



# **THE CITY OF BRANDON**

**2007**

# **FINANCIAL REPORT**

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

# FINANCIAL

# REPORT

# 2007

CITY OF BRANDON  
MANITOBA

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### CITY OF BRANDON

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

**AUDITOR'S REPORT**

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**AUDITORS' REPORT**

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TO THE MAYOR AND COUNCILLORS  
CITY OF BRANDON  
BRANDON, MANITOBA

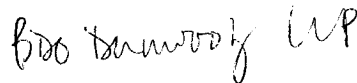
We have audited the balance sheets of the City of Brandon as at December 31, 2007 and the statements of revenue and expenditures, changes in surplus, and source and application of capital funds for the year then ended. These financial statements are the responsibility of the City's management. Our responsibility 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, 2007 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 25, 2008



**CHARTERED ACCOUNTANTS**

GENERAL OPERATING FUND BALANCE SHEET  
AS AT DECEMBER 31, 2007

ASSETS

CASH

Cash on hand		3,435	
Cash on deposit		1,734,963	
Deposit Receipts			1,738,398

RECEIVABLES

Tax assets - Schedule 1		2,179,655	
Government Grants - Schedule 3		1,039,567	
Own Funds and Agencies			
Utility Operating Fund			
Utility Capital Fund			
General Capital Fund	2,406,398		
Reserves			
Trusts			2,406,398
Operating Accounts Receivable			
Organizations and Individuals	1,820,218		
Federal Government	448,023		
Federal Government Enterprises			
Provincial Government			
Provincial Government Enterprises			
Other Local Governments		2,268,241	
Other Receivables			
Sub Total			7,893,861
Less: Allowances for Doubtful Accounts			
Other Allowances			7,893,861

INVESTMENTS - SCHEDULE 6

39,062,233

INVENTORIES

831,107

PREPAID EXPENSES

95,803

TOTAL ASSETS

49,621,402

LIABILITIES AND SURPLUS

TEMPORARY BORROWINGS

Chartered Banks			
Other Financial Institutions			
Other Funds			
Other			

PAYABLES

School Levies - Schedule 4		925,418	
Own Funds and Agencies			
Utility Operating Fund	10,606,986		
Reserves	26,609,537		
Trusts	1,101,250		
Other			38,317,773
Operating Accounts Payable			
Organizations and Individuals	8,347,343		
Federal Government			
Federal Government Enterprises			
Provincial Government			
Provincial Government Enterprises			
Other Local Governments		8,347,343	
Debenture Instalments		6,047	47,596,581

OTHER LIABILITIES

Land Sale Deposits			
Debenture Levies in Advance			
Prepaid taxes		352,736	
Deferred Revenue			352,736

TOTAL CURRENT LIABILITIES

47,949,317

ALLOWANCE FOR TAX ASSETS - STATEMENT 8

414,079

NOMINAL SURPLUS - STATEMENT 8

1,258,006

TOTAL LIABILITIES AND SURPLUS

49,621,402

COMMITMENTS AND CONTINGENCIES (Notes 3 and 4)

## CITY OF BRANDON

STATEMENT 2

## GENERAL RESERVE FUND BALANCE SHEET

AS AT DECEMBER 31, 2007

RESERVE NAME	CASH ASSETS	INVESTMENTS (SCHEDULE 6)	DUE FROM (TO) OTHER FUNDS	OTHER ASSETS	TOTAL (SCHEDULE 5)
Affordable Housing			103,018		103,018
Ambulance			250,614		250,614
Andrews Field			40,576		40,576
Brandon Municipal Airport			353,913		353,913
Capital Development			1,642,935		1,642,935
Centennial Auditorium			361,000		361,000
Civic Services Complex			483,350		483,350
Clare Ave Extension			155,346		155,346
Cumulative Benefits			287,926		287,926
Disposal Site (Sanitation)			1,353,927		1,353,927
Dyking and Flood Control			791,353		791,353
E-911 Equipment			737,227		737,227
Elections			166,331		166,331
Fire Fighting Equipment			283,288		283,288
Fire Vehicles			935,583		935,583
Gas Tax			457,083		457,083
General			965,068		965,068
Gravel Pit			211,680		211,680
Kirkcaldy Heights			115,000		115,000
Land Acquisition			428,968		428,968
Library / Arts Building			61,901		61,901
Machinery and Equipment			3,915,375		3,915,375
Major Event Hosting			105,191		105,191
Municipal Building			28,203		28,203
Municipal Building Maintenance			321,365		321,365
Office Equipment			639,726		639,726
Parks			924,378		924,378
Perpetual Care			407,970		407,970
Police Equipment			594,094		594,094
Police Vehicles			565,596		565,596
Professional Fees			93,291		93,291
Protective Services Building			564,531		564,531
Recreation Centre			345,061		345,061
Snow Clearing			250,142		250,142
Social Development			8,163		8,163
Sportsplex			718,036		718,036
Storm Sewer			1,787,162		1,787,162
Traffic Control Devices			90,784		90,784
Transit Funding			491,773		491,773
Transit Equipment			2,773,057		2,773,057
26th Street, South of Maryland			113,782		113,782
8th Street Bridge			1,685,770		1,685,770
<b>TOTAL</b>			<b>26,609,537</b>		<b>26,609,537</b>

CITY OF BRANDON

STATEMENT 2

GENERAL RESERVE FUND BALANCE SHEET

AS AT DECEMBER 31, 2007

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, 2007

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					2,407,219
FIXED ASSETS					
Buildings				23,459,062	
Machinery and Equipment				29,705,234	
Land				6,164,404	
Other					59,328,700
DEBT CHARGES RECOVERABLE (CAPITAL ASSETS)					
Debenture Levies				124,524	
Deferred Liability Levies					124,524
OTHER ASSETS					
TOTAL ASSETS					61,860,443
	LIABILITIES AND SURPLUS				
TEMPORARY BORROWINGS					
Chartered Banks					
Other Financial Institutions					
Own Funds				2,406,398	
Other					2,406,398
PAYABLES					
Organizations and Individuals					
Federal Government					
Federal Government Enterprises					
Provincial Government					
Provincial Government Enterprises					
OTHER LIABILITIES					
LONG-TERM DEBT					
Debentures - Schedule 8				1,235,524	
Deferred Liabilities - Note					1,235,524
CAPITAL SURPLUS - STATEMENT 8					58,218,521
TOTAL LIABILITIES AND SURPLUS					61,860,443

CITY OF BRANDON

STATEMENT 4

UTILITY OPERATING FUND BALANCE SHEET

AS AT DECEMBER 31, 2007

ASSETS

<b>CASH</b>			
Cash on hand			
Cash on deposit			
Deposit Receipts			
<b>RECEIVABLES</b>			
Government Grants - Schedule 3			
Own Funds and Agencies			
General Operating Fund	10,606,986		
General Capital Fund			
Utility Capital Fund			
Reserves			
Trusts		10,606,986	
Operating Accounts Receivable			
Organizations and individuals	3,388,276		
Federal Government			
Federal Government Enterprises			
Provincial Government			
Provincial Government Enterprises			
Other Local Governments		3,388,276	
Other Receivables			
Sub Total		13,995,262	
Less: Allowances for Doubtful Accounts			13,995,262
<b>INVESTMENTS - SCHEDULE 6</b>			
<b>INVENTORIES</b>			
<b>PREPAID EXPENSES</b>			
<b>TOTAL ASSETS</b>			14,359,908

LIABILITIES AND SURPLUS

<b>TEMPORARY BORROWINGS</b>			
Chartered Banks			
Other Financial Institutions			
Other Funds			
Other			
<b>PAYABLES</b>			
Own Funds and Agencies			
General Operating Fund			
Reserves	10,041,321		
Trusts			
Other		10,041,321	
Operating Accounts Payable			
Organizations and individuals			
Federal Government			
Federal Government Enterprises			
Provincial Government			
Provincial Government Enterprises			
Other Local Governments			
Debenture Instalments		184,305	10,225,626
<b>OTHER LIABILITIES</b>			
Debenture Levies in Advance			
Prepaid Consumer Accounts			
Meter Deposits			
Other			
<b>TOTAL CURRENT LIABILITIES</b>			10,225,626
<b>NOMINAL SURPLUS - STATEMENT 8</b>			4,134,282
<b>TOTAL LIABILITIES AND SURPLUS</b>			14,359,908

STATEMENT 5

UTILITY RESERVE FUND BALANCE SHEET

AS AT DECEMBER 31, 2007

RESERVE NAME	CASH ASSETS	INVESTMENTS (SCHEDULE 6)	DUE FROM (TO) OTHER FUNDS	OTHER ASSETS	TOTAL (SCHEDULE 5)
Water Distribution			5,097,945		5,097,945
Wastewater Distribution			4,762,435		4,762,435
Industrial WWTF			180,941		180,941
Total			10,041,321		10,041,321



CITY OF BRANDON

STATEMENT 6

UTILITY CAPITAL FUND BALANCE SHEET

AS AT DECEMBER 31, 2007

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		34,436,210	
Machinery and Equipment		5,733,745	
Land		116,267	
Other			40,286,222
DEBT CHARGES RECOVERABLE (CAPITAL ASSETS)			
Debenture Levies		1,391,000	
Deferred Liability Levies			1,391,000
OTHER ASSETS			
TOTAL ASSETS			41,677,222

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		10,573,731	
Deferred Liabilities - Note			10,573,731
CAPITAL SURPLUS - STATEMENT 8			31,103,491
TOTAL LIABILITIES AND SURPLUS			41,677,222

STATEMENT 7

TRUST FUND BALANCE SHEET

AS AT DECEMBER 31, 2007

ASSETS

TRUST NAME	CASH	INVESTMENTS (Schedule 6)	OTHER FUNDS	OTHER	TOTAL
Parks & Recreation			14,288		14,288
Debenture Principal & Interest	130,000				130,000
Land Options & Property Deposits					
Engineering			1,086,962		1,086,962
TOTAL	130,000		1,101,250		1,231,250

LIABILITIES

	PAYABLES	OTHER FUNDS	OTHER	TRUST	TOTAL
Parks & Recreation				14,288	14,288
Debenture Principal & Interest	130,000				130,000
Land Options & Property Deposits					
Other				1,086,962	1,086,962
TOTAL	130,000			1,101,250	1,231,250

## CITY OF BRANDON

STATEMENT 8

## SURPLUS ACCOUNTS AND ALLOWANCE FOR TAX ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2007

## ALLOWANCE FOR TAX ASSETS

Balance, January 1		464,998
Add: Transfer From Revenue - Statement 10	460,184	
Profit on Tax Title Sales		
Transfer From Nominal Surplus		
Tax Titles Established		
		460,184
Sub-Total		925,182
Deduct: Taxes Cancelled - Schedule 1	511,103	
T.S.C. Cancelled - Schedule 1		
Tax Titles Written Off - Schedule 1		
Transfer to Nominal Surplus		
		511,103
Balance, December 31 - Statement 1		414,079

## NOMINAL SURPLUS - GENERAL

Balance, January 1		1,717,618
Add: Transfer From Deferred Surplus - Statement 9		
Transfer From Allowance For Tax Assets		
Operating Surplus - Statement 9		
Miscellaneous Income	3,386	
		3,386
Sub-Total		1,721,004
Deduct: Accts. Rec. Cancelled	79,718	
Transfer To General Reserve - Schedule 5		
Transfer To Allowance For Tax Assets		
Transfer To Revenue - Statement 9		
Operating Deficit - Statement 9		
Prior Years Accrued Benefits Liability	383,280	
		462,998
Balance, December 31 - Statement 1		1,258,006

## NOMINAL SURPLUS - UTILITY

Balance, January 1		4,134,282
Add: Transfer From Deferred Surplus - Statement 11		
Other Transfers (Specify)		
Operating Surplus - Statement 11		
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		54,518,543
Add: Fixed Assets Acquired - Equipment	1,502,698	
Fixed Assets Acquired - Land	1,388,004	
Fixed Assets Acquired - Buildings	1,628,742	
Prior Years Additions	40,663	
Debentures Redeemed	319,000	4,879,107
Sub-Total		59,397,650
Deduct: Disposal of Fixed Assets - Equipment	1,170,354	
Disposal of Fixed Assets - Land	8,775	
Disposal of Fixed Assets - Buildings		
		1,179,129
Balance, December 31 - Statement 3		58,218,521

## CAPITAL SURPLUS - UTILITY

Balance, January 1		28,906,889
Add: Fixed Assets Acquired - Equipment	508,618	
Fixed Assets Acquired - Land		
Fixed Assets Acquired - Buildings	338,436	
Debentures Redeemed	1,435,557	2,282,611
Sub-Total		31,189,500
Deduct: Disposal of Fixed Assets - Equipment	86,009	
Disposal of Fixed Assets - Land		
Disposal of Fixed Assets - Buildings		
		86,009
Balance, December 31 - Statement 6		31,103,491

## CITY OF BRANDON

STATEMENT 9

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

**FOR THE YEAR ENDED DECEMBER 31, 2007**

**REVENUE**

TOTAL REVENUE FROM TAXATION				25,491,457
OTHER REVENUE				
Taxes Added - Schedule 1			1,023,405	
Licences and Permits			1,000,081	
Fines			548,222	
Parking Meter Fees			217,208	
Sales of Service				
General Government		123,468		
Protection		2,914,111		
Transportation	1,387,786			
Less: Costs		1,387,786		
Environmental Health		1,229,141		
Public Health and Welfare		206,596		
Planning and Development				
Economic Development				
Recreation and Culture		1,042,934	6,904,036	
Sales of Goods				
Rentals of Fixed Assets			420,830	
Concessions and Franchises			159,574	
Returns From Investments			22,822	
Transfers From Utilities and Enterprises				
Tax Penalties - Schedule 1			316,033	
Miscellaneous Revenue			1,465,838	
Grants in Lieu of Taxes - Schedule 3				
Federal Government		333,588		
Federal Government Enterprises				
Provincial Government		1,624,406		
Provincial Government Enterprises				
Other Local Governments				
Non-Government Organizations			1,957,994	
Unconditional Government Transfers - Schedule 3				
Federal Government				
Provincial - Municipal Tax Sharing		6,065,741		
Provincial - Municipal Support Grants		535,167		
Provincial Video Lottery Terminals		833,978		
Other Local Governments			7,434,886	
Conditional Government Transfers - Schedule 3				
Federal Government		1,412,840		
Provincial Government		2,993,533		
Other Local Governments		44,012	4,450,385	25,921,314
TOTAL REVENUE FROM EXTERNAL SOURCES				51,412,771
TRANSFERS FROM ACCUMULATED SURPLUS - STATEMENT 8				
TRANSFERS FROM RESERVES - SCHEDULE 5				4,094,337
OPERATING DEFICIT - STATEMENT 8				
TOTAL				55,507,108

**EXPENDITURE**

GENERAL GOVERNMENT SERVICES				6,089,182
PROTECTIVE SERVICES				17,215,995
TRANSPORTATION SERVICES				9,580,149
ENVIRONMENTAL HEALTH SERVICES				2,344,827
PUBLIC HEALTH AND WELFARE SERVICES				475,296
ENVIRONMENTAL PLANNING AND COMMUNITY DEVELOPMENT SERVICES				283,192
ECONOMIC DEVELOPMENT SERVICES				202,021
RECREATION AND CULTURAL SERVICES				5,023,525
FISCAL SERVICES				3,586,464
TOTAL SERVICES				44,800,651
SURPLUS APPROPRIATIONS				
Deferred Surplus - Operating Deficit				
Deferred Surplus - By-Law Obligation				
Transfer to Reserves - Statement 10			10,706,457	10,706,457
OPERATING SURPLUS - STATEMENT 8				
TOTAL				55,507,108

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, 2007**

	ESTIMATED	ACTUAL	UNDERSPENT	OVERSPENT
<b>General Government Services</b>				
Legislative	434,558	388,557	46,001	
General Administrative	5,020,883	4,733,999	286,884	
Other General Government	924,953	966,626		41,673
Total	6,380,394	6,089,182	291,212	
<b>Protective Services</b>				
Police Protection	9,619,098	9,712,905		93,807
Law Enforcement				
Fire Protection	3,532,453	3,445,134	87,319	
Emergency Measures	2,658,727	2,546,961	111,766	
Other Protection	1,607,532	1,510,995	96,537	
Total	17,417,810	17,215,995	201,815	
<b>Transportation Services</b>				
Road Transport	5,780,604	5,668,094	112,510	
Administration	1,006,353	1,056,536		50,183
Engineering	910,926	936,020		25,094
Roads and Streets	2,726,978	2,540,851	186,127	
Bridges, Subways	1,657	123	1,534	
Street Lighting	772,824	751,099	21,725	
Traffic Services	268,723	287,066		18,343
Parking	93,143	96,399		3,256
Other Road Transport				
Air Transport	297,535	307,777		10,242
Water Transport				
Public Transit	3,343,363	3,604,278		260,915
Total	9,421,502	9,580,149		158,647
<b>Environmental Health Services</b>				
Garbage and Waste Collection and Disposal	2,348,053	2,299,919	48,134	
Other Environmental Health		44,908		44,908
Total	2,348,053	2,344,827	3,226	
<b>Public Health and Welfare Services</b>				
Public Health (Cemeteries)	232,071	208,264	23,807	
Medical Care				
Hospital Care				
Social Welfare	267,032	267,032		
Total	499,103	475,296	23,807	
<b>Environmental Planning and Community Development Services</b>				
Environmental Planning and Zoning	10,000	5,780	4,220	
Community Development	167,034	173,097		6,063
Housing	84,400	104,315		19,915
Total	261,434	283,192		21,758
<b>Economic Development Services</b>				
Natural Resources				
Regional Development Commissions	266,570	202,021	64,549	
Industrial Parks and Commissions				
Other Economic Services				
Total	266,570	202,021	64,549	
<b>Recreation and Cultural Services</b>				
Recreation Facilities	3,220,181	3,229,172		8,991
Cultural Buildings and Facilities	442,295	430,252	12,043	
Other Recreation and Cultural Services	1,398,401	1,364,101	34,300	
Education Grants				
Total	5,060,877	5,023,525	37,352	
<b>SUB-TOTALS FORWARD</b>	<b>41,655,743</b>	<b>41,214,187</b>	<b>441,556</b>	

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

GENERAL OPERATING FUND  
COMPARISON OF BUDGETED AND ACTUAL EXPENDITURE - CONTINUED

FOR THE YEAR ENDED DECEMBER 31, 2007

	ESTIMATED	ACTUAL	UNDERSPENT	OVERSPENT
SUB-TOTALS FORWARD	41,655,743	41,214,187	441,556	
<b>Fiscal Services</b>				
Transfers to Other Governments				
Other Municipal Government				
Transfers to Own Funds	2,178,084	2,852,713		674,629
Allowance For Tax Assets - Statement 8	3,730	460,184		456,454
Capital Fund - Statement 13	329,550	547,725		218,175
Utility Fund - Statement 11	1,844,804	1,844,804		
Contribution to Other Funds				
Phase-in Tax Credit				
Public Debt Charges	976,822	733,751	243,071	
Debenture Debt Charges - Schedule 7	845,822	629,614	216,208	
Other Long-Term Debt Charges				
Interest on Short-Term Financing	131,000	104,137	26,863	
Bank Loan Interest	41,000	19,489	21,511	
Other Fund Loan Interest				
Tax Discounts - Schedule 1	90,000	84,648	5,352	
Other Debt Charges				
Debenture Discount				
Debenture Issue Costs				
Other				
Other Fiscal Services				
Total	3,154,906	3,586,464		431,558
<b>Transfer to Reserves</b>				
General Reserve				
Specific Reserve				
- Replacement Reserve				
- Capital Development				
- Other		10,706,457		10,706,457
Total		10,706,457		10,706,457
<b>Surplus Appropriations</b>				
Total Estimated	44,810,649			
Total Actual		55,507,108		
Total Underspent				
Total Overspent				10,696,459

RECONCILIATION WITH OPERATING SURPLUS OR DEFICIT

	ESTIMATED	ACTUAL	OVER(UNDER)
REVENUE			
Tax Revenue	25,491,457	25,491,457	
Other Revenue	19,319,192	30,015,651	10,696,459
Revenue Surplus (Deficit)	44,810,649	55,507,108	10,696,459
EXPENDITURE	44,810,649	55,507,108	10,696,459
OPERATING SURPLUS (DEFICIT)			



CITY OF BRANDON

STATEMENT 11

UTILITY OPERATING FUND  
STATEMENT OF REVENUE AND EXPENDITURE

FOR THE YEAR ENDED DECEMBER 31, 2007

REVENUE

	METERED	FLAT RATE	TOTAL
CONSUMER SALES			
All Consumers - Regular Consumption	8,017,681	657,375	8,675,056
All Consumers - Sewer Charges	3,341,497		3,341,497
Bulk Sales	62,130		62,130
Industrial Surcharges	53,388		53,388
Total	11,474,696	657,375	12,132,071
Less: Discounts			
Refunds and Cancellations			12,132,071
SEWER SERVICE CHARGES			
PENALTIES			69,211
HYDRANT RENTALS			160,625
CONSUMER INSTALLATION SERVICE			
CONNECTION REVENUE - NET			
PROVINCIAL GRANTS			
OTHER REVENUE			1,466,450
PROVIDED BY GENERAL OPERATING FUND - STATEMENT 10			
Re: Debentures			1,844,804
Re: Operations			1,844,804
TRANSFER FROM RESERVE FUND - SCHEDULE 5			
TRANSFER FROM ACCUMULATED SURPLUS - STATEMENT 8			
OPERATING DEFICIT - STATEMENT 8			
TOTAL			15,673,161

EXPENDITURE

WATER SUPPLY		6,335,258
SEWAGE COLLECTION AND DISPOSAL		3,689,151
TRANSFER TO CAPITAL - STATEMENT 14		363,844
TRANSFERS TO RESERVE - SCHEDULE 5		2,568,906
DEBENTURE DEBT CHARGES - SCHEDULE 7		2,716,002
OTHER LONG-TERM DEBT CHARGES		
SURPLUS APPROPRIATIONS - STATEMENT 8		
Deferred surplus - Operating Deficit, 19		
19		
19		
OPERATING SURPLUS - STATEMENT 8		
TOTAL		15,673,161

STATEMENT 12

COMPARISON OF UTILITY BUDGETED AND ACTUAL EXPENDITURE

FOR THE YEAR ENDED DECEMBER 31, 2007

	ESTIMATED	ACTUAL	UNDERSPENT	OVERSPENT
Water Supply	6,766,512	6,335,258	431,254	
Sewage Collection and Disposal	4,335,023	3,689,151	645,872	
Transfer To Capital	995,000	363,844	631,156	
Transfers To Reserve	1,325,000	2,568,906		1,243,906
Debenture Debt Charges	2,531,697	2,716,002		184,305
Other Long-Term Debt Charges				
Surplus Appropriations				
Total Estimated	15,953,232			
Total Actual		15,673,161		
Total Underspent			280,071	
Total Overspent				

RECONCILIATION WITH OPERATING SURPLUS OR DEFICIT

	ESTIMATED	ACTUAL	OVER (UNDER)
REVENUE	15,953,232	15,673,161	(280,071)
EXPENDITURE	15,953,232	15,673,161	(280,071)
OPERATING SURPLUS (DEFICIT)			

STATEMENT OF SOURCE AND APPLICATION OF GENERAL CAPITAL FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2007

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		547,725
CAPITAL EXPENDITURES FROM RESERVES - SCHEDULE 5		6,743,339
GRANTS - SCHEDULE 3		
Federal Government		
Federal Government Enterprises		
Provincial Government		
Provincial Government Enterprises		
Other Local Governments		
Other		
ACCOUNTS PAYABLE, DECEMBER 31		
OTHER		
TOTAL		7,291,064

APPLICATION

CAPITAL EXPENDITURES	FIXED ASSETS		LOCAL	TOTAL
	CONSTRUCTION	PURCHASE	IMPROVEMENTS	
General Government		300,700	573,860	874,560
Protection		2,649,565	46,190	2,695,755
Transportation	31,519	1,461,769	762,404	2,255,692
Recreation and Culture		28,986	53,748	82,734
Environmental Health		46,905	1,335,418	1,382,323
Economic Development				
Public Health				
TOTAL	31,519	4,487,925	2,771,620	7,291,064

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		7,291,064



STATEMENT OF SOURCE AND APPLICATION OF UTILITY CAPITAL FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2007

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		363,844
CAPITAL EXPENDITURES FROM RESERVES - SCHEDULE 5		985,149
GRANTS - SCHEDULE 3		
Federal Government		
Federal Government Enterprises		
Provincial Government		
Provincial Government Enterprises		
Other Local Governments		
Other		
ACCOUNTS PAYABLE, DECEMBER 31		
OTHER - INTEREST		
<b>TOTAL</b>		<b>1,348,993</b>

APPLICATION

CAPITAL EXPENDITURES	FIXED ASSETS		LOCAL	TOTAL
	CONSTRUCTION	PURCHASE	IMPROVEMENTS	
Water Supply			437,585	437,585
Wastewater Disposal	212,252		64,354	276,606
Wastewater Treatment				
Water Treatment		634,802		634,802
<b>TOTAL</b>	<b>212,252</b>	<b>634,802</b>	<b>501,939</b>	<b>1,348,993</b>

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		
<b>TOTAL</b>		<b>1,348,993</b>

CITY OF BRANDON

SCHEDULE 1

ANALYSIS OF TAX ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2007

	TAXES ON ROLL	TAX SALE CERTIFICATES	TAX TITLES	AGREEMENTS OF SALE
Balance, January 1	2,305,978			
ADD:				
Tax Levy - Schedule 2	49,727,706			
Taxes Added - Statement 9	1,023,405			
Penalties or Interest Added - Statement 9	316,033			
Other Accounts Added	301,627			
Taxes Prepaid				
Transfer Re Tax Sale				
Tax Titles Acquired				
Land Sales				
TAX ADJUSTMENTS (SPECIFY)				
Difference between levy and financial plan	5			
SUB-TOTAL	53,674,754			
DEDUCT:				
Cash Collections:	50,743,874			
Arrears	1,998,573			
Current	48,745,301			
Transfer Re Tax Sale				
Cancellations	511,103			
Returned To Roll				
Title Value of Land Sales				
Transfers Re Titles Acquired				
Tax Discounts - Statement 10	84,648			
M.P.T.C. - Cash Advance	59,188			
Other Credits	96,286			
Tax Offsetting Grants				
TOTAL	2,179,655			
BALANCE, DECEMBER 31	2,179,655			
	(Statement 1)			

SCHEDULE 2

ANALYSIS OF TAX LEVY

FOR THE YEAR ENDED DECEMBER 31, 2007

	ASSESSMENT	MILL RATE	LEVY
Other Governments (L.U.D.)			
Debt Charges			
Frontage			65,073
Mill Rate (At Large)	1,039,740,090	0.503	522,989
(L.I.D.)	1,187,099,710	1.636	1,942,095
Total	1,039,740,090	0.538	559,380
Minister of Rural Development			
Deferred Surplus			
Reserves:			
Various	1,039,740,090	5.557	5,777,836
By-Law			
By-Law			
By-Law			
General Municipal	1,039,740,090	15.946	16,579,695
Special Levies (Specify)			
School Portion of Mobile Home Revenue			(16,044)
Business Tax-Rate % Cable TV	6,043,200		60,432
Total Municipal Taxes			25,491,456
Schools			
Prov. Education 1	659,499,840		
Prov. Education 2	347,289,570	16.100	5,591,362
Total Education Support Program	1,006,789,410		5,591,362
Special Division	1,007,781,670	18.485	18,628,844
Brandon School Division			16,044
Mobile Home Revenue			
Total School Taxes			24,236,250
<b>TOTAL TAX LEVY - SCHEDULE 1</b>			<b>49,727,706</b>

CITY OF BRANDON

SCHEDULE 3

ANALYSIS OF GOVERNMENT TRANSFERS  
FOR THE YEAR ENDED DECEMBER 31, 2007

	BALANCE JANUARY 1	GRANTS EARNED (Statement 9)	GRANTS RECEIVED	ADJUSTMENTS	BALANCE DECEMBER 31 (Statement 1)
<b>GENERAL FUND</b>					
<b>PROVINCIAL</b>		13,843,265			1,039,567
Grants in Lieu		1,624,406	1,624,406		
Prov. - Mun. Tax Sharing		6,065,741	6,065,741		
Prov. - Mun. Support Grants		535,167	535,167		
VLT Revenues		833,978	833,978		
Conditional Grants	191,715	2,993,533	2,151,383		1,033,865
General Govt.					
Protection	80,000	624,934	234,934		470,000
Transportation	60,076	1,402,370	968,876		493,570
Environmental Health	2,765	33,793	15,802		20,756
Public Health & Welfare		559,183	559,183		
Environmental Planning	48,874	307,603	306,938		49,539
Employment Programs					
Economic Development		25,000	25,000		
Youth Programs		40,650	40,650		
<b>FEDERAL</b>					
Grants in Lieu		333,588	332,267		1,321
Unconditional Grants					
Conditional Grants (Spec):		1,412,840	1,411,921		919
Gas Tax		1,381,278	1,381,278		
Transportation					
Energy Retrofit		21,375	21,375		
Youth Programs		7,253	6,334		919
Economic Development & Heritage		2,934	2,934		
<b>LOCAL (Specify name of Govt. and type of grant as above)</b>					
MB Metis Federation - Career Placement		3,462			3,462
Riverbank - Environmental Health		7,000	7,000		
UCT - Environmental Health		33,550	33,550		
DOTC -	25,000			(25,000)	
Northern Plains Aboriginal Centre					
<b>UTILITY FUND</b>		(Statement 11)			(Statement 4)
Provincial Grant					
Federal Grant					
Local Grant					
<b>GENERAL CAPITAL GRANTS</b> (Specify Govt. and type as above):		(Statement 13)			(Statement 3)
<b>PROVINCIAL</b>					
<b>FEDERAL</b>					
<b>LOCAL</b>					
<b>UTILITY CAPITAL GRANTS</b>		(Statement 14)			(Statement 6)
<b>PROVINCIAL</b>					
<b>FEDERAL</b>					
<b>LOCAL</b>					

NOTE: Provincial and Federal includes both Government and Enterprises.

SCHEDULE 4

ANALYSIS OF SCHOOL ACCOUNTS  
FOR THE YEAR ENDED DECEMBER 31, 2007

	OUTSTANDING JANUARY 1	CURRENT REQUIREMENT	CURRENT PAYMENTS	OUTSTANDING DECEMBER 31 (STATEMENT 1)
<b>EDUCATION SUPPORT LEVIES</b>	299,160	6,562,641	6,586,264	275,537
<b>SPECIAL LEVIES:</b>				
School Division: <u>Brandon</u>	719,525	15,473,351	15,542,995	649,881
<b>TOTAL</b>	1,018,685	22,035,992	22,129,259	925,418

**ANALYSIS OF RESERVE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**

RESERVE NAME BY-LAW NO.	Affordable Housing 6869	Ambulance 3705	Andrews Field 6251	Brandon Municipal Airport 6353
BALANCE, JANUARY 1		233,403	33,653	301,783
ADD: Interest Earned	3,018	12,211	1,923	16,771
Appropriation (Statement 10)	100,000	5,000	5,000	83,674
Surplus Appropriation (Statement 9)				
Transfer From Surplus Acc. (Statement 8)				
Development Agreement Funds				
<b>SUB-TOTAL</b>	<b>103,018</b>	<b>250,614</b>	<b>40,576</b>	<b>402,228</b>
DEDUCT: Purchases (Statement 13)				48,315
Transfer To Revenue (Statement 9)				
<b>SUB-TOTAL</b>				<b>48,315</b>
<b>BALANCE, DECEMBER 31 - Statement 2</b>	<b>103,018</b>	<b>250,614</b>	<b>40,576</b>	<b>353,913</b>

RESERVE NAME BY-LAW NO.	Capital Development 4967	Centennial Auditorium 4647	Civic Services Complex 5655	Clare Ave Extension 6722
BALANCE, JANUARY 1	979,566	323,004	408,901	131,597
ADD: Interest Earned	64,223	17,682	21,310	6,946
Appropriation (Statement 10)	514,330		70,000	
Transfer From Surplus Acc. (Stmt. 8)				
Development Agreement Funds	92,743			16,803
<b>SUB-TOTAL</b>	<b>1,650,862</b>	<b>340,686</b>	<b>500,211</b>	<b>155,346</b>
DEDUCT: Purchases (Statement 13)	7,927	(20,314)	16,861	
Transfer To Revenue (Statement 9)				
<b>SUB-TOTAL</b>	<b>7,927</b>	<b>(20,314)</b>	<b>16,861</b>	
<b>BALANCE, DECEMBER 31 - Statement 2</b>	<b>1,642,935</b>	<b>361,000</b>	<b>483,350</b>	<b>155,346</b>

RESERVE NAME BY-LAW NO.	Cumulative Benefits 5179	Disposal Site (Sanitation) 4528	Dyking and Flood Control 4923	E-911 Equipment 6563
BALANCE, JANUARY 1	274,119	994,491	752,591	489,592
ADD: Interest Earned	13,807	59,436	38,762	28,030
Appropriation (Statement 10)		300,000		225,624
<b>SUB-TOTAL</b>	<b>287,926</b>	<b>1,353,927</b>	<b>791,353</b>	<b>743,246</b>
DEDUCT: Purchases (Statement 13)				6,019
Transfer To Revenue (Statement 9)				
<b>SUB-TOTAL</b>				<b>6,019</b>
<b>BALANCE, DECEMBER 31 - Statement 2</b>	<b>287,926</b>	<b>1,353,927</b>	<b>791,353</b>	<b>737,227</b>

CITY OF BRANDON

SCHEDULE 5

ANALYSIS OF RESERVE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2007

RESERVE NAME BY-LAW NO.	Elections 5760	Fire Fighting Equipment 3708	Fire Vehicles 6731	Gas Tax 6824
BALANCE, JANUARY 1	143,378	152,202	803,610	1,271,189
ADD: Interest Earned	7,953	13,253	44,198	65,383
Appropriation (Statement 10)	15,000	150,000	132,429	896,398
Surplus Appropriation (Statement 9)				
Transfer From Surplus Acc. (Stmt. 8)				
<b>SUB-TOTAL</b>	<b>166,331</b>	<b>315,455</b>	<b>980,237</b>	<b>2,232,970</b>
DEDUCT: Purchases (Statement 13)		32,167	44,654	620,887
Transfer To Revenue (Statement 9)				1,155,000
<b>SUB-TOTAL</b>		<b>32,167</b>	<b>44,654</b>	<b>1,775,887</b>
<b>BALANCE, DECEMBER 31 - Statement 2</b>	<b>166,331</b>	<b>283,288</b>	<b>935,583</b>	<b>457,083</b>

RESERVE NAME BY-LAW NO.	General 3620	Gravel Pit 3652	Kirkcaldy Heights 4050	Land Acquisition 5765
BALANCE, JANUARY 1	1,113,362	398,732	115,000	1,505,315
ADD: Interest Earned	55,758	12,948		39,828
Appropriation (Statement 10)				2,000,000
Transfer From Surplus Acc. (Stmt. 8)				
<b>SUB-TOTAL</b>	<b>1,169,120</b>	<b>411,680</b>	<b>115,000</b>	<b>3,545,143</b>
DEDUCT: Purchases (Statement 13)	204,052			2,666,175
Transfer To Revenue (Statement 9)		200,000		450,000
<b>SUB-TOTAL</b>	<b>204,052</b>	<b>200,000</b>		<b>3,116,175</b>
<b>BALANCE, DECEMBER 31 - Statement 2</b>	<b>965,068</b>	<b>211,680</b>	<b>115,000</b>	<b>428,968</b>

RESERVE NAME BY-LAW NO.	Library / Arts Building 5259	Machinery and Equipment 3675	Major Event Hosting 6260	Municipal Building 3653
BALANCE, JANUARY 1	53,933	3,056,705	112,876	26,822
ADD: Interest Earned	2,968	150,000	5,441	1,381
Appropriation (Statement 10)	5,000	1,889,767	10,000	
Transfer From Surplus Acc. (Stmt. 8)				
<b>SUB-TOTAL</b>	<b>61,901</b>	<b>5,096,472</b>	<b>128,317</b>	<b>28,203</b>
DEDUCT: Purchases (Statement 13)		1,181,097		
Transfer To Revenue (Statement 9)			23,126	
<b>SUB-TOTAL</b>		<b>1,181,097</b>	<b>23,126</b>	
<b>BALANCE, DECEMBER 31 - Statement 2</b>	<b>61,901</b>	<b>3,915,375</b>	<b>105,191</b>	<b>28,203</b>

CITY OF BRANDON

SCHEDULE 5

ANALYSIS OF RESERVE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2007

RESERVE NAME BY-LAW NO.	Municipal Building Maintenance 4368	Office Equipment 3656	Parks 6660	Perpetual Care 6562
BALANCE, JANUARY 1	269,874	669,268	388,346	314,200
ADD: Interest Earned	16,491	35,288	39,116	18,944
Appropriation (Statement 10)	85,000	501,114	450,000	74,826
Surplus Appropriation (Statement 9)				
Transfer From Surplus Acc. (Stmt. 8)			63,623	
Development Contributions				
SUB-TOTAL	371,365	1,205,670	941,085	407,970
DEDUCT: Purchases (Statement 13)		565,944	16,707	
Transfer To Revenue (Statement 9)	50,000			
SUB-TOTAL	50,000	565,944	16,707	
BALANCE, DECEMBER 31 - Statement 2	321,365	639,726	924,378	407,970

RESERVE NAME BY-LAW NO.	Police Equipment 4442	Police Vehicles 6730	Professional Fees 5886	Protective Services Bldg 6729
BALANCE, JANUARY 1	232,590	476,954	88,721	2,479,014
ADD: Interest Earned	19,216	27,153	4,570	53,240
Appropriation (Statement 10)	350,000	234,396		50,000
Transfer From Surplus Acc. (Stmt. 8)				
SUB-TOTAL	601,806	738,503	93,291	2,582,254
DEDUCT: Purchases (Statement 13)	7,712	172,907		17,723
Transfer To Revenue (Statement 9)				2,000,000
SUB-TOTAL	7,712	172,907		2,017,723
BALANCE, DECEMBER 31 - Statement 2	594,094	565,596	93,291	564,531

RESERVE NAME BY-LAW NO.	Recreation Centre 4750	Snow Clearing 6540	Social Development 6564	Sportsplex 5066
BALANCE, JANUARY 1	214,307	277,374	7,763	594,439
ADD: Interest Earned	16,353	12,768	400	34,164
Appropriation (Statement 10)	152,000			121,533
Transfer From Surplus Acc. (Stmt. 8)				
SUB-TOTAL	382,660	290,142	8,163	750,136
DEDUCT: Purchases (Statement 13)	37,599			32,100
Transfer To Revenue (Statement 9)		40,000		
SUB-TOTAL	37,599	40,000		32,100
BALANCE, DECEMBER 31 - Statement 2	345,061	250,142	8,163	718,036

**ANALYSIS OF RESERVE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2007**

RESERVE NAME	Storm Sewer	Traffic Control Devices	Transit Funding	Transit System Equipment
BY-LAW NO.	3835	4751	6881	3654
BALANCE, JANUARY 1	1,696,235	46,853		2,346,621
ADD: Interest Earned	80,465	3,931	6,893	127,430
Appropriation (Statement 10)	1,275,960	40,000	484,880	294,526
Surplus Appropriation (Statement 9)				
Transfer From Surplus Acc. (Stmt. 8)				
SUB-TOTAL	3,052,660	90,784	491,773	2,768,577
DEDUCT: Purchases (Statement 13)	1,089,287			(4,480)
Transfer To Revenue (Statement 9)	176,211			
SUB-TOTAL	1,265,498			(4,480)
BALANCE, DECEMBER 31 - Statement 2	1,787,162	90,784	491,773	2,773,057

RESERVE NAME	26th Street South of Maryland	8th Street Bridge		
BY-LAW NO.	6140	6661		
BALANCE, JANUARY 1	108,209	1,415,649		
ADD: Interest Earned	5,573	80,121		
Appropriation (Statement 10)		190,000		
Transfer From Surplus Acc. (Stmt. 8)				
SUB-TOTAL	113,782	1,685,770		
DEDUCT: Purchases (Statement 13)				
Transfer To Revenue (Statement 9)				
SUB-TOTAL				
BALANCE, DECEMBER 31 - Statement 2	113,782	1,685,770		

RESERVE NAME	Water Distribution	Wastewater Distribution	Industrial WWTF	
BY-LAW NO.	6382	6732	6623	
BALANCE, JANUARY 1	4,795,555	2,980,786	152,550	
ADD: Interest Earned	337,651	162,631	8,391	
Appropriation (Statement 11)	750,000	1,818,906		
Transfer From Surplus Acc. (Stmt. 8)				
Contribution From Maple Leaf			20,000	
SUB-TOTAL	5,883,206	4,962,323	180,941	
DEDUCT: Purchases (Statement 14)	785,261	199,888		
Transfer To Revenue (Statement 11)				
SUB-TOTAL	785,261	199,888		
BALANCE, DECEMBER 31 - Statement 5	5,097,945	4,762,435	180,941	

## CITY OF BRANDON

SCHEDULE 6

## ANALYSIS OF INVESTMENTS

AS AT DECEMBER 31, 2007

TYPE	DUE DATE D/M/Y	INTEREST RATE	INTEREST EARNED	AMOUNT	TOTAL
GOVERNMENT OF CANADA	15/03/08	4.40%	167,948	3,953,267	3,953,267
PROVINCE OF MANITOBA AND AGENCIES					
OTHER PROVINCES OR PROVINCIAL AGENCIES					
BY-LAW					
DEBENTURES OF OWN MUNICIPALITY	Various	Various	40,661	399,505	399,505
DEBENTURES OF OTHER LOCAL GOVERNMENTS					
MANITOBA INVESTMENT POOL AUTHORITY					
OTHER INVESTMENTS					
Corporate Bonds	Various	Various	313,853	8,013,108	
Bank GIC's	Various	Various	642,494	13,939,999	
Money Market				498,799	
Bankers Acceptance			39,694	11,127,667	
Mortgages Receivable	Various	Various	6,400	246,915	
Brandon Regional Health Authority		6.50%	63,627	882,973	
TOTAL INVESTMENTS					39,062,233

## INVESTMENT HOLDINGS

AS AT DECEMBER 31, 2007

	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					
BY-LAW					
DEBENTURES OF OWN MUNICIPALITY	Various	399,505			399,505
DEBENTURES OF OTHER LOCAL GOVERNMENTS					
MANITOBA INVESTMENT POOL AUTHORITY					
OTHER INVESTMENTS	Various	34,709,461			34,709,461
TOTAL INVESTMENTS					39,062,233

## INVESTMENT CHANGES

FOR THE YEAR ENDED DECEMBER 31, 2007

TOTAL INVESTMENTS, JANUARY 1				29,173,062
INVESTMENTS ACQUIRED	Various		30,706,792	30,706,792
INVESTMENTS SOLD				59,879,854
INVESTMENTS MATURED	Various		20,817,621	20,817,621
TOTAL INVESTMENTS, DECEMBER 31				39,062,233



SCHEDULE 7

ANALYSIS OF DEBENTURE INDEBTEDNESS

AS AT DECEMBER 31, 2007

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
6144-A-4	Local Improvements	1993	113,000	E	CDN	14	2007	7.875 to 8%	12,000	960	
6428/74/96	Local Improvements	1996	29,400	C	CDN	15	2010	8.875%	2,576	1,111	9,186
6429/75/96	Local Improvements	1996	306,714	C	CDN	15	2010	8.500%	26,651	10,943	94,332
6442/05/97	Local Improvements	1997	3,825	C	CDN	15	2011	8.375%	306	162	1,501
6443/06/97	Local Improvements	1997	32,650	C	CDN	15	2011	8.375%	2,610	1,380	12,818
6448/11/97	Local Improvements	1997	11,410	C	CDN	15	2011	8.375%	912	482	4,479
6449/12/97	Local Improvements	1997	5,625	C	CDN	15	2011	8.375%	450	238	2,208
6029/66/92	Keystone Centre Expansion	1992	1,312,000	E	CDN	15	2007	9.000%	149,326	13,439	
<b>SUB-TOTAL -- LOCAL IMPROVEMENTS</b>											
6144-A-3	Parks Complex	1993	725,000	E	CDN	14	2007	7.875 to 8%	79,000	6,320	
6659	Library/Arts Building	2002	2,400,000	E	CDN	10	2011	4.375 to 5.875%	240,000	80,748	1,111,000
<b>SUB-TOTAL -- OTHER</b>											
<b>194,831</b>											
<b>28,715</b>											
<b>124,524</b>											
<b>79,000</b>											
<b>6,320</b>											
<b>240,000</b>											
<b>80,748</b>											
<b>1,111,000</b>											
<b>319,000</b>											
<b>87,068</b>											
<b>1,111,000</b>											

CURRENT LEVY											P
513,831											115,783
TOTAL PRINCIPAL OUTSTANDING, DECEMBER 31, - SCHEDULE 8											a
1,235,524											g
											e
											1
											7

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

**ANALYSIS OF DEBTURE INDEBTEDNESS**

AS AT DECEMBER 31, 2007

SCHEDULE 7

AUTHORITY	PURPOSE	YEAR OF ISSUE	ORIGINAL AMOUNT	PURCHASED BY (A)	PAYABLE	TERM	MATURITY DATE	INTEREST RATE	PRINCIPAL	CURRENT LEVY INTEREST	OUTSTANDING DECEMBER 31
5609/54/88	Sewage Treatment	1988	98,600	E	CDN	20	2008	12.125%	10,582	2,840	11,864
5649/15/89	Sewage Treatment	1988	357,000	B	CDN	20	2008	11.125%	36,601	8,597	40,672
5818/93/90	Sewage Treatment	1990	109,000	B	CDN	20	2009	10.500%	9,815	3,625	22,830
5859/16/91	Sewage Treatment	1991	667,000	B	CDN	20	2010	11.375%	55,776	31,994	208,364
5982/19/92	Sewage Treatment	1991	588,000	B	CDN	20	2011	10.500%	43,363	28,075	224,020
6144-A-1	Sewage Treatment	1993	5,443,000	E	CDN	19	2012	7.875 to 8.50%	348,000	230,834	2,255,000
6144-A-2	Water Distribution	1993	853,000	E	CDN	14	2007	7.875 to 8.50%	93,000	7,440	
6427/73/96	Wastewater Treatment Plant	1996	489,000	C	CDN	19	2014	9.000%	27,420	29,250	274,981
6545	9th Street Water Reservoir	2000	3,182,000	E	CDN	10	2010	6.375 to 6.750%	212,000	205,025	1,939,000
6546	Industrial Wastewater Treatment Facility	2000	4,827,000	E	CDN	10	2010	6.375 to 6.750%	322,000	311,017	2,941,000
6544	Direct Discharge/Disinfection	2002	2,770,000	E	CDN	10	2011	4.375 to 5.875%	277,000	92,126	1,265,000
	<b>SUB-TOTAL -- OTHER</b>								<b>1,435,557</b>	<b>950,823</b>	<b>9,182,731</b>
6687	Water Meter Upgrade	2003	2,500,000	E	CDN	10	2012	4.125 to 5.500%	240,000	89,622	1,391,000
	<b>SUB-TOTAL -- LOCAL IMPROVEMENTS</b>								<b>240,000</b>	<b>89,622</b>	<b>1,391,000</b>

CURRENT LEVY

1,675,557

1,040,445

TOTAL PRINCIPAL OUTSTANDING, DECEMBER 31, - SCHEDULE 8

10,573,731

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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CITY OF BRANDON

STATISTICAL INFORMATION

FOR THE YEAR ENDED DECEMBER 31, 2007

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)

	41,511
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BUDGET RECONCILIATION - GENERAL FUND

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

	10,696,459
	(10,696,459)

CASH POSITION

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

	GENERAL FUND	COMBINED FUND
	(46,210,919)	(46,210,919)
	(35,168,392)	(35,168,392)
	(11,042,527)	(11,042,527)

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	48,745,301	
- Tax Credit Programs	59,188	48,804,489
- Arrears		1,998,573
- Total		50,803,062
TAX SALE CERTIFICATES		
LAND SALES		
<b>TOTAL COLLECTIONS</b>		<b>50,803,062</b>

**THE CITY OF BRANDON**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2007**

**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 2007**

(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. TANGIBLE CAPITAL ASSETS**

The City of Brandon is in the process of implementing the new accounting requirements for tangible capital assets, as recommended by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants. The new requirements for tangible capital assets come into effect starting on January 1, 2009.

As of December 31, 2007 the City of Brandon has identified and listed all their tangible capital assets but has not completed the valuation of the tangible capital asset classes. The City of Brandon is currently in the process of valuing their tangible capital assets and is expected to be completed by December 31, 2008.

**3. 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, 2006 indicates a solvency deficiency of \$193,619 for these plans. Allocations to the plan have been increased for 2008 and future to eliminate the deficiency.

**THE CITY OF BRANDON****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2007**

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.

**4. ENVIRONMENTAL LIABILITY**

The City of Brandon owns property located on the east side of 1<sup>st</sup> Street at Pacific Avenue that is in the process of an environmental assessment and holds a future environmental liability. Remediation will occur in 2008. Although the exact cost of cleanup is not determinable at this time, the cost is expected to be significant with the best available estimate being \$3,000,000. It is also expected that the Province of Manitoba will cost share the remediation with the City of Brandon.

**5. 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, 2007

STATEMENT OF CONSOLIDATED INCOME AND EXPENDITURE  
GROSS INCOME

<b>GENERAL OPERATING FUND:</b>			
Total Revenue From External Sources		51,412,771	
Less: Provincial Government Grants	11,218,847		
Federal Government Grants	1,746,428		
Interest Received from Reserves		12,965,275	38,447,496
<b>UTILITY OPERATING FUND:</b>			
Total Revenue		13,828,357	
Less: Provincial Government Grant			
Federal Government Grant			
Hydrant Rentals	160,625	160,625	13,667,732
<b>GOVERNMENT GRANTS</b>			
Provincial Government			
- General Fund		11,218,847	
- Utility Fund			
- General Capital Fund			
- Utility Capital Fund			11,218,847
Federal Government			
- General Fund		1,746,428	
- Utility Fund			
- General Capital Fund			
- Utility Capital Fund			1,746,428
<b>RESERVE FUNDS:</b>			
Interest Earned	1,774,019		
Less: Interest Received on Own Debentures	40,661	1,733,358	
Other Income from External Sources		193,169	1,926,527
<b>CAPITAL FUNDS:</b>			
Debenture Borrowing - General			
- Utility			
<b>Short-Term Borrowings:</b>			
Bank - General			
- Utility			
Other - General			
- Utility			
<b>Other Income from External Sources:</b>			
Prepaid Local Improvement Levies			
- General			
- Utility			
Other Grants - General			
- Utility			
Accounts Payable - General			
- Utility			
Other - General			
- Utility			
<b>TOTAL GROSS INCOME</b>			<b>67,007,030</b>
<b>USE OF PRIOR YEARS' INCOME:</b>			
<b>GENERAL OPERATING FUND:</b>			
Surplus Transfers - General Reserve	4,094,337		
Operating Deficit			
Interest Received from Reserves		4,094,337	
<b>UTILITY OPERATING FUND:</b>			
Transfer from Reserve Fund			
Operating Deficit			
<b>RESERVE FUNDS:</b>			
Operating Deficit			4,094,337
<b>CAPITAL FUNDS:</b>			
Unexpended Funds January 1			
Short-Term Borrowings - Other Funds			
Transferred from Reserves		7,728,488	7,728,488
<b>TOTAL</b>			<b>78,829,855</b>



STATISTICAL INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2007

STATEMENT OF CONSOLIDATED INCOME AND EXPENDITURE  
GROSS EXPENDITURE

GENERAL OPERATING FUND:

Total Services (Less: Hydrant Rentals, Statement 11)		55,346,483	
Less: Appropriations to Reserves	10,706,457		
Contributions to Capital	547,725		
Contributions to Utility, Transit, and Airport	1,844,804		
Debt Charges	733,751	13,832,737	41,513,746

UTILITY OPERATING FUND:

Water Supply		6,335,258	
Sewage Collection and Disposal		3,689,151	10,024,409

DEBT CHARGES

Debenture Debt Charge - General	629,614		
- Utility	2,716,002	3,345,616	
Less: Debenture Debt Charges on Own			
Debenture held in Reserves -General			
-Utility			3,345,616
Other Debt Charges -General		104,137	
-Utility			
-General Capital Fund			
-Utility Capital Fund			104,137

RESERVE FUND

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

CAPITAL FUNDS:

Capital Expenditures -General		7,291,064	
-Utility		1,348,993	8,640,057
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

63,627,965

FUNDS AVAILABLE FOR FUTURE YEARS

GENERAL OPERATING FUND:

Surplus Appropriations			
Appropriations to Reserves	10,706,457		
Operating Surplus			
Debtenture Debt Charges on Debenture held in Reserves		10,706,457	

UTILITY OPERATING FUND

Surplus Appropriations			
Appropriations to Reserves	2,568,906		
Operating Surplus			
Debtenture Debt Charges on Debenture held in Reserves		2,568,906	

RESERVE FUNDS:

Operating Surplus		1,926,527	15,201,890
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CAPITAL FUNDS:

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

TOTAL

78,829,855