

FINANCIAL

REPORT

2003

CITY OF 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, 2003 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, 2003 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 19, 2004



CHARTERED ACCOUNTANTS

CITY OF BRANDON

STATEMENT 1

GENERAL OPERATING FUND BALANCE SHEET
AS AT DECEMBER 31, 2003

ASSETS

CASH

| | | | |
|------------------|--|-----------|-----------|
| Cash on hand | | 4,015 | |
| Cash on deposit | | 4,491,514 | |
| Deposit Receipts | | | 4,495,529 |

RECEIVABLES

| | | | |
|--|-----------|-----------|-----------|
| Tax assets - Schedule 1 | | 1,928,786 | |
| Government Grants - Schedule 3 | | 608,841 | |
| Own Funds and Agencies | | | |
| Utility Operating Fund | | | |
| Utility Capital Fund | | | |
| General Capital Fund | 1,746,800 | | |
| Reserves | | | |
| Trusts | | 1,746,800 | |
| Operating Accounts Receivable | | | |
| Organizations and Individuals | 5,348,911 | | |
| Federal Government | 215,905 | | |
| Federal Government Enterprises | | | |
| Provincial Government | | | |
| Provincial Government Enterprises | | | |
| Other Local Governments | | 5,564,816 | |
| Other Receivables | | | |
| Sub Total | | 9,849,243 | |
| Less: Allowances for Doubtful Accounts | | | |
| Other Allowances | | | 9,849,243 |

INVESTMENTS - SCHEDULE 6

16,745,895

INVENTORIES

1,046,324

PREPAID EXPENSES

116,266

TOTAL ASSETS

32,253,257

LIABILITIES AND SURPLUS

TEMPORARY BORROWINGS

| | | | |
|------------------------------|--|--|--|
| Chartered Banks | | | |
| Other Financial Institutions | | | |
| Other Funds | | | |
| Other | | | |

PAYABLES

| | | | |
|-----------------------------------|------------|------------|------------|
| School Levies - Schedule 4 | | 782,644 | |
| Own Funds and Agencies | | | |
| Utility Operating Fund | 4,696,756 | | |
| Reserves | 15,577,649 | | |
| Trusts | 199,929 | | |
| Other | | 20,474,334 | |
| Operating Accounts Payable | | | |
| Organizations and Individuals | 8,278,421 | | |
| Federal Government | | | |
| Federal Government Enterprises | | | |
| Provincial Government | | | |
| Provincial Government Enterprises | | | |
| Other Local Governments | | 8,278,421 | |
| Debenture Instalments | | | 29,535,399 |

OTHER LIABILITIES

| | | | |
|-----------------------------|--|--|--|
| Land Sale Deposits | | | |
| Debenture Levies in Advance | | | |
| Prepaid taxes | | | |
| Deferred Revenue - Note | | | |

TOTAL CURRENT LIABILITIES

29,535,399

ALLOWANCE FOR TAX ASSETS - STATEMENT 8

432,120

NOMINAL SURPLUS - STATEMENT 8

2,285,739

TOTAL LIABILITIES AND SURPLUS

32,253,257

CITY OF BRANDON

STATEMENT 2

GENERAL RESERVE FUND BALANCE SHEET

AS AT DECEMBER 31, 2003

| RESERVE NAME | CASH ASSETS | INVESTMENTS (SCHEDULE 6) | DUE FROM (TO) OTHER FUNDS | OTHER ASSETS | TOTAL (SCHEDULE 5) |
|--------------|----------------|-----------------------------|------------------------------|-----------------|-----------------------|
| General | | | | | |
| Replacement | | | | | |
| Centennial | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
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| | | | | | |
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| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| TOTAL | (SEE PAGE 3) | | | | |

STATEMENT 3

GENERAL CAPITAL FUND BALANCE SHEET

AS AT DECEMBER 31, 2003

| 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 | | 1,747,625 |
| FIXED ASSETS | | |
| Buildings | 19,542,936 | |
| Machinery and Equipment | 27,324,685 | |
| Land | 5,122,382 | |
| Other | | 51,990,003 |
| DEBT CHARGES RECOVERABLE (CAPITAL ASSETS) | | |
| Debenture Levies | 932,790 | |
| Deferred Liability Levies | | 932,790 |
| OTHER ASSETS | | |
| TOTAL ASSETS | | 54,670,418 |
| LIABILITIES AND SURPLUS | | |
| TEMPORARY BORROWINGS | | |
| Chartered Banks | | |
| Other Financial Institutions | | |
| Own Funds | 1,746,800 | |
| Other | | 1,746,800 |
| PAYABLES | | |
| Organizations and Individuals | | |
| Federal Government | | |
| Federal Government Enterprises | | |
| Provincial Government | | |
| Provincial Government Enterprises | | |
| OTHER LIABILITIES | | |
| LONG-TERM DEBT | | |
| Debentures - Schedule 8 | 3,219,790 | |
| Deferred Liabilities - Note | | 3,219,790 |
| CAPITAL SURPLUS - STATEMENT 8 | | 49,703,828 |
| TOTAL LIABILITIES AND SURPLUS | | 54,670,418 |

CITY OF BRANDON

STATEMENT 4

UTILITY OPERATING FUND BALANCE SHEET

AS AT DECEMBER 31, 2003

ASSETS

CASH

Cash on hand
Cash on deposit
Deposit Receipts

RECEIVABLES

Government Grants - Schedule 3
Own Funds and Agencies
 General Operating Fund
 General Capital Fund
 Utility Capital Fund
 Reserves
 Trusts

Operating Accounts Receivable
 Organizations and individuals
 Federal Government
 Federal Government Enterprises
 Provincial Government
 Provincial Government Enterprises
 Other Local Governments

Other Receivables

Sub Total

Less: Allowances for Doubtful Accounts

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
 Trusts
 Other

Operating Accounts Payable
 Organizations and individuals
 Federal Government
 Federal Government Enterprises
 Provincial Government
 Provincial Government Enterprises
 Other Local Governments

Debenture Instalments

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, 2003

| RESERVE NAME | CASH ASSETS | INVESTMENTS (SCHEDULE 6) | DUE FROM (TO) OTHER FUNDS | OTHER ASSETS | TOTAL (SCHEDULE 5) |
|-------------------------|----------------|-----------------------------|------------------------------|-----------------|-----------------------|
| Water Distribution | | | 3,016,104 | | 3,016,104 |
| Industrial WWTF | | | 93,268 | | 93,268 |
| Wastewater Distribution | | | 675,616 | | 675,616 |
| | | | | | |
| Total | | | 3,784,988 | | 3,784,988 |

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

CITY OF BRANDON

STATEMENT 6

UTILITY CAPITAL FUND BALANCE SHEET

AS AT DECEMBER 31, 2003

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 | | 33,239,602 | |
| Machinery and Equipment | | 5,267,267 | |
| Land | | 71,469 | |
| Other | | | 38,578,338 |
| DEBT CHARGES RECOVERABLE (CAPITAL ASSETS) | | | |
| Debenture Levies | | 2,295,000 | |
| Deferred Liability Levies | | | 2,295,000 |
| OTHER ASSETS | | | |
| TOTAL ASSETS | | | 40,873,338 |

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 | | 16,680,813 | |
| Deferred Liabilities - Note | | | 16,680,813 |
| CAPITAL SURPLUS - STATEMENT 8 | | | 24,192,525 |
| TOTAL LIABILITIES AND SURPLUS | | | 40,873,338 |

STATEMENT 7

TRUST FUND BALANCE SHEET

AS AT DECEMBER 31, 2003

ASSETS

| TRUST NAME | INVESTMENTS | | | | TOTAL |
|----------------------------------|-------------|--------------|-------------|-------|---------|
| | CASH | (Schedule 6) | OTHER FUNDS | OTHER | |
| Parks & Recreation | | | | | |
| Debenture Principal & Interest | | | | | |
| Land Options & Property Deposits | | | 44,700 | | 44,700 |
| Other | | | 164,229 | | 164,229 |
| TOTAL | | | 208,929 | | 208,929 |

LIABILITIES

| Parks & Recreation | LIABILITIES | | | | TOTAL |
|----------------------------------|-------------|-------------|-------|---------|---------|
| | PAYABLES | OTHER FUNDS | OTHER | TRUST | |
| Debenture Principal & Interest | | | | | |
| Land Options & Property Deposits | | | | 44,700 | 44,700 |
| Other | | | | 164,229 | 164,229 |
| TOTAL | | | | 208,929 | 208,929 |

CITY OF BRANDON

STATEMENT 8

SURPLUS ACCOUNTS AND ALLOWANCE FOR TAX ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2003

ALLOWANCE FOR TAX ASSETS

| | | |
|------------------------------------|--------------------------------------|---------|
| Balance, January 1 | | 389,695 |
| Add: | Transfer From Revenue - Statement 10 | 182,468 |
| | Profit on Tax Title Sales | |
| | Transfer From Nominal Surplus | |
| | Tax Titles Established | |
| | | |
| | | 182,468 |
| | Sub-Total | 572,163 |
| Deduct: | Taxes Cancelled - Schedule 1 | 140,043 |
| | T.S.C. Cancelled - Schedule 1 | |
| | Tax Titles Written Off - Schedule 1 | |
| | Transfer to Nominal Surplus | |
| | | |
| | | 140,043 |
| Balance, December 31 - Statement 1 | | 432,120 |

NOMINAL SURPLUS - GENERAL

| | | |
|------------------------------------|--|-----------|
| Balance, January 1 | | 2,322,824 |
| Add: | Transfer From Deferred Surplus - Statement 9 | |
| | Transfer From Allowance For Tax Assets | |
| | Operating Surplus - Statement 9 | |
| | Miscellaneous Income | 1,093 |
| | | |
| | | |
| | | 1,093 |
| | Sub-Total | 2,323,917 |
| Deduct: | Accts. Rec. Cancelled | 36,674 |
| | Transfer To General Reserve - Schedule 5 | |
| | Transfer To Allowance For Tax Assets | |
| | Transfer To Revenue - Statement 9 | |
| | Operating Deficit - Statement 9 | |
| | 2002 Inventory Error Correction | 1,504 |
| | | |
| | | 38,178 |
| Balance, December 31 - Statement 1 | | 2,285,739 |

NOMINAL SURPLUS - UTILITY

| | | |
|------------------------------------|---|-----------|
| Balance, January 1 | | 3,236,511 |
| Add: | Transfer From Deferred Surplus - Statement 11 | |
| | Other Transfers (Specify) | |
| | | |
| | Operating Surplus - Statement 11 | 121,717 |
| | To Remove Interfund Balances | 484,009 |
| | Sub-Total | 605,726 |
| | | 3,842,237 |
| Deduct: | Accts. Rec. Cancelled | |
| | Transfer To Utility Revenue - Statement 11 | |
| | Operating Deficit - Statement 11 | |
| | 2002 Inventory Error Correction | 8,897 |
| | | 8,897 |
| Balance, December 31 - Statement 4 | | 3,833,340 |

CAPITAL SURPLUS - GENERAL

| | | |
|------------------------------------|--------------------------|------------|
| Balance, January 1 | | 48,180,442 |
| Add: | Fixed Assets Acquired | 2,948,070 |
| | Debentures Redeemed | 259,000 |
| | | |
| | | |
| | Sub-Total | 3,207,070 |
| | | 51,387,512 |
| Deduct: | Disposal of Fixed Assets | 1,683,685 |
| | | |
| | | |
| | | 1,683,685 |
| Balance, December 31 - Statement 3 | | 49,703,828 |

CAPITAL SURPLUS - UTILITY

| | | |
|------------------------------------|------------------------------|------------|
| Balance, January 1 | | 22,337,135 |
| Add: | Fixed Assets Acquired | 1,237,360 |
| | Debentures Redeemed | 1,102,039 |
| | | |
| | Sub-Total | 2,339,399 |
| | | 24,676,534 |
| Deduct: | Disposal of Fixed Assets | |
| | To Remove Interfund Balances | 484,009 |
| | | |
| | | 484,009 |
| Balance, December 31 - Statement 6 | | 24,192,525 |

CITY OF BRANDON

STATEMENT 9

GENERAL OPERATING FUND
STATEMENT OF REVENUE AND EXPENDITURE

FOR THE YEAR ENDED DECEMBER 31, 2003

| REVENUE | | | |
|---|-----------|-----------|------------|
| TOTAL REVENUE FROM TAXATION | | | 21,716,723 |
| OTHER REVENUE | | | |
| Taxes Added - Schedule 1 | | 740,707 | |
| Licences and Permits | | 638,784 | |
| Fines | | 434,984 | |
| Parking Meter Fees | | 179,884 | |
| Sales of Service | | | |
| General Government | 153,399 | | |
| Protection | 2,227,944 | | |
| Transportation | 966,333 | | |
| Less: Costs | (966,333) | | |
| Environmental Health | 794,952 | | |
| Public Health and Welfare | 189,709 | | |
| Planning and Development | | | |
| Economic Development | 6,538 | | |
| Recreation and Culture | 1,093,163 | 5,432,038 | |
| Sales of Goods | | | |
| Rentals of Fixed Assets | | 381,456 | |
| Concessions and Franchises | | 177,829 | |
| Returns From Investments | | 29,241 | |
| Transfers From Utilities and Enterprises | | | |
| Tax Penalties - Schedule 1 | | 293,918 | |
| Miscellaneous Revenue | | 655,793 | |
| Grants in Lieu of Taxes - Schedule 3 | | | |
| Federal Government | 242,898 | | |
| Federal Government Enterprises | | | |
| Provincial Government | 1,753,080 | | |
| Provincial Government Enterprises | | | |
| Other Local Governments | | | |
| Non-Government Organizations | 89,204 | 2,085,182 | |
| Unconditional Government Transfers - Schedule 3 | | | |
| Federal Government | | | |
| Provincial - Municipal Tax Sharing | 5,214,809 | | |
| Provincial - Municipal Support Grants | 465,664 | | |
| Provincial Video Lottery Terminals | 556,952 | | |
| Other Local Governments | | 6,237,425 | |
| Conditional Government Transfers - Schedule 3 | | | |
| Federal Government | 23,006 | | |
| Provincial Government | 2,593,791 | | |
| Other Local Governments | 5,954 | 2,622,751 | 19,909,992 |
| TOTAL REVENUE FROM EXTERNAL SOURCES | | | 41,626,715 |
| TRANSFERS FROM ACCUMULATED SURPLUS - STATEMENT 8 | | | |
| TRANSFERS FROM RESERVES - SCHEDULE 5 | | | 984,562 |
| OPERATING DEFICIT - STATEMENT 8 | | | |
| TOTAL | | | 42,611,277 |
| EXPENDITURE | | | |
| GENERAL GOVERNMENT SERVICES | | | 5,788,289 |
| PROTECTIVE SERVICES | | | 13,612,007 |
| TRANSPORTATION SERVICES | | | 7,739,098 |
| ENVIRONMENTAL HEALTH SERVICES | | | 2,112,280 |
| PUBLIC HEALTH AND WELFARE SERVICES | | | 701,923 |
| ENVIRONMENTAL PLANNING AND COMMUNITY DEVELOPMENT SERVICES | | | 386,513 |
| ECONOMIC DEVELOPMENT SERVICES | | | 356,220 |
| RECREATION AND CULTURAL SERVICES | | | 4,386,973 |
| FISCAL SERVICES | | | 3,708,419 |
| TOTAL SERVICES | | | 38,791,721 |
| SURPLUS APPROPRIATIONS | | | |
| Deferred Surplus - Operating Deficit | | | |
| Deferred Surplus - By-Law Obligation | | | |
| Transfer to Reserves - Statement 10 | | 3,819,556 | 3,819,556 |
| OPERATING SURPLUS - STATEMENT 8 | | | |
| TOTAL | | | 42,611,277 |

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

CITY OF BRANDON

STATEMENT 10

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

FOR THE YEAR ENDED DECEMBER 31, 2003

| | ESTIMATED | ACTUAL | UNDERSPENT | OVERSPENT |
|--|------------|------------|------------|-----------|
| General Government Services | | | | |
| Legislative | 338,087 | 319,179 | 18,908 | |
| General Administrative | 5,163,232 | 4,390,770 | 772,462 | |
| Other General Government | 1,032,627 | 1,078,340 | | 45,713 |
| Total | 6,533,946 | 5,788,289 | 745,657 | |
| Protective Services | | | | |
| Police Protection | 7,480,129 | 7,313,626 | 166,503 | |
| Law Enforcement | | | | |
| Fire Protection | 2,318,199 | 2,425,472 | | 107,273 |
| Emergency Measures | 2,584,249 | 2,659,063 | | 74,814 |
| Other Protection | 1,366,158 | 1,213,846 | 152,312 | |
| Total | 13,748,735 | 13,612,007 | 136,728 | |
| Transportation Services | | | | |
| Road Transport | 4,586,281 | 4,249,059 | 337,222 | |
| Administration | 591,274 | 573,978 | 17,296 | |
| Engineering | 874,698 | 758,403 | 116,295 | |
| Roads and Streets | 2,035,041 | 1,886,672 | 148,369 | |
| Bridges, Subways | 1,617 | | 1,617 | |
| Street Lighting | 699,586 | 705,798 | | 6,212 |
| Traffic Services | 282,915 | 254,903 | 28,012 | |
| Parking | 101,150 | 69,305 | 31,845 | |
| Other Road Transport | | | | |
| Air Transport | 303,119 | 288,981 | 14,138 | |
| Water Transport | | | | |
| Public Transit | 2,862,956 | 3,201,058 | | 338,102 |
| Total | 7,752,356 | 7,739,098 | 13,258 | |
| Environmental Health Services | | | | |
| Garbage and Waste Collection and Disposal | 1,928,150 | 2,112,280 | | 184,130 |
| Other Environmental Health | | | | |
| Total | 1,928,150 | 2,112,280 | | 184,130 |
| Public Health and Welfare Services | | | | |
| Public Health (Cemeteries) | 189,902 | 210,689 | | 20,787 |
| Medical Care | | | | |
| Hospital Care | | | | |
| Social Welfare | 472,466 | 491,234 | | 18,768 |
| Total | 662,368 | 701,923 | | 39,555 |
| Environmental Planning and Community Development Services | | | | |
| Environmental Planning and Zoning | 205,605 | 193,827 | 11,778 | |
| Community Development | 175,847 | 192,686 | | 16,839 |
| Housing | | | | |
| Total | 381,452 | 386,513 | | 5,061 |
| Economic Development Services | | | | |
| Natural Resources | | | | |
| Regional Development Commissions | 401,915 | 356,220 | 45,695 | |
| Industrial Parks and Commissions | | | | |
| Other Economic Services | | | | |
| Total | 401,915 | 356,220 | 45,695 | |
| Recreation and Cultural Services | | | | |
| Recreation Facilities | 3,073,540 | 3,161,952 | | 88,412 |
| Cultural Buildings and Facilities | 439,215 | 439,215 | | |
| Other Recreation and Cultural Services | 788,347 | 785,806 | 2,541 | |
| Education Grants | | | | |
| Total | 4,301,102 | 4,386,973 | | 85,871 |
| SUB-TOTALS FORWARD | 35,710,024 | 35,083,302 | 626,722 | |

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

CITY OF BRANDON

STATEMENT 10

GENERAL OPERATING FUND
COMPARISON OF BUDGETED AND ACTUAL EXPENDITURE - CONTINUED

FOR THE YEAR ENDED DECEMBER 31, 2003

| | ESTIMATED | ACTUAL | UNDERSPENT | OVERSPENT |
|--|------------|------------|------------|-----------|
| SUB-TOTALS FORWARD | 35,710,024 | 35,083,302 | 626,722 | |
| Fiscal Services | | | | |
| Transfers to Other Governments | | | | |
| Other Municipal Government | | | | |
| <hr/> | | | | |
| Transfers to Own Funds | 2,554,778 | 2,894,234 | | 339,456 |
| Allowance For Tax Assets - Statement 8 | 31,022 | 182,468 | | 151,446 |
| Capital Fund - Statement 13 | 678,300 | 866,311 | | 188,011 |
| Utility Fund - Statement 11 | 1,845,456 | 1,845,455 | 1 | |
| Contribution to Other Funds | | | | |
| Phase-in Tax Credit | | | | |
| Public Debt Charges | 817,401 | 814,185 | 3,216 | |
| Debenture Debt Charges - Schedule 7 | 707,416 | 707,416 | | |
| Other Long-Term Debt Charges | | | | |
| Interest on Short-Term Financing | 109,985 | 106,769 | 3,216 | |
| Bank Loan Interest | 11,400 | 12,362 | | 962 |
| Other Fund Loan Interest | | | | |
| Tax Discounts - Schedule 1 | 98,585 | 94,407 | 4,178 | |
| Other Debt Charges | | | | |
| Debenture Discount | | | | |
| Debenture Issue Costs | | | | |
| Other | | | | |
| Other Fiscal Services | | | | |
| Total | 3,372,179 | 3,708,419 | | 336,240 |
| Transfer to Reserves | | | | |
| General Reserve | | | | |
| Specific Reserve | | | | |
| - Replacement Reserve | | | | |
| - Capital Development | | | | |
| - Other | 3,626,314 | 3,819,556 | | 193,242 |
| Total | 3,626,314 | 3,819,556 | | 193,242 |
| Surplus Appropriations | | | | |
| Total Estimated | 42,708,517 | | | |
| Total Actual | | 42,611,277 | | |
| Total Underspent | | | 97,240 | |
| Total Overspent | | | | |

RECONCILIATION WITH OPERATING SURPLUS OR DEFICIT

| REVENUE | ESTIMATED | ACTUAL | OVER(UNDER) |
|-----------------------------|------------|------------|-------------|
| Tax Revenue | 21,716,722 | 21,716,723 | 1 |
| Other Revenue | 20,991,795 | 20,894,554 | (97,241) |
| Revenue Surplus (Deficit) | 42,708,517 | 42,611,277 | (97,240) |
| EXPENDITURE | 42,708,517 | 42,611,277 | (97,240) |
| OPERATING SURPLUS (DEFICIT) | | | |

CITY OF BRANDON

STATEMENT 10

GENERAL OPERATING FUND
COMPARISON OF BUDGETED AND ACTUAL EXPENDITURE - CONTINUED

FOR THE YEAR ENDED DECEMBER 31, 2003

| TRANSFERS TO RESERVE | B/L # | ESTIMATED | ACTUAL | UNDERSPENT | OVERSPENT |
|--------------------------------|-------|-----------|-----------|------------|-----------|
| Ambulance | 3705 | | | | |
| Brandon Municipal Airport | 6353 | | | | |
| Capital Development | 4967 | | | | |
| Centennial Auditorium | 4647 | 5,000 | 5,000 | | |
| Civic Services Complex | 5655 | 45,000 | 45,000 | | |
| Clare Ave Extension | 6722 | | | | |
| Cumulative Benefits | 5179 | | | | |
| Curran Park | 4527 | | | | |
| Disposal Site (Sanitation) | 4528 | 25,000 | 25,000 | | |
| Dyking and Flood Control | 4923 | 20,000 | 20,000 | | |
| E-911 Equipment | 6563 | | | | |
| Elections | 5760 | 20,000 | 21,900 | | 1,900 |
| Fire Fighting Equipment | 3708 | 5,000 | 6,545 | | 1,545 |
| Fire Protection | 4748 | | 1,543 | | 1,543 |
| Fire Vehicles | 6731 | 225,000 | 368,985 | | 143,985 |
| Gravel Pit | 3652 | | | | |
| Keystone Centre | 5766 | | | | |
| Kirkcaldy Heights | 4050 | | | | |
| Land Acquisition | 5765 | 20,000 | 20,000 | | |
| Library / Arts Building | 5259 | 45,000 | 45,000 | | |
| Machinery and Equipment | 3675 | 1,295,000 | 1,036,215 | 258,785 | |
| Major Event Hosting | 6260 | 25,000 | 25,000 | | |
| Municipal Building | 3653 | | | | |
| Municipal Building Maintenance | 4368 | 25,000 | 25,000 | | |
| Office Equipment | 3656 | 268,520 | 269,412 | | 892 |
| Parks | 6660 | 241,368 | 226,652 | 14,716 | |
| Perpetual Care | 6562 | 37,417 | 37,942 | | 525 |
| Police Equipment | 4442 | 56,000 | 30,000 | 26,000 | |
| Police Vehicles | 6730 | 410,000 | 410,915 | | 915 |
| Professional Fees | 5886 | 10,000 | 10,000 | | |
| Protective Services Building | 6729 | 210,455 | 510,455 | | 300,000 |
| Recreation Centre | 4750 | | | | |
| Riverbank Enhancement | 6278 | | | | |
| Snow Clearing | 6540 | | | | |
| Social Development | 6564 | | | | |
| Sportsplex | 5066 | 130,000 | 130,000 | | |
| Storm Sewer | 3835 | 50,000 | 50,000 | | |
| Traffic Control Devices | 4751 | | | | |
| Transit Equipment | 3654 | 240,000 | 288,992 | | 48,992 |
| Waverly Heights | 6141 | 7,554 | | 7,554 | |
| Westbran Human Resources | 4629 | | | | |
| Westbran Stadium | 6251 | | | | |
| 26th Street, South of Maryland | 6140 | | | | |
| 8th Street Bridge | 6661 | 210,000 | 210,000 | | |
| | | | | | |
| | | | | | |
| TOTAL | | 3,626,314 | 3,819,556 | | 193,242 |

CITY OF BRANDON

STATEMENT 11

UTILITY OPERATING FUND
STATEMENT OF REVENUE AND EXPENDITURE

FOR THE YEAR ENDED DECEMBER 31, 2003

REVENUE

| | METERED | FLAT RATE | TOTAL |
|---|------------|-----------|------------|
| CONSUMER SALES | | | |
| Residential | 6,760,079 | | 6,760,079 |
| Commercial and Bulk | 2,346,867 | | 2,346,867 |
| Industrial | 1,041,087 | | 1,041,087 |
| Federal and Provincial | 181,962 | | 181,962 |
| Municipal and Schools | 400,452 | | 400,452 |
| Total | 10,730,447 | | 10,730,447 |
| Less: Discounts | | | |
| Refunds and Cancellations | | | 10,730,447 |
| SEWER SERVICE CHARGES | | | |
| PENALTIES | | | 118,382 |
| HYDRANT RENTALS | | | 151,500 |
| CONSUMER INSTALLATION SERVICE | | | |
| CONNECTION REVENUE - NET | | | |
| PROVINCIAL GRANTS | | | |
| OTHER REVENUE | | | 930,042 |
| PROVIDED BY GENERAL OPERATING FUND - STATEMENT 10 | | | |
| Re: Debentures | | | 1,845,455 |
| Re: Operations | | | 1,845,455 |
| TRANSFER FROM RESERVE FUND - SCHEDULE 5 | | | |
| TRANSFER FROM ACCUMULATED SURPLUS - STATEMENT 8 | | | |
| OPERATING DEFICIT - STATEMENT 8 | | | |
| TOTAL | | | 13,775,826 |

EXPENDITURE

| | | |
|--|--|------------|
| WATER SUPPLY | | 5,860,937 |
| SEWAGE COLLECTION AND DISPOSAL | | 3,074,760 |
| TRANSFER TO CAPITAL - STATEMENT 14 | | 425,854 |
| TRANSFERS TO RESERVE - SCHEDULE 5 | | 1,794,187 |
| DEBENTURE DEBT CHARGES - SCHEDULE 7 | | 2,498,371 |
| OTHER LONG-TERM DEBT CHARGES | | |
| SURPLUS APPROPRIATIONS - STATEMENT 8 | | |
| Deferred surplus - Operating Deficit, 19 | | |
| 19 | | |
| 19 | | |
| OPERATING SURPLUS - STATEMENT 8 | | 121,717 |
| TOTAL | | 13,775,826 |

STATEMENT 12

COMPARISON OF UTILITY BUDGETED AND ACTUAL EXPENDITURE

FOR THE YEAR ENDED DECEMBER 31, 2003

| | ESTIMATED | ACTUAL | UNDERSPENT | OVERSPENT |
|--------------------------------|------------|------------|------------|-----------|
| Water Supply | 5,544,097 | 5,860,937 | | 316,840 |
| Sewage Collection and Disposal | 3,816,885 | 3,074,760 | 742,125 | |
| Transfer To Capital | 1,170,000 | 425,854 | 744,146 | |
| Transfers To Reserve | 1,378,000 | 1,794,187 | | 416,187 |
| Debenture Debt Charges | 2,654,943 | 2,498,371 | 156,572 | |
| Other Long-Term Debt Charges | | | | |
| Surplus Appropriations | | | | |
| Total Estimated | 14,563,925 | | | |
| Total Actual | | 13,654,109 | | |
| Total Underspent | | | 909,816 | |
| Total Overspent | | | | |

RECONCILIATION WITH OPERATING SURPLUS OR DEFICIT

| | ESTIMATED | ACTUAL | OVER (UNDER) |
|-----------------------------|------------|------------|--------------|
| REVENUE | 14,685,642 | 13,775,826 | (909,816) |
| EXPENDITURE | 14,563,925 | 13,654,109 | (909,816) |
| OPERATING SURPLUS (DEFICIT) | 121,717 | 121,717 | (0) |

STATEMENT OF SOURCE AND APPLICATION OF GENERAL CAPITAL FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2003

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 | | 866,311 |
| CAPITAL EXPENDITURES FROM RESERVES - SCHEDULE 5 | | 4,064,568 |
| GRANTS - SCHEDULE 3 | | |
| Federal Government | | |
| Federal Government Enterprises | | |
| Provincial Government | | |
| Provincial Government Enterprises | | |
| Other Local Governments | | |
| Other | | |
| ACCOUNTS PAYABLE, DECEMBER 31 | | |
| OTHER | | |
| TOTAL | | 4,930,879 |

APPLICATION

| CAPITAL EXPENDITURES | FIXED ASSETS | | LOCAL | TOTAL |
|------------------------|--------------|-----------|--------------|-----------|
| | CONSTRUCTION | PURCHASE | IMPROVEMENTS | |
| General Government | | 1,321,618 | 859,358 | 2,180,976 |
| Protection | | 1,188,714 | 367,930 | 1,556,644 |
| Transportation | | 343,901 | 474,823 | 818,724 |
| Recreation and Culture | | 93,837 | 280,698 | 374,535 |
| Environmental Health | | | | |
| Economic Development | | | | |
| Public Health | | | | |
| TOTAL | | 2,948,070 | 1,982,809 | 4,930,879 |

| | | |
|---|--|-----------|
| 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 | | 4,930,879 |

STATEMENT OF SOURCE AND APPLICATION OF UTILITY CAPITAL FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2003

SOURCE

| | | |
|--|-----------|-----------|
| UNEXPENDED FUNDS, JANUARY 1 | | |
| Cash | | |
| Receivables | | |
| SHORT-TERM BORROWING | | |
| Bank | | |
| Other Funds | | |
| Other | | |
| LONG-TERM BORROWING | | |
| Debentures - Schedule 8 | 2,500,000 | 2,500,000 |
| Other | | |
| PREPAID LOCAL IMPROVEMENT LEVES | | |
| CAPITAL EXPENDITURES FROM REVENUE - STATEMENT 11 | | 425,854 |
| CAPITAL EXPENDITURES FROM RESERVES - SCHEDULE 5 | | 901,452 |
| GRANTS - SCHEDULE 3 | | |
| Federal Government | | |
| Federal Government Enterprises | | |
| Provincial Government | | |
| Provincial Government Enterprises | | |
| Other Local Governments | | |
| Other | | |
| ACCOUNTS PAYABLE, DECEMBER 31 | | |
| OTHER - INTEREST | | |
| TOTAL | | 3,827,306 |

APPLICATION

| CAPITAL EXPENDITURES | FIXED ASSETS | | LOCAL | TOTAL |
|----------------------|--------------|----------|--------------|-----------|
| | CONSTRUCTION | PURCHASE | IMPROVEMENTS | |
| Water Supply | | | 2,519,327 | 2,519,327 |
| Wastewater Disposal | 1,139,920 | 97,440 | 11,532 | 1,248,891 |
| Wastewater Treatment | | | | |
| Water Treatment | | | 59,088 | 59,088 |
| | | | | |
| | | | | |
| TOTAL | 1,139,920 | 97,440 | 2,589,946 | 3,827,306 |

| | | |
|---|--|-----------|
| 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 | | 3,827,306 |

CITY OF BRANDON

SCHEDULE 1

ANALYSIS OF TAX ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2003

| | TAXES ON ROLL | TAX SALE CERTIFICATES | TAX TITLES | AGREEMENTS OF SALE |
|--|------------------|--------------------------|------------|-----------------------|
| Balance, January 1 | 1,749,684 | | | |
| ADD: | | | | |
| Tax Levy - Schedule 2 | 43,647,596 | | | |
| Taxes Added - Statement 9 | 740,707 | | | |
| Penalties or Interest Added - Statement 9 | 293,918 | | | |
| Other Accounts Added | 325,047 | | | |
| Taxes Overpaid | | | | |
| Transfer Re Tax Sale | | | | |
| Tax Titles Acquired | | | | |
| Land Sales | | | | |
| TAX ADJUSTMENTS (SPECIFY) | | | | |
| Difference between levy and financial plan | 4 | | | |
| SUB-TOTAL | 46,756,956 | | | |
| DEDUCT: | | | | |
| Cash Collections: | 41,012,712 | | | |
| Arrears | 1,434,046 | | | |
| Current | 39,578,666 | | | |
| Transfer Re Tax Sale | | | | |
| Cancellations | 140,043 | | | |
| Returned To Roll | | | | |
| Title Value of Land Sales | | | | |
| Transfers Re Titles Acquired | | | | |
| Tax Discounts - Statement 10 | 94,407 | | | |
| M.P.T.C. - Cash Advance | 3,516,781 | | | |
| Other Credits Tax Offsetting Grant | 64,227 | | | |
| TOTAL | 1,928,786 | | | |
| BALANCE, DECEMBER 31 | 1,928,786 | 1,928,786 | | |
| | (Statement 1) | | | |

SCHEDULE 2

ANALYSIS OF TAX LEVY

FOR THE YEAR ENDED DECEMBER 31, 2003

| | ASSESSMENT | MILL RATE | LEVY |
|---|-------------|-----------|------------|
| Other Governments (L.U.D.) | | | |
| Debt Charges | | | |
| Frontage | | | 116,792 |
| Mill Rate (At Large) | 842,291,160 | 0.605 | 509,586 |
| (L.I.D.) | 948,967,660 | 1.815 | 1,722,376 |
| Total | | | 2,348,754 |
| Minister of Rural Development | 842,291,160 | 0.661 | 556,754 |
| Deferred Surplus | | | |
| Reserves: Various By-Law Various | 842,291,160 | 4.043 | 3,405,383 |
| By-Law | | | |
| By-Law | | | |
| General Municipal | 842,291,160 | 18.199 | 15,328,857 |
| Special Levies (Specify) | | | |
| School Portion of Mobile Home Revenue | | | (149,429) |
| Business Tax-Rate % Cable TV, B.I.A. 1.00%, 2.90% | 5,445,300 | | 209,524 |
| Total Municipal Taxes | | | 21,699,843 |
| Schools | | | |
| Prov. Education 1 | 532,154,120 | 5.280 | 2,809,774 |
| Prov. Education 2 | 281,370,640 | 16.500 | 4,642,616 |
| Total Education Support Program | 813,524,760 | | 7,452,390 |
| Special Division No. # 40 — Brandon | 814,508,240 | 17.613 | 14,345,934 |
| Mobile Home Revenue | | | 149,429 |
| Total School Taxes | | | 21,947,753 |
| TOTAL TAX LEVY - SCHEDULE 1 | | | 43,647,596 |

CITY OF BRANDON

SCHEDULE 3

ANALYSIS OF GOVERNMENT TRANSFERS
FOR THE YEAR ENDED DECEMBER 31, 2003

| | BALANCE JANUARY 1 | GRANTS EARNED (Statement 9) | GRANTS RECEIVED | ADJUSTMENTS | BALANCE DECEMBER 31 (Statement 1) |
|---|----------------------|-----------------------------------|--------------------|-------------|---|
| GENERAL FUND | | | | | |
| PROVINCIAL | | 10,945,358 | | | 608,841 |
| Grants in Lieu | 1,065 | 1,753,080 | 1,750,903 | | 3,242 |
| Prov. - Mun. Tax Sharing | | 5,214,809 | 5,214,809 | | |
| Prov. - Mun. Support Grants | | 465,664 | 465,664 | | |
| VLT Revenues | | 556,952 | 556,952 | | |
| Conditional Grants | 383,547 | 2,593,791 | 2,372,414 | | 604,924 |
| General Govt. | 3,734 | 820 | 3,734 | | 820 |
| Protection | 20,000 | 599,294 | 566,296 | | 52,998 |
| Transportation | 223,954 | 1,164,819 | 1,001,754 | | 387,019 |
| Environmental Health | 19,858 | 19,808 | 19,858 | | 19,808 |
| Public Health & Welfare | 70,422 | 220,059 | 253,769 | | 36,712 |
| Environmental Planning | 45,579 | 459,320 | 438,287 | | 66,612 |
| Employment Programs | | | | | |
| Economic Development | | 129,671 | 88,716 | | 40,955 |
| Recreation | | | | | |
| FEDERAL | | | | | |
| Grants in Lieu | | 332,102 | 332,102 | | |
| Unconditional Grants | | | | | |
| Conditional Grants (Spec): | | 23,006 | 22,331 | | 675 |
| Airport Grant | | | | | |
| Canada Day | | 8,400 | 8,400 | | |
| Employment Programs | | 2,700 | 2,025 | | 675 |
| Economic Development | | 11,906 | 11,906 | | |
| LOCAL (Specify name of Govt. and type of grant as above) | | | | | |
| Grants in Lieu -- B.I.A. | | 5,954 | 5,954 | | |
| | | | | | |
| | | | | | |
| | | | | | |
| UTILITY FUND | | (Statement 11) | | | (Statement 4) |
| Provincial Grant | 800,000 | | 800,000 | | |
| 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, 2003

| | OUTSTANDING JANUARY 1 | CURRENT REQUIREMENT | CURRENT PAYMENTS | OUTSTANDING DECEMBER 31 (STATEMENT 1) |
|--------------------------------|--------------------------|------------------------|---------------------|---|
| EDUCATION SUPPORT LEVIES | 231,976 | 8,614,378 | 8,570,695 | 275,659 |
| SPECIAL LEVIES: | | | | |
| School Division: #40 — Brandon | 368,618 | 15,843,266 | 15,704,899 | 506,985 |
| | | | | |
| | | | | |
| | | | | |
| TOTAL | 600,594 | 24,457,644 | 24,275,594 | 782,644 |

CITY OF BRANDON

SCHEDULE 5

ANALYSIS OF RESERVE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2003

| RESERVE NAME BY-LAW NO. | Ambulance 3705 | Brandon Municipal Airport 6353 | Capital Development 4967 | Centennial Auditorium 4647 |
|--|-------------------|--------------------------------------|--------------------------------|----------------------------------|
| BALANCE, JANUARY 1 | 322,480 | 206,689 | 366,917 | 290,253 |
| ADD: Interest Earned | 12,670 | 11,764 | 20,884 | 16,710 |
| Appropriation (Statement 10) | | | | 5,000 |
| Surplus Appropriation (Statement 9) | | | | |
| Transfer From Surplus Acc. (Statement 8) | | | | |
| Transfer From Other Funds (Statement 11) | | | | |
| SUB-TOTAL | 335,150 | 218,453 | 387,801 | 311,963 |
| DEDUCT: Purchases (Statement 13) | | | | 11,596 |
| Transfer To Revenue (Statement 9) | 150,000 | | | |
| SUB-TOTAL | 150,000 | | | 11,596 |
| BALANCE, DECEMBER 31 - Statement 2 | 185,150 | 218,453 | 387,801 | 300,367 |

| RESERVE NAME BY-LAW NO. | Civic Services Complex 5655 | Clare Ave Extension 6722 | Cumulative Benefits 5179 | Disposal Site (Sanitation) 4528 |
|--------------------------------------|-----------------------------------|--------------------------------|--------------------------------|---------------------------------------|
| BALANCE, JANUARY 1 | 219,251 | 17,914 | 192,497 | 610,380 |
| ADD: Interest Earned | 14,185 | 1,020 | 7,167 | 35,632 |
| Appropriation (Statement 10) | 45,000 | | | 25,000 |
| Transfer From Surplus Acc. (Stmt. 8) | | | | |
| SUB-TOTAL | 278,436 | 18,934 | 199,664 | 671,012 |
| DEDUCT: Purchases (Statement 13) | | | | 8,187 |
| Transfer To Revenue (Statement 9) | | | 100,000 | |
| BALANCE, DECEMBER 31 - Statement 2 | 278,436 | 18,934 | 99,664 | 662,825 |

| RESERVE NAME BY-LAW NO. | Dyking and Flood Control 4923 | E-911 Equipment 6563 | Elections 5760 | Fire Fighting Equipment 3708 |
|--------------------------------------|-------------------------------------|----------------------------|-------------------|------------------------------------|
| BALANCE, JANUARY 1 | 716,158 | 310,099 | 44,216 | 281,278 |
| ADD: Interest Earned | 41,520 | 17,650 | 3,275 | 14,462 |
| Appropriation (Statement 10) | 20,000 | | 21,900 | 6,545 |
| Transfer From Surplus Acc. (Stmt. 8) | | | | |
| SUB-TOTAL | 777,678 | 327,749 | 69,391 | 302,285 |
| DEDUCT: Purchases (Statement 13) | | | | 58,783 |
| Transfer To Revenue (Statement 9) | | | | |
| BALANCE, DECEMBER 31 - Statement 2 | 777,678 | 327,749 | 69,391 | 243,502 |

CITY OF BRANDON

SCHEDULE 5

ANALYSIS OF RESERVE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2003

| RESERVE NAME BY-LAW NO. | Fire Protection | Fire Vehicles | General | Gravel Pit |
|--------------------------------------|-----------------|---------------|---------|------------|
| | 4748 | 6731 | 3620 | 3652 |
| BALANCE, JANUARY 1 | 166,436 | | 916,353 | 396,717 |
| ADD: Interest Earned | 5,727 | 4,401 | 52,157 | 22,580 |
| Appropriation (Statement 10) | 1,543 | 368,985 | | |
| Surplus Appropriation (Statement 9) | | | | |
| Transfer From Surplus Acc. (Stmt. 8) | | | | |
| _____ | | | | |
| _____ | | | | |
| SUB-TOTAL | 173,706 | 373,386 | 968,510 | 419,297 |
| DEDUCT: Purchases (Statement 13) | 48,043 | 331,796 | | |
| Transfer To Revenue (Statement 9) | | | | |
| _____ | | | | |
| _____ | | | | |
| SUB-TOTAL | 48,043 | 331,796 | | |
| BALANCE, DECEMBER 31 - Statement 2 | 125,663 | 41,590 | 968,510 | 419,297 |

| RESERVE NAME BY-LAW NO. | Kirkcaldy Heights | Land Acquisition | Library / Arts Building | Machinery and Equipment |
|--------------------------------------|-------------------|------------------|-------------------------|-------------------------|
| | 4050 | 5765 | 5259 | 3675 |
| BALANCE, JANUARY 1 | 95,511 | 687,499 | 192,278 | 1,809,969 |
| ADD: Interest Earned | 5,437 | 28,136 | 8,672 | 115,767 |
| Appropriation (Statement 10) | | 20,000 | 45,000 | 1,036,215 |
| Transfer From Surplus Acc. (Stmt. 8) | | | | |
| _____ | | | | |
| _____ | | | | |
| SUB-TOTAL | 100,948 | 735,635 | 245,950 | 2,961,951 |
| DEDUCT: Purchases (Statement 13) | | 654,896 | 174,393 | 1,267,950 |
| Transfer To Revenue (Statement 9) | | | 48,455 | |
| _____ | | | | |
| _____ | | | | |
| BALANCE, DECEMBER 31 - Statement 2 | 100,948 | 80,739 | 23,102 | 1,694,001 |

| RESERVE NAME BY-LAW NO. | Major Event Hosting | Municipal Building | Municipal Building Maintenance | Office Equipment |
|--------------------------------------|---------------------|--------------------|--------------------------------|------------------|
| | 6260 | 3653 | 4368 | 3656 |
| BALANCE, JANUARY 1 | 93,175 | 569,952 | 337,597 | 306,553 |
| ADD: Interest Earned | 6,460 | 18,079 | 20,163 | 40,876 |
| Appropriation (Statement 10) | 25,000 | | 25,000 | 269,412 |
| Transfer From Surplus Acc. (Stmt. 8) | | | | |
| Funding for City's 125th Celebration | 5,000 | | | |
| _____ | | | | |
| _____ | | | | |
| SUB-TOTAL | 129,635 | 588,031 | 382,760 | 616,841 |
| DEDUCT: Purchases (Statement 13) | | 80,897 | | 310,941 |
| Transfer To Revenue (Statement 9) | | 287,000 | | |
| _____ | | | | |
| _____ | | | | |
| BALANCE, DECEMBER 31 - Statement 2 | 129,635 | 220,134 | 382,760 | 305,900 |

CITY OF BRANDON

SCHEDULE 5

ANALYSIS OF RESERVE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2003

| RESERVE NAME BY-LAW NO. | Parks 6660 | Perpetual Care 6562 | Police Equipment 4442 | Police Vehicles 6730 |
|--------------------------------------|-------------------------------|-------------------------------------|------------------------------|------------------------------------|
| BALANCE, JANUARY 1 | 587,272 | 130,223 | 417,679 | |
| ADD: Interest Earned | 31,348 | 8,627 | 17,141 | 9,772 |
| Appropriation (Statement 10) | 153,775 | 37,942 | 30,000 | 410,915 |
| Surplus Appropriation (Statement 9) | | | | |
| Transfer From Surplus Acc. (Stmt. 8) | | | | |
| SUB-TOTAL | 772,395 | 176,792 | 464,820 | 420,687 |
| DEDUCT: Purchases (Statement 13) | 264,117 | | 28,013 | 136,288 |
| Transfer To Revenue (Statement 9) | | | 175,000 | |
| SUB-TOTAL | 264,117 | | 203,013 | 136,288 |
| BALANCE, DECEMBER 31 - Statement 2 | 508,278 | 176,792 | 261,807 | 284,399 |
| RESERVE NAME BY-LAW NO. | Professional Fees 5886 | Protective Services Bldg 6729 | Recreation Centre 4750 | Snow Clearing 6540 |
| BALANCE, JANUARY 1 | 110,830 | | 75,414 | 228,293 |
| ADD: Interest Earned | 5,968 | 9,914 | 5,564 | 12,994 |
| Appropriation (Statement 10) | 10,000 | 510,455 | 72,877 | |
| Transfer From Surplus Acc. (Stmt. 8) | | | | |
| SUB-TOTAL | 126,798 | 520,369 | 153,855 | 241,287 |
| DEDUCT: Purchases (Statement 13) | | | 51,258 | |
| Transfer To Revenue (Statement 9) | 68,125 | | | |
| BALANCE, DECEMBER 31 - Statement 2 | 58,673 | 520,369 | 102,597 | 241,287 |
| RESERVE NAME BY-LAW NO. | Social Development 6564 | Sportsplex 5066 | Storm Sewer 3835 | Traffic Control Devices 4751 |
| BALANCE, JANUARY 1 | 6,389 | 531,401 | 1,705,945 | 319,356 |
| ADD: Interest Earned | 364 | 34,950 | 92,892 | 13,215 |
| Appropriation (Statement 10) | | 130,000 | 50,000 | |
| Transfer From Surplus Acc. (Stmt. 8) | | | | |
| SUB-TOTAL | 6,753 | 696,351 | 1,848,837 | 332,571 |
| DEDUCT: Purchases (Statement 13) | | 33,279 | 245,442 | 14,788 |
| Transfer To Revenue (Statement 9) | | | 14,475 | 141,507 |
| BALANCE, DECEMBER 31 - Statement 2 | 6,753 | 663,072 | 1,588,920 | 176,276 |

CITY OF BRANDON

SCHEDULE 5

ANALYSIS OF RESERVE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2003

| RESERVE NAME BY-LAW NO. | Transit System Equipment 3654 | Waverly Heights 6141 | Westbran Stadium 6251 | 26th Street South of Maryland 6140 |
|--------------------------------------|-------------------------------------|----------------------------|-----------------------------|--|
| BALANCE, JANUARY 1 | 1,887,344 | 181,095 | 27,699 | 68,390 |
| ADD: Interest Earned | 104,895 | 10,680 | 1,577 | 3892 |
| Appropriation (Statement 10) | 288,992 | | | |
| Surplus Appropriation (Statement 9) | | | | |
| Transfer From Surplus Acc. (Stmt. 8) | | | | |
| Development Agreement Funds | | 7,554 | | |
| SUB-TOTAL | 2,281,231 | 199,329 | 29,276 | 72,282 |
| DEDUCT: Purchases (Statement 13) | 343,901 | | | |
| Transfer To Revenue (Statement 9) | | | | |
| SUB-TOTAL | 343,901 | | | |
| BALANCE, DECEMBER 31 - Statement 2 | 1,937,330 | 199,329 | 29,276 | 72,282 |

| RESERVE NAME BY-LAW NO. | 8th Street Bridge 6661 | | | |
|--------------------------------------|------------------------------|--|--|--|
| BALANCE, JANUARY 1 | 444,711 | | | |
| ADD: Interest Earned | 33,270 | | | |
| Appropriation (Statement 10) | 210,000 | | | |
| Transfer From Surplus Acc. (Stmt. 8) | | | | |
| SUB-TOTAL | 687,981 | | | |
| DEDUCT: Purchases (Statement 13) | | | | |
| Transfer To Revenue (Statement 9) | | | | |
| BALANCE, DECEMBER 31 - Statement 2 | 687,981 | | | |

| RESERVE NAME BY-LAW NO. | Water Distribution 6382 | Wastewater Distribution 6732 | Industrial WWTF 6623 | |
|---|-------------------------------|------------------------------------|----------------------------|--|
| BALANCE, JANUARY 1 | 2,634,575 | | 68,778 | |
| ADD: Interest Earned | 132,342 | 52,068 | 4,490 | |
| Appropriation (Statement 11) | 749,187 | 1,025,000 | 20,000 | |
| Transfer From Surplus Acc. (Stmt. 8) | | | | |
| Reallocation from Water Distribution | | 500,000 | | |
| SUB-TOTAL | 3,516,104 | 1,577,068 | 93,268 | |
| DEDUCT: Purchases (Statement 14) | | 901,452 | | |
| Transfer To Revenue (Statement 11) | | | | |
| Reallocation to Wastewater Distribution | 500,000 | | | |
| BALANCE, DECEMBER 31 - Statement 5 | 3,016,104 | 675,616 | 93,268 | |

CITY OF BRANDON

SCHEDULE 6

ANALYSIS OF INVESTMENTS

AS AT DECEMBER 31, 2003

| TYPE | DUE DATE D/M/Y | INTEREST RATE | INTEREST EARNED | AMOUNT | TOTAL |
|---|-------------------|------------------|--------------------|-----------|------------|
| GOVERNMENT OF CANADA | 02-Dec-04 | | 27,012 | 3,099,309 | 3,099,309 |
| PROVINCE OF MANITOBA AND AGENCIES | | | | | |
| OTHER PROVINCES OR PROVINCIAL AGENCIES | | | | | |
| Province of Ontario | 06-Feb-04 | Various | 197,776 | 2,228,658 | |
| Province of B.C. | Various | Various | 102,038 | 1,466,455 | |
| Province of Newfoundland | 17-Oct-03 | | 54,641 | | 3,695,113 |
| | BY-LAW | | | | |
| DEBENTURES OF OWN MUNICIPALITY | Various | Various | 57,996 | 615,393 | 615,393 |
| DEBENTURES OF OTHER LOCAL GOVERNMENTS | | | | | |
| MANITOBA INVESTMENT POOL AUTHORITY | | | | | |
| OTHER INVESTMENTS | | | | | |
| Bank GIC's | Various | Various | 379,081 | 7,658,629 | |
| Bankers Acceptance | | Various | 92,113 | | |
| Mortgages Receivable | Various | Various | 12,626 | 414,581 | |
| Brandon Regional Health Authority | | 6.500% | 84,982 | 1,232,870 | |
| Millenium Park | | | | 30,000 | 9,336,080 |
| TOTAL INVESTMENTS | | | | | 16,745,895 |

INVESTMENT HOLDINGS

AS AT DECEMBER 31, 2003

| | NAME OF RESERVE | RESERVED (Statements 2-5) | TRUST (Statement 7) | UNRESERVED (Statements 14) | TOTAL |
|--|-------------------|------------------------------|------------------------|-------------------------------|------------|
| GOVERNMENT OF CANADA | | 3,099,309 | | | 3,099,309 |
| PROVINCE OF MANITOBA | Various | | | | |
| OTHER PROVINCES OR AGENCIES | Various | 3,695,113 | | | 3,695,113 |
| DEBENTURES OF OWN MUNICIPALITY | BY-LAW Various | 615,393 | | Nil | 615,393 |
| DEBENTURES OF OTHER LOCAL GOVERNMENTS | | | | Nil | |
| MANITOBA INVESTMENT POOL AUTHORITY | | | | Nil | |
| OTHER INVESTMENTS | Various | 9,336,080 | | | 9,336,080 |
| TOTAL INVESTMENTS | | | | | 16,745,895 |

INVESTMENT CHANGES

FOR THE YEAR ENDED DECEMBER 31, 2003

| | | | | | |
|--------------------------------|---------|--|--|------------|------------|
| TOTAL INVESTMENTS, JANUARY 1 | | | | | 16,556,841 |
| INVESTMENTS ACQUIRED | Various | | | 29,478,280 | 29,478,280 |
| INVESTMENTS SOLD | Various | | | | 46,035,121 |
| INVESTMENTS MATURED | Various | | | 29,289,226 | 29,289,226 |
| TOTAL INVESTMENTS, DECEMBER 31 | | | | | 16,745,895 |

ANALYSIS OF DEBTURE INDEBTEDNESS

SCHEDULE 7

AS AT DECEMBER 31, 2003

| AUTHORITY | PURPOSE | YEAR OF ISSUE | ORIGINAL AMOUNT | PURCHASED BY (A) | PAYABLE | TERM | MATURITY DATE | INTEREST RATE | CURRENT LEVY PRINCIPAL | CURRENT LEVY INTEREST | OUTSTANDING DECEMBER 31 | |
|--|---------------------------|---------------|-----------------|------------------|---------|------|---------------|----------------|------------------------|-----------------------|-------------------------|------------------|
| 5973/10/92 | Local Improvements | 1992 | 335,000 | E | CDN | 14 | 2005 | 10.250% | 34,398 | 11,699 | 79,734 | |
| 5974/11/92 | Local Improvements | 1992 | 295,000 | E | CDN | 13 | 2004 | 10.250% | 34,610 | 7,459 | 38,159 | |
| 6144-A-4 | Local Improvements | 1993 | 113,000 | E | CDN | 14 | 2007 | 5 to 8 | 9,000 | 4,165 | 44,000 | |
| 6428/74/96 | Local Improvements | 1996 | 29,400 | C | CDN | 15 | 2010 | 8.875% | 1,834 | 1,787 | 18,298 | |
| 6429/75/96 | Local Improvements | 1996 | 306,714 | C | CDN | 15 | 2010 | 8.500% | 19,231 | 17,704 | 189,050 | |
| 6442/05/97 | Local Improvements | 1997 | 3,825 | C | CDN | 15 | 2011 | 8.375% | 222 | 235 | 2,589 | |
| 6443/06/97 | Local Improvements | 1997 | 32,650 | C | CDN | 15 | 2011 | 8.375% | 1,892 | 2,010 | 22,110 | |
| 6448/11/97 | Local Improvements | 1997 | 11,410 | C | CDN | 15 | 2011 | 8.375% | 661 | 702 | 7,727 | |
| 6449/12/97 | Local Improvements | 1997 | 5,625 | C | CDN | 15 | 2011 | 8.375% | 326 | 346 | 3,808 | |
| 6029/66/92 | Keystone Centre Expansion | 1992 | 1,312,000 | E | CDN | 15 | 2007 | 9.000% | 105,786 | 56,979 | 527,315 | |
| SUB-TOTAL -- LOCAL IMPROVEMENTS | | | | | | | | | | 207,960 | 103,086 | 932,790 |
| 6144-A-3 | Parks Complex | 1993 | 725,000 | E | CDN | 14 | 2007 | 5 to 8 | 59,000 | 26,879 | 283,000 | |
| 6659 | Library/Arts Building | 2002 | 2,400,000 | E | CDN | 10 | 2011 | 2.375 to 5.875 | 200,000 | 110,491 | 2,004,000 | |
| SUB-TOTAL -- OTHER | | | | | | | | | | 259,000 | 137,370 | 2,287,000 |
| CURRENT LEVY | | | | | | | | | | 466,960 | 240,456 | |

TOTAL PRINCIPAL OUTSTANDING, DECEMBER 31, - SCHEDULE 8

3,219,790

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

P a g e 1 7

ANALYSIS OF DEBENTURE INDEBTEDNESS

AS AT DECEMBER 31, 2003

SCHEDULE 7

| AUTHORITY | PURPOSE | YEAR OF ISSUE | ORIGINAL AMOUNT | PURCHASED BY (A) | PAYABLE | TERM | MATURITY DATE | INTEREST RATE | CURRENT LEVY PRINCIPAL | CURRENT LEVY INTEREST | OUTSTANDING DECEMBER 31 |
|---|--|---------------|-----------------|------------------|---------|------|---------------|----------------|------------------------|-----------------------|-------------------------|
| | | | | | | | | | | | |
| 5609/54/88 | Sewage Treatment | 1988 | 98,600 | E | CDN | 20 | 2008 | 12.125% | 6,695 | 6,609 | 47,810 |
| 5649/15/89 | Sewage Treatment | 1988 | 357,000 | B | CDN | 20 | 2008 | 11.125% | 24,002 | 21,196 | 166,521 |
| 5818/93/90 | Sewage Treatment | 1990 | 109,000 | B | CDN | 20 | 2009 | 10.500% | 6,583 | 6,659 | 56,841 |
| 5859/16/91 | Sewage Treatment | 1991 | 667,000 | B | CDN | 20 | 2010 | 11.375% | 36,249 | 49,573 | 399,555 |
| 5982/19/92 | Sewage Treatment | 1991 | 588,000 | B | CDN | 20 | 2011 | 10.500% | 29,085 | 42,353 | 374,278 |
| 6144-A-1 | Sewage Treatment | 1993 | 5,443,000 | E | CDN | 19 | 2012 | 5 to 8.50 | 258,000 | 306,018 | 3,504,000 |
| 6144-A-2 | Water Distribution | 1993 | 853,000 | E | CDN | 14 | 2007 | 5 to 8.00 | 69,000 | 31,595 | 333,000 |
| 6427/3/96 | Wastewater Treatment Plant | 1996 | 489,000 | C | CDN | 19 | 2014 | 9.000% | 19,425 | 35,211 | 371,808 |
| 6545 | 9th Street Water Reservoir | 2000 | 3,182,000 | E | CDN | 10 | 2010 | 6.250 to 6.750 | 166,000 | 190,786 | 2,713,000 |
| 6546 | Industrial Wastewater Treatment Facility | 2000 | 4,827,000 | E | CDN | 10 | 2010 | 6.250 to 6.750 | 251,000 | 289,417 | 4,116,000 |
| 6544 | Direct Discharge/Disinfection | 2002 | 2,770,000 | E | CDN | 10 | 2011 | 2.375 to 5.875 | 236,000 | 127,003 | 2,303,000 |
| SUB-TOTAL -- OTHER | | | | | | | | | | | |
| | | | | | | | | | 1,102,039 | 1,106,418 | 14,385,813 |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| 6687 | Water Meter Upgrade | 2003 | 2,500,000 | E | CDN | 10 | 2012 | 3.625 to 5.500 | 205,000 | 84,914 | 2,295,000 |
| SUB-TOTAL -- LOCAL IMPROVEMENTS | | | | | | | | | | | |
| | | | | | | | | | 205,000 | 84,914 | 2,295,000 |
| SUB-TOTAL -- CURRENT LEVY | | | | | | | | | | | |
| | | | | | | | | | 1,307,039 | 1,191,332 | |
| TOTAL PRINCIPAL OUTSTANDING, DECEMBER 31, - SCHEDULE 8 | | | | | | | | | | | 16,680,813 |

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

CITY OF BRANDON

SCHEDULE 8

DEBENTURE CHANGES

FOR THE YEAR ENDED DECEMBER 31, 2003

| | GENERAL | UTILITY | TOTAL |
|--------------------------|-----------|------------|------------|
| OUTSTANDING, JANUARY 1 | 3,686,750 | 15,487,852 | 19,174,602 |
| ISSUED | | 2,500,000 | 2,500,000 |
| LEVIED | 466,960 | 1,307,039 | 1,773,999 |
| OUTSTANDING, DECEMBER 31 | | | |
| - Statement 3 | 3,219,790 | | |
| - Statement 6 | | 16,680,813 | |
| - Schedule 7 | | | 19,900,603 |

SCHEDULE 9

DEBENTURES PENDING

AS AT DECEMBER 31, 2003

| AUTHORITY | PURPOSE | SOURCE OF FUNDS | AUTHORIZED | EXPENDED |
|-----------|----------------------------------|-----------------|------------|-----------|
| B/L 6719 | 9th Street South of Maryland Ave | | 326,000 | |
| B/L 6720 | McTavish Ave - 1st & Lane 2 1/2 | | 27,000 | |
| B/L 6721 | Patricia Heights Development | | 813,446 | 1,003,958 |
| B/L 6747 | Brookwood Park Development | | 743,667 | 743,667 |
| B/L 6748 | 600 Block of 39th Street | | 151,580 | |
| B/L 6749 | Lane Paving of Lane 38 1/2 | | 22,804 | |
| | | TOTAL | | 1,747,625 |

COMPOSED OF -

| | |
|--------------------|-----------|
| Bank loans | |
| Accounts payable | |
| Due to Other Funds | 5,851,516 |
| Other | |
| TOTAL | 5,851,516 |

SCHEDULE 10

COMPENSATION AND EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2003

COUNCIL MEMBERS

| | COMPENSATION | EXPENSES | OTHER | TOTAL |
|-------------------------|--------------|----------|-------|---------|
| MAYOR Dave Burgess | 50,938 | 22,574 | | 73,512 |
| WARD 1 Doug Paterson | 13,295 | 1,400 | | 14,695 |
| WARD 2 Vincent Barletta | 13,135 | 3,075 | | 16,209 |
| WARD 3 Murray Blight | 13,135 | 1,282 | | 14,417 |
| WARD 4 Rick Chrest | 15,562 | 1,124 | | 16,685 |
| WARD 5 Beth Smale | 13,635 | 2,246 | | 15,880 |
| WARD 6 Garth Rice | 13,915 | 2,482 | | 16,397 |
| WARD 7 Larry Brown | 13,455 | 2,274 | | 15,729 |
| WARD 8 Margo Campbell | 13,715 | 1,364 | | 15,079 |
| WARD 9 Errol Black | 13,715 | 2,039 | | 15,754 |
| WARD 10 Don Jessiman | 14,762 | 2,255 | | 17,017 |
| TOTAL | 191,058 | 42,116 | | 233,175 |

COMMITTEE MEMBERS

Board of Revision

| | | | | |
|---------------|-----|--|--|-----|
| Keith Timmons | 600 | | | 600 |
| Don Cornell | 420 | | | 420 |
| Wes Shewchuk | 360 | | | 360 |
| Hilt Stewart | 420 | | | 420 |

TOTAL

| | | | |
|---------|--------|--|---------|
| 191,058 | 42,116 | | 233,175 |
|---------|--------|--|---------|

CITY OF BRANDON

STATISTICAL INFORMATION

FOR THE YEAR ENDED DECEMBER 31, 2003

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)
- Expended - Under (Over)
- Estimated Surplus (Deficit)
- Operating Surplus (Deficit)
- Operating Surplus (Deficit) - Prior Year
- Gain or (Loss)

| | |
|--|----------|
| | (97,240) |
| | 97,240 |
| | |
| | |
| | |
| | |

CASH POSITION

- Cash Surplus (Deficit) - Current Year
- Cash Surplus (Deficit) - Prior Year
- Gain or (Loss)

| | GENERAL FUND | COMBINED FUND |
|--|--------------|---------------|
| | (25,039,870) | (25,039,870) |
| | (21,297,928) | (21,297,928) |
| | (3,741,942) | (3,741,942) |

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 | 39,578,666 | |
| | - Tax Credit Programs | 3,516,781 | 43,095,447 |
| | - Arrears | | 1,434,046 |
| | - Total | | 44,529,493 |
| TAX SALE CERTIFICATES | | | |
| LAND SALES | | | |
| TOTAL COLLECTIONS | | | 44,529,493 |

THE CITY OF BRANDON
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2003

1. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Income Recognition

The accounts are maintained on the accrual method of reporting revenue and expenditure except that –

1. Principal and interest charges on debentures outstanding from the due date of payment to the end of the year are not accrued; and

(b) Inventories

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

(c) Investments

Investments are recorded at cost.

(d) 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.

(e) 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.

(f) 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.

THE CITY OF BRANDON**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2003****2. PENSION PLAN**

The majority of City of Brandon employees participate in the Municipal Employees Benefits Program Pension Plan which is a defined benefit pension plan that provides benefits based on length of service and pensionable salaries.

The Manitoba Municipal Employees Pension 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-laws No. 6207 and 6208, which are both defined Benefit Pension Plans.

The City has agreements with the Brandon Professional Firefighters' Association, the Brandon City Police Association, the Canadian Union of Public Employees Local 69, 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.

3. 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.

STATISTICAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2003

STATEMENT OF CONSOLIDATED INCOME AND EXPENDITURE
GROSS INCOME

GENERAL OPERATING FUND:

| | | | |
|-------------------------------------|------------|------------|------------|
| Total Revenue From External Sources | | 41,626,715 | |
| Less: Provincial Government Grants | 10,027,344 | | |
| Federal Government Grants | 265,904 | | |
| Interest Received from Reserves | | 10,293,248 | 31,333,467 |

UTILITY OPERATING FUND:

| | | | |
|-----------------------------------|---------|------------|------------|
| Total Revenue | | 11,930,371 | |
| Less: Provincial Government Grant | | | |
| Federal Government Grant | | | |
| Hydrant Rentals | 151,500 | 151,500 | 11,778,871 |

GOVERNMENT GRANTS

| | | | |
|------------------------|--|------------|------------|
| Provincial Government | | | |
| - General Fund | | 10,027,344 | |
| - Utility Fund | | | |
| - General Capital Fund | | | |
| - Utility Capital Fund | | | 10,027,344 |
| Federal Government | | | |
| - General Fund | | 265,904 | |
| - Utility Fund | | | |
| - General Capital Fund | | | |
| - Utility Capital Fund | | | 265,904 |

RESERVE FUNDS:

| | | | |
|---|-----------|-----------|-----------|
| Interest Earned | 1,111,357 | | |
| Less: Interest Received on Own Debentures | 57,996 | 1,053,361 | |
| Other Income from External Sources | | 512,554 | 1,565,915 |

CAPITAL FUNDS:

| | | | |
|--------------------------------|--|-----------|-----------|
| Debtenture Borrowing - General | | | |
| - Utility | | 2,500,000 | 2,500,000 |

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

57,471,501

USE OF PRIOR YEARS' INCOME:

GENERAL OPERATING FUND:

| | | | |
|-------------------------------------|---------|---------|--|
| Surplus Transfers - General Reserve | 984,562 | | |
| Operating Deficit | | | |
| Interest Received from Reserves | | 984,562 | |

UTILITY OPERATING FUND:

| | | | |
|----------------------------|--|--|--|
| Transfer from Reserve Fund | | | |
| Operating Deficit | | | |

RESERVE FUNDS:

| | | | |
|-------------------|--|--|---------|
| Operating Deficit | | | 984,562 |
|-------------------|--|--|---------|

CAPITAL FUNDS:

| | | | |
|-------------------------------------|--|-----------|-----------|
| Unexpended Funds January 1 | | | |
| Short-Term Borrowings - Other Funds | | | |
| Transferred from Reserves | | 4,966,020 | 4,966,020 |

TOTAL

63,422,083

**STATISTICAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2003**

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

GENERAL OPERATING FUND:

| | | | |
|--|-----------|------------|------------|
| Total Services (Less: Hydrant Rentals, Statement 11) | | 42,459,777 | |
| Less: Appropriations to Reserves | 3,819,556 | | |
| Contributions to Capital | 866,311 | | |
| Contributions to Utility, Transit, and Airport | 1,845,455 | | |
| Debt Charges | 814,185 | 7,345,507 | 35,114,270 |

UTILITY OPERATING FUND:

| | | | |
|--------------------------------|--|-----------|-----------|
| Water Supply | | 5,860,937 | |
| Sewage Collection and Disposal | | 3,074,760 | 8,935,697 |

DEBT CHARGES

| | | | |
|--|-----------|-----------|-----------|
| Debenture Debt Charges - General | 707,416 | | |
| - Utility | 2,498,371 | 3,205,787 | |
| Less: Debenture Debt Charges on Own Debenture held in Reserves -General | | | |
| -Utility | | | 3,205,787 |
| Other Debt Charges -General | | 106,769 | |
| -Utility | | | |
| -General Capital Fund | | | |
| -Utility Capital Fund | | | 106,769 |

RESERVE FUND

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

CAPITAL FUNDS:

| | | | |
|--|--|-----------|-----------|
| Capital Expenditures -General | | 4,930,879 | |
| -Utility | | 3,827,306 | 8,758,185 |
| 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

56,120,708

FUNDS AVAILABLE FOR FUTURE YEARS**GENERAL OPERATING FUND:**

| | | | |
|--|-----------|-----------|--|
| Surplus Appropriations | | | |
| Appropriations to Reserves | 3,819,556 | | |
| Operating Surplus | | | |
| Debenture Debt Charges on Debenture held in Reserves | | 3,819,556 | |

UTILITY OPERATING FUND

| | | | |
|--|-----------|-----------|--|
| Surplus Appropriations | | | |
| Appropriations to Reserves | 1,794,187 | | |
| Operating Surplus | 121,717 | | |
| Debenture Debt Charges on Debenture held in Reserves | | 1,915,904 | |

RESERVE FUNDS:

| | | | |
|-------------------|--|-----------|-----------|
| Operating Surplus | | 1,565,915 | 7,301,375 |
|-------------------|--|-----------|-----------|

CAPITAL FUNDS:

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

TOTAL

63,422,083