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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying consolidated financial statements of City of Brandon, which comprise the consolidated statement of financial position as at December 31, 2017, and the consolidated statements of operations, changes in net financial assets, cash flows and supporting schedules for the year then ended, 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 control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. 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 consolidated financial statements.

We believe that the audit evidence we have obtained 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 City of Brandon at December 31, 2017 and the results of its operations, changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

June 28, 2018
Brandon, Manitoba

MNP LLP
Chartered Professional Accountants

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 (DEBT) | 7 |
| CONSOLIDATED STATEMENT OF CASH FLOWS | 8 |
| NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS | 9 |
| SCHEDULE 1 - CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS | 21 |
| SCHEDULE 2 - CONSOLIDATED SCHEDULE OF REVENUES | 22 |
| SCHEDULE 3 - CONSOLIDATED SCHEDULE OF EXPENSES | 23 |
| SCHEDULE 4 - CONSOLIDATED SCHEDULE OF OPERATIONS BY PROGRAM | 25 |
| SCHEDULE 5 - CONSOLIDATED SCHEDULE OF DETAILS AND RECONCILIATION TO CORE GOVERNMENT RESULTS | 28 |
| SCHEDULE 6 - SCHEDULE OF CHANGE IN RESERVE FUND BALANCES | 29 |
| SCHEDULE 7 - SCHEDULE OF L.U.D. OPERATIONS | 36 |
| SCHEDULE 8 - SCHEDULE OF FINANCIAL POSITION FOR UTILITY | 37 |
| SCHEDULE 9 - SCHEDULE OF UTILITY OPERATIONS | 38 |
| SCHEDULE 10 - RECONCILIATION OF THE FINANCIAL PLAN TO THE BUDGET | 40 |
| SCHEDULE 11 - ANALYSIS OF TAXES ON ROLL | 41 |
| SCHEDULE 12 - ANALYSIS OF TAX LEVY | 42 |
| SCHEDULE 13- SCHEDULE OF GENERAL OPERATING FUND EXPENSES | 43 |
| SCHEDULE 14- RECONCILIATION OF ANNUAL SURPLUS (DEFICIT) | 45 |

**CITY OF BRANDON
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2017**

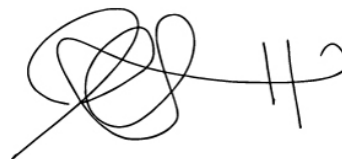
| | 2017 | 2016 Restated (Note 16) |
|--|-----------------------------|--|
| FINANCIAL ASSETS | | |
| Cash and temporary investments (Note 3) | \$ 8,232,115 | \$ 1,993,520 |
| Amounts receivable (Note 4) | 20,878,214 | 27,514,184 |
| Portfolio investments (Note 5) | 15,680,709 | 18,985,986 |
| Loans and advances | 500,000 | 50,000 |
| Real estate properties held for sale | <u>4,249,441</u> | <u>4,249,442</u> |
| | <u>49,540,479</u> | <u>52,793,132</u> |
| LIABILITIES | | |
| Accounts payable and accrued liabilities (Note 7) | 11,474,117 | 13,223,945 |
| Severance and sick leave payable | 4,085,143 | 4,030,153 |
| Deferred revenue | 2,061,848 | 2,180,968 |
| Landfill closure and post closure liabilities (Note 8) | 1,054,791 | 981,085 |
| Long-term debt (Note 10) | 42,887,915 | 41,071,866 |
| Other liabilities | <u>1,088,626</u> | <u>1,149,650</u> |
| | <u>62,652,440</u> | <u>62,637,667</u> |
| NET FINANCIAL DEBT | <u>(13,111,961)</u> | <u>(9,844,535)</u> |
| NON-FINANCIAL ASSETS | | |
| Tangible capital assets (Schedule 1) | 359,213,565 | 353,936,765 |
| Inventories (Note 6) | 1,192,440 | 1,813,258 |
| Prepaid expenses | <u>689,856</u> | <u>732,842</u> |
| | <u>361,095,861</u> | <u>356,482,865</u> |
| ACCUMULATED SURPLUS (Note 18) | <u>\$347,983,900</u> | <u>\$346,638,330</u> |

COMMITMENTS AND CONTINGENCIES (NOTES 11 AND 12)

Approved on behalf of Council:



Rick Chrest - Mayor



Jeff Fawcett - Deputy Mayor

The accompanying notes are an integral part of these consolidated financial statements

**CITY OF BRANDON
CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2017**

| | 2017 Budget (Note 15) | 2017 | 2016 Restated (Note 16) |
|--|----------------------------------|-----------------------------|--|
| REVENUES | | | |
| Property taxes | \$ 41,990,611 | \$ 41,862,149 | \$ 41,548,744 |
| Grants in lieu of taxation | 2,285,502 | 2,285,502 | 2,243,231 |
| User fees | 18,124,108 | 18,777,245 | 18,007,370 |
| Grants - Province of Manitoba | 16,322,114 | 19,393,710 | 20,638,791 |
| Grants - Other | 3,949,289 | 6,006,849 | 6,106,571 |
| Permits, licences and fines | 3,129,088 | 2,666,193 | 2,802,353 |
| Investment income | 95,828 | 1,498,006 | 239,169 |
| Other revenue | 655,262 | 243,975 | 723,330 |
| Water and sewer | <u>18,490,200</u> | <u>22,128,548</u> | <u>18,032,029</u> |
| Total revenue (Schedules 2, 4, 5) | <u>105,042,002</u> | <u>114,862,177</u> | <u>110,341,588</u> |
| EXPENSES | | | |
| General government services | 9,848,163 | 10,170,536 | 9,937,893 |
| Protective services | 31,451,245 | 31,016,204 | 30,274,975 |
| Transportation services | 20,896,051 | 21,450,996 | 20,205,768 |
| Environmental health services | 5,511,428 | 5,689,942 | 5,085,077 |
| Public health and welfare services | 749,219 | 707,417 | 689,716 |
| Regional planning and development | 5,086,911 | 3,470,305 | 2,345,248 |
| Resource conservation & industrial development | 1,557,660 | 1,375,297 | 1,644,550 |
| Recreation and cultural services | 14,432,476 | 14,972,277 | 14,022,387 |
| Water and sewer services | <u>22,520,274</u> | <u>24,663,633</u> | <u>28,067,628</u> |
| Total expenses (Schedules 3, 4, 5) | <u>112,053,427</u> | <u>113,516,607</u> | <u>112,273,242</u> |
| ANNUAL SURPLUS (DEFICIT) | \$ (7,011,425) | \$ 1,345,570 | \$ (1,931,654) |
| ACCUMULATED SURPLUS BEGINNING OF YEAR | <u>346,638,330</u> | <u>346,638,330</u> | <u>348,569,984</u> |
| ACCUMULATED SURPLUS END OF YEAR | <u>\$339,626,905</u> | <u>\$347,983,900</u> | <u>\$346,638,330</u> |

The accompanying notes are an integral part of these consolidated financial statements

**CITY OF BRANDON
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS (DEBT)
FOR THE YEAR ENDED DECEMBER 31, 2017**

| | 2017 Budget | 2017 | 2016 Restated (Note 16) |
|---|-------------------------------|-------------------------------|--|
| ANNUAL SURPLUS (DEFICIT) | \$ <u>(7,011,425)</u> | \$ <u>1,345,570</u> | \$ <u>(1,931,654)</u> |
| Acquisition of tangible capital assets | (28,296,294) | (23,974,736) | (29,938,339) |
| Amortization of tangible capital assets | 17,748,267 | 17,748,267 | 17,026,753 |
| Loss (gain) on sale of tangible capital assets | - | 294,294 | 1,055,960 |
| Proceeds on sale of tangible capital assets | - | 655,375 | 665,217 |
| Decrease (increase) in inventories | - | 620,818 | (165,069) |
| Decrease (increase) in prepaid expenses | - | 42,986 | (33,609) |
| | <u>(10,548,027)</u> | <u>(4,612,996)</u> | <u>(11,389,087)</u> |
| CHANGE IN NET DEBT | \$ <u>(17,559,452)</u> | \$ <u>(3,267,426)</u> | \$ <u>(13,320,741)</u> |
| NET FINANCIAL ASSETS (DEBT), BEGINNING OF YEAR | <u>(9,844,535)</u> | <u>(9,844,535)</u> | <u>3,476,206</u> |
| NET DEBT, END OF YEAR | \$ <u>(27,403,987)</u> | \$ <u>(13,111,961)</u> | \$ <u>(9,844,535)</u> |

The accompanying notes are an integral part of these consolidated financial statements

**CITY OF BRANDON
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2017**

| | 2017 | 2016 Restated (Note 16) |
|--|-----------------------------------|--|
| OPERATING TRANSACTIONS | | |
| Annual surplus (deficit) | \$ <u>1,345,570</u> | \$ <u>(1,931,654)</u> |
| Changes in non-cash working capital balances: | | |
| Amounts receivable | 6,635,970 | 827,712 |
| Inventories | 620,818 | (165,069) |
| Prepays | 42,986 | (33,609) |
| Accounts payable and accrued liabilities | (1,749,829) | 2,231,178 |
| Severance and sick leave payable | 54,989 | 160,386 |
| Deferred revenue | (119,119) | 297,289 |
| Landfill closure and post closure liabilities | 73,706 | 69,078 |
| Other liabilities | (61,023) | (84,017) |
| Adjustments for: | | |
| Loss (gain) on sale of tangible capital assets | 294,294 | 1,055,960 |
| Loss (gain) on sale of real estate properties | (37,362) | (6,679) |
| Amortization | <u>17,748,267</u> | <u>17,026,753</u> |
| Cash provided by operating transactions | <u>24,849,267</u> | <u>19,447,328</u> |
| CAPITAL TRANSACTIONS | | |
| Proceeds on sale of tangible capital assets | 655,375 | 665,217 |
| Acquisition of tangible capital assets | <u>(23,974,736)</u> | <u>(29,938,339)</u> |
| Cash applied to capital transactions | <u>(23,319,361)</u> | <u>(29,273,122)</u> |
| INVESTING TRANSACTIONS | | |
| Proceeds on sale of portfolio investments | 14,150,600 | 6,000,000 |
| Proceeds on sale of real estate properties | 37,361 | 6,608 |
| Loans and advances repaid | (450,000) | 50,000 |
| Purchase of portfolio investments | (10,845,323) | (15,040,646) |
| Acquisition of real estate properties | <u>2</u> | <u>140</u> |
| Cash provided by investing transactions | <u>2,892,640</u> | <u>(8,983,898)</u> |
| FINANCING TRANSACTIONS | | |
| Proceeds of long-term debt | 4,981,200 | 13,452,021 |
| Debt repayment | <u>(3,165,151)</u> | <u>(2,226,873)</u> |
| Cash provided by financing transactions | <u>1,816,049</u> | <u>11,225,148</u> |
| INCREASE (DECREASE) IN CASH AND TEMPORARY INVESTMENTS | \$ 6,238,595 | \$ (7,584,544) |
| CASH AND TEMPORARY INVESTMENTS, BEGINNING OF YEAR | <u>1,993,520</u> | <u>9,578,064</u> |
| CASH AND TEMPORARY INVESTMENTS, END OF YEAR | <u><u>\$ 8,232,115</u></u> | <u><u>\$ 1,993,520</u></u> |

The accompanying notes are an integral part of these consolidated financial statement

**CITY OF BRANDON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2017**

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 Chartered Professional Accountants of Canada 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 for 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%) (2016 – 21%)
Western Manitoba Centennial Auditorium (50%) (2016 – 50%)
Keystone Agricultural & Recreational Centre (50%) (2016 – 50%)
Western Manitoba Regional Library (81%) (2016 – 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 Note 19 and consist of funds held for the maintenance of Community Centres.

2. Significant Accounting Policies (continued)

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 statement of financial position 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.

2. Significant Accounting Policies (continued)

h) Tangible Capital Assets (continued)

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 |
| Computer Hardware and Software | 4 to 10 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 of 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.

2. Significant Accounting Policies (continued)

1) 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>2017</u> | <u>2016</u> |
|-----------------------|---------------------|---------------------|
| Cash | \$ 7,849,688 | \$ 1,595,726 |
| Temporary Investments | <u>382,427</u> | <u>397,794</u> |
| | <u>\$ 8,232,115</u> | <u>\$ 1,993,520</u> |

The City of Brandon has designated \$ 73,889,827 (2016 - \$77,783,590) 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, 2017 the City had \$5,000,000 (2016 - \$5,000,000) credit available.

4. Amounts Receivable

Amounts receivable are valued at their net realizable value:

| | <u>2017</u> | <u>2016</u> Restated (Note 16) |
|--------------------------------------|----------------------|--|
| Taxes on Roll (schedule 11) | \$ 3,634,165 | \$ 3,200,826 |
| Government Grants | - | - |
| Utility Customers | 5,388,111 | 7,363,139 |
| Accrued Interest | 3,613 | 6,551 |
| Organizations and Individuals | 13,204,413 | 17,897,169 |
| Federal Government - GST | <u>245,030</u> | <u>511,989</u> |
| | \$ 22,475,332 | \$ 28,979,674 |
| Less Allowances for Doubtful Amounts | <u>(1,597,118)</u> | <u>(1,465,490)</u> |
| | <u>\$ 20,878,214</u> | <u>\$ 27,514,184</u> |

5. Portfolio Investments

| | <u>2017</u> | <u>2016</u> |
|------------------------|----------------------|----------------------|
| Marketable Securities: | | |
| Bonds and Certificates | \$ 15,680,709 | \$ 17,937,725 |
| Other Investments | <u>-</u> | <u>1,048,261</u> |
| | <u>\$ 15,680,709</u> | <u>\$ 18,985,986</u> |

The aggregate market value of the marketable securities at December 31, 2017 is \$16,076,156 (2016 - \$20,094,240). Portfolio investments earned \$1,277,415 in investment income during the year (2016 - \$40,654).

6. Inventories

| | <u>2017</u> | <u>2016</u> |
|-------------------------------------|---------------------|---------------------|
| Chemicals, herbicides, insecticides | \$ 219,599 | \$ 197,704 |
| Fuel | 52,198 | 51,948 |
| Other Supplies | <u>920,643</u> | <u>1,563,606</u> |
| | <u>\$ 1,192,440</u> | <u>\$ 1,813,258</u> |

7. Accounts Payable and Accrued Liabilities

| | <u>2017</u> | <u>2016</u> Restated (Note 16) |
|--------------------------|----------------------|--|
| Accounts Payable | \$ 6,377,837 | \$ 8,343,600 |
| Accrued Expenses | 2,138,028 | 2,118,462 |
| Accrued Interest Payable | 703,371 | 732,518 |
| School levies | <u>2,254,881</u> | <u>2,029,365</u> |
| | <u>\$ 11,474,117</u> | <u>\$ 13,223,945</u> |

8. Landfill Closure and Post Closure Liabilities

The Municipality is currently operating a Class I landfill site in the City of Brandon. 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>2017</u> | <u>2016</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>\$ 1,792,930</u> | <u>\$ 1,707,553</u> |
| Expected year capacity will be reached | 2041 | 2041 |
| Capacity (tonnes): | | |
| Used to date | 2,117,989 | 2,068,489 |
| Remaining | <u>1,482,160</u> | <u>1,531,660</u> |
| Total | 3,600,149 | 3,600,149 |
| Percent Utilized | <u>58.83</u> | <u>57.46</u> |
| Liability Based on Percentage | <u>\$ 1,054,791</u> | <u>\$ 981,085</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>2017</u> | <u>2016</u> |
|--|----------------------|----------------------|
| General Authority: | | |
| Aquatics Facility, interest at 3.25%, payable at \$399,356 annually including interest, maturing January 2019. | \$ 760,858 | \$ 1,123,162 |
| Materials Recycling Facility Purchase, interest at 4.00% to 5.00% payable at \$187,641 to \$187,770 annually including interest, maturing December 2023. | 958,783 | 1,096,001 |
| Keystone Renovations, interest at 4.00% to 5.00%, payable at \$372,787 to \$373,043 annually including interest, maturing December 2023. | 1,904,817 | 2,177,429 |
| Keystone Capital Improvements, interest at 4% payable at \$127,494 annually including interest, maturing August 2022. | 567,581 | 668,341 |
| Fire Hall, interest at 4.92%, payable at \$811,788 annually including interest, maturing January 2030. | 7,662,454 | 8,076,861 |
| Police Station, interest at 4.50%, payable at \$1,068,586 annually including interest, maturing December 2030. | 10,346,963 | 10,923,970 |
| Keystone Roof Project, interest at 3.00%, payable at \$278,111 annually including interest, maturing October 2026. | 2,165,399 | 2,372,339 |
| Development Services Building, interest at 3.00%, payable at \$210,517 annually including interest, maturing October 2026. | 1,639,109 | 1,795,753 |
| Airport Terminal Development, interest at 4.25%, payable at \$417,425 annually including interest, maturing October 2034. | 4,981,200 | - |
| Total Municipal | <u>\$ 30,987,164</u> | <u>\$ 28,233,856</u> |
| Controlled Entities and Government Partnerships: | | |
| Keystone commercial mortgage, interest at 2.7% semi-annually, payable at \$30,750 annually including interest, maturing September 2023. | \$ 1,013,726 | \$ 1,164,511 |
| | <u>\$ 32,000,890</u> | <u>\$ 29,398,367</u> |

10. Long-Term Debt (continued)

Utility Funds:

Water Reclamation Facility, interest at 3.30%, \$ 8,796,626 \$ 9,283,929 payable at \$796,200 annually including interest, maturing January 2031.

Central Wastewater Treatment Facility 2,090,399 2,389,570 Expansion, interest at 4.00% to 5.00%, payable at \$409,107 to \$409,387 annually including interest, maturing December 2023.

Total Utility \$ 10,887,025 \$ 11,673,499

Total Long-Term Debt \$ 42,887,915 \$ 41,071,866

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

| | |
|------|-------------|
| 2018 | \$3,337,548 |
| 2019 | \$3,471,343 |
| 2020 | \$3,211,897 |
| 2021 | \$3,346,918 |
| 2022 | \$3,486,968 |

Schedule of Debenture Pending

No pending debentures as at December 31, 2017

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 2017 was \$137,197 (2016 - \$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 2018.

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 2018.

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 2017 payment was \$262,874 (2016 - \$260,361).

City Council, at its meeting held June 21, 2004, adopted a resolution to provide a total municipal tax off-setting grant to Canadian Mental Health Association each year for a 20 year period starting in 2004 for its premises at 1202 Rosser Ave. Payment made for the year 2017 was \$21,243 (2016 - \$21,040).

City Council, at its meeting held February 20, 2006, passed By-law No. 6814 to implement a tax abatement program for eligible properties in the downtown district to encourage and assist in the renovation and redevelopment of buildings in downtown Brandon. The City has several properties receiving this tax credit, with expiry dates ranging from 2020 to 2027. Payments made for the year 2017 were \$34,376 (2016 - \$41,188).

11. Commitments (continued)

City Council, at its meeting held August 20, 2007, passed By-law No. 6870 which provides for financial assistance for newly constructed affordable multi-family rental units whereby eligible property owners receive a tax credit equal to 50% of the municipal portion of the property taxes for a period of twenty (20) years. The City has several properties receiving this credit, with the 20 year expiry ranging from 2023 to 2035. Payments made for the year 2017 were \$19,172 (2016 - \$18,989).

The City of Brandon, in November 2011, entered into an agreement with the Rural Municipality of Cornwallis, to compensate property owners affected by the City of Brandon annexing certain lands from the RM of Cornwallis. As per the agreement, property taxes for eligible property owners were grandfathered at the RM of Cornwallis annual municipal tax rate for five years, with the increase in municipal taxes to be phased in over a five-year period in increments of 20 per cent each year. The phasing of municipal property taxes expires in 2020. Payments made for the year 2017 were \$8,993 (2016 - \$11,106).

The City of Brandon, in June 2017, entered into an agreement to loan \$1,000,000 to Brandon Riverbank Inc. for the construction of Festival Park. Funds advanced in 2017 were \$500,000 with the balance to be advanced in early 2018.

City Council, at its meeting held March 7, 2016, adopted a resolution to provide an annual operating grant to Brandon Museum Inc. in the amount of \$25,000 for a four year period commencing in 2017.

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 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 average five highest years of earnings up to the year's maximum pensionable earnings (YMPE), plus 2% of their average highest years of earnings over the YMPE, multiplied by total pensionable service divided by twelve. 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.

13. Retirement Benefits (continued)

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 plus 9.5% of basic annual earnings in excess of the CPP ceiling plus 9.0% of additional earnings to a cap of \$159,525, plus an additional .1% of earnings below and in excess of the CPP ceiling 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 \$3,416,501 (2016 - \$3,253,413) 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, 2016 indicated the plan was 98.0% funded on a going concern basis and had an unfunded solvency liability of \$246.8 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, 2016.

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, 2015 indicates a Going Concern surplus of \$109,088 and a solvency / hypothetical wind-up deficiency of \$58,919.

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 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 values 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. Correction of an Error

Adjustments have been made to 2016 to correctly record the following items:

Amounts receivable due to the overstatement of operating recoveries.

Accounts payable and accrued liabilities related to an unrecorded accrued interest expense liability.

Severance and sick leave payable related to non-vested sick leave payables have been reclassified from accounts payable and accrued liabilities.

Deferred revenue related to a consolidated entity's recording of a conditional grant.

Consolidated Statement of Financial Position

| | As Previously Reported 2016 | Restated 2016 |
|--|--------------------------------|------------------|
| Amounts receivable | \$ 27,875,614 | \$ 27,514,184 |
| Accounts payable and accrued liabilities | 14,919,114 | 13,223,945 |
| Severance and sick leave payable | 2,051,476 | 4,030,153 |
| Deferred revenue | 1,896,701 | 2,180,968 |

Consolidated Statement of Operations

| | As Previously Reported 2016 | Restated 2016 |
|--|--------------------------------|----------------------|
| Revenue | | |
| Grants – Province of Manitoba | \$ 21,470,423 | \$ 20,638,791 |
| Grants – Other | 5,714,082 | 6,106,571 |
| Investment income | 192,249 | 152,094 |
| Expenses | | |
| General government services | \$ 9,771,494 | \$ 9,937,893 |
| Water and sewer services | 27,784,120 | 28,067,628 |
| Annual deficit | \$ (1,002,449) | \$ (1,931,654) |
| Accumulated surplus, beginning of year | <u>\$348,569,984</u> | <u>\$348,569,984</u> |
| Accumulated surplus, end of year | <u>\$347,567,535</u> | <u>\$346,638,330</u> |

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 \$190,253 in aggregate.

b) Compensation paid to individual members of City Council:

| | Compensation | Expense Allowance | Total |
|--------------------------------|-------------------|----------------------|-------------------|
| Mayor - Chrest, Rick | \$ 57,974 | \$ 24,776 | \$ 82,750 |
| Councillor - Berry, Shawn | 13,894 | 6,848 | 20,742 |
| Councillor - Brown, Ronald | 12,850 | 6,399 | 19,249 |
| Councillor - Chaboyer, Jan | 15,282 | 7,451 | 22,733 |
| Councillor - Cullen, Barry | 13,047 | 6,524 | 19,571 |
| Councillor - Desjarlais, Kris | 12,493 | 6,149 | 18,642 |
| Councillor - Fawcett, Jeff | 12,544 | 6,358 | 18,902 |
| Councillor - Harwood, Jeff | 13,189 | 6,499 | 19,688 |
| Councillor - LoRegio, John | 12,993 | 6,399 | 19,392 |
| Councillor - Parker, Glen | 12,893 | 6,349 | 19,242 |
| Councillor - Patterson, Lonnie | 13,094 | 6,449 | 19,543 |
| | <u>\$ 190,253</u> | <u>\$ 90,201</u> | <u>\$ 280,454</u> |

18. Accumulated Surplus

| | <u>2017</u> | <u>2016</u> Restated (Note 16) |
|---|----------------------|--------------------------------------|
| Accumulated surplus consists of the following: | | |
| General operating fund - Nominal surplus | \$ 5,244,154 | \$ 3,041,816 |
| Utility operating fund - Nominal deficit | (48,269,367) | (48,545,596) |
| TCA net of related borrowings | 306,047,639 | 302,101,653 |
| Reserve funds | <u>73,889,827</u> | <u>77,783,590</u> |
| Accumulated surplus of municipality unconsolidated | <u>\$336,912,253</u> | <u>\$334,381,463</u> |
| Consolidated entities - Nominal surplus | \$ 793,637 | \$ 1,491,887 |
| TCA net of borrowing of consolidated entities | <u>10,278,010</u> | <u>10,764,980</u> |
| Accumulated surplus of consolidated entities | <u>11,071,647</u> | <u>12,256,867</u> |
| Accumulated surplus per Consolidated Statement of Financial Position | <u>\$347,983,900</u> | <u>\$346,638,330</u> |

19. Trust Funds

The City of Brandon administers the following trust:

| | Balance, beg. of the year | Excess of Receipts over Disbursements | Balance, end of the year |
|-----------------------------|------------------------------|---|-----------------------------|
| Community Centre Assistance | <u>\$ 115,400</u> | <u>\$ (11,799)</u> | <u>\$ 103,601</u> |

20. 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.

21. 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>2017</u> | <u>2016</u> |
|-----------------------------|---------------------|----------------------|
| Financial Position | | |
| Financial assets | \$ 1,060,887 | \$ 828,269 |
| Liabilities | <u>2,626,561</u> | <u>2,482,833</u> |
| Net financial liabilities | (1,565,674) | (1,654,564) |
| Non-financial assets | <u>11,515,165</u> | <u>12,136,141</u> |
| Accumulated surplus | <u>\$ 9,949,491</u> | <u>\$ 10,481,577</u> |
| Result of Operations | | |
| Revenues | \$ 4,375,241 | \$ 5,667,706 |
| Expenses | <u>4,907,251</u> | <u>4,666,025</u> |
| Annual surplus (deficit) | <u>\$ (532,010)</u> | <u>\$ 1,001,681</u> |

22. 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 | <u>\$ 510,000</u> | <u>\$ -</u> | <u>\$ 20,000</u> | <u>\$ 490,000</u> |

Sewer Services:

| Description of Utility | Unamortized Opening Balance | Additions During Year | Amortization During Year | Unamortized Balance Ending |
|----------------------------|-----------------------------------|-----------------------------|--------------------------------|----------------------------------|
| Combined WWTF Phase II | \$ 11,628,819 | \$ - | \$ 516,837 | \$ 11,111,982 |
| Lagoon Cell 3A | 195,835 | - | 8,333 | 187,502 |
| Combined WWTF Phase III | <u>33,533,523</u> | <u>-</u> | <u>894,227</u> | <u>32,639,296</u> |
| | <u>\$ 45,358,177</u> | <u>\$ -</u> | <u>\$ 1,419,397</u> | <u>\$ 43,938,780</u> |

23. Comparative Figures

Some of the prior year's figures have been restated for comparative purposes and to conform to current year presentation.

CITY OF BRANDON
CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
AS AT DECEMBER 31, 2017

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 | 2017 | 2016 |
| Cost | | | | | | | | | | |
| Opening Costs | \$ 38,847,726 | \$ 81,270,072 | \$ 48,150,984 | \$ 6,374,004 | \$ 7,660,595 | \$ 173,823,023 | \$ 285,024,790 | \$ - | \$ 641,151,194 | \$ 615,585,481 |
| Additions During the Year | 6,879,482 | 1,000,426 | 5,207,395 | 364,848 | 3,321,335 | 2,028,507 | 5,107,603 | 65,140 | \$ 23,974,736 | 29,938,339 |
| Classification Transfers | 1,044,700 | 9,367,985 | - | - | (10,412,685) | - | - | - | \$ - | - |
| Disposals and Write Downs | <u>(63,493)</u> | <u>-</u> | <u>(2,967,519)</u> | <u>(202,507)</u> | <u>-</u> | <u>(708,889)</u> | <u>-</u> | <u>-</u> | <u>\$ (3,942,408)</u> | <u>(4,372,626)</u> |
| Closing Costs | <u>\$ 46,708,415</u> | <u>\$ 91,638,483</u> | <u>\$ 50,390,860</u> | <u>\$ 6,536,345</u> | <u>\$ 569,245</u> | <u>\$ 175,142,641</u> | <u>\$ 290,132,393</u> | <u>\$ 65,140</u> | <u>\$ 661,183,522</u> | <u>\$ 641,151,194</u> |
| Accumulated Amortization | | | | | | | | | | |
| Opening Accum'd Amort. | \$ 6,773,126 | \$ 31,969,176 | \$ 25,228,662 | \$ 3,209,905 | \$ - | \$ 113,961,040 | \$ 106,072,520 | \$ - | \$ 287,214,429 | \$ 272,839,125 |
| Amortization | 652,915 | 2,195,857 | 4,581,659 | 552,360 | - | 3,321,206 | 6,444,270 | - | \$ 17,748,267 | 17,026,753 |
| Disposals and Write Downs | <u>-</u> | <u>-</u> | <u>(2,112,670)</u> | <u>(178,269)</u> | <u>-</u> | <u>(701,800)</u> | <u>-</u> | <u>-</u> | <u>\$ (2,992,739)</u> | <u>(2,651,449)</u> |
| Closing Accum'd Amort. | <u>\$ 7,426,041</u> | <u>\$ 34,165,033</u> | <u>\$ 27,697,651</u> | <u>\$ 3,583,996</u> | <u>\$ -</u> | <u>\$ 116,580,446</u> | <u>\$ 112,516,790</u> | <u>\$ -</u> | <u>\$ 301,969,957</u> | <u>\$ 287,214,429</u> |
| Net Book Value of Tangible Capital Assets | <u>\$ 39,282,374</u> | <u>\$ 57,473,450</u> | <u>\$ 22,693,209</u> | <u>\$ 2,952,349</u> | <u>\$ 569,245</u> | <u>\$ 58,562,195</u> | <u>\$ 177,615,603</u> | <u>\$ 65,140</u> | <u>\$ 359,213,565</u> | <u>\$ 353,936,765</u> |

Water and sewer underground networks contributed to the Municipality totals \$1,412,786 (2016 - \$469,915) and were capitalized at their fair value at the time of their receipt. Streets and roads infrastructure contributed to the Municipality totals \$425,072 (2016 - \$649,052) and were capitalized at their fair value at the time of their receipt.

**CITY OF BRANDON
CONSOLIDATED SCHEDULE OF REVENUES
FOR THE YEAR ENDED DECEMBER 31, 2017**

SCHEDULE 2

| | 2017 Budget | 2017 | 2016 Restated (Note 16) |
|--|-----------------------------|-----------------------------|--|
| Property taxes: | | | |
| Municipal taxes levied (Schedule 12) | \$ 40,072,451 | \$ 40,072,451 | \$ 38,971,924 |
| Taxes added | 1,400,000 | 1,242,795 | 2,055,675 |
| Penalties and interest | <u>518,160</u> | <u>546,903</u> | <u>521,145</u> |
| | <u>41,990,611</u> | <u>41,862,149</u> | <u>41,548,744</u> |
| Grants in lieu of taxation: | | | |
| Federal government | 330,527 | 330,527 | 327,367 |
| Federal government enterprises | - | - | - |
| Provincial government | 1,954,975 | 1,954,975 | 1,915,864 |
| Provincial government enterprises | - | - | - |
| Other municipal governments | - | - | - |
| Non-government organizations | <u>-</u> | <u>-</u> | <u>-</u> |
| | <u>2,285,502</u> | <u>2,285,502</u> | <u>2,243,231</u> |
| User fees: | | | |
| Parking meters | 338,241 | 317,803 | 326,686 |
| Sales of service | 10,978,179 | 10,935,711 | 10,599,187 |
| Sales of goods | 593,090 | 769,567 | 592,320 |
| Rentals | 2,450,330 | 2,536,624 | 2,401,317 |
| Development charges | 162,338 | 254,742 | 369,990 |
| Facility use fees | <u>3,601,930</u> | <u>3,962,798</u> | <u>3,717,870</u> |
| | <u>18,124,108</u> | <u>18,777,245</u> | <u>18,007,370</u> |
| Grants - Province of Manitoba: | | | |
| Municipal operating grants | 8,858,925 | 8,887,010 | 8,853,703 |
| Other unconditional grants | - | - | - |
| Conditional grants | <u>7,463,189</u> | <u>10,506,700</u> | <u>11,785,088</u> |
| | <u>16,322,114</u> | <u>19,393,710</u> | <u>20,638,791</u> |
| Grants - Other: | | | |
| Federal government - gas tax funding | 2,911,449 | 2,946,816 | 2,911,449 |
| Federal government - other | 22,200 | 2,562,208 | 2,798,899 |
| Other municipal governments | <u>1,015,640</u> | <u>497,825</u> | <u>396,223</u> |
| | <u>3,949,289</u> | <u>6,006,849</u> | <u>6,106,571</u> |
| Permits, licences and fines: | | | |
| Permits | 1,149,068 | 880,943 | 983,547 |
| Licences | 1,300,020 | 1,310,557 | 1,288,313 |
| Aggregate mining & transportation fees | - | - | - |
| Fines | <u>680,000</u> | <u>474,693</u> | <u>530,493</u> |
| | <u>3,129,088</u> | <u>2,666,193</u> | <u>2,802,353</u> |
| Investment income: | | | |
| Cash and temporary investments | 3,428 | 1,435,989 | 164,867 |
| Marketable securities | - | - | - |
| Municipal debentures | - | - | - |
| Other (Accounts Receivable Interest) | <u>92,400</u> | <u>62,017</u> | <u>74,302</u> |
| | <u>95,828</u> | <u>1,498,006</u> | <u>239,169</u> |
| Other revenue: | | | |
| Gain (loss) on sale of tangible capital assets | 538,082 | (294,294) | 22,362 |
| Gain on sale of real estate held for sale | 89,260 | 37,362 | 6,678 |
| Contributed assets | 10,250 | 468,589 | 672,979 |
| Miscellaneous | <u>17,670</u> | <u>32,318</u> | <u>21,311</u> |
| | <u>655,262</u> | <u>243,975</u> | <u>723,330</u> |
| Water and sewer: | | | |
| Municipal utilities (Schedule 9) | 18,490,200 | 22,128,548 | 18,032,029 |
| Consolidated water co-operatives | <u>-</u> | <u>-</u> | <u>-</u> |
| | <u>18,490,200</u> | <u>22,128,548</u> | <u>18,032,029</u> |
| Total revenue | <u>\$105,042,002</u> | <u>\$114,862,177</u> | <u>\$110,341,588</u> |

**CITY OF BRANDON
CONSOLIDATED SCHEDULE OF EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2017**

SCHEDULE 3

| | 2017 Budget | 2017 | 2016 Restated (Note 16) |
|--|--------------------|-------------------|--|
| General government services: | | | |
| Legislative | \$ 457,804 | \$ 439,074 | \$ 413,141 |
| General administrative | 7,329,846 | 7,453,692 | 7,675,045 |
| Other | <u>2,060,513</u> | <u>2,277,770</u> | <u>1,849,707</u> |
| | <u>9,848,163</u> | <u>10,170,536</u> | <u>9,937,893</u> |
| Protective services: | | | |
| Police | 16,504,074 | 16,597,139 | 16,414,702 |
| Fire | 9,627,012 | 9,443,359 | 9,141,397 |
| Emergency measures | 3,607,115 | 3,372,129 | 3,227,320 |
| Other protection | <u>1,713,044</u> | <u>1,603,577</u> | <u>1,491,556</u> |
| | <u>31,451,245</u> | <u>31,016,204</u> | <u>30,274,975</u> |
| Transportation services: | | | |
| Road transport | | | |
| Administration and engineering | 3,977,731 | 5,729,651 | 3,880,920 |
| Road and street maintenance | 4,141,658 | 3,832,346 | 4,501,556 |
| Bridge maintenance | - | - | - |
| Sidewalk and boulevard maintenance | 774,749 | 475,099 | 682,149 |
| Street lighting | 1,032,835 | 988,548 | 981,208 |
| Other road transport | 3,702,832 | 3,490,714 | 3,459,012 |
| Air transport | 1,438,515 | 1,386,768 | 1,252,945 |
| Public transit | <u>5,827,731</u> | <u>5,547,870</u> | <u>5,447,978</u> |
| | <u>20,896,051</u> | <u>21,450,996</u> | <u>20,205,768</u> |
| Environmental health services: | | | |
| Waste collection and disposal | 3,369,488 | 3,633,010 | 3,238,214 |
| Recycling | 2,141,940 | 2,056,932 | 1,846,863 |
| Other | - | - | - |
| | <u>5,511,428</u> | <u>5,689,942</u> | <u>5,085,077</u> |
| Public health and welfare services: | | | |
| Public health | 482,187 | 440,385 | 422,684 |
| Medical care | - | - | - |
| Hospital care | - | - | - |
| Social assistance | <u>267,032</u> | <u>267,032</u> | <u>267,032</u> |
| | <u>749,219</u> | <u>707,417</u> | <u>689,716</u> |
| Regional planning and development: | | | |
| Planning and zoning | 1,151,169 | 882,925 | 887,731 |
| Urban renewal | 2,956,164 | 1,558,346 | 474,556 |
| Beautification and land rehabilitation | - | - | - |
| Urban area weed control | 402,096 | 458,604 | 430,566 |
| Other | <u>577,482</u> | <u>570,430</u> | <u>552,395</u> |
| | <u>5,086,911</u> | <u>3,470,305</u> | <u>2,345,248</u> |
| Resource conservation and industrial development: | | | |
| Rural area weed control | - | - | - |
| Drainage of land | - | - | - |
| Veterinary services | - | - | - |
| Water resources and conservation | - | - | - |
| Regional development | 424,650 | 442,950 | 431,094 |
| Industrial development | - | - | - |
| Tourism | 1,133,010 | 932,347 | 1,213,456 |
| Other | - | - | - |
| | <u>1,557,660</u> | <u>1,375,297</u> | <u>1,644,550</u> |

**THE CITY OF BRANDON
CONSOLIDATED SCHEDULE OF EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2017**

SCHEDULE 3

Recreation and cultural services:

| | | | |
|-------------------------------|-------------------|-------------------|-------------------|
| Administration | 1,330,854 | 1,152,513 | 1,106,927 |
| Community centres and halls | 149,395 | 49,395 | 49,395 |
| Swimming pools and beaches | 246,277 | 325,343 | 233,996 |
| Golf courses | 691,307 | 716,845 | 736,046 |
| Skating and curling rinks | 21,400 | 11,188 | 14,459 |
| Parks and playgrounds | 2,348,162 | 2,609,891 | 2,348,325 |
| Other recreational facilities | 6,927,031 | 7,963,824 | 7,609,970 |
| Museums | 110,083 | 127,095 | 109,728 |
| Libraries | 1,908,447 | 1,227,159 | 1,148,627 |
| Other cultural facilities | <u>699,520</u> | <u>789,024</u> | <u>664,914</u> |
| | <u>14,432,476</u> | <u>14,972,277</u> | <u>14,022,387</u> |

Water and sewer

| | | | |
|----------------------------------|-------------------|-------------------|-------------------|
| Municipal utilities (Schedule 9) | 22,520,274 | 24,663,633 | 28,067,628 |
| Consolidated water co-operatives | <u>-</u> | <u>-</u> | <u>-</u> |
| | <u>22,520,274</u> | <u>24,663,633</u> | <u>28,067,628</u> |

Total expenses \$112,053,427 \$113,516,607 \$112,273,242

**CITY OF BRANDON
CONSOLIDATED SCHEDULE OF OPERATIONS BY PROGRAM
FOR THE YEAR ENDED DECEMBER 31, 2017**

SCHEDULE 4

| | General Government* | | Protective Services | | Transportation Services | | Environmental Health Services | |
|------------------------------------|-----------------------------|-------------------------------|-------------------------------|-------------------------------|------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | 2017 | 2016 Restated (Note 16) | 2017 | 2016 | 2017 | 2016 Restated (Note 16) | 2017 | 2016 Restated (Note 16) |
| REVENUES | | | | | | | | |
| Property taxes | \$ 41,862,149 | \$ 41,548,744 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Grants in lieu of taxation | 2,285,502 | 2,243,231 | - | - | - | - | - | - |
| User fees | 244,517 | 204,879 | 5,810,611 | 5,396,190 | 2,162,930 | 2,171,750 | 3,290,368 | 3,202,031 |
| Province of MB - Unconditional | 8,887,010 | 8,853,703 | - | - | - | - | - | - |
| Province of MB - Conditional | 11,736 | 2,261 | 3,286,113 | 3,034,691 | 4,839,525 | 4,915,672 | 1,268,108 | 793,377 |
| Grants - Other | 177,991 | 207,460 | - | - | 5,481,341 | 5,673,598 | 7,930 | 8,406 |
| Permits, licences and fines | 1,297,776 | 1,274,717 | 487,475 | 544,089 | 17,355 | 15,015 | - | - |
| Investment income | 1,484,158 | 144,047 | - | - | - | - | - | - |
| Other revenue | 1,600 | 14,094 | 7,565 | 11,142 | 110,988 | 662,554 | 9,533 | 10,889 |
| Water and sewer | - | - | - | - | - | - | - | - |
| Total revenue (Schedules 2, 5) | <u>56,252,439</u> | <u>54,493,136</u> | <u>9,591,764</u> | <u>8,986,112</u> | <u>12,612,139</u> | <u>13,438,589</u> | <u>4,575,939</u> | <u>4,014,703</u> |
| EXPENSES | | | | | | | | |
| Personnel services | 5,035,959 | 5,120,148 | 25,849,482 | 25,165,259 | 8,667,962 | 8,541,399 | 1,827,846 | 1,567,022 |
| Contract services | 2,391,322 | 2,107,199 | 1,041,565 | 924,128 | 4,969,522 | 2,886,223 | 1,170,536 | 1,210,813 |
| Utilities | 192,511 | 178,305 | 524,285 | 502,233 | 1,099,757 | 1,043,361 | 82,393 | 77,183 |
| Maintenance materials and supplies | 157,115 | 174,151 | 480,768 | 479,658 | 2,590,286 | 2,474,611 | 347,107 | 425,883 |
| Grants and contributions | 958,060 | 528,726 | 30,692 | 22,100 | - | - | - | - |
| Amortization | 635,948 | 574,919 | 1,104,903 | 1,050,989 | 7,559,414 | 7,109,016 | 142,449 | 136,213 |
| Interest on long-term debt | - | - | 868,107 | 913,356 | - | - | 52,902 | 57,800 |
| Other | 799,621 | 1,254,445 | 1,116,402 | 1,217,252 | (3,435,945) | (1,848,842) | 2,066,709 | 1,610,163 |
| Total expenses (Schedules 3, 5) | <u>10,170,536</u> | <u>9,937,893</u> | <u>31,016,204</u> | <u>30,274,975</u> | <u>21,450,996</u> | <u>20,205,768</u> | <u>5,689,942</u> | <u>5,085,077</u> |
| SURPLUS (DEFICIT) | \$ <u>46,081,903</u> | \$ <u>44,555,243</u> | \$ <u>(21,424,440)</u> | \$ <u>(21,288,863)</u> | \$ <u>(8,838,857)</u> | \$ <u>(6,767,179)</u> | \$ <u>(1,114,003)</u> | \$ <u>(1,070,374)</u> |

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

**CITY OF BRANDON
CONSOLIDATED SCHEDULE OF OPERATIONS BY PROGRAM
FOR THE YEAR ENDED DECEMBER 31, 2017**

SCHEDULE 4

| | Public Health and Welfare Services | | Regional Planning and Development | | Resource Conservation and Industrial Dev | | Recreation and Cultural Services | |
|------------------------------------|---------------------------------------|---------------------|--------------------------------------|-------------------------------|---|-----------------------|-------------------------------------|-----------------------|
| | 2017 | 2016 | 2017 | 2016 Restated (Note 16) | 2017 | 2016 | 2017 | 2016 |
| REVENUES | | | | | | | | |
| Property taxes | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Grants in lieu of taxation | - | - | - | - | - | - | - | - |
| User fees | 299,525 | 267,090 | 999,702 | 824,003 | 3,296 | 7,732 | 5,966,296 | 5,933,695 |
| Province of MB - Unconditional | - | - | - | - | - | - | - | - |
| Province of MB - Conditional | - | - | 266,322 | 449,312 | - | - | 834,896 | 2,589,775 |
| Grants - Other | - | - | 18,424 | 32,038 | - | - | 321,163 | 185,069 |
| Permits, licences and fines | - | - | 863,587 | 968,532 | - | - | - | - |
| Investment income | - | - | 10,984 | 752 | - | - | 2,864 | 7,295 |
| Other revenue | - | - | 52,682 | 6,678 | - | - | 61,607 | 17,973 |
| Water and sewer | - | - | - | - | - | - | - | - |
| Total revenue (Schedules 2, 5) | <u>299,525</u> | <u>267,090</u> | <u>2,211,701</u> | <u>2,281,315</u> | <u>3,296</u> | <u>7,732</u> | <u>7,186,826</u> | <u>8,733,807</u> |
| EXPENSES | | | | | | | | |
| Personnel services | 259,705 | 259,222 | 1,411,155 | 1,364,854 | 297,507 | 291,423 | 6,313,726 | 5,890,854 |
| Contract services | 297,005 | 294,252 | 574,581 | 686,055 | 58,776 | 45,333 | 1,349,559 | 1,390,067 |
| Utilities | 17,126 | 11,139 | 78,099 | 74,091 | 2,085 | 1,982 | 993,358 | 783,282 |
| Maintenance materials and supplies | 33,729 | 35,707 | 39,036 | 41,342 | 6,419 | 2,732 | 2,069,533 | 1,924,498 |
| Grants and contributions | - | - | 106,984 | (78,405) | 932,348 | 1,213,456 | 1,217,960 | 1,188,097 |
| Amortization | 23,015 | 23,015 | 209 | 156 | - | - | 1,838,059 | 1,768,796 |
| Interest on long-term debt | - | - | 62,068 | - | - | - | 267,942 | 230,836 |
| Other | 76,837 | 66,381 | 1,198,173 | 257,155 | 78,162 | 89,624 | 922,140 | 845,957 |
| Total expenses (Schedules 3, 5) | <u>\$ 707,417</u> | <u>\$ 689,716</u> | <u>\$ 3,470,305</u> | <u>\$ 2,345,248</u> | <u>\$ 1,375,297</u> | <u>\$ 1,644,550</u> | <u>\$ 14,972,277</u> | <u>\$ 14,022,387</u> |
| SURPLUS (DEFICIT) | <u>\$ (407,892)</u> | <u>\$ (422,626)</u> | <u>\$ (1,258,604)</u> | <u>\$ (63,933)</u> | <u>\$ (1,372,001)</u> | <u>\$ (1,636,818)</u> | <u>\$ (7,785,451)</u> | <u>\$ (5,288,580)</u> |

**CITY OF BRANDON
CONSOLIDATED SCHEDULE OF OPERATIONS BY PROGRAM
FOR THE YEAR ENDED DECEMBER 31, 2017**

SCHEDULE 4

| | Water and Sewer Services | | Total | |
|------------------------------------|--------------------------|-------------------------------|-----------------------|-------------------------------|
| | 2017 | 2016 Restated (Note 16) | 2017 | 2016 Restated (Note 16) |
| REVENUES | | | | |
| Property taxes | \$ - | \$ - | \$ 41,862,149 | \$ 41,548,744 |
| Grants in lieu of taxation | - | - | 2,285,502 | 2,243,231 |
| User fees | - | - | 18,777,245 | 18,007,370 |
| Province of MB - Unconditional | - | - | 8,887,010 | 8,853,703 |
| Province of MB - Conditional | - | - | 10,506,700 | 11,785,088 |
| Grants - Other | - | - | 6,006,849 | 6,106,571 |
| Permits, licences and fines | - | - | 2,666,193 | 2,802,353 |
| Investment income | - | 87,075 | 1,498,006 | 239,169 |
| Other revenue | - | - | 243,975 | 723,330 |
| Water and sewer | <u>22,128,548</u> | <u>18,032,029</u> | <u>22,128,548</u> | <u>18,032,029</u> |
| Total revenue (Schedules 2, 5) | <u>22,128,548</u> | <u>18,119,104</u> | <u>114,862,177</u> | <u>110,341,588</u> |
| EXPENSES | | | | |
| Personnel services | 6,493,277 | 6,112,091 | 56,156,619 | 54,312,272 |
| Contract services | 4,342,287 | 8,226,305 | 16,195,153 | 17,770,375 |
| Utilities | 1,605,214 | 1,468,911 | 4,594,828 | 4,140,487 |
| Maintenance materials and supplies | 4,107,525 | 4,095,110 | 9,831,518 | 9,653,692 |
| Grants and contributions | - | - | 3,246,044 | 2,873,974 |
| Amortization | 6,444,270 | 6,363,649 | 17,748,267 | 17,026,753 |
| Interest on long-term debt | 409,356 | 409,527 | 1,660,375 | 1,611,519 |
| Other | <u>1,261,704</u> | <u>1,392,035</u> | <u>4,083,803</u> | <u>4,884,170</u> |
| Total expenses (Schedules 3, 5) | <u>\$ 24,663,633</u> | <u>\$ 28,067,628</u> | <u>\$ 113,516,607</u> | <u>\$ 112,273,242</u> |
| SURPLUS (DEFICIT) | <u>\$ (2,535,085)</u> | <u>\$ (9,948,524)</u> | <u>\$ 1,345,570</u> | <u>\$ (1,931,654)</u> |

**CITY OF BRANDON
CONSOLIDATED SCHEDULE OF DETAILS AND RECONCILIATION TO CORE GOVERNMENT RESULTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

SCHEDULE 5

| | Core Government | | Controlled Entities | | Government Partnerships | | Total | |
|------------------------------------|----------------------------|-------------------------------|----------------------------|-------------------------------|----------------------------|----------------------------|----------------------------|-------------------------------|
| | 2017 | 2016 Restated (Note 16) | 2017 | 2016 Restated (Note 16) | 2017 | 2016 | 2017 | 2016 Restated (Note 16) |
| REVENUES | | | | | | | | |
| Property taxes | \$ 41,862,149 | \$ 41,548,744 | \$ - | \$ - | \$ - | \$ - | \$ 41,862,149 | \$ 41,548,744 |
| Grants in lieu of taxation | 2,285,502 | 2,243,231 | - | - | - | - | 2,285,502 | 2,243,231 |
| User fees | 15,343,745 | 14,436,009 | 12,555 | 8,680 | 3,420,945 | 3,562,681 | 18,777,245 | 18,007,370 |
| Province of MB - Unconditional | 8,887,010 | 8,853,703 | - | - | - | - | 8,887,010 | 8,853,703 |
| Province of MB - Conditional | 9,687,958 | 9,550,554 | 196,322 | 339,833 | 622,420 | 1,894,701 | 10,506,700 | 11,785,088 |
| Other | 5,689,945 | 5,910,509 | - | 7,400 | 316,904 | 188,662 | 6,006,849 | 6,106,571 |
| Permits, licences and fines | 2,655,604 | 2,784,297 | - | - | 10,589 | 18,056 | 2,666,193 | 2,802,353 |
| Investment income | 1,484,158 | 231,121 | 10,078 | 4,442 | 3,770 | 3,606 | 1,498,006 | 239,169 |
| Other revenue | 243,362 | 723,330 | - | - | 613 | - | 243,975 | 723,330 |
| Water and sewer | <u>22,128,548</u> | <u>18,032,029</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>22,128,548</u> | <u>18,032,029</u> |
| Total revenue | <u>110,267,981</u> | <u>104,313,527</u> | <u>218,955</u> | <u>360,355</u> | <u>4,375,241</u> | <u>5,667,706</u> | <u>114,862,177</u> | <u>110,341,588</u> |
| EXPENSES | | | | | | | | |
| Personnel services | 53,605,271 | 51,791,745 | 78,776 | 83,127 | 2,472,572 | 2,437,400 | 56,156,619 | 54,312,272 |
| Contract services | 15,757,484 | 17,299,536 | 14,116 | 11,763 | 423,553 | 459,076 | 16,195,153 | 17,770,375 |
| Utilities | 4,236,830 | 3,790,635 | - | (452) | 357,998 | 350,304 | 4,594,828 | 4,140,487 |
| Maintenance materials and supplies | 8,509,874 | 8,403,812 | - | - | 1,321,644 | 1,249,880 | 9,831,518 | 9,653,692 |
| Grants and contributions | 4,495,427 | 4,368,875 | (244,062) | (293,653) | (1,005,321) | (1,201,248) | 3,246,044 | 2,873,974 |
| Amortization | 16,683,686 | 15,924,904 | - | - | 1,064,581 | 1,101,849 | 17,748,267 | 17,026,753 |
| Interest on long-term debt | 1,630,879 | 1,562,716 | - | - | 29,496 | 48,803 | 1,660,375 | 1,611,519 |
| Other | <u>2,817,738</u> | <u>4,594,845</u> | <u>1,023,337</u> | <u>69,364</u> | <u>242,728</u> | <u>219,961</u> | <u>4,083,803</u> | <u>4,884,170</u> |
| Total expenses | <u>107,737,189</u> | <u>107,737,068</u> | <u>872,167</u> | <u>(129,851)</u> | <u>4,907,251</u> | <u>4,666,025</u> | <u>113,516,607</u> | <u>112,273,242</u> |
| SURPLUS (DEFICIT) | \$ <u>2,530,792</u> | \$ <u>(3,423,541)</u> | \$ <u>(653,212)</u> | \$ <u>490,206</u> | \$ <u>(532,010)</u> | \$ <u>1,001,681</u> | \$ <u>1,345,570</u> | \$ <u>(1,931,654)</u> |

**CITY OF BRANDON
SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2017**

SCHEDULE 6

| | 2017 | | | | | | | |
|--|------------------------------|-------------------------------|--------------------------------|-------------------|--------------------------|--|--------------------------------|----------------------------------|
| | Accommodation Tax | Affordable Housing | Airport Improvement | Ambulance | Andrews Field | Brandon Municipal Airport | Capital Development | Centennial Auditorium |
| REVENUE | | | | | | | | |
| Investment Income | 27,151 | \$ 14,557 | 7,261 | \$ 8,283 | \$ 1,656 | \$ 30,697 | \$ 61,997 | \$ 9,101 |
| Other Income | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Revenue | <u>27,151</u> | <u>14,557</u> | <u>7,261</u> | <u>8,283</u> | <u>1,656</u> | <u>30,697</u> | <u>61,997</u> | <u>9,101</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>27,151</u> | <u>14,557</u> | <u>7,261</u> | <u>8,283</u> | <u>1,656</u> | <u>30,697</u> | <u>61,997</u> | <u>9,101</u> |
| TRANSFERS | | | | | | | | |
| Debt Repayments | - | - | - | - | - | - | - | - |
| Transfers from Operating Fund | 639,078 | 200,000 | 152,808 | - | 5,000 | 28,419 | 148,384 | 50,000 |
| Transfers to Operating Fund | (874,572) | (246,115) | - | - | - | (226,524) | (8,065) | (65,868) |
| Transfers between Reserves | - | - | - | - | - | - | - | - |
| Transfers 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>(208,343)</u> | <u>(31,558)</u> | <u>160,069</u> | <u>8,283</u> | <u>6,656</u> | <u>(167,408)</u> | <u>202,316</u> | <u>(6,767)</u> |
| FUND SURPLUS, BEGINNING OF YEAR | <u>1,753,692</u> | <u>748,590</u> | <u>322,202</u> | <u>443,789</u> | <u>84,416</u> | <u>1,718,654</u> | <u>3,234,623</u> | <u>449,209</u> |
| FUND SURPLUS, END OF YEAR | <u>1,545,349</u> | <u>\$ 717,032</u> | <u>482,271</u> | <u>\$ 452,072</u> | <u>\$ 91,072</u> | <u>\$ 1,551,246</u> | <u>\$ 3,436,939</u> | <u>\$ 442,442</u> |

**CITY OF BRANDON
SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2017**

SCHEDULE 6

| | 2017 | | | | | | | |
|--|-----------------------------------|--------------------------------|--------------------------------|---------------------------------------|---------------------------------------|----------------------------|-------------------|------------------------------------|
| | Civic Services Complex | Clare Ave Extension | Cumulative Benefits | Disposal Site (Sanitation) | Diking & Flood Control | E-911 Equipment | Elections | Fire Fighting Equipment |
| REVENUE | | | | | | | | |
| Investment Income | \$ 7,372 | \$ 5,386 | \$ 5,213 | \$ 22,061 | \$ 26,026 | \$ 10,097 | \$ 3,606 | \$ 19,762 |
| Other Income | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Revenue | <u>7,372</u> | <u>5,386</u> | <u>5,213</u> | <u>22,061</u> | <u>26,026</u> | <u>10,097</u> | <u>3,606</u> | <u>19,762</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>7,372</u> | <u>5,386</u> | <u>5,213</u> | <u>22,061</u> | <u>26,026</u> | <u>10,097</u> | <u>3,606</u> | <u>19,762</u> |
| TRANSFERS | | | | | | | | |
| Debt Repayments | - | - | - | - | - | - | - | - |
| Transfers from Operating Fund | 75,000 | - | - | 609,158 | 4,205,361 | 70,000 | 20,000 | - |
| Transfers to Operating Fund | (243,395) | - | - | (130,024) | (4,681,075) | - | - | (86,948) |
| Transfers between Reserves | - | - | - | - | - | - | - | 10,000 |
| Transfers 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>(161,023)</u> | <u>5,386</u> | <u>5,213</u> | <u>501,195</u> | <u>(449,688)</u> | <u>80,097</u> | <u>23,606</u> | <u>(57,186)</u> |
| FUND SURPLUS, BEGINNING OF YEAR | <u>340,457</u> | <u>288,572</u> | <u>279,302</u> | <u>784,224</u> | <u>2,026,736</u> | <u>481,004</u> | <u>176,067</u> | <u>1,095,770</u> |
| FUND SURPLUS, END OF YEAR | <u>\$ 179,434</u> | <u>\$ 293,958</u> | <u>\$ 284,515</u> | <u>\$ 1,285,419</u> | <u>\$ 1,577,048</u> | <u>\$ 561,101</u> | <u>\$ 199,673</u> | <u>\$ 1,038,584</u> |

**CITY OF BRANDON
SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2017**

SCHEDULE 6

| | 2017 | | | | | | | |
|--|--------------------------|---------------------|-------------------|----------------------------|-----------------------------|-----------------------------|-------------------------------------|------------------------------------|
| | Fire Vehicles | Gas Tax | General | Highway Signage | Land Acquisition | Landfill Closure | Large Events Acquisition | Library / Arts Building |
| REVENUE | | | | | | | | |
| Investment Income | \$ 24,662 | \$ 87,480 | \$ 20,999 | 347 | \$ 2,058 | 4,526 | 2,387 | \$ 6,566 |
| Other Income | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Revenue | <u>24,662</u> | <u>87,480</u> | <u>20,999</u> | <u>347</u> | <u>2,058</u> | <u>4,526</u> | <u>2,387</u> | <u>6,566</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>24,662</u> | <u>87,480</u> | <u>20,999</u> | <u>347</u> | <u>2,058</u> | <u>4,526</u> | <u>2,387</u> | <u>6,566</u> |
| TRANSFERS | | | | | | | | |
| Debt Repayments | - | - | - | - | - | - | - | - |
| Transfers from Operating Fund | 171,122 | 2,517,797 | - | 10,000 | - | 138,618 | 112,779 | 50,000 |
| Transfers to Operating Fund | (62,395) | (4,487,156) | (372,330) | - | - | - | - | (7,897) |
| Transfers between Reserves | - | - | - | - | - | - | - | - |
| Transfers 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>133,389</u> | <u>(1,881,879)</u> | <u>(351,331)</u> | <u>10,347</u> | <u>2,058</u> | <u>143,144</u> | <u>115,166</u> | <u>48,669</u> |
| FUND SURPLUS, BEGINNING OF YEAR | <u>1,191,543</u> | <u>4,073,412</u> | <u>1,137,497</u> | <u>10,014</u> | <u>110,274</u> | <u>159,149</u> | <u>80,039</u> | <u>308,989</u> |
| FUND SURPLUS, END OF YEAR | <u>\$ 1,324,932</u> | <u>\$ 2,191,533</u> | <u>\$ 786,166</u> | <u>20,361</u> | <u>\$ 112,332</u> | <u>302,293</u> | <u>195,205</u> | <u>\$ 357,658</u> |

**CITY OF BRANDON
SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2017**

SCHEDULE 6

| | 2017 | | | | | | | |
|--|--------------------------------------|---------------------------------|-------------------------------|---|-----------------------------|---------------------|---------------------------|-----------------------------|
| | Machinery & Equipment | Major Events Hosting | Municipal Building | Municipal Building Maintenance | Office Equipment | Parks | Perpetual Care | Police Equipment |
| REVENUE | | | | | | | | |
| Investment Income | \$ 54,262 | \$ - | \$ 3,018 | \$ 4,541 | \$ 8,873 | \$ 25,233 | \$ 14,760 | \$ 23,317 |
| Other Income | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Revenue | <u>54,262</u> | <u>-</u> | <u>3,018</u> | <u>4,541</u> | <u>8,873</u> | <u>25,233</u> | <u>14,760</u> | <u>23,317</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>54,262</u> | <u>-</u> | <u>3,018</u> | <u>4,541</u> | <u>8,873</u> | <u>25,233</u> | <u>14,760</u> | <u>23,317</u> |
| TRANSFERS | | | | | | | | |
| Debt Repayments | - | - | - | - | - | - | - | - |
| Transfers from Operating Fund | 3,073,763 | - | 15,208 | 250,200 | - | 783,060 | 59,928 | 265,000 |
| Transfers to Operating Fund | (3,754,557) | - | (260,414) | (374,143) | - | (431,799) | - | (203,136) |
| Transfers between Reserves | (10,000) | - | - | - | - | - | - | - |
| Transfers 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>(636,532)</u> | <u>-</u> | <u>(242,188)</u> | <u>(119,402)</u> | <u>8,873</u> | <u>376,494</u> | <u>74,688</u> | <u>85,181</u> |
| FUND SURPLUS, BEGINNING OF YEAR | <u>3,256,920</u> | <u>-</u> | <u>327,344</u> | <u>334,085</u> | <u>475,390</u> | <u>1,207,366</u> | <u>753,492</u> | <u>1,183,355</u> |
| FUND SURPLUS, END OF YEAR | <u>\$ 2,620,388</u> | <u>\$ -</u> | <u>\$ 85,156</u> | <u>\$ 214,683</u> | <u>\$ 484,263</u> | <u>\$ 1,583,860</u> | <u>\$ 828,180</u> | <u>\$ 1,268,536</u> |

**CITY OF BRANDON
SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2017**

SCHEDULE 6

| | 2017 | | | | | | | |
|--|----------------------------|------------------------------|---|------------------------------|--------------------------|-------------------|------------------------|-------------------|
| | Police Vehicles | Professional Fees | Protective Services Building | Recreation Centre | Snow Clearing | Sportsplex | Storm Sewer | Technology |
| REVENUE | | | | | | | | |
| Investment Income | \$ 18,726 | \$ 1,730 | \$ 16,760 | \$ 5,831 | \$ 5,343 | \$ 12,940 | \$ 66,845 | 17,425 |
| Other Income | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Revenue | <u>18,726</u> | <u>1,730</u> | <u>16,760</u> | <u>5,831</u> | <u>5,343</u> | <u>12,940</u> | <u>66,845</u> | <u>17,425</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>18,726</u> | <u>1,730</u> | <u>16,760</u> | <u>5,831</u> | <u>5,343</u> | <u>12,940</u> | <u>66,845</u> | <u>17,425</u> |
| TRANSFERS | | | | | | | | |
| Debt Repayments | - | - | - | - | - | - | - | - |
| Transfers from Operating Fund | 258,871 | 118,180 | - | 158,293 | - | 423,385 | 661,919 | 150,000 |
| Transfers to Operating Fund | (351,443) | (36,920) | - | (405,794) | - | (696,197) | (281,905) | (403,158) |
| Transfers between Reserves | - | - | - | - | - | (41,785) | - | 41,785 |
| Transfers 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>(73,846)</u> | <u>82,990</u> | <u>16,760</u> | <u>(241,670)</u> | <u>5,343</u> | <u>(301,657)</u> | <u>446,859</u> | <u>(193,948)</u> |
| FUND SURPLUS, BEGINNING OF YEAR | <u>894,064</u> | <u>89,984</u> | <u>897,934</u> | <u>509,198</u> | <u>286,239</u> | <u>869,821</u> | <u>3,580,322</u> | <u>1,000,128</u> |
| FUND SURPLUS, END OF YEAR | <u>\$ 820,218</u> | <u>\$ 172,974</u> | <u>\$ 914,694</u> | <u>\$ 267,528</u> | <u>\$ 291,582</u> | <u>\$ 568,164</u> | <u>\$ 4,027,181</u> | <u>806,180</u> |

**CITY OF BRANDON
SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2017**

SCHEDULE 6

| | 2017 | | | | |
|--|--|----------------------------|---|--|------------------------------|
| | Traffic Control Devices | Transit Funding | Transit System Equipment | 26th Street South of Maryland | 8th Street Bridge |
| REVENUE | | | | | |
| Investment Income | \$ 5,635 | \$ 11,948 | \$ 13,052 | 2,967 | 34,838 |
| Other Income | - | - | - | - | - |
| Total Revenue | <u>5,635</u> | <u>11,948</u> | <u>13,052</u> | <u>2,967</u> | <u>34,838</u> |
| EXPENSES | | | | | |
| Investment Charges | - | - | - | - | - |
| Other Expenses | - | - | - | - | - |
| Total Expenses | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| NET REVENUES | <u>5,635</u> | <u>11,948</u> | <u>13,052</u> | <u>2,967</u> | <u>34,838</u> |
| TRANSFERS | | | | | |
| Debt Repayments | - | - | - | - | - |
| Transfers from Operating Fund | - | 429,019 | 205,787 | - | - |
| Transfers to Operating Fund | - | - | (5,796) | - | (631,212) |
| Transfers between Reserves | - | - | - | - | - |
| Transfers to Utility Fund | - | - | - | - | - |
| Acquisition of Tangible Capital Assets | - | - | - | - | - |
| CHANGE IN RESERVE FUND BALANCE | <u>5,635</u> | <u>440,967</u> | <u>213,043</u> | <u>2,967</u> | <u>(596,374)</u> |
| FUND SURPLUS, BEGINNING OF YEAR | <u>301,910</u> | <u>456,554</u> | <u>615,513</u> | <u>158,947</u> | <u>2,303,578</u> |
| FUND SURPLUS, END OF YEAR | <u>\$ 307,545</u> | <u>\$ 897,521</u> | <u>\$ 828,556</u> | <u>\$ 161,914</u> | <u>\$ 1,707,204</u> |

**CITY OF BRANDON
SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2017**

SCHEDULE 6

| | 2017 | | | Total | 2016 Total |
|--|-----------------------|----------------------------|--------------------|----------------------|----------------------|
| | Water Distribution | Wastewater Distribution | Industrial WWTF | | |
| REVENUE | | | | | |
| Investment Income | \$ 352,173 | \$ 327,101 | \$ - | \$ 1,436,569 | \$ 169,751 |
| Other Income | - | - | - | - | - |
| Total Revenue | <u>352,173</u> | <u>327,101</u> | <u>-</u> | <u>1,436,569</u> | <u>169,751</u> |
| EXPENSES | | | | | |
| Investment Charges | - | - | - | - | - |
| Other Expenses | - | - | - | - | - |
| Total Expenses | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| NET REVENUES | <u>352,173</u> | <u>327,101</u> | <u>-</u> | <u>1,436,569</u> | <u>169,751</u> |
| TRANSFERS | | | | | |
| Debt Repayments | - | - | - | - | - |
| Transfers from Utility/Operating Fund | 2,680,967 | 752,590 | - | 19,489,694 | 14,543,419 |
| Transfers to Utility/Operating Fund | (2,394,872) | (3,096,316) | - | (24,820,026) | (29,726,401) |
| Transfers between Reserves | - | 318,935 | (318,935) | - | - |
| Transfers to Operating Fund | - | - | - | - | - |
| Acquisition of Tangible Capital Assets | - | - | - | - | - |
| CHANGE IN RESERVE FUND BALANCE | <u>638,268</u> | <u>(1,697,690)</u> | <u>(318,935)</u> | <u>(3,893,763)</u> | <u>(15,013,231)</u> |
| FUND SURPLUS, BEGINNING OF YEAR | <u>18,310,470</u> | <u>18,353,817</u> | <u>318,935</u> | <u>77,783,590</u> | <u>92,796,821</u> |
| FUND SURPLUS, END OF YEAR | <u>\$ 18,948,738</u> | <u>\$ 16,656,127</u> | <u>\$ -</u> | <u>\$ 73,889,827</u> | <u>\$ 77,783,590</u> |

**CITY OF BRANDON
SCHEDULE OF L.U.D. OPERATIONS - NONE
FOR THE YEAR ENDED DECEMBER 31, 2017**

SCHEDULE 7

| | 2017 Budget | 2017 | 2016 |
|--|--------------------|-------------|-------------|
| REVENUES | | | |
| Taxation | \$ - | \$ - | \$ - |
| Other revenue | <u>-</u> | <u>-</u> | <u>-</u> |
| Total revenue | <u>-</u> | <u>-</u> | <u>-</u> |
| EXPENSES | | | |
| General government: | | | |
| Indemnities | - | - | - |
| Transportation services: | | | |
| Road and street maintenance | - | - | - |
| Bridge maintenance | - | - | - |
| Sidewalk maintenance | - | - | - |
| Street lighting | - | - | - |
| Other | - | - | - |
| Environmental health: | | | |
| Waste collection and disposal | - | - | - |
| Recycling | - | - | - |
| Other | - | - | - |
| Regional planning and development: | | | |
| Planning and zoning | - | - | - |
| Urban renewal | - | - | - |
| Beautification and land rehabilitation | - | - | - |
| Urban area weed control | - | - | - |
| Other | - | - | - |
| Recreation and cultural services: | | | |
| Community centres and halls | - | - | - |
| Swimming pools and beaches | - | - | - |
| Golf courses | - | - | - |
| Skating and curling rinks | - | - | - |
| Parks and playgrounds | - | - | - |
| Other recreational facilities | - | - | - |
| Museums | - | - | - |
| Libraries | - | - | - |
| Other cultural facilities | <u>-</u> | <u>-</u> | <u>-</u> |
| Total expenses | <u>-</u> | <u>-</u> | <u>-</u> |
| NET REVENUES (EXPENSES) | - | - | - |
| TRANSFERS | | | |
| Transfers from (to) L.U.D. reserves | - | - | - |
| Transfers from (to) operating fund | <u>-</u> | <u>-</u> | <u>-</u> |
| CHANGE IN L.U.D. BALANCES | <u>-</u> | <u>-</u> | <u>-</u> |
| UNEXPENDED BALANCE, BEGINNING OF YEAR | <u>-</u> | <u>-</u> | <u>-</u> |
| UNEXPENDED BALANCE, END OF YEAR | <u>-</u> | <u>-</u> | <u>-</u> |

**CITY OF BRANDON
SCHEDULE OF FINANCIAL POSITION FOR UTILITY
AS AT DECEMBER 31, 2017**

SCHEDULE 8

| | 2017 | 2016 Restated (Note 16) |
|---|-----------------------------|--|
| FINANCIAL ASSETS | | |
| Cash and temporary investments | \$ - | \$ - |
| Amounts receivable | 5,388,111 | 7,363,139 |
| Portfolio investments | - | - |
| Loans and advances | - | - |
| Real estate properties held for sale | - | - |
| Due from other funds | - | - |
| | <u>5,388,111</u> | <u>7,363,139</u> |
| LIABILITIES | | |
| Accounts payable & accrued liabilities | 268,627 | 283,508 |
| 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) | 10,887,025 | 11,673,499 |
| Obligations under capital lease | - | - |
| Due to other funds | <u>54,192,425</u> | <u>56,224,195</u> |
| | <u>65,348,077</u> | <u>68,181,202</u> |
| NET FINANCIAL DEBT | <u>(59,959,966)</u> | <u>(60,818,063)</u> |
| NON-FINANCIAL ASSETS | | |
| Tangible capital assets (Schedule 1) | 177,680,743 | 178,952,270 |
| Inventories | 503,430 | 453,176 |
| Prepaid expenses | <u>31,514</u> | <u>36,766</u> |
| | <u>178,215,687</u> | <u>179,442,212</u> |
| FUND SURPLUS | <u>\$118,255,721</u> | <u>\$118,624,149</u> |

**CITY OF BRANDON
SCHEDULE OF UTILITY OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2017**

SCHEDULE 9

| | 2017 Budget | 2017 | 2016 Restated (Note 16) |
|---|--------------------|-------------------|--|
| REVENUES | | | |
| Water | | | |
| Water fees | \$ 9,880,000 | \$ 10,373,110 | \$ 9,371,702 |
| Bulk water fees | <u>58,500</u> | <u>84,707</u> | <u>65,554</u> |
| Sub-total - Water | 9,938,500 | 10,457,817 | 9,437,256 |
| Sewer | | | |
| Sewer fees | 5,380,000 | 6,188,930 | 4,581,446 |
| Lagoon tipping fees | <u>97,500</u> | <u>94,418</u> | <u>93,633</u> |
| Sub-total - Sewer | 5,477,500 | 6,283,348 | 4,675,079 |
| Property Taxes | | | |
| | - | - | - |
| Government transfers | | | |
| Capital funding - government transfers | - | 57,856 | - |
| Capital funding - other organizations | <u>-</u> | <u>145,200</u> | <u>75,000</u> |
| Sub-total - Government transfers | - | 203,056 | 75,000 |
| Other | | | |
| Hydrant rentals | 263,200 | 258,405 | 250,000 |
| Connection charges | 815,000 | 992,871 | 945,310 |
| Penalties | 78,000 | 103,337 | 80,346 |
| Installation service | | | |
| Contributed tangible capital assets | - | 1,412,786 | 469,915 |
| Investment income | - | - | - |
| Administration Fees | | | |
| Gain on sale of tangible assets | - | - | - |
| Other income | <u>1,918,000</u> | <u>2,416,928</u> | <u>2,099,123</u> |
| Sub-total - Other | <u>3,074,200</u> | <u>5,184,327</u> | <u>3,844,694</u> |
| Total revenue | <u>18,490,200</u> | <u>22,128,548</u> | <u>18,032,029</u> |
| EXPENSES | | | |
| General | | | |
| Administration | 3,107,675 | 4,795,054 | 8,799,037 |
| Overhead, billing and collection | <u>824,930</u> | <u>743,373</u> | <u>613,181</u> |
| Sub-total - General | 3,932,605 | 5,538,427 | 9,412,218 |
| Water | | | |
| Purification | 4,429,685 | 4,599,338 | 4,664,810 |
| Transmission and distribution | 628,291 | 566,923 | 453,009 |
| Training costs | 85,610 | 86,744 | 83,372 |
| Utilities (telephone, electricity, etc.) | 514,663 | 527,827 | 492,830 |
| Connection costs | <u>301,166</u> | <u>210,781</u> | <u>242,340</u> |
| Sub-total - Water | 5,959,415 | 5,991,613 | 5,936,361 |
| Water Amortization & Interest | | | |
| Amortization | 2,436,418 | 2,436,418 | 2,452,678 |
| Interest on long-term debt | <u>-</u> | <u>-</u> | <u>-</u> |
| Sub-total - Water Amortization & Interest | 2,436,418 | 2,436,418 | 2,452,678 |
| Sewer | | | |
| Collection system costs | 477,734 | 397,865 | 347,969 |
| Treatment and disposal costs | 4,179,020 | 4,747,784 | 4,552,222 |
| Lift stations costs | 48,000 | 21,608 | 30,976 |
| Training costs | 55,000 | 20,022 | 26,973 |
| Utilities (telephone, electricity, etc.) | <u>999,993</u> | <u>1,092,688</u> | <u>987,733</u> |
| Sub-total - Sewer | 5,759,747 | 6,279,967 | 5,945,873 |
| Sewage Amortization & Interest | | | |
| Amortization | 4,007,852 | 4,007,852 | 3,910,971 |
| Interest on long-term debt | <u>424,237</u> | <u>409,356</u> | <u>409,527</u> |
| Sub-total - Sewer Amortization & Interest | <u>4,432,089</u> | <u>4,417,208</u> | <u>4,320,498</u> |
| Total expenses | <u>22,520,274</u> | <u>24,663,633</u> | <u>28,067,628</u> |
| NET EXPENSES | (4,030,074) | (2,535,085) | (10,035,599) |

**CITY OF BRANDON
 SCHEDULE OF UTILITY OPERATIONS
 FOR THE YEAR ENDED DECEMBER 31, 2017**

SCHEDULE 9

| | | | |
|--|-----------------------------|-----------------------------|-----------------------------|
| TRANSFERS | | | |
| Transfers from reserve funds | 140,000 | 5,491,188 | 10,259,838 |
| Transfers to reserve funds | <u>(1,767,722)</u> | <u>(3,433,557)</u> | <u>(1,724,605)</u> |
| CHANGE IN UTILITY FUND BALANCE | <u>(5,657,796)</u> | <u>(477,454)</u> | <u>(1,500,366)</u> |
| FUND BALANCE, BEGINNING OF YEAR | <u>118,733,175</u> | <u>118,733,175</u> | <u>120,233,541</u> |
| FUND BALANCE, END OF YEAR | <u>\$113,075,379</u> | <u>\$118,255,721</u> | <u>\$118,733,175</u> |

**CITY OF BRANDON
RECONCILIATION OF THE FINANCIAL PLAN TO THE BUDGET
FOR THE YEAR ENDED DECEMBER 31, 2017**

SCHEDULE 10

| REVENUE | Financial Plan General | Financial Plan Utility | Amortization (TCA) | Interest Expense | Transfers | Long Term Accruals | Consolidated Entities | PSAB Budget |
|--|-----------------------------------|-----------------------------------|-------------------------------|-----------------------------|---------------------|-------------------------------|----------------------------------|------------------------|
| Property Taxes | \$ 41,990,611 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 41,990,611 |
| Grants in Lieu of Taxation | 2,285,502 | - | - | - | - | - | - | 2,285,502 |
| User Fees | 14,806,690 | - | - | - | - | - | 3,317,418 | 18,124,108 |
| Grants - Province of Manitoba | 15,888,129 | - | - | - | - | - | 433,985 | 16,322,114 |
| Grants - Other | 2,937,649 | - | - | - | - | - | 1,011,640 | 3,949,289 |
| Permits, Licences and Fines | 3,113,863 | - | - | - | - | - | 15,225 | 3,129,088 |
| Investment Income | 87,000 | - | - | - | - | - | 8,828 | 95,828 |
| Other Revenue | 649,592 | - | - | - | - | - | 5,670 | 655,262 |
| Water and Sewer | - | 18,490,200 | - | - | - | - | - | 18,490,200 |
| Transfers from Accumulated Surplus | - | - | - | - | - | - | - | - |
| Transfers from Reserves | 3,610,835 | 140,000 | - | - | (3,750,835) | - | - | - |
| TOTAL REVENUE | 85,369,871 | 18,630,200 | - | - | (3,750,835) | - | 4,792,766 | 105,042,002 |
| EXPENSES | | | | | | | | |
| General Government Services | 9,023,321 | - | 635,948 | - | 188,894 | - | - | 9,848,163 |
| Protective Services | 30,346,342 | - | 1,104,903 | - | - | - | - | 31,451,245 |
| Transportation Services | 13,336,637 | - | 7,559,414 | - | - | - | - | 20,896,051 |
| Environmental Services | 5,295,273 | - | 142,449 | - | - | 73,706 | - | 5,511,428 |
| Public Health and Welfare Services | 726,204 | - | 23,015 | - | - | - | - | 749,219 |
| Regional Planning and Development | 3,370,954 | - | - | - | - | - | 1,715,957 | 5,086,911 |
| Resource Cons and Industrial Development | 1,557,660 | - | - | - | - | - | - | 1,557,660 |
| Recreation and Cultural Services | 8,932,979 | - | 773,686 | - | - | - | 4,725,811 | 14,432,476 |
| Water and Sewer Services | - | 16,076,004 | 6,444,270 | - | - | - | - | 22,520,274 |
| Fiscal Services: | | | | | | | | |
| Transfer to Utility | - | - | - | - | - | - | - | - |
| Transfer to Capital | 440,400 | - | - | - | (440,400) | - | - | - |
| Debt Charges, Principal | 2,312,775 | 786,474 | - | (3,099,249) | - | - | - | - |
| Short Term Interest | 182,066 | - | - | - | (182,066) | - | - | - |
| Transfer to Reserves | 9,838,432 | 1,767,722 | - | - | (11,606,154) | - | - | - |
| Allowance for Tax Assets | 6,828 | - | - | - | (6,828) | - | - | - |
| TOTAL EXPENSES | 85,369,871 | 18,630,200 | 16,683,685 | (3,099,249) | (12,046,554) | 73,706 | 6,441,768 | 112,053,427 |
| SURPLUS (DEFICIT) | \$ - | \$ - | \$ (16,683,685) | \$ 3,099,249 | \$ 8,295,719 | \$ (73,706) | \$ (1,649,002) | \$ (7,011,425) |

**CITY OF BRANDON
ANALYSIS OF TAXES ON ROLL
FOR THE YEAR ENDED DECEMBER 31, 2017**

SCHEDULE 11

| | 2017 | 2016 |
|--|----------------------------|----------------------------|
| Balance, Beginning of Year | \$ <u>3,200,826</u> | \$ <u>3,341,013</u> |
| Add: | | |
| Tax Levy (Schedule 12) | 84,149,453 | 81,143,620 |
| Taxed Added | 1,268,079 | 2,055,674 |
| Penalties or Interest | 546,903 | 521,145 |
| Other Accounts Added | 560,022 | 269,999 |
| Tax Adjustments (Specify) | | |
| Difference Between Levy & Financial Plan | - | - |
| Sub-total | <u>86,524,457</u> | <u>83,990,438</u> |
| Deduct: | | |
| Cash Collection - Current | 75,708,489 | 73,395,864 |
| Cash Collection - Arrears | 2,759,367 | 2,994,560 |
| Writeoffs | 167,405 | 299,083 |
| Title Value of Land Sales | - | - |
| Title Value of Tax Titles Acquired | - | - |
| Tax Discounts | 151,193 | 141,588 |
| E.P.T.C. - Cash Advance | 6,953,875 | 6,946,846 |
| Other Credits (Tax Offsetting Grants) | 350,789 | 352,684 |
| Sub-total | <u>86,091,118</u> | <u>84,130,625</u> |
| Balance, End of Year | <u>\$ 3,634,165</u> | <u>\$ 3,200,826</u> |

**CITY OF BRANDON
ANALYSIS OF TAX LEVY
FOR THE YEAR ENDED DECEMBER 31, 2017**

SCHEDULE 12

| | 2017 | | 2016 | |
|---|-------------------|------------------|-----------------------------|-----------------------------|
| | Assessment | Mill Rate | Levy | Levy |
| Debt Charges: | | | | |
| Frontage | - | - | \$ 89,233 | \$ 89,232 |
| L.I.D. | 2,764,106,080 | 0.650 | 1,796,669 | 1,796,168 |
| Other (At Large) | 2,510,958,110 | 0.597 | 1,499,042 | 1,514,486 |
| Deferred Surplus | | | | |
| Reserves: | | | | |
| Various | 2,510,958,110 | 2.562 | 6,433,075 | 6,442,105 |
| General Municipal | 2,510,958,110 | 11.916 | 29,920,577 | 28,745,677 |
| Special Levies: | | | | |
| Department of Rural Development | 2,510,958,110 | 0.280 | 703,068 | 706,760 |
| School Portion - Mobile Home Revenue | - | - | (489,021) | (440,507) |
| Business Tax (Rate %) | 11,980,800 | 1.000 | <u>119,808</u> | <u>118,003</u> |
| Total Municipal Taxes *** | | | <u>40,072,451</u> | <u>38,971,924</u> |
| Education Support Levy | 660,552,950 | 10.500 | 6,935,807 | 6,795,875 |
| Special Levy: | | | | |
| Brandon School Division | 2,458,227,610 | 14.910 | 36,652,174 | 34,935,314 |
| Mobile Home Revenue | - | - | <u>489,021</u> | <u>440,507</u> |
| Total Education Taxes | | | <u>44,077,002</u> | <u>42,171,696</u> |
| Total Tax Levy (Schedule 11) | | | <u>\$ 84,149,453</u> | <u>\$ 81,143,620</u> |
| *** Total Municipal Taxes Comprised of | | | | |
| General Municipal (Schedule 2) | | | \$ 40,072,451 | \$ 38,971,924 |
| Utility Debenture Debt Servicing (Schedule 9) | | | <u>-</u> | <u>-</u> |
| | | | \$ 40,072,451 | \$ 38,971,924 |

**CITY OF BRANDON
SCHEDULE OF GENERAL OPERATING FUND EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2017**

SCHEDULE 13

| | 2017 Actual | 2016 Actual Restated (Note 16) |
|--|--------------------|---|
| General government services: | | |
| Legislative | \$ 439,074 | \$ 413,141 |
| General administrative | 7,453,692 | 7,675,045 |
| Other | <u>2,277,770</u> | <u>1,849,707</u> |
| | <u>10,170,536</u> | <u>9,937,893</u> |
| Protective services: | | |
| Police | 16,597,139 | 16,414,702 |
| Fire | 9,443,359 | 9,141,397 |
| Emergency measures | 3,372,129 | 3,227,320 |
| Other | <u>1,603,577</u> | <u>1,491,556</u> |
| | <u>31,016,204</u> | <u>30,274,975</u> |
| Transportation services: | | |
| Administration | 5,729,651 | 3,880,920 |
| Road and street maintenance | 3,832,346 | 4,501,556 |
| Bridge maintenance | - | - |
| Sidewalk maintenance | 475,099 | 682,149 |
| Street lighting | 988,548 | 981,208 |
| Other | 3,490,714 | 3,459,012 |
| Air transport | 1,386,768 | 1,252,945 |
| Public transport | 5,547,872 | 5,447,978 |
| Other | - | - |
| | <u>21,450,998</u> | <u>20,205,768</u> |
| Environmental health services: | | |
| Waste collection and disposal | 3,633,010 | 3,238,214 |
| Recycling | 2,056,932 | 1,846,863 |
| Other | - | - |
| | <u>5,689,942</u> | <u>5,085,077</u> |
| Public health and welfare services: | | |
| Public health | 440,385 | 422,684 |
| Medical care | - | - |
| Social assistance | 267,032 | 267,032 |
| Other | - | - |
| | <u>707,417</u> | <u>689,716</u> |
| Regional planning and development: | | |
| Planning and zoning | 841,498 | 836,857 |
| Urban renewal | 686,179 | 604,407 |
| Beautification and land rehabilitation | - | - |
| Urban area weed control | 458,604 | 430,566 |
| Other | <u>570,430</u> | <u>552,395</u> |
| | <u>2,556,711</u> | <u>2,424,225</u> |
| Resource conservation and industrial development: | | |
| Rural area weed control | - | - |
| Drainage of land | - | - |
| Veterinary services | - | - |
| Water resources and conservation | - | - |
| Regional development | 442,950 | 431,094 |
| Industrial development | - | - |
| Tourism | 932,347 | 1,213,456 |
| Other | - | - |
| | <u>1,375,297</u> | <u>1,644,550</u> |

**CITY OF BRANDON
 SCHEDULE OF GENERAL OPERATING FUND EXPENSES
 FOR THE YEAR ENDED DECEMBER 31, 2017**

SCHEDULE 13

Recreation and cultural services:

| | | |
|-------------------------------|-------------------|------------------|
| Administration | 1,152,513 | 1,106,927 |
| Community centres and halls | 49,395 | 49,395 |
| Swimming pools and beaches | 325,343 | 233,996 |
| Golf courses | 716,845 | 736,046 |
| Skating and curling rinks | 11,188 | 14,459 |
| Parks and playgrounds | 2,609,891 | 2,348,325 |
| Other recreational facilities | 3,830,128 | 3,625,319 |
| Museums | 127,095 | 109,728 |
| Libraries | 843,049 | 816,776 |
| Other cultural facilities | <u>441,008</u> | <u>366,263</u> |
| | <u>10,106,455</u> | <u>9,407,234</u> |

| | | |
|-----------------------|-----------------------------|-----------------------------|
| Total expenses | \$ <u>83,073,560</u> | \$ <u>79,669,438</u> |
|-----------------------|-----------------------------|-----------------------------|

**CITY OF BRANDON
RECONCILIATION OF ANNUAL SURPLUS (DEFICIT)
FOR THE YEAR ENDED DECEMBER 31, 2017**

SCHEDULE 14

| | 2017 | | | 2016 |
|--|---------------------|-----------------------|---------------------|-----------------------|
| | General | Utility | Total | Total |
| MUNICIPAL NET SURPLUS UNDER THE MUNICIPAL ACT | \$ 5,853,788 | \$ 45,744 | \$ 5,899,532 | \$ 2,329,364 |
| Adjustments for reporting under public sector accounting standards | | | | |
| Eliminate expense - transfers to reserves | 16,056,137 | 3,433,557 | 19,489,694 | 14,543,419 |
| Eliminate revenue - transfers from reserves | (19,328,838) | (5,491,188) | (24,820,026) | (29,726,401) |
| Increase revenue - reserve funds interest | 1,436,569 | - | 1,436,569 | 169,750 |
| Increase (Decrease) revenue - Net surplus (deficit) of consolidated entities | (1,185,220) | - | (1,185,220) | 1,491,887 |
| Increase revenue - developer contributed tangible capital assets | 425,072 | 1,412,786 | 1,837,858 | 1,118,967 |
| Increase expense - amortization of tangible capital assets | (10,239,415) | (6,444,270) | (16,683,685) | (15,924,904) |
| Decrease revenue - disposed capital assets net book value | (925,431) | - | (925,431) | (1,721,177) |
| Eliminate expense - acquisitions of tangible capital assets | 17,924,123 | 3,759,957 | 21,684,080 | 27,719,258 |
| Decrease revenue - funded acquisitions of tangible capital assets | (2,896,627) | - | (2,896,627) | - |
| Decrease expense - principal portion of debenture debt | 2,312,775 | 786,474 | 3,099,249 | 2,794,824 |
| Decrease expense - accrued interest portion of debenture debt | 18,616 | 14,881 | 33,497 | 315,421 |
| Increase expense - landfill closure & post closure liabilities | (73,706) | - | (73,706) | (69,078) |
| Increase expense - salary liabilities adjustments | (373,698) | (53,026) | (426,724) | (358,218) |
| Increase expense - bad debt | (119,484) | - | (119,484) | (446,674) |
| Decrease revenue - debenture proceeds | (4,981,200) | - | (4,981,200) | (4,168,092) |
| Eliminate - other (tax asset, miscellaneous) | (22,806) | - | (22,806) | - |
| NET SURPLUS (DEFICIT) PER CONSOLIDATED STATEMENT OF OPERATIONS | \$ 3,880,655 | \$ (2,535,085) | \$ 1,345,570 | \$ (1,931,654) |