	<u>7,599,316</u>	<u>5,092,433</u>	<u>5,451,102</u>
EXPENSES								
Personnel services	4,933,434	4,704,096	24,287,484	23,789,781	7,931,415	8,050,820	1,452,080	1,490,899
Contract services	2,115,120	2,113,735	849,899	749,549	3,866,992	4,631,048	1,135,700	1,411,900
Utilities	204,407	213,417	528,326	523,199	1,105,538	1,075,322	88,685	82,165
Maintenance materials and supplies	159,883	258,661	487,120	538,459	3,458,663	3,199,814	410,242	501,075
Grants and contributions	538,918	473,435	21,252	24,738	-	-	-	-
Amortization	572,960	576,874	1,097,681	1,085,687	6,501,387	6,400,433	130,277	102,433
Interest on long-term debt	-	-	956,579	978,737	-	-	62,149	66,057
Other	868,271	1,058,614	1,257,267	1,447,010	(3,362,794)	(2,893,298)	1,913,398	1,210,296
Total expenses (Schedules 3, 5)	<u>9,392,993</u>	<u>9,398,832</u>	<u>29,485,608</u>	<u>29,137,160</u>	<u>19,501,201</u>	<u>20,464,139</u>	<u>5,192,531</u>	<u>4,864,825</u>
SURPLUS (DEFICIT)	<u>\$ 43,773,517</u>	<u>\$ 43,867,046</u>	<u>\$ (20,915,604)</u>	<u>\$ (20,720,150)</u>	<u>\$ (6,558,200)</u>	<u>\$ (12,864,823)</u>	<u>\$ (100,098)</u>	<u>\$ 586,277</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, 2015**

SCHEDULE 4

	Public Health and Welfare Services		Regional Planning and Development		Resource Conservation and Industrial Dev		Recreation and Cultural Services	
	2015	2014	2015	2014	2015	2014	2015	2014
REVENUES								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants in lieu of taxation	-	-	-	-	-	-	-	-
User fees	276,847	308,540	859,669	1,427,869	-	43	5,300,243	5,244,528
Province of MB - Unconditional	-	-	-	-	-	-	-	-
Province of MB - Conditional	-	-	-	-	-	22,999	1,551,164	794,239
Grants - Other	-	-	35,869	18,593	-	-	(1,069,718)	35,080
Permits, licenses and fines	-	-	1,054,490	1,033,682	-	-	-	-
Investment income	-	-	691	425	-	-	7,488	42,328
Other revenue	-	-	(722,226)	13,072	-	-	122,876	78,545
Water and sewer	-	-	-	-	-	-	-	-
Total revenue (Schedules 2, 5)	<u>276,847</u>	<u>308,540</u>	<u>1,228,493</u>	<u>2,493,641</u>	<u>-</u>	<u>23,042</u>	<u>5,912,053</u>	<u>6,194,720</u>
EXPENSES								
Personnel services	261,904	261,535	1,307,625	1,240,655	272,859	250,950	5,461,401	5,330,210
Contract services	403,630	288,059	550,766	683,765	66,096	68,330	1,588,541	1,177,185
Utilities	13,081	14,459	80,191	69,071	2,410	2,451	868,367	958,580
Maintenance materials and supplies	29,670	41,492	48,686	50,412	3,590	6,308	1,968,833	1,555,585
Grants and contributions	-	-	(186,376)	(106,814)	782,245	621,849	2,089,999	886,943
Amortization	23,015	23,348	53	2,425	-	-	1,589,254	1,490,083
Interest on long-term debt	-	-	-	-	-	-	268,953	294,105
Other	<u>58,871</u>	<u>85,211</u>	<u>325,340</u>	<u>168,234</u>	<u>64,348</u>	<u>38,170</u>	<u>(93,240)</u>	<u>1,599,999</u>
Total expenses (Schedules 3, 5)	<u>\$ 790,171</u>	<u>\$ 714,104</u>	<u>\$ 2,126,285</u>	<u>\$ 2,107,748</u>	<u>\$ 1,191,548</u>	<u>\$ 988,058</u>	<u>\$ 13,742,108</u>	<u>\$ 13,292,690</u>
SURPLUS (DEFICIT)	<u>\$ (513,324)</u>	<u>\$ (405,564)</u>	<u>\$ (897,792)</u>	<u>\$ 385,893</u>	<u>\$ (1,191,548)</u>	<u>\$ (965,016)</u>	<u>\$ (7,830,055)</u>	<u>\$ (7,097,970)</u>

**THE CITY OF BRANDON
CONSOLIDATED SCHEDULE OF OPERATIONS BY PROGRAM
FOR THE YEAR ENDED DECEMBER 31, 2015**

SCHEDULE 4

	Water and Sewer Services		Total	
	2015	2014	2015	2014
REVENUES				
Property taxes	\$ -	\$ -	\$ 40,234,431	\$ 40,038,926
Grants in lieu of taxation	-	-	2,339,760	2,298,918
User fees	-	-	17,006,524	16,748,384
Province of MB - Unconditional	-	-	8,851,849	8,785,408
Province of MB - Conditional	-	-	10,140,092	8,872,358
Grants - Other	-	-	4,742,398	2,896,202
Permits, licenses and fines	-	-	2,849,074	2,924,039
Investment income	-	-	174,930	618,055
Other revenue	-	-	850,283	570,959
Water and sewer	<u>17,185,743</u>	<u>21,643,804</u>	<u>17,185,743</u>	<u>21,643,804</u>
Total revenue (Schedules 2, 5)	<u>17,185,743</u>	<u>21,643,804</u>	<u>104,375,084</u>	<u>105,397,053</u>
EXPENSES				
Personnel services	5,785,382	5,535,249	51,693,584	50,654,195
Contract services	1,891,755	1,830,278	12,468,499	12,953,849
Utilities	1,481,367	1,553,060	4,372,372	4,491,724
Maintenance materials and supplies	4,109,608	4,036,661	10,676,295	10,188,467
Grants and contributions	-	-	3,246,038	1,900,151
Amortization	6,317,322	5,676,262	16,231,949	15,357,545
Interest on long-term debt	135,503	144,022	1,423,184	1,482,921
Other	<u>1,078,019</u>	<u>1,043,510</u>	<u>2,109,480</u>	<u>3,757,746</u>
Total expenses (Schedules 3, 5)	<u>\$ 20,798,956</u>	<u>\$ 19,819,042</u>	<u>\$ 102,221,401</u>	<u>\$ 100,786,598</u>
SURPLUS (DEFICIT)	<u>\$ (3,613,213)</u>	<u>\$ 1,824,762</u>	<u>\$ 2,153,683</u>	<u>\$ 4,610,455</u>

**THE CITY OF BRANDON
CONSOLIDATED SCHEDULE OF DETAILS AND RECONCILIATION TO CORE GOVERNMENT RESULTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

SCHEDULE 5

	Core Government		Controlled Entities		Government Partnerships		Total	
	2015	2014	2015	2014	2015	2014	2015	2014
REVENUES								
Property taxes	\$ 40,234,431	\$ 40,038,926	\$ -	\$ -	\$ -	\$ -	\$ 40,234,431	\$ 40,038,926
Grants in lieu of taxation	2,339,760	2,298,918	-	-	-	-	2,339,760	2,298,918
User fees	13,646,449	13,546,837	10,085	6,228	3,349,990	3,195,319	17,006,524	16,748,384
Province of MB - Unconditional	8,851,849	8,785,408	-	-	-	-	8,851,849	8,785,408
Province of MB - Conditional	8,721,366	8,177,423	-	-	1,418,726	694,935	10,140,092	8,872,358
Other	5,806,010	2,847,732	16,472	-	(1,080,084)	48,470	4,742,398	2,896,202
Permits, licenses and fines	2,838,947	2,909,015	-	-	10,127	15,024	2,849,074	2,924,039
Investment income	166,751	575,302	117	12,835	8,062	29,918	174,930	618,055
Other revenue	786,525	567,919	-	-	63,758	3,040	850,283	570,959
Water and sewer	<u>17,185,743</u>	<u>21,643,804</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,185,743</u>	<u>21,643,804</u>
Total revenue	<u>100,577,831</u>	<u>101,391,284</u>	<u>26,674</u>	<u>19,063</u>	<u>3,770,579</u>	<u>3,986,706</u>	<u>104,375,084</u>	<u>105,397,053</u>
EXPENSES								
Personnel services	49,294,321	48,275,814	43,984	70,679	2,355,279	2,307,702	51,693,584	50,654,195
Contract services	11,988,040	12,417,423	9,666	19,066	470,793	517,360	12,468,499	12,953,849
Utilities	3,969,472	4,030,270	452	-	402,448	461,454	4,372,372	4,491,724
Maintenance materials and supplies	9,447,964	9,219,222	-	-	1,228,331	969,245	10,676,295	10,188,467
Grants and contributions	3,239,538	1,868,151	6,500	32,000	-	-	3,246,038	1,900,151
Amortization	15,253,675	14,473,003	-	-	978,274	884,542	16,231,949	15,357,545
Interest on long-term debt	1,360,226	1,417,381	-	-	62,958	65,540	1,423,184	1,482,921
Other	<u>2,743,486</u>	<u>3,288,084</u>	<u>183,381</u>	<u>8,519</u>	<u>(817,387)</u>	<u>461,143</u>	<u>2,109,480</u>	<u>3,757,746</u>
Total expenses	<u>97,296,722</u>	<u>94,989,348</u>	<u>243,983</u>	<u>130,264</u>	<u>4,680,696</u>	<u>5,666,986</u>	<u>102,221,401</u>	<u>100,786,598</u>
SURPLUS (DEFICIT)	<u>\$ 3,281,109</u>	<u>\$ 6,401,936</u>	<u>\$ (217,309)</u>	<u>\$ (111,201)</u>	<u>\$ (910,117)</u>	<u>\$ (1,680,280)</u>	<u>\$ 2,153,683</u>	<u>\$ 4,610,455</u>

**CITY OF BRANDON
SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2015**

SCHEDULE 6

	2015							
	Accommodation Tax	Affordable Housing	Ambulance	Andrews Field	Brandon Municipal Airport	Capital Development	Centennial Auditorium	Civic Services Complex
REVENUE								
Investment Income	3,867	\$ 1,974	\$ 1,089	\$ 190	\$ 747	\$ 6,800	\$ 1,000	\$ 610
Other Income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenue	<u>3,867</u>	<u>1,974</u>	<u>1,089</u>	<u>190</u>	<u>747</u>	<u>6,800</u>	<u>1,000</u>	<u>610</u>
EXPENSES								
Investment Charges	-	-	-	-	-	-	-	-
Other Expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET REVENUES	<u>3,867</u>	<u>1,974</u>	<u>1,089</u>	<u>190</u>	<u>747</u>	<u>6,800</u>	<u>1,000</u>	<u>610</u>
TRANSFERS								
Debt Repayments	-	-	-	-	-	-	-	-
Transfers from Operating Fund	674,777	150,000	-	5,000	1,685,078	404,758	50,000	175,000
Transfers to Operating Fund	(260,424)	(17,051)	-	-	(31,037)	(61,875)	-	(16,187)
Transfers from (to) Utility Fund	-	-	-	-	-	-	-	-
Acquisition of Tangible Capital Assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
CHANGE IN RESERVE FUND BALANCE	<u>418,220</u>	<u>134,923</u>	<u>1,089</u>	<u>5,190</u>	<u>1,654,788</u>	<u>349,683</u>	<u>51,000</u>	<u>159,423</u>
FUND SURPLUS, BEGINNING OF YEAR	<u>1,442,877</u>	<u>714,809</u>	<u>441,849</u>	<u>74,067</u>	<u>299,704</u>	<u>2,642,302</u>	<u>366,487</u>	<u>189,611</u>
FUND SURPLUS, END OF YEAR	<u>1,861,097</u>	<u>\$ 849,732</u>	<u>\$ 442,938</u>	<u>\$ 79,257</u>	<u>\$ 1,954,492</u>	<u>\$ 2,991,985</u>	<u>\$ 417,487</u>	<u>\$ 349,034</u>

**CITY OF BRANDON
SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2015**

SCHEDULE 6

	2015							
	Clare Ave Extension	Cumulative Benefits	Disposal Site (Sanitation)	Diking & Flood Control	E-911 Equipment	Elections	Fire Fighting Equipment	Fire Vehicles
REVENUE								
Investment Income	\$ -	\$ 733	\$ 2,389	\$ 6,772	\$ 984	\$ 399	\$ 2,904	\$ 2,704
Other Income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenue	<u>-</u>	<u>733</u>	<u>2,389</u>	<u>6,772</u>	<u>984</u>	<u>399</u>	<u>2,904</u>	<u>2,704</u>
EXPENSES								
Investment Charges	-	-	-	-	-	-	-	-
Other Expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET REVENUES	<u>-</u>	<u>733</u>	<u>2,389</u>	<u>6,772</u>	<u>984</u>	<u>399</u>	<u>2,904</u>	<u>2,704</u>
TRANSFERS								
Debt Repayments	-	-	-	-	-	-	-	-
Transfers from Operating Fund	-	-	370,000	3,175,888	100,000	35,000	-	265,000
Transfers to Operating Fund	-	(50,000)	-	(5,120,812)	(38,459)	-	(80,318)	(222,721)
Transfers from (to) Utility Fund	-	-	-	-	-	-	-	-
Acquisition of Tangible Capital Assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
CHANGE IN RESERVE FUND BALANCE	<u>-</u>	<u>(49,267)</u>	<u>372,389</u>	<u>(1,938,152)</u>	<u>62,525</u>	<u>35,399</u>	<u>(77,414)</u>	<u>44,983</u>
FUND SURPLUS, BEGINNING OF YEAR	<u>288,572</u>	<u>328,034</u>	<u>704,736</u>	<u>4,354,690</u>	<u>322,132</u>	<u>149,744</u>	<u>1,199,378</u>	<u>973,281</u>
FUND SURPLUS, END OF YEAR	<u>\$ 288,572</u>	<u>\$ 278,767</u>	<u>\$ 1,077,125</u>	<u>\$ 2,416,538</u>	<u>\$ 384,657</u>	<u>\$ 185,143</u>	<u>\$ 1,121,964</u>	<u>\$ 1,018,264</u>

**CITY OF BRANDON
SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2015**

SCHEDULE 6

	2015							
	Gas Tax	General	Gravel Pit	Kirkcaldy Heights	Land Acquisition	Large Events Acquisition	Library / Arts Building	Machinery & Equipment
REVENUE								
Investment Income	\$ 14,213	\$ 2,791	\$ -	\$ -	\$ 1,378	535	\$ 588	\$ 11,177
Other Income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenue	<u>14,213</u>	<u>2,791</u>	<u>-</u>	<u>-</u>	<u>1,378</u>	<u>535</u>	<u>588</u>	<u>11,177</u>
EXPENSES								
Investment Charges	-	-	-	-	-	-	-	-
Other Expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET REVENUES	<u>14,213</u>	<u>2,791</u>	<u>-</u>	<u>-</u>	<u>1,378</u>	<u>535</u>	<u>588</u>	<u>11,177</u>
TRANSFERS								
Debt Repayments	-	-	-	-	-	-	-	-
Transfers from Operating Fund	2,827,312	-	-	-	-	84,457	50,000	3,042,223
Transfers to Operating Fund	(3,310,444)	-	-	(75,000)	-	-	-	(1,163,930)
Transfers from (to) Utility Fund	-	-	-	-	-	-	-	-
Acquisition of Tangible Capital Assets	<u>(120,464)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
CHANGE IN RESERVE FUND BALANCE	<u>(589,383)</u>	<u>2,791</u>	<u>-</u>	<u>(75,000)</u>	<u>1,378</u>	<u>84,992</u>	<u>50,588</u>	<u>1,889,470</u>
FUND SURPLUS, BEGINNING OF YEAR	<u>5,838,262</u>	<u>1,132,525</u>	<u>-</u>	<u>75,000</u>	<u>559,137</u>	<u>190,084</u>	<u>207,837</u>	<u>3,797,726</u>
FUND SURPLUS, END OF YEAR	<u>\$ 5,248,879</u>	<u>\$ 1,135,316</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 560,515</u>	<u>275,076</u>	<u>\$ 258,425</u>	<u>\$ 5,687,196</u>

**CITY OF BRANDON
SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2015**

SCHEDULE 6

	2015							
	Major Events Hosting	Municipal Building	Municipal Building Maintenance	Office Equipment	Parks	Perpetual Care	Police Equipment	Police Vehicles
REVENUE								
Investment Income	\$ -	\$ 2,521	\$ 516	\$ 4,962	\$ 2,483	\$ 1,716	\$ 2,663	\$ 2,307
Other Income	-	-	-	-	-	-	-	-
Total Revenue	<u>-</u>	<u>2,521</u>	<u>516</u>	<u>4,962</u>	<u>2,483</u>	<u>1,716</u>	<u>2,663</u>	<u>2,307</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>-</u>	<u>2,521</u>	<u>516</u>	<u>4,962</u>	<u>2,483</u>	<u>1,716</u>	<u>2,663</u>	<u>2,307</u>
TRANSFERS								
Debt Repayments	-	-	-	-	-	-	-	-
Transfers from Operating Fund	-	-	215,000	300,000	445,697	55,026	300,000	359,064
Transfers to Operating Fund	-	-	(10,774)	(309,464)	(301,418)	(69,836)	(97,924)	(208,409)
Transfers from (to) Utility Fund	-	-	-	-	-	-	-	-
Acquisition of Tangible Capital Assets	-	-	-	-	-	-	-	-
CHANGE IN RESERVE FUND BALANCE	<u>-</u>	<u>2,521</u>	<u>204,742</u>	<u>(4,502)</u>	<u>146,762</u>	<u>(13,094)</u>	<u>204,739</u>	<u>152,962</u>
FUND SURPLUS, BEGINNING OF YEAR	<u>-</u>	<u>1,022,853</u>	<u>169,395</u>	<u>1,854,774</u>	<u>829,734</u>	<u>712,332</u>	<u>918,966</u>	<u>749,180</u>
FUND SURPLUS, END OF YEAR	<u>\$ -</u>	<u>\$ 1,025,374</u>	<u>\$ 374,137</u>	<u>\$ 1,850,272</u>	<u>\$ 976,496</u>	<u>\$ 699,238</u>	<u>\$ 1,123,705</u>	<u>\$ 902,142</u>

**CITY OF BRANDON
SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2015**

SCHEDULE 6

	2015							
	Professional Fees	Protective Services Building	Recreation Centre	Snow Clearing	Social Development	Sportsplex	Storm Sewer	Traffic Control Devices
REVENUE								
Investment Income	\$ 127	\$ 2,213	\$ 1,039	\$ 702	\$ -	\$ 4,475	\$ 8,029	\$ 806
Other Income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenue	<u>127</u>	<u>2,213</u>	<u>1,039</u>	<u>702</u>	<u>-</u>	<u>4,475</u>	<u>8,029</u>	<u>806</u>
EXPENSES								
Investment Charges	-	-	-	-	-	-	-	-
Other Expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET REVENUES	<u>127</u>	<u>2,213</u>	<u>1,039</u>	<u>702</u>	<u>-</u>	<u>4,475</u>	<u>8,029</u>	<u>806</u>
TRANSFERS								
Debt Repayments	-	-	-	-	-	-	-	-
Transfers from Operating Fund	25,000	-	113,750	-	-	800,000	177,500	5,000
Transfers to Operating Fund	(57,000)	(4,210)	(38,864)	-	-	(1,776,918)	(202,002)	(43,243)
Transfers from (to) Utility Fund	-	-	-	-	-	-	-	-
Acquisition of Tangible Capital Assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
CHANGE IN RESERVE FUND BALANCE	<u>(31,873)</u>	<u>(1,997)</u>	<u>75,925</u>	<u>702</u>	<u>-</u>	<u>(972,443)</u>	<u>(16,473)</u>	<u>(37,437)</u>
FUND SURPLUS, BEGINNING OF YEAR	<u>55,042</u>	<u>898,209</u>	<u>363,876</u>	<u>284,988</u>	<u>-</u>	<u>1,915,946</u>	<u>3,166,804</u>	<u>333,771</u>
FUND SURPLUS, END OF YEAR	<u>\$ 23,169</u>	<u>\$ 896,212</u>	<u>\$ 439,801</u>	<u>\$ 285,690</u>	<u>\$ -</u>	<u>\$ 943,503</u>	<u>\$ 3,150,331</u>	<u>\$ 296,334</u>

**CITY OF BRANDON
SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2015**

SCHEDULE 6

	2015			
	Transit Funding	Transit System Equipment	26th Street South of Maryland	8th Street Bridge
REVENUE				
Investment Income	\$ 3,705	\$ 1,826	\$ -	\$ 5,590
Other Income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenue	<u>3,705</u>	<u>1,826</u>	<u>-</u>	<u>5,590</u>
EXPENSES				
Investment Charges	-	-	-	-
Other Expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET REVENUES	<u>3,705</u>	<u>1,826</u>	<u>-</u>	<u>5,590</u>
TRANSFERS				
Debt Repayments	-	-	-	-
Transfers from Operating Fund	403,685	128,000	-	75,000
Transfers to Operating Fund	-	(36,662)	-	(4,500)
Transfers from (to) Utility Fund	-	-	-	-
Acquisition of Tangible Capital Assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
CHANGE IN RESERVE FUND BALANCE	<u>407,390</u>	<u>93,164</u>	<u>-</u>	<u>76,090</u>
FUND SURPLUS, BEGINNING OF YEAR	<u>1,428,468</u>	<u>722,167</u>	<u>158,947</u>	<u>2,223,071</u>
FUND SURPLUS, END OF YEAR	<u>\$ 1,835,858</u>	<u>\$ 815,331</u>	<u>\$ 158,947</u>	<u>\$ 2,299,161</u>

**CITY OF BRANDON
SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2015**

SCHEDULE 6

	2015			Total	2014 Total
	Water Distribution	Wastewater Distribution	Industrial WWTF		
REVENUE					
Investment Income	\$ 49,864	\$ 63,306	\$ -	\$ 222,694	\$ 1,160,839
Other Income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenue	<u>49,864</u>	<u>63,306</u>	<u>-</u>	<u>222,694</u>	<u>1,160,839</u>
EXPENSES					
Investment Charges	-	-	-	-	-
Other Expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET REVENUES	<u>49,864</u>	<u>63,306</u>	<u>-</u>	<u>222,694</u>	<u>1,160,839</u>
TRANSFERS					
Debt Repayments	-	-	-	-	-
Transfers from Operating Fund	-	-	-	16,497,215	11,678,284
Transfers to Operating Fund	-	-	-	(13,609,482)	(8,545,632)
Transfers from Utility Fund	1,753,261	36,000	-	1,789,261	6,287,200
Transfers to Utility Fund	(1,914,693)	(187,539)	-	(2,102,232)	(2,433,268)
Acquisition of Tangible Capital Assets	<u>120,464</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
CHANGE IN RESERVE FUND BALANCE	<u>8,896</u>	<u>(88,233)</u>	<u>-</u>	<u>2,797,456</u>	<u>8,147,423</u>
FUND SURPLUS, BEGINNING OF YEAR	<u>19,859,134</u>	<u>25,719,929</u>	<u>318,935</u>	<u>89,999,365</u>	<u>81,851,942</u>
FUND SURPLUS, END OF YEAR	<u>\$ 19,868,030</u>	<u>\$ 25,631,696</u>	<u>\$ 318,935</u>	<u>\$ 92,796,821</u>	<u>\$ 89,999,365</u>

**CITY OF BRANDON
SCHEDULE OF TRUST FUNDS
AS AT DECEMBER 31, 2015**

SCHEDULE 7

	Community Center Assistance	2015	2014
ASSETS			
Cash and Temporary Investments	\$ -	\$ -	\$ -
Porfolio Investments	-	-	-
Other	<u>146,954</u>	<u>146,954</u>	<u>166,170</u>
	<u>146,954</u>	<u>146,954</u>	<u>166,170</u>
LIABILITIES AND FUND BALANCES			
Due to Municipality	-	-	-
Fund Balance	<u>146,954</u>	<u>146,954</u>	<u>166,170</u>
	<u>146,954</u>	<u>146,954</u>	<u>166,170</u>
REVENUES			
Contributions and Donations	49,395	49,395	48,635
Investment Income	-	-	-
	<u>49,395</u>	<u>49,395</u>	<u>48,635</u>
EXPENDITURES			
Cemetary Maintenance	-	-	-
Distribution to Beneficiaries	68,611	68,611	34,667
Other	-	-	-
	<u>68,611</u>	<u>68,611</u>	<u>34,667</u>
(DEFICIENCY) OF REVENUES OVER EXPENDITURES	(19,216)	(19,216)	13,968
FUND BALANCE, BEGINNING OF YEAR	<u>166,170</u>	<u>166,170</u>	<u>152,201</u>
FUND BALANCE, END OF YEAR	<u>\$ 146,954</u>	<u>\$ 146,954</u>	<u>\$ 166,169</u>

**THE CITY OF BRANDON
SCHEDULE OF FINANCIAL POSITION FOR UTILITIES
AS AT DECEMBER 31, 2015**

SCHEDULE 8

	2015	2014
FINANCIAL ASSETS		
Cash and temporary investments	\$ -	\$ -
Amounts receivable	11,776,890	13,435,389
Portfolio investments	-	-
Loans and advances	-	-
Real estate properties held for sale	-	-
Due from other funds	-	-
	<u>11,776,890</u>	<u>13,435,389</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 10)	2,678,192	2,957,109
Obligations under capital lease	-	-
Due to other funds	<u>70,772,497</u>	<u>72,475,962</u>
	<u>73,450,689</u>	<u>75,433,071</u>
NET FINANCIAL ASSETS	<u>(61,673,799)</u>	<u>(61,997,682)</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	181,369,046	184,068,228
Inventories	387,249	418,522
Prepaid expenses	<u>42,019</u>	<u>47,271</u>
	<u>181,798,314</u>	<u>184,534,021</u>
FUND SURPLUS	<u>\$ 120,124,515</u>	<u>\$ 122,536,339</u>
COMMITMENTS AND CONTINGENCIES (NOTES 11 AND 12)		

**THE CITY OF BRANDON
SCHEDULE OF UTILITY OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2015**

SCHEDULE 9

	2015 Budget	2015	2014
REVENUES			
Water			
Water fees	\$ 8,800,000	\$ 9,102,079	\$ 8,796,000
Bulk water fees	<u>50,000</u>	<u>57,665</u>	<u>79,190</u>
Sub-total - Water	8,850,000	9,159,744	8,875,190
Sewer			
Sewer fees	3,770,000	3,938,352	3,823,146
Lagoon tipping fees	<u>45,900</u>	<u>89,756</u>	<u>51,667</u>
Sub-total - Sewer	3,815,900	4,028,108	3,874,813
Property Taxes	-	-	54,636
Government transfers			
Capital funding - government transfers	-	-	3,932,232
Capital funding - other organizations	<u>-</u>	<u>36,000</u>	<u>413,752</u>
Sub-total - Government transfers	-	36,000	4,345,984
Other			
Hydrant rentals	281,600	257,600	250,800
Connection charges	875,000	973,824	814,636
Penalties	90,000	79,028	86,557
Installation service			
Contributed tangible capital assets	-	744,976	603,335
Investment income	-	113,170	562,557
Administration Fees			
Gain on sale of tangible assets	-	-	-
Other income	<u>1,880,000</u>	<u>1,793,293</u>	<u>2,175,296</u>
Sub-total - Other	<u>3,126,600</u>	<u>3,961,891</u>	<u>4,493,181</u>
Total revenue	<u>15,792,500</u>	<u>17,185,743</u>	<u>21,643,804</u>
EXPENSES			
General			
Administration	1,738,179	1,669,106	1,597,046
Overhead, billing and collection	<u>1,422,535</u>	<u>1,272,630</u>	<u>1,145,923</u>
Sub-total - General	3,160,714	2,941,736	2,742,969
Water			
Purification	3,980,438	4,548,394	4,357,320
Transmission and distribution	538,837	504,857	521,509
Training costs	85,339	86,816	90,782
Utilities (telephone, electricity, etc.)	514,735	494,362	542,384
Connection costs	<u>382,014</u>	<u>275,098</u>	<u>254,946</u>
Sub-total - Water	5,501,363	5,909,527	5,766,941
Water Amortization & Interest			
Amortization	2,477,574	2,477,574	2,433,088
Interest on long-term debt	<u>-</u>	<u>-</u>	<u>-</u>
Sub-total - Water Amortization & Interest	2,477,574	2,477,574	2,433,088
Sewer			
Collection system costs	382,620	347,368	339,878
Treatment and disposal costs	4,134,577	4,009,634	4,066,943
Lift stations costs	41,500	85,256	16,994
Training costs	132,000	52,327	41,213
Utilities (telephone, electricity, etc.)	<u>1,052,189</u>	<u>1,000,290</u>	<u>1,023,820</u>
Sub-total - Sewer	5,742,886	5,494,875	5,488,848
Sewage Amortization & Interest			
Amortization	3,839,745	3,839,745	3,243,174
Interest on long-term debt	<u>135,503</u>	<u>135,502</u>	<u>144,022</u>
Sub-total - Sewer Amortization & Interest	<u>3,975,248</u>	<u>3,975,247</u>	<u>3,387,196</u>
Total expenses	<u>20,857,785</u>	<u>20,798,959</u>	<u>19,819,042</u>
NET REVENUES (EXPENSES)	(5,065,285)	(3,613,216)	1,824,762

**THE CITY OF BRANDON
 SCHEDULE OF UTILITY OPERATIONS
 FOR THE YEAR ENDED DECEMBER 31, 2015**

SCHEDULE 9

TRANSFERS			
Transfers from reserve funds	-	3,099,679	2,433,268
Transfers to reserve funds	<u>-</u>	<u>(1,789,261)</u>	<u>(6,287,200)</u>
CHANGE IN UTILITY FUND BALANCE	<u>(5,065,285)</u>	<u>(2,302,798)</u>	<u>(2,029,170)</u>
FUND BALANCE, BEGINNING OF YEAR	<u>122,536,339</u>	<u>122,536,339</u>	<u>125,128,066</u>
FUND BALANCE, END OF YEAR	<u>\$ 117,471,054</u>	<u>\$ 120,233,541</u>	<u>\$ 123,098,896</u>

**CITY OF BRANDON
RECONCILIATION OF THE FINANCIAL PLAN TO THE BUDGET
FOR THE YEAR ENDED DECEMBER 31, 2015**

SCHEDULE 10

REVENUE	Financial Plan General	Financial Plan Utility(ies)	Amortization (TCA)	Interest Expense	Transfers	Long Term Accruals	Consolidated Entities	PSAB Budget
Property Taxes	\$ 40,067,705	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 40,067,705
Grants in Lieu of Taxation	2,339,760	-	-	-	-	-	-	2,339,760
User Fees	12,536,079	-	-	-	-	-	3,353,206	15,889,285
Grants - Province of Manitoba	15,539,582	-	-	-	-	-	125,000	15,664,582
Grants - Other	2,807,607	-	-	-	-	-	511,124	3,318,731
Permits, Licences and Fines	3,171,940	-	-	-	-	-	15,024	3,186,964
Investment Income	45,000	-	-	-	-	-	150	45,150
Other Revenue	1,594,351	-	-	-	-	-	-	1,594,351
Water and Sewer	-	15,792,500	-	-	-	-	-	15,792,500
Transfers from Accumulated Surplus	-	-	-	-	-	-	-	-
Transfers from Reserves	<u>1,489,050</u>	<u>100,000</u>	<u>-</u>	<u>-</u>	<u>(1,589,050)</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL REVENUE	<u>79,591,074</u>	<u>15,892,500</u>	<u>-</u>	<u>-</u>	<u>(1,589,050)</u>	<u>-</u>	<u>4,004,504</u>	<u>97,899,028</u>
EXPENSES								
General Government Services	8,651,168	-	572,960	-	-	-	-	9,224,128
Protective Services	29,018,474	-	1,097,681	-	-	-	-	30,116,155
Transportation Services	12,714,095	-	6,501,387	-	-	-	-	19,215,482
Environmental Services	4,880,343	-	130,277	-	-	-	-	5,010,620
Public Health and Welfare Services	716,231	-	23,015	-	-	-	-	739,246
Regional Planning and Development	2,083,655	-	-	-	-	-	403,792	2,487,447
Resource Cons and Industrial Development	948,564	-	-	-	-	-	-	948,564
Recreation and Cultural Services	7,342,314	-	611,033	-	-	-	3,534,407	11,487,754
Water and Sewer Services	-	14,540,466	6,317,319	-	-	-	-	20,857,785
Fiscal Services:								
Transfer to Utility	-	-	-	-	-	-	-	-
Transfer to Capital	315,000	49,000	-	-	(364,000)	-	-	-
Debt Charges, Principal	1,926,687	278,917	-	(2,205,604)	-	-	-	-
Short Term Interest	176,447	-	-	(176,447)	-	-	-	-
Transfer to Reserves	10,815,283	1,024,117	-	-	(11,839,400)	-	-	-
Allowance for Tax Assets	<u>2,813</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,813)</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL EXPENSES	<u>79,591,074</u>	<u>15,892,500</u>	<u>15,253,672</u>	<u>(2,382,051)</u>	<u>(12,206,213)</u>	<u>-</u>	<u>3,938,199</u>	<u>100,087,181</u>
SURPLUS (DEFICIT)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (15,253,672)</u>	<u>\$ 2,382,051</u>	<u>\$ 10,617,163</u>	<u>\$ -</u>	<u>\$ 66,305</u>	<u>\$ (2,188,153)</u>

**CITY OF BRANDON
ANALYSIS OF TAXES ON ROLL
FOR THE YEAR ENDED DECEMBER 31, 2015**

SCHEDULE 11

	2015	2014
Balance, Beginning of Year	\$ <u>3,421,403</u>	\$ <u>2,801,954</u>
Add:		
Tax Levy (Schedule 12)	79,171,972	77,274,772
Taxed Added	1,279,246	1,987,628
Penalties or Interest	515,783	511,278
Other Accounts Added	308,131	558,908
Tax Adjustments (Specify)		
Difference Between Levy & Financial Plan	-	-
Sub-total	<u>81,275,132</u>	<u>80,332,586</u>
Deduct:		
Cash Collection - Current	77,620,470	76,290,824
Cash Collection - Arrears	2,912,993	2,395,284
Writeoffs	202,938	406,833
Title Value of Land Sales	-	-
Title Value of Tax Titles Acquired	-	-
Tax Discounts	113,295	114,824
M.P.T.C. - Cash Advance	143,939	147,190
Other Credits (Tax Offsetting Grants)	<u>361,887</u>	<u>358,182</u>
Sub-total	<u>81,355,522</u>	<u>79,713,137</u>
Balance, End of Year	<u>\$ 3,341,013</u>	<u>\$ 3,421,403</u>

CITY OF BRANDON
ANALYSIS OF TAX LEVY
FOR THE YEAR ENDED DECEMBER 31, 2015

SCHEDULE 12

	2015		2014	
	Assessment	Mill Rate	Levy	Levy
Debt Charges:				
Frontage	-	-	\$ 89,233	\$ 93,140
L.I.D.	2,425,120,380	0.738	1,789,739	1,824,183
Other (At Large)	2,186,829,770	0.602	1,316,472	1,031,883
Deferred Surplus				
Reserves:				
Various	2,186,829,770	3.179	6,951,932	5,304,994
General Municipal	2,186,829,770	12.815	28,024,224	28,963,383
Special Levies:				
Department of Rural Development	2,186,829,770	0.327	715,093	704,335
School Portion - Mobile Home Revenue	-	-	(451,875)	(484,444)
Business Tax (Rate %)	11,899,200	1.000	<u>118,992</u>	<u>117,108</u>
Total Municipal Taxes ***			<u>38,553,810</u>	<u>37,554,582</u>
Education Support Levy	603,520,590	11.610	7,006,874	6,762,009
Special Levy:				
Brandon School Division	2,138,489,160	15.506	33,159,413	32,473,737
Mobile Home Revenue	-	-	<u>451,875</u>	<u>484,444</u>
Total Education Taxes			<u>40,618,162</u>	<u>39,720,190</u>
Total Tax Levy (Schedule 11)			<u>\$ 79,171,972</u>	<u>\$ 77,274,772</u>
*** Total Municipal Taxes Comprised of				
General Municipal (Schedule 2)			\$ 38,532,705	\$ 37,540,020
Utility Debenture Debt Servicing (Schedule 9)			<u>-</u>	<u>54,636</u>
			\$ 38,532,705	\$ 37,594,656

CITY OF BRANDON
ANALYSIS OF SCHOOL ACCOUNTS
FOR THE YEAR ENDED DECEMBER 31, 2015

SCHEDULE 13

	<u>2015</u>				<u>2014</u>
	<u>Opening Balance</u>	<u>Current Requirement</u>	<u>Current Payment</u>	<u>Ending Balance</u>	<u>Ending Balance</u>
Education Support Levy	\$ 439,523	\$ 7,848,621	\$ (7,890,440)	\$ 397,704	\$ 439,523
Special Levies					
Brandon School Division	1,560,598	27,867,825	(28,020,550)	1,407,873	1,560,598
Total	<u>\$ 2,000,121</u>	<u>\$ 35,716,446</u>	<u>\$ (35,910,990)</u>	<u>\$ 1,805,577</u>	<u>\$ 2,000,121</u>

**CITY OF BRANDON
SCHEDULE OF GENERAL OPERATING FUND EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2015**

SCHEDULE 14

	2015 Actual	2014 Actual
General government services:		
Legislative	\$ 433,468	\$ 426,250
General administrative	7,206,427	6,927,460
Other	<u>1,180,138</u>	<u>1,468,248</u>
	<u>8,820,033</u>	<u>8,821,958</u>
Protective services:		
Police	15,458,971	15,042,205
Fire	8,661,245	8,896,298
Emergency measures	2,945,539	2,737,386
Other	<u>1,322,173</u>	<u>1,375,584</u>
	<u>28,387,928</u>	<u>28,051,473</u>
Transportation services:		
Road transport		
Administration	3,766,694	4,345,772
Road and street maintenance	(2,429,434)	(1,119,540)
Bridge maintenance	1,147	1,079
Sidewalk maintenance	1,098,403	1,059,455
Street lighting	1,051,484	1,019,740
Other	2,748,937	2,389,406
Air transport	720,235	797,070
Public transport	6,042,347	5,570,723
Other	-	-
	<u>12,999,813</u>	<u>14,063,705</u>
Environmental health services:		
Waste collection and disposal	3,386,853	3,383,783
Recycling	1,675,400	1,378,609
Other	-	-
	<u>5,062,253</u>	<u>4,762,392</u>
Public health and welfare services:		
Public health	500,124	423,724
Medical care	-	-
Social assistance	267,032	267,032
Other	-	-
	<u>767,156</u>	<u>690,756</u>
Regional planning and development:		
Planning and zoning	826,241	874,134
Urban renewal	380,936	505,218
Beautification and land rehabilitation	-	-
Urban area weed control	392,347	369,437
Other	<u>487,640</u>	<u>420,877</u>
	<u>2,087,164</u>	<u>2,169,666</u>
Resource conservation and industrial development:		
Rural area weed control	-	-
Drainage of land	-	-
Veterinary services	-	-
Water resources and conservation	-	-
Regional development	409,304	366,209
Industrial development	-	-
Tourism	782,245	621,849
Other	-	-
	<u>1,191,549</u>	<u>988,058</u>

**CITY OF BRANDON
SCHEDULE OF GENERAL OPERATING FUND EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2015**

SCHEDULE 14

Recreation and cultural services:

Administration	1,223,249	1,044,863
Community centers and halls	49,395	48,635
Swimming pools and beaches	228,040	253,100
Golf courses	606,985	462,689
Skating and curling rinks	22,020	23,504
Parks and playgrounds	2,371,381	1,981,810
Other recreational facilities	4,935,498	2,998,840
Museums	117,173	118,407
Libraries	695,439	699,732
Other cultural facilities	<u>339,692</u>	<u>488,546</u>
	<u>10,588,872</u>	<u>8,120,126</u>
Total expenses	\$ <u>69,904,768</u>	\$ <u>67,668,134</u>

**CITY OF BRANDON
 SCHEDULE OF DEBENTURES PENDING
 FOR THE YEAR ENDED DECEMBER 31, 2015**

SCHEDULE 16

Authority	Purpose	Source of Funds	Authorized	Expended
B/L 7060/E-13-087	638 Princess Ave Retrofit		3,000,000	3,000,000
B/L 7063/E-13-112	Keystone Centre Roof Repairs		2,975,000	2,564,463
B/L 7116/E-15-057	Airport Expansion		2,981,200	882,355
TOTAL			<u>\$ 8,956,200</u>	<u>\$ 6,446,818</u>

**CITY OF BRANDON
RECONCILIATION OF ANNUAL SURPLUS (DEFICIT)
FOR THE YEAR ENDED DECEMBER 31, 2015**

SCHEDULE 17

	2015			2014
	General	Utility	Total	Total
MUNICIPAL NET SURPLUS UNDER THE MUNICIPAL ACT	\$ 6,949,113	\$ 1,874,571	\$ 8,823,684	\$ 9,486
Adjustments for reporting under public sector accounting standards				
Eliminate expense - transfers to reserves	16,497,215	1,789,261	18,286,476	17,965,484
Eliminate revenue - transfers from reserves	(13,609,482)	(2,102,232)	(15,711,714)	(10,978,900)
Increase revenue - reserve funds interest	109,523	113,170	222,693	1,160,839
Increase (Decrease) revenue - Net surplus (deficit) of consolidated entities	1,051,065	-	1,051,065	(658,544)
Eliminate revenue - transfer from nominal surplus(es)	-	-	-	-
Increase revenue - developer contributions	1,379,656	744,976	2,124,632	1,043,103
Increase expense - amortization of tangible capital assets	(8,936,353)	(6,317,319)	(15,253,672)	(14,473,003)
Decrease expense - principal portion of debenture debt	1,719,611	278,917	1,998,528	1,923,696
Decrease expense - accrued interest portion of debenture debt	30,594	-	30,594	511,517
Decrease revenue - disposed capital assets net book value	(1,480,648)	-	(1,480,648)	(450,370)
Eliminate expense - acquisitions of tangible capital assets	1,952,355	-	1,952,355	7,542,031
Eliminate expense - acquisitions of non-tangible capital purchases from reserves	-	-	-	1,015,116
Eliminate expense - landfill closure & post closure liabilities	64,724	-	64,724	-
Eliminate expense - non-vested sick liability	39,526	5,440	44,966	-
Eliminate - adjustment to opening accounts receivable	(1,053,868)	-	(1,053,868)	-
Eliminate - adjustment to opening accounts payable	(168,360)	-	(168,360)	(1,227,498)
NET SURPLUS (DEFICIT) PER CONSOLIDATED STATEMENT OF OPERATIONS	\$ 4,544,671	\$ (3,613,216)	\$ 931,455	\$ 3,382,957