



THE CITY OF BRANDON

2005

FINANCIAL REPORT

**BDO DUNWOODY LLP
CHARTERED ACCOUNTANTS
BRANDON - MANITOBA**

INDEX TO FINANCIAL STATEMENTS

CITY OF BRANDON

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(ALL AMOUNTS HAVE BEEN ROUNDED OFF TO THE NEAREST DOLLAR)

AUDITOR'S REPORT

TO THE MAYOR AND COUNCILLORS
CITY OF BRANDON
BRANDON, MANITOBA

We have audited the balance sheets of the City of Brandon as at December 31, 2005 and the statements of revenue and expenditures, changes in surplus, and source and application of capital funds for the year then ended. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the City as at December 31, 2005 and the results of its operations for the year then ended in accordance with accounting principles generally accepted for municipal corporations in Manitoba applied on a basis consistent with that of the preceding year.

We have also issued a supplementary report as required under section 190(2) of the Municipal Act.

Brandon, Manitoba
March 10, 2006

BDO Dunwoody LLP

CHARTERED ACCOUNTANTS

#REF!

STATEMENT 1

**GENERAL OPERATING FUND BALANCE SHEET
AS AT DECEMBER 31, 2005**

ASSETS

CASH

Cash on hand		3,965	
Cash on deposit		11,369,932	
Deposit Receipts			11,373,897

RECEIVABLES

Tax assets - Schedule 1		2,087,262	
Government Grants - Schedule 3		536,651	
Own Funds and Agencies			
Utility Operating Fund			
Utility Capital Fund			
General Capital Fund	28,469		
Reserves			
Trusts		28,469	
Operating Accounts Receivable			
Organizations and Individuals	1,394,968		
Federal Government	261,501		
Federal Government Enterprises			
Provincial Government			
Provincial Government Enterprises			
Other Local Governments		1,656,469	
Other Receivables			
Sub Total		4,308,851	
Less: Allowances for Doubtful Accounts			
Other Allowances			4,308,851

INVESTMENTS - SCHEDULE 6

18,528,390

INVENTORIES

1,219,460

PREPAID EXPENSES

78,667

TOTAL ASSETS

35,509,265

LIABILITIES AND SURPLUS

TEMPORARY BORROWINGS

Chartered Banks			
Other Financial Institutions			
Other Funds			
Other			

PAYABLES

School Levies - Schedule 4		608,815	
Own Funds and Agencies			
Utility Operating Fund	5,835,977		
Reserves	19,220,701		
Trusts	273,370		
Other		25,330,048	
Operating Accounts Payable			
Organizations and Individuals	6,778,244		
Federal Government			
Federal Government Enterprises			
Provincial Government			
Provincial Government Enterprises			
Other Local Governments		6,778,244	
Debenture Instalments			32,717,107

OTHER LIABILITIES

Land Sale Deposits			
Debenture Levies in Advance			
Prepaid taxes		279,270	
Deferred Revenue - Note			279,270

TOTAL CURRENT LIABILITIES

32,996,377

ALLOWANCE FOR TAX ASSETS - STATEMENT 8

465,280

NOMINAL SURPLUS - STATEMENT 8

2,047,608

TOTAL LIABILITIES AND SURPLUS

35,509,265

THE ATTACHED NOTES (PAGE 21) FORM AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

#REF!

STATEMENT 2

GENERAL RESERVE FUND BALANCE SHEET

AS AT DECEMBER 31, 2005

RESERVE NAME	CASH ASSETS	INVESTMENTS (SCHEDULE 6)	DUE FROM (TO) OTHER FUNDS	OTHER ASSETS	TOTAL (SCHEDULE 5)
Ambulance			216,461		216,461
Brandon Municipal Airport			261,562		261,562
Capital Development			587,203		587,203
Centennial Auditorium			328,606		328,606
Civic Services Complex			368,112		368,112
Clare Ave Extension			91,722		91,722
Cumulative Benefits			185,914		185,914
Disposal Site (Sanitation)			775,349		775,349
Dyking and Flood Control			713,893		713,893
E-911 Equipment			427,382		427,382
Elections			138,536		138,536
Fire Fighting Equipment			118,458		118,458
Fire Vehicles			218,393		218,393
General			1,056,112		1,056,112
Gravel Pit			378,792		378,792
Kirkcaldy Heights			110,079		110,079
Land Acquisition			565,710		565,710
Library / Arts Building			46,219		46,219
Machinery and Equipment			2,196,591		2,196,591
Major Event Hosting			102,238		102,238
Municipal Building			25,443		25,443
Municipal Building Maintenance			207,020		207,020
Office Equipment			582,096		582,096
Parks			430,823		430,823
Perpetual Care			277,524		277,524
Police Equipment			269,196		269,196
Police Vehicles			433,606		433,606
Professional Fees			74,278		74,278
Protective Services Building			2,151,995		2,151,995
Recreation Centre			194,143		194,143
Snow Clearing			263,111		263,111
Social Development			7,364		7,364
Sportsplex			618,263		618,263
Storm Sewer			1,532,547		1,532,547
Traffic Control Devices			77,916		77,916
Transit Equipment			1,766,257		1,766,257
Waverly Heights			132,108		132,108
Westbran Stadium			31,923		31,923
26th Street, South of Maryland			102,645		102,645
8th Street Bridge			1,155,111		1,155,111
TOTAL			19,220,701		19,220,701

#REF!

STATEMENT 2

GENERAL RESERVE FUND BALANCE SHEET

AS AT DECEMBER 31, 2005

RESERVE NAME	CASH ASSETS	INVESTMENTS (SCHEDULE 6)	DUE FROM (TO) OTHER FUNDS	OTHER ASSETS	TOTAL (SCHEDULE 5)
General					
Replacement					
Centennial					
TOTAL					

(SEE PAGE 3)

STATEMENT 3

GENERAL CAPITAL FUND BALANCE SHEET

AS AT DECEMBER 31, 2005

ASSETS

CASH ON HAND AND ON DEPOSIT - STATEMENT 13			
RECEIVABLES - STATEMENT 13			
Government Grants - Schedule 3			
Own Funds and Agencies			
Organizations and Individuals			
Federal Government			
Federal Government Enterprises			
Provincial Government			
Provincial Government Enterprises			
Other Local Governments			
CONSTRUCTION IN PROGRESS			29,290
FIXED ASSETS			
Buildings		19,542,936	
Machinery and Equipment		28,303,414	
Land		5,231,289	
Other			53,077,639
DEBT CHARGES RECOVERABLE (CAPITAL ASSETS)			
Debenture Levies		498,228	
Deferred Liability Levies		176,265	674,493
OTHER ASSETS			
TOTAL ASSETS			53,781,422
LIABILITIES AND SURPLUS			
TEMPORARY BORROWINGS			
Chartered Banks		176,265	
Other Financial Institutions			
Own Funds		28,469	
Other			204,734
PAYABLES			
Organizations and Individuals			
Federal Government			
Federal Government Enterprises			
Provincial Government			
Provincial Government Enterprises			
OTHER LIABILITIES			
LONG-TERM DEBT			
Debentures - Schedule 8		2,229,228	
Deferred Liabilities - Note			2,229,228
CAPITAL SURPLUS - STATEMENT 8			51,347,460
TOTAL LIABILITIES AND SURPLUS			53,781,422

#REF!

STATEMENT 4

UTILITY OPERATING FUND BALANCE SHEET

AS AT DECEMBER 31, 2005

ASSETS

CASH

Cash on hand		
Cash on deposit		
Deposit Receipts		

RECEIVABLES

Government Grants - Schedule 3		155,300	
Own Funds and Agencies			
General Operating Fund	5,835,977		
General Capital Fund			
Utility Capital Fund			
Reserves			
Trusts		5,835,977	
Operating Accounts Receivable			
Organizations and individuals	3,292,482		
Federal Government			
Federal Government Enterprises			
Provincial Government			
Provincial Government Enterprises			
Other Local Governments		3,292,482	
Other Receivables			
Sub Total		9,283,759	
Less: Allowances for Doubtful Accounts			9,283,759

INVESTMENTS - SCHEDULE 6

INVENTORIES

PREPAID EXPENSES

TOTAL ASSETS

LIABILITIES AND SURPLUS

TEMPORARY BORROWINGS

Chartered Banks			
Other Financial Institutions			
Other Funds			
Other			

PAYABLES

Own Funds and Agencies			
General Operating Fund			
Reserves	5,476,081		
Trusts			
Other		5,476,081	
Operating Accounts Payable			
Organizations and individuals			
Federal Government			
Federal Government Enterprises			
Provincial Government			
Provincial Government Enterprises			
Other Local Governments			
Debenture Instalments			5,476,081

OTHER LIABILITIES

Debenture Levies in Advance			
Prepaid Consumer Accounts			
Meter Deposits			
Other			

TOTAL CURRENT LIABILITIES

NOMINAL SURPLUS - STATEMENT 8

TOTAL LIABILITIES AND SURPLUS

STATEMENT 5

UTILITY RESERVE FUND BALANCE SHEET

AS AT DECEMBER 31, 2005

RESERVE NAME	CASH ASSETS	INVESTMENTS (SCHEDULE 6)	DUE FROM (TO) OTHER FUNDS	OTHER ASSETS	TOTAL (SCHEDULE 5)
Water Distribution			3,160,654		3,160,654
Wastewater Distribution			2,172,578		2,172,578
Industrial WWTF			142,849		142,849
Total			5,476,081		5,476,081

#REF!

STATEMENT 6

UTILITY CAPITAL FUND BALANCE SHEET

AS AT DECEMBER 31, 2005

ASSETS

CASH ON HAND AND ON DEPOSIT - STATEMENT 14			
RECEIVABLES - STATEMENT 14			
Government Grants - Schedule 3			
Own Funds and Agencies			
Other Accounts			
Organizations and Individuals			
Federal Government			
Federal Government Enterprises			
Provincial Government			
Provincial Government Enterprises			
Other Local Governments			
CONSTRUCTION IN PROGRESS			
FIXED ASSETS			
Buildings		34,107,274	
Machinery and Equipment		5,267,267	
Land		71,469	
Other			39,446,010
DEBT CHARGES RECOVERABLE (CAPITAL ASSETS)			
Debenture Levies		1,861,000	
Deferred Liability Levies			1,861,000
OTHER ASSETS			
TOTAL ASSETS			41,307,010

LIABILITIES AND SURPLUS

TEMPORARY BORROWINGS			
Chartered Banks			
Other Financial Institutions			
Own Funds			
Other			
PAYABLES			
Organizations and Individuals			
Federal Government			
Federal Government Enterprises			
Provincial Government			
Provincial Government Enterprises			
Other Local Governments			
OTHER LIABILITIES			
LONG-TERM DEBT			
Debentures - Schedule 8		13,820,023	
Deferred Liabilities - Note			13,820,023
CAPITAL SURPLUS - STATEMENT 8			27,486,987
TOTAL LIABILITIES AND SURPLUS			41,307,010

STATEMENT 7

TRUST FUND BALANCE SHEET

AS AT DECEMBER 31, 2005

ASSETS

TRUST NAME	INVESTMENTS				TOTAL
	CASH	(Schedule 6)	OTHER FUNDS	OTHER	
Parks & Recreation			5,135		5,135
Debenture Principal & Interest					
Land Options & Property Deposits			15,000		15,000
Other			253,235		253,235
TOTAL			273,370		273,370

LIABILITIES

	LIABILITIES				TOTAL
	PAYABLES	OTHER FUNDS	OTHER	TRUST	
Parks & Recreation				5,135	5,135
Debenture Principal & Interest					
Land Options & Property Deposits				15,000	15,000
Other				253,235	253,235
TOTAL				273,370	273,370

#REF!

STATEMENT 8

SURPLUS ACCOUNTS AND ALLOWANCE FOR TAX ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2005

ALLOWANCE FOR TAX ASSETS

Balance, January 1		340,046
Add: Transfer From Revenue - Statement 10	484,694	
Profit on Tax Title Sales		
Transfer From Nominal Surplus		
Tax Titles Established		
		484,694
Sub-Total		824,740
Deduct: Taxes Cancelled - Schedule 1	359,460	
T.S.C. Cancelled - Schedule 1		
Tax Titles Written Off - Schedule 1		
Transfer to Nominal Surplus		
		359,460
Balance, December 31 - Statement 1		465,280

NOMINAL SURPLUS - GENERAL

Balance, January 1		2,129,602
Add: Transfer From Deferred Surplus - Statement 9		
Transfer From Allowance For Tax Assets		
Operating Surplus - Statement 9		
Miscellaneous Income	2,688	
		2,688
Sub-Total		2,132,290
Deduct: Accts. Rec. Cancelled	62,909	
Transfer To General Reserve - Schedule 5		
Transfer To Allowance For Tax Assets		
Transfer To Revenue - Statement 9		
Operating Deficit - Statement 9		
Prior Year Accts. Rec. Correction	21,773	
		84,682
Balance, December 31 - Statement 1		2,047,608

NOMINAL SURPLUS - UTILITY

Balance, January 1		3,833,337
Add: Transfer From Deferred Surplus - Statement 11		
Other Transfers (Specify)		
Operating Surplus - Statement 11	300,945	
		300,945
Sub-Total		4,134,282
Deduct: Accts. Rec. Cancelled		
Transfer To Utility Revenue - Statement 11		
Operating Deficit - Statement 11		
Balance, December 31 - Statement 4		4,134,282

CAPITAL SURPLUS - GENERAL

Balance, January 1		50,351,569
Add: Fixed Assets Acquired	2,005,654	
Debentures Redeemed	285,000	
		2,290,654
Sub-Total		52,642,223
Deduct: Disposal of Fixed Assets	1,294,763	
		1,294,763
Balance, December 31 - Statement 3		51,347,460

CAPITAL SURPLUS - UTILITY

Balance, January 1		26,234,679
Add: Fixed Assets Acquired		
Debentures Redeemed	1,252,652	
		1,252,652
Sub-Total		27,487,331
Deduct: Disposal of Fixed Assets	344	
		344
Balance, December 31 - Statement 6		27,486,987

#REF!

STATEMENT 9

**GENERAL OPERATING FUND
STATEMENT OF REVENUE AND EXPENDITURE**

FOR THE YEAR ENDED DECEMBER 31, 2005

REVENUE

TOTAL REVENUE FROM TAXATION			23,143,397
OTHER REVENUE			
Taxes Added - Schedule 1		1,668,747	
Licences and Permits		752,706	
Fines		525,742	
Parking Meter Fees		200,247	
Sales of Service			
General Government	156,290		
Protection	2,928,276		
Transportation	1,185,246		
Less: Costs	1,185,246		
Environmental Health	1,123,616		
Public Health and Welfare	189,300		
Planning and Development			
Economic Development	6,731		
Recreation and Culture	905,803	6,495,262	
Sales of Goods			
Rentals of Fixed Assets		402,338	
Concessions and Franchises		98,780	
Returns From Investments		15,822	
Transfers From Utilities and Enterprises			
Tax Penalties - Schedule 1		320,145	
Miscellaneous Revenue		600,638	
Grants in Lieu of Taxes - Schedule 3			
Federal Government	233,738		
Federal Government Enterprises			
Provincial Government	1,769,207		
Provincial Government Enterprises			
Other Local Governments			
Non-Government Organizations		2,002,945	
Unconditional Government Transfers - Schedule 3			
Federal Government			
Provincial - Municipal Tax Sharing	5,441,848		
Provincial - Municipal Support Grants	498,991		
Provincial Video Lottery Terminals	710,433		
Other Local Governments		6,651,272	
Conditional Government Transfers - Schedule 3			
Federal Government	183,277		
Provincial Government	2,192,859		
Other Local Governments	55,954	2,432,090	22,166,734
TOTAL REVENUE FROM EXTERNAL SOURCES			45,310,131
TRANSFERS FROM ACCUMULATED SURPLUS - STATEMENT 8			
TRANSFERS FROM RESERVES - SCHEDULE 5			242,295
OPERATING DEFICIT - STATEMENT 8			
TOTAL			45,552,426

EXPENDITURE

GENERAL GOVERNMENT SERVICES		5,768,758
PROTECTIVE SERVICES		15,163,285
TRANSPORTATION SERVICES		7,993,530
ENVIRONMENTAL HEALTH SERVICES		2,287,194
PUBLIC HEALTH AND WELFARE SERVICES		467,591
ENVIRONMENTAL PLANNING AND COMMUNITY DEVELOPMENT SERVICES		413,258
ECONOMIC DEVELOPMENT SERVICES		220,182
RECREATION AND CULTURAL SERVICES		4,979,882
FISCAL SERVICES		3,695,479
TOTAL SERVICES		40,989,159
SURPLUS APPROPRIATIONS		
Deferred Surplus - Operating Deficit		
Deferred Surplus - By-Law Obligation		
Transfer to Reserves - Statement 10		4,563,267
OPERATING SURPLUS - STATEMENT 8		
TOTAL		45,552,426

THE ATTACHED NOTES (PAGE 21) FORM AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

#REF!

STATEMENT 10

**GENERAL OPERATING FUND
COMPARISON OF BUDGETED AND ACTUAL EXPENDITURE**

FOR THE YEAR ENDED DECEMBER 31, 2005

	ESTIMATED	ACTUAL	UNDERSPENT	OVERSPENT
General Government Services				
Legislative	338,406	295,820	42,586	
General Administrative	4,615,212	4,408,523	206,689	
Other General Government	1,145,964	1,064,415	81,549	
Total	6,099,582	5,768,758	330,824	
Protective Services				
Police Protection	8,070,296	8,245,860		175,564
Law Enforcement	2,497,064	2,529,818		32,754
Fire Protection	2,965,045	2,961,446	3,599	
Emergency Measures	1,505,830	1,426,161	79,669	
Other Protection				
Total	15,038,235	15,163,285		125,050
Transportation Services				
Road Transport	4,447,844	4,563,884		116,040
Administration	682,041	747,518		65,477
Engineering	1,066,080	869,289	196,791	
Roads and Streets	1,633,910	1,876,600		242,690
Bridges, Subways	1,617	814	803	
Street Lighting	700,976	751,062		50,086
Traffic Services	273,820	233,456	40,364	
Parking	89,400	85,145	4,255	
Other Road Transport				
Air Transport	284,355	279,855	4,500	
Water Transport				
Public Transit	2,795,693	3,149,791		354,098
Total	7,527,892	7,993,530		465,638
Environmental Health Services				
Garbage and Waste Collection and Disposal	2,534,876	2,167,947	366,929	
Other Environmental Health		119,247		
Total	2,534,876	2,287,194	247,682	
Public Health and Welfare Services				
Public Health (Cemeteries)	204,490	200,559	3,931	
Medical Care				
Hospital Care				
Social Welfare	267,032	267,032		
Total	471,522	467,591	3,931	
Environmental Planning and Community Development Services				
Environmental Planning and Zoning	205,605	205,605		
Community Development	150,919	149,719	1,200	
Housing	55,000	57,934		2,934
Total	411,524	413,258		1,734
Economic Development Services				
Natural Resources				
Regional Development Commissions	223,450	220,182	3,268	
Industrial Parks and Commissions				
Other Economic Services				
Total	223,450	220,182	3,268	
Recreation and Cultural Services				
Recreation Facilities	3,424,120	3,469,195		45,075
Cultural Buildings and Facilities	422,062	434,549		12,487
Other Recreation and Cultural Services	949,193	1,076,138		126,945
Education Grants				
Total	4,795,375	4,979,882		184,507
SUB-TOTALS FORWARD	37,102,456	37,293,680		191,224

THE ATTACHED NOTES (PAGE 21) FORM AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

#REF!

STATEMENT 10

**GENERAL OPERATING FUND
COMPARISON OF BUDGETED AND ACTUAL EXPENDITURE - CONTINUED**

FOR THE YEAR ENDED DECEMBER 31, 2005

	ESTIMATED	ACTUAL	UNDERSPENT	OVERSPENT
SUB-TOTALS FORWARD	37,102,456	37,293,680		191,224
Fiscal Services				
Transfers to Other Governments				
Other Municipal Government				
Transfers to Own Funds	2,325,223	2,938,857		613,634
Allowance For Tax Assets - Statement 8	154,694	484,694		330,000
Capital Fund - Statement 13	326,000	609,634		283,634
Utility Fund - Statement 11	1,844,529	1,844,529		
Contribution to Other Funds				
Phase-in Tax Credit				
Public Debt Charges	762,512	756,622	5,890	
Debenture Debt Charges - Schedule 7	668,112	668,112		
Other Long-Term Debt Charges				
Interest on Short-Term Financing	94,400	88,510	5,890	
Bank Loan Interest	19,400	13,371	6,029	
Other Fund Loan Interest				
Tax Discounts - Schedule 1	75,000	75,139		139
Other Debt Charges				
Debenture Discount				
Debenture Issue Costs				
Other				
Other Fiscal Services				
Total	3,087,735	3,695,479		607,744
Transfer to Reserves				
General Reserve				
Specific Reserve				
- Replacement Reserve				
- Capital Development				
- Other	3,569,668	4,563,267		993,599
Total	3,569,668	4,563,267		993,599
Surplus Appropriations				
Total Estimated	43,759,859			
Total Actual		45,552,426		
Total Underspent				
Total Overspent				1,792,567

RECONCILIATION WITH OPERATING SURPLUS OR DEFICIT

REVENUE	ESTIMATED	ACTUAL	OVER(UNDER)
Tax Revenue	23,139,529	23,143,397	3,868
Other Revenue	20,620,330	22,409,029	1,788,699
Revenue Surplus (Deficit)	43,759,859	45,552,426	1,792,567
EXPENDITURE	43,759,859	45,552,426	1,792,567
OPERATING SURPLUS (DEFICIT)			

#REF!

STATEMENT 11

**UTILITY OPERATING FUND
STATEMENT OF REVENUE AND EXPENDITURE**

FOR THE YEAR ENDED DECEMBER 31, 2005

REVENUE

CONSUMER SALES	METERED	FLAT RATE	TOTAL
All Consumers - Regular Consumption	7,245,863	627,155	7,873,018
All Consumers - Sewer Charges	3,157,783		3,157,783
Bulk Sales	52,688		52,688
Industrial Surcharges	46,987		46,987
Total	10,503,321	627,155	11,130,476
Less: Discounts			
Refunds and Cancellations			11,130,476
SEWER SERVICE CHARGES			
PENALTIES			56,524
HYDRANT RENTALS			153,750
CONSUMER INSTALLATION SERVICE			
CONNECTION REVENUE - NET			
PROVINCIAL GRANTS			9,794
OTHER REVENUE			1,009,564
PROVIDED BY GENERAL OPERATING FUND - STATEMENT 10			
Re: Debentures			1,844,529
Re: Operations			1,844,529
TRANSFER FROM RESERVE FUND - SCHEDULE 5			
TRANSFER FROM ACCUMULATED SURPLUS - STATEMENT 8			
OPERATING DEFICIT - STATEMENT 8			
TOTAL			14,204,637
	EXPENDITURE		
WATER SUPPLY			6,390,933
SEWAGE COLLECTION AND DISPOSAL			3,245,957
TRANSFER TO CAPITAL - STATEMENT 14			805,468
TRANSFERS TO RESERVE - SCHEDULE 5			929,794
DEBENTURE DEBT CHARGES - SCHEDULE 7			2,531,540
OTHER LONG-TERM DEBT CHARGES			
SURPLUS APPROPRIATIONS - STATEMENT 8			
Deferred surplus - Operating Deficit, 19__			
19__			
19__			
OPERATING SURPLUS - STATEMENT 8			300,945
TOTAL			14,204,637

STATEMENT 12

COMPARISON OF UTILITY BUDGETED AND ACTUAL EXPENDITURE

FOR THE YEAR ENDED DECEMBER 31, 2005

	ESTIMATED	ACTUAL	UNDERSPENT	OVERSPENT
Water Supply	6,594,174	6,390,933	203,241	
Sewage Collection and Disposal	3,363,379	3,245,957	117,422	
Transfer To Capital	1,770,000	805,468	964,532	
Transfers To Reserve	920,000	929,794		9,794
Debenture Debt Charges	2,531,540	2,531,540		
Other Long-Term Debt Charges				
Surplus Appropriations				
Total Estimated	15,179,093			
Total Actual		13,903,692		
Total Underspent			1,275,401	
Total Overspent				

RECONCILIATION WITH OPERATING SURPLUS OR DEFICIT

	ESTIMATED	ACTUAL	OVER (UNDER)
REVENUE	15,021,227	14,204,637	(816,590)
EXPENDITURE	15,179,093	13,903,692	(1,275,401)
OPERATING SURPLUS (DEFICIT)	(157,866)	300,945	(458,811)

#REF!

STATEMENT 13

STATEMENT OF SOURCE AND APPLICATION OF GENERAL CAPITAL FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2005

SOURCE

UNEXPENDED FUNDS, JANUARY 1		
Cash		
Receivables		
SHORT-TERM BORROWING		
Bank		
Other Funds		
Other		
LONG-TERM BORROWING		
Debentures - Schedule 8		
Other		
PREPAID LOCAL IMPROVEMENT LEVIES		
CAPITAL EXPENDITURES FROM REVENUE - STATEMENT 10		609,634
CAPITAL EXPENDITURES FROM RESERVES - SCHEDULE 5		3,439,226
GRANTS - SCHEDULE 3		
Federal Government		
Federal Government Enterprises		
Provincial Government		
Provincial Government Enterprises		
Other Local Governments		
Other		
ACCOUNTS PAYABLE, DECEMBER 31		
OTHER		
TOTAL		4,048,860

APPLICATION

CAPITAL EXPENDITURES	FIXED ASSETS		LOCAL	TOTAL
	CONSTRUCTION	PURCHASE	IMPROVEMENTS	
General Government	141,000	29,137	432,674	602,811
Protection		300,725	964,425	1,265,150
Transportation		1,524,526	438,162	1,962,688
Recreation and Culture		10,266	207,945	218,211
Environmental Health				
Economic Development				
Public Health				
TOTAL	141,000	1,864,654	2,043,206	4,048,860

REPAYMENT OF SHORT-TERM BORROWING		
Bank		
Other Funds		
Other		
DEBENTURE DISCOUNT AND INTEREST		
REPAYMENT OF ACCOUNTS PAYABLE		
UNEXPENDED FUNDS, DECEMBER 31 - STATEMENT 3		
Cash		
Receivables		
OTHER		
TOTAL		4,048,860

#REF!

STATEMENT 14

STATEMENT OF SOURCE AND APPLICATION OF UTILITY CAPITAL FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2005

SOURCE

UNEXPENDED FUNDS, JANUARY 1		
Cash		
Receivables		
SHORT-TERM BORROWING		
Bank		
Other Funds		
Other		
LONG-TERM BORROWING		
Debentures - Schedule 8		
Other		
PREPAID LOCAL IMPROVEMENT LEVIES		
CAPITAL EXPENDITURES FROM REVENUE - STATEMENT 11		805,468
CAPITAL EXPENDITURES FROM RESERVES - SCHEDULE 5		-36,419
GRANTS - SCHEDULE 3		
Federal Government		
Federal Government Enterprises		
Provincial Government		
Provincial Government Enterprises		
Other Local Governments		
Other		
ACCOUNTS PAYABLE, DECEMBER 31		
OTHER - INTEREST		
TOTAL		769,049

APPLICATION

CAPITAL EXPENDITURES	FIXED ASSETS		LOCAL	TOTAL
	CONSTRUCTION	PURCHASE	IMPROVEMENTS	
Water Supply	(344)		125,114	124,770
Wastewater Disposal			340,659	340,659
Wastewater Treatment			240,225	240,225
Water Treatment			63,395	63,395
TOTAL	(344)		769,393	769,049
REPAYMENT OF SHORT-TERM BORROWING				
Bank				
Other Funds				
Other				
DEBENTURE DISCOUNT AND INTEREST				
REPAYMENT OF ACCOUNTS PAYABLE				
UNEXPENDED FUNDS, DECEMBER 31 - STATEMENT 6				
Cash				
Receivables				
OTHER				
TOTAL				769,049

#REF!

SCHEDULE 1

ANALYSIS OF TAX ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2005

	TAXES ON ROLL	TAX SALE CERTIFICATES	TAX TITLES	AGREEMENTS OF SALE
Balance, January 1	1,998,704			
ADD:				
Tax Levy - Schedule 2	45,886,421			
Taxes Added - Statement 9	1,668,747			
Penalties or Interest Added - Statement 9	320,145			
Other Accounts Added	249,355			
Taxes Prepaid	279,270			
Transfer Re Tax Sale				
Tax Titles Acquired				
Land Sales				
TAX ADJUSTMENTS (SPECIFY)				
Difference between levy and financial plan	1			
SUB-TOTAL	50,402,643			
DEDUCT:				
Cash Collections:	47,695,217			
Arrears	1,704,991			
Current	45,990,226			
Transfer Re Tax Sale				
Cancellations	359,460			
Returned To Roll				
Title Value of Land Sales				
Transfers Re Titles Acquired				
Tax Discounts - Statement 10	75,139			
M.P.T.C. - Cash Advance	80,850			
Other Credits	104,715			
Tax Offsetting Grants				
TOTAL				
BALANCE, DECEMBER 31	2,087,262 (Statement 1)	2,087,262		

SCHEDULE 2

ANALYSIS OF TAX LEVY

FOR THE YEAR ENDED DECEMBER 31, 2005

	ASSESSMENT	MILL RATE	LEVY
Other Governments (L.U.D.)			
Debt Charges			
Frontage			75,348
Mill Rate (At Large)	871,780,340	0.594	517,838
Mill Rate (L.I.D.)	987,457,110	1.782	1,759,649
Total			2,352,835
Minister of Rural Development	871,780,340	0.682	594,554
Deferred Surplus			
Reserves:			
Various By-Law	871,780,340	3.776	3,291,843
By-Law			
By-Law			
General Municipal	871,780,340	19.370	16,886,385
Special Levies (Specify)			
School Portion of Mobile Home Revenue			(207,244)
Business Tax-Rate _____ % Cable TV, B.I.A. 1.00%, 2.90%	5,739,700		220,460
Total Municipal Taxes			23,138,833
Schools			
Prov. Education 1	552,003,160	2.420	1,335,848
Prov. Education 2	289,239,560	16.500	4,772,453
Total Education Support Program	841,242,720		6,108,301
Special Division Brandon School Division	842,193,810	19.511	16,432,043
Mobile Home Revenue			207,244
Total School Taxes			22,747,588
TOTAL TAX LEVY - SCHEDULE 1			45,886,421

#REF!

SCHEDULE 3

**ANALYSIS OF GOVERNMENT TRANSFERS
FOR THE YEAR ENDED DECEMBER 31, 2005**

	BALANCE JANUARY 1	GRANTS EARNED (Statement 9)	GRANTS RECEIVED	ADJUSTMENTS	BALANCE DECEMBER 31 (Statement 1)
GENERAL FUND					
PROVINCIAL		11,086,307			536,651
Grants in Lieu	525	1,769,207	1,769,732		
Prov. - Mun. Tax Sharing		5,441,848	5,441,848		
Prov. - Mun. Support Grants		498,991	498,991		
VLT Revenues		710,433	710,433		
Conditional Grants	311,996	2,192,859	2,087,606	(243)	417,006
General Govt.	5,310	6,600	11,910		
Protection	30,000	426,096	226,096		230,000
Transportation	198,950	1,015,287	1,107,007	(243)	106,987
Environmental Health	19,858	31,062	20,131		30,789
Public Health & Welfare		356,481	356,481		
Environmental Planning	53,878	337,573	342,221		49,230
Employment Programs		1,640	1,640		
Economic Development	4,000	18,120	22,120		
Recreation					
FEDERAL					
Grants in Lieu	3,534	233,738	222,011		15,261
Unconditional Grants					
Conditional Grants (Spec):	142,310	183,277	246,203		79,384
Airport Grant	141,500		141,500		
Canada Day		10,196	10,196		
C4 Project		61,909	61,250		659
Employment Programs					
Economic Development & Heritage	810	111,172	33,257		78,725
LOCAL (Specify name of Govt. and type of grant as above)					
Grants in Lieu -- B.I.A.		5,954	5,954		
MB Metis Federation -		25,000	25,000		
Northern Plains Aboriginal Centre					
DOTC -		25,000			25,000
Northern Plains Aboriginal Centre					
UTILITY FUND		(Statement 11)			(Statement 4)
Provincial Grant	1,030,000	9,794	884,494		155,300
Federal Grant					
Local Grant					
GENERAL CAPITAL GRANTS (Specify Govt. and type as above):		(Statement 13)			(Statement 3)
PROVINCIAL					
FEDERAL					
LOCAL					
UTILITY CAPITAL GRANTS		(Statement 14)			(Statement 6)
PROVINCIAL					
FEDERAL					
LOCAL					

NOTE: Provincial and Federal includes both Government and Enterprises.

SCHEDULE 4

**ANALYSIS OF SCHOOL ACCOUNTS
FOR THE YEAR ENDED DECEMBER 31, 2005**

	OUTSTANDING JANUARY 1	CURRENT REQUIREMENT	CURRENT PAYMENTS	OUTSTANDING DECEMBER 31 (STATEMENT 1)
EDUCATION SUPPORT LEVIES	176,181	7,128,649	7,105,292	199,538
SPECIAL LEVIES:				
School Division: <u>Brandon</u>	352,619	14,617,032	14,560,374	409,277
TOTAL	528,800	21,745,681	21,665,666	608,815

#REF!

SCHEDULE 5

ANALYSIS OF RESERVE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005

RESERVE NAME BY-LAW NO.	Ambulance 3705	Brandon Municipal Airport 6353	Capital Development 4967	Centennial Auditorium 4647
BALANCE, JANUARY 1	198,184	225,488	404,356	304,367
ADD: Interest Earned	9,227	11,074	22,298	14,239
Appropriation (Statement 10)	9,050	25,000	77,625	10,000
Surplus Appropriation (Statement 9)				
Transfer From Surplus Acc. (Statement 8)				
Development Agreement Funds			82,924	
SUB-TOTAL	216,461	261,562	587,203	328,606
DEDUCT: Purchases (Statement 13)				
Transfer To Revenue (Statement 9)				
SUB-TOTAL				
BALANCE, DECEMBER 31 - Statement 2	216,461	261,562	587,203	328,606

RESERVE NAME BY-LAW NO.	Civic Services Complex 5655	Clare Ave Extension 6722	Cumulative Benefits 5179	Disposal Site (Sanitation) 4528
BALANCE, JANUARY 1	322,449	19,742	103,918	716,772
ADD: Interest Earned	15,663	1,225	6,996	33,577
Appropriation (Statement 10)	30,000		75,000	25,000
Transfer From Surplus Acc. (Stmt. 8)				
Development Agreement Funds		70,755		
SUB-TOTAL	368,112	91,722	185,914	775,349
DEDUCT: Purchases (Statement 13)				
Transfer To Revenue (Statement 9)				
SUB-TOTAL				
BALANCE, DECEMBER 31 - Statement 2	368,112	91,722	185,914	775,349

RESERVE NAME BY-LAW NO.	Dyking and Flood Control 4923	E-911 Equipment 6563	Elections 5760	Fire Fighting Equipment 3708
BALANCE, JANUARY 1	682,625	341,740	98,004	100,798
ADD: Interest Earned	31,268	17,682	5,532	5,463
Appropriation (Statement 10)		75,000	35,000	15,000
SUB-TOTAL	713,893	434,422	138,536	121,261
DEDUCT: Purchases (Statement 13)		7,040		2,803
Transfer To Revenue (Statement 9)				
SUB-TOTAL				
BALANCE, DECEMBER 31 - Statement 2	713,893	427,382	138,536	118,458

#REF!

SCHEDULE 5

**ANALYSIS OF RESERVE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005**

RESERVE NAME BY-LAW NO.	Fire Vehicles 6731	General 3620	Gravel Pit 3652	Kirkcaldy Heights 4050
BALANCE, JANUARY 1	166,882	1,009,856	362,202	105,258
ADD: Interest Earned	9,277	46,256	16,590	4,821
Appropriation (Statement 10)	120,227			
Surplus Appropriation (Statement 9)				
Transfer From Surplus Acc. (Stmt. 8)				
SUB-TOTAL	296,386	1,056,112	378,792	110,079
DEDUCT: Purchases (Statement 13)	77,993			
Transfer To Revenue (Statement 9)				
SUB-TOTAL	77,993			
BALANCE, DECEMBER 31 - Statement 2	218,393	1,056,112	378,792	110,079

RESERVE NAME BY-LAW NO.	Land Acquisition 5765	Library / Arts Building 5259	Machinery and Equipment 3675	Major Event Hosting 6260
BALANCE, JANUARY 1	522,985	34,348	1,765,526	114,664
ADD: Interest Earned	24,425	1,871	85,124	4,971
Appropriation (Statement 10)	40,000	10,000	1,414,053	
Transfer From Surplus Acc. (Stmt. 8)				
City's 125th Celebration - 2007				5,000
SUB-TOTAL	587,410	46,219	3,264,703	124,635
DEDUCT: Purchases (Statement 13)	21,700		1,068,112	
Transfer To Revenue (Statement 9)				22,397
BALANCE, DECEMBER 31 - Statement 2	565,710	46,219	2,196,591	102,238

RESERVE NAME BY-LAW NO.	Municipal Building 3653	Municipal Building Maintenance 4368	Office Equipment 3656	Parks 6660
BALANCE, JANUARY 1	24,328	255,489	364,909	468,177
ADD: Interest Earned	1,115	12,931	28,063	20,546
Appropriation (Statement 10)		45,000	275,000	32,350
Transfer From Surplus Acc. (Stmt. 8)				
Land Dedication Funds				3,119
SUB-TOTAL	25,443	313,420	667,972	524,192
DEDUCT: Purchases (Statement 13)		106,400	85,876	
Transfer To Revenue (Statement 9)				93,369
BALANCE, DECEMBER 31 - Statement 2	25,443	207,020	582,096	430,823

#REF!

SCHEDULE 5

ANALYSIS OF RESERVE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005

RESERVE NAME BY-LAW NO.	Perpetual Care 6562	Police Equipment 4442	Police Vehicles 6730	Professional Fees 5886
BALANCE, JANUARY 1	228,238	356,052	369,173	61,178
ADD: Interest Earned	11,426	17,304	17,008	3,100
Appropriation (Statement 10)	37,860	185,000	241,425	10,000
Surplus Appropriation (Statement 9)				
Transfer From Surplus Acc. (Stmt. 8)				
SUB-TOTAL	277,524	558,356	627,606	74,278
DEDUCT: Purchases (Statement 13)		289,160	194,000	
Transfer To Revenue (Statement 9)				
SUB-TOTAL		289,160	194,000	
BALANCE, DECEMBER 31 - Statement 2	277,524	269,196	433,606	74,278

RESERVE NAME BY-LAW NO.	Protective Services Bldg 6729	Recreation Centre 4750	Snow Clearing 6540	Social Development 6564
BALANCE, JANUARY 1	1,637,247	156,936	251,587	7,041
ADD: Interest Earned	70,607	8,130	11,524	323
Appropriation (Statement 10)	885,904	46,890		
Transfer From Surplus Acc. (Stmt. 8)				
SUB-TOTAL	2,593,758	211,956	263,111	7,364
DEDUCT: Purchases (Statement 13)	441,763	17,813		
Transfer To Revenue (Statement 9)				
BALANCE, DECEMBER 31 - Statement 2	2,151,995	194,143	263,111	7,364

RESERVE NAME BY-LAW NO.	Sportsplex 5066	Storm Sewer 3835	Traffic Control Devices 4751	Transit System Equipment 3654
BALANCE, JANUARY 1	695,906	1,612,502	171,459	1,911,416
ADD: Interest Earned	30,878	71,114	7,937	90,220
Appropriation (Statement 10)	75,000	341,848	15,000	221,035
Transfer From Surplus Acc. (Stmt. 8)				
Development Agreement Funds			5,000	
SUB-TOTAL	801,784	2,025,464	199,396	2,222,671
DEDUCT: Purchases (Statement 13)	183,521	454,044	33,824	456,414
Transfer To Revenue (Statement 9)		38,873	87,656	
BALANCE, DECEMBER 31 - Statement 2	618,263	1,532,547	77,916	1,766,257

#REF!

SCHEDULE 5

**ANALYSIS OF RESERVE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005**

RESERVE NAME BY-LAW NO.	Waverly Heights 6141	Westbran Stadium 6251	26th Street South of Maryland 6140	8th Street Bridge 6661
BALANCE, JANUARY 1	125,072	30,525	83,263	917,425
ADD: Interest Earned	5,799	1,398	3,935	47,686
Appropriation (Statement 10)				190,000
Surplus Appropriation (Statement 9)				
Transfer From Surplus Acc. (Stmnt. 8)				
Development Agreement Funds			15,447	
SUB-TOTAL	130,871	31,923	102,645	1,155,111
DEDUCT: Purchases (Statement 13)	-1,237			
Transfer To Revenue (Statement 9)				
SUB-TOTAL	-1,237			
BALANCE, DECEMBER 31 - Statement 2	132,108	31,923	102,645	1,155,111

RESERVE NAME BY-LAW NO.				
BALANCE, JANUARY 1				
ADD: Interest Earned				
Appropriation (Statement 10)				
Transfer From Surplus Acc. (Stmnt. 8)				
SUB-TOTAL				
DEDUCT: Purchases (Statement 13)				
Transfer To Revenue (Statement 9)				
BALANCE, DECEMBER 31 - Statement 2				

RESERVE NAME BY-LAW NO.	Water Distribution 6382	Wastewater Distribution 6732	Industrial WWTF 6623	
BALANCE, JANUARY 1	2,480,393	1,683,542	117,552	
ADD: Interest Earned	134,048	89,036	5,297	
Appropriation (Statement 11)	509,794	400,000	20,000	
Transfer From Surplus Acc. (Stmnt. 8)				
SUB-TOTAL	3,124,235	2,172,578	142,849	
DEDUCT: Purchases (Statement 14)	-36,419			
Transfer To Revenue (Statement 11)				
BALANCE, DECEMBER 31 - Statement 5	3,160,654	2,172,578	142,849	

#REF!

SCHEDULE 6

ANALYSIS OF INVESTMENTS

AS AT DECEMBER 31, 2005

TYPE	DUE DATE D/M/Y	INTEREST RATE	INTEREST EARNED	AMOUNT	TOTAL
GOVERNMENT OF CANADA	15/03/08	4.40%	91,106	3,953,267	3,953,267
PROVINCE OF MANITOBA AND AGENCIES					
OTHER PROVINCES OR PROVINCIAL AGENCIES					
Province of B.C.	21/09/05	6.01%	42,231		
BY-LAW					
DEBENTURES OF OWN MUNICIPALITY	Various	Various	50,053	516,464	516,464
DEBENTURES OF OTHER LOCAL GOVERNMENTS					
MANITOBA INVESTMENT POOL AUTHORITY					
OTHER INVESTMENTS					
Bank Bonds	Various	Various	117,839	5,798,779	
Bank GIC's	Various	Various	304,526	5,604,730	
Richardson's T-Bills			6,906	1,285,182	
Bankers Acceptance			54,600		
Mortgages Receivable	Various	Various	9,795	286,043	
Brandon Regional Health Authority		6.50%	74,976	1,068,925	
Millenium Park	1/5/2006			15,000	14,058,659
TOTAL INVESTMENTS					18,528,390

INVESTMENT HOLDINGS

AS AT DECEMBER 31, 2005

	NAME OF RESERVE	RESERVED (Statements 2-5)	TRUST (Statement 7)	UNRESERVED (Statements 14)	TOTAL
GOVERNMENT OF CANADA	Various	3,953,267			3,953,267
PROVINCE OF MANITOBA					
OTHER PROVINCES OR AGENCIES					
DEBENTURES OF OWN MUNICIPALITY	BY-LAW Various	516,464			516,464
DEBENTURES OF OTHER LOCAL GOVERNMENTS					
MANITOBA INVESTMENT POOL AUTHORITY					
OTHER INVESTMENTS	Various	14,058,659			14,058,659
TOTAL INVESTMENTS					18,528,390

INVESTMENT CHANGES

FOR THE YEAR ENDED DECEMBER 31, 2005

TOTAL INVESTMENTS, JANUARY 1					10,623,681
INVESTMENTS ACQUIRED	Various			20,817,447	20,817,447
INVESTMENTS SOLD					31,441,128
INVESTMENTS MATURED	Various			12,912,738	12,912,738
TOTAL INVESTMENTS, DECEMBER 31					18,528,390

ANALYSIS OF DEBENTURE INDEBTEDNESS

SCHEDULE 7

AS AT DECEMBER 31, 2005

AUTHORITY	PURPOSE	YEAR OF ISSUE	ORIGINAL AMOUNT	PURCHASED BY (A)	PAYABLE	TERM	MATURITY DATE	INTEREST RATE	CURRENT LEVY		OUTSTANDING DECEMBER 31
									PRINCIPAL	INTEREST	
5973/10/92	Local Improvements	1992	335,000	E	CDN	14	2005	10.250%	41,811	4,286	
6144-A-4	Local Improvements	1993	113,000	E	CDN	14	2007	7.875 to 8%	11,000	2,692	23,000
6428/74/96	Local Improvements	1996	29,400	C	CDN	15	2010	8.875%	2,174	1,447	14,128
6429/75/96	Local Improvements	1996	306,714	C	CDN	15	2010	8.500%	22,639	14,296	145,546
6442/05/97	Local Improvements	1997	3,825	C	CDN	15	2011	8.375%	260	197	2,090
6443/06/97	Local Improvements	1997	32,650	C	CDN	15	2011	8.375%	2,222	1,680	17,837
6448/11/97	Local Improvements	1997	11,410	C	CDN	15	2011	8.375%	777	587	6,233
6449/12/97	Local Improvements	1997	5,625	C	CDN	15	2011	8.375%	384	289	3,072
6029/66/92	Keystone Centre Expansion	1992	1,312,000	E	CDN	15	2007	9.000%	125,685	37,080	286,322
SUB-TOTAL -- LOCAL IMPROVEMENTS									206,952	62,554	498,228
6144-A-3	Parks Complex	1993	725,000	E	CDN	14	2007	7.875 to 8%	68,000	17,424	152,000
6659	Library/Arts Building	2002	2,400,000	E	CDN	10	2011	4.375 to 5.875%	217,000	96,183	1,579,000
SUB-TOTAL -- OTHER									285,000	113,607	1,731,000

CURRENT LEVY 491,952 176,160

TOTAL PRINCIPAL OUTSTANDING, DECEMBER 31, - SCHEDULE 8 2,229,228

NOTE (a): INDICATE WHETHER TOTAL SERIES PURCHASED BY: (A) FEDERAL GOVERNMENT (B) PROVINCIAL GOVERNMENT (C) OWN MUNICIPALITY (D) OTHER MUNICIPALITY (E) PUBLIC

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ANALYSIS OF DEBENTURE INDEBTEDNESS

SCHEDULE 7

AS AT DECEMBER 31, 2005

AUTHORITY	PURPOSE	YEAR OF ISSUE	ORIGINAL AMOUNT	PURCHASED BY (A)	PAYABLE	TERM	MATURITY DATE	INTEREST RATE	CURRENT LEVY		OUTSTANDING DECEMBER 31
									PRINCIPAL	INTEREST	
5609/54/88	Sewage Treatment	1988	98,600	E	CDN	20	2008	12.125%	8,418	4,887	31,885
5649/15/89	Sewage Treatment	1988	357,000	B	CDN	20	2008	11.125%	29,639	15,558	110,210
5818/93/90	Sewage Treatment	1990	109,000	B	CDN	20	2009	10.500%	8,039	5,204	41,527
5859/16/91	Sewage Treatment	1991	667,000	B	CDN	20	2010	11.375%	44,964	40,857	314,219
5982/19/92	Sewage Treatment	1991	588,000	B	CDN	20	2011	10.500%	35,513	35,925	306,625
6144-A-1	Sewage Treatment	1993	5,443,000	E	CDN	19	2012	7.875 to 8.50%	299,000	264,478	2,927,000
6144-A-2	Water Distribution	1993	853,000	E	CDN	14	2007	7.875 to 8.50%	80,000	20,512	179,000
6427/73/96	Wastewater Treatment Plant	1996	489,000	C	CDN	19	2014	9.000%	23,079	31,557	327,557
6545	9th Street Water Reservoir	2000	3,182,000	E	CDN	10	2010	6.375 to 6.750%	187,000	169,211	2,350,000
6546	Industrial Wastewater Treatment Facility	2000	4,827,000	E	CDN	10	2010	6.375 to 6.750%	284,000	256,688	3,565,000
6544	Direct Discharge/Disinfection	2002	2,770,000	E	CDN	10	2011	4.375 to 5.875%	253,000	110,173	1,806,000
SUB-TOTAL -- OTHER									1,252,652	955,050	11,959,023
6687	Water Meter Upgrade	2003	2,500,000	E	CDN	10	2012	4.125 to 5.500%	221,000	102,838	1,861,000
SUB-TOTAL -- LOCAL IMPROVEMENTS									221,000	102,838	1,861,000

CURRENT LEVY 1,473,652 1,057,888

TOTAL PRINCIPAL OUTSTANDING, DECEMBER 31, - SCHEDULE 8 13,820,023

NOTE (a): INDICATE WHETHER TOTAL SERIES PURCHASED BY: (A) FEDERAL GOVERNMENT (B) PROVINCIAL GOVERNMENT (C) OWN MUNICIPALITY (D) OTHER MUNICIPALITY (E) PUBLIC

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STATISTICAL INFORMATION

FOR THE YEAR ENDED DECEMBER 31, 2005

TAXABLE ASSESSMENT (PORTIONED)

Land	
Buildings	
Total Real Property	
Personal Property	
Subject to Grant	
Total Taxable & Grant Property	
Exempt	
Business	

TO BE
COMPLETED
BY DEPARTMENT

POPULATION (LATEST CENSUS OF CANADA) 39,716

BUDGET RECONCILIATION - GENERAL FUND

Revenue - Surplus (Deficit)	1,792,567
Expended - Under (Over)	-1,792,567
Estimated Surplus (Deficit)	
Operating Surplus (Deficit)	
Operating Surplus (Deficit) - Prior Year	
Gain or (Loss)	

CASH POSITION

	GENERAL FUND	COMBINED FUND
Cash Surplus (Deficit) - Current Year	(21,622,480)	(21,622,480)
Cash Surplus (Deficit) - Prior Year	(15,847,748)	(15,847,748)
Gain or (Loss)	(5,774,732)	(5,774,732)

DEFICIT RECOVERIES AND DEFERRED SURPLUS LEVIES

GENERAL FUND OPERATING DEFICITS

Year	Authority			Actual Amount	Recoveries	Outstanding December 31
	Date	Term	Amount			

UTILITY OPERATING DEFICITS

Year	Authority			Actual Amount	Recoveries	Outstanding December 31
	Date	Term	Amount			

BY-LAW OBLIGATIONS

Year	Purpose	By-Law Number	Amount	Amount	Recoveries	Outstanding December 31

TAX COLLECTIONS

TAXES ON ROLL - Current - Cash Collections	45,990,226
- Tax Credit Programs	80,850
- Arrears	1,704,991
- Total	47,776,067
TAX SALE CERTIFICATES	
LAND SALES	
TOTAL COLLECTIONS	47,776,067

**STATISTICAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2005**

**STATEMENT OF CONSOLIDATED INCOME AND EXPENDITURE
GROSS INCOME**

GENERAL OPERATING FUND:			
Total Revenue From External Sources		45,310,131	
Less: Provincial Government Grants	9,902,905		
Federal Government Grants	417,015		
Interest Received from Reserves		10,319,920	34,990,211
UTILITY OPERATING FUND:			
Total Revenue		12,360,108	
Less: Provincial Government Grant	9,794		
Federal Government Grant			
Hydrant Rentals	153,750	163,544	12,196,564
GOVERNMENT GRANTS			
Provincial Government			
- General Fund		9,902,905	
- Utility Fund		9,794	
- General Capital Fund			
- Utility Capital Fund			9,912,699
Federal Government			
- General Fund		417,015	
- Utility Fund			
- General Capital Fund			
- Utility Capital Fund			417,015
RESERVE FUNDS:			
Interest Earned	1,057,004		
Less: Interest Received on Own Debentures	50,053	1,006,951	
Other Income from External Sources		182,245	1,189,196
CAPITAL FUNDS:			
Debtore Borrowing - General			
- Utility			
Short-Term Borrowings:			
Bank - General			
- Utility			
Other - General			
- Utility			
Other Income from External Sources:			
Prepaid Local Improvement Levies			
- General			
- Utility			
Other Grants - General			
- Utility			
Accounts Payable - General			
- Utility			
Other - General			
- Utility			
TOTAL GROSS INCOME			58,705,685
USE OF PRIOR YEARS' INCOME:			
GENERAL OPERATING FUND:			
Surplus Transfers - General Reserve	242,295		
Operating Deficit			
Interest Received from Reserves		242,295	
UTILITY OPERATING FUND:			
Transfer from Reserve Fund			
Operating Deficit			
RESERVE FUNDS:			
Operating Deficit			242,295
CAPITAL FUNDS:			
Unexpended Funds January 1			
Short-Term Borrowings - Other Funds			
Transferred from Reserves		3,402,807	3,402,807
TOTAL			62,350,787

THE CITY OF BRANDON
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005

1. SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies of the City:

(a) Revenue Recognition

1. Revenue accounts are maintained using the accrual method of reporting where user fees and other revenue is recognized when the services are performed and the revenue has been earned.
2. Tax Levy, Grants in Lieu and other Grant Revenue are recognized in the period that the levy or grant covers and as the expenditures that the grant covers are incurred.

(b) Expense Recognition

Expense accounts are maintained using the accrual method of reporting, except that principal and interest charges on debentures outstanding from the due date of payment to the end of the year are not accrued.

(c) Inventories

Inventories are stated at cost, using an average cost pricing method, except land inventory which is recorded at cost.

(d) Financial Instruments

The City's financial instruments consist of cash, accounts receivable, temporary and long-term investments, bank indebtedness, accounts payable and long-term debt. Unless otherwise noted, it is management's opinion that the City is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of the financial instruments approximate their carrying values, except investments which are recorded at cost.

(e) Fixed Assets

Fixed assets including land, buildings and equipment are recorded in a capital fund at the following values:

1. Land assets – at cost.
2. Buildings acquired prior to 1997 – at cost, if available, otherwise at 1998 assessed value based on 1995 market values. A reconciliation was performed in 1997 to update the building asset accounts; the cost of all buildings was not available.
3. Buildings acquired subsequent to 1997 – at cost.
4. Other assets acquired prior to 1963 – market value as at 31 December 1962.
5. Additions subsequent to 1963 – at cost.

No amortization is provided on fixed assets.

THE CITY OF BRANDON
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005

(f) Capital Assets

Local improvements for roads, sidewalks, wastewater and water distribution systems, etc., are financed by frontage levies, grants or long term debt. The capital assets are recorded in a capital fund at the amount of the outstanding long-term debt.

(g) Reserves

Reserve funds are established by by-law for the purpose of accumulating funds for future operating and capital expenditures. Appropriations to reserve funds are charged to expenditure in the revenue funds.

(h) Use of Estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

2. PENSION PLAN

The majority of City of Brandon employees participate in the Manitoba Municipal Employees Benefits Program Pension Plan which is a defined benefit pension plan that provides benefits based on length of service and pensionable salaries. This plan is fully funded by employee contributions and a matching employer contribution. The actuarial report as at December 31, 2002 indicates a surplus.

Some employees, who were in the employ of the City of Brandon prior to January 1, 1977, participate in pension plans for employees of the City of Brandon as provided under Pension By-law No. 6678 and 6679, which are both defined benefit pension plans. The actuarial report as at December 31, 2003 indicates a deficit for these plans.

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

THE CITY OF BRANDON
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005

3. ENVIRONMENTAL LIABILITY

The City of Brandon owns property located on the east side of 1st Street at Pacific Avenue (proposed Public Safety Building location) that is in the process of an environmental assessment and holds a future environmental liability. Although the cost of cleanup is not determinable at this time, the cost is expected to be significant with the best available estimates ranging from \$2,000,000 to \$4,000,000.

4. LEGAL CLAIMS

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

#REF!

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**STATISTICAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2005**

**STATEMENT OF CONSOLIDATED INCOME AND EXPENDITURE
GROSS EXPENDITURE**

GENERAL OPERATING FUND:

Total Services (Less: Hydrant Rentals, Statement 11)		45,398,676	
Less: Appropriations to Reserves	4,563,267		
Contributions to Capital	609,634		
Contributions to Utility, Transit, and Airport	1,844,529		
Debt Charges	756,622	7,774,052	37,624,624

UTILITY OPERATING FUND:

Water Supply		6,390,933	
Sewage Collection and Disposal		3,245,957	9,636,890

DEBT CHARGES

Debenture Debt Charge - General	668,112		
- Utility	2,531,540	3,199,652	
Less: Debenture Debt Charges on Own Debenture held in Reserves -General			
-Utility			3,199,652
Other Debt Charges -General		88,510	
-Utility			
-General Capital Fund			
-Utility Capital Fund			88,510

RESERVE FUND

Purchase (Excluding those Funds Transferred to Capital Funds)			
Other Transfers to External Recipients			

CAPITAL FUNDS:

Capital Expenditures -General		4,048,860	
-Utility		769,049	4,817,909
Repay Bank Borrowings -General			
-Utility			
Other Transfers to External Recipients			
Repay Other Short-Term Borrowings			
-General			
-Utility			
Repay Accounts Payable -General			
-Utility			
Other -General			
-Utility			

TOTAL GROSS EXPENDITURES

55,367,585

FUNDS AVAILABLE FOR FUTURE YEARS

GENERAL OPERATING FUND:

Surplus Appropriations			
Appropriations to Reserves	4,563,267		
Operating Surplus			
Debenture Debt Charges on Debenture held in Reserves		4,563,267	

UTILITY OPERATING FUND

Surplus Appropriations			
Appropriations to Reserves	929,794		
Operating Surplus	300,945		
Debenture Debt Charges on Debenture held in Reserves		1,230,739	

RESERVE FUNDS:

Operating Surplus		1,189,196	6,983,202
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CAPITAL FUNDS:

Repay Short-Term Borrowing - Other Funds			
Unexpended Funds, December 31			

TOTAL

62,350,787