

CITY OF THOMPSON

**Consolidated Financial Statements
For the Year Ended December 31, 2010**



**City of
Thompson**

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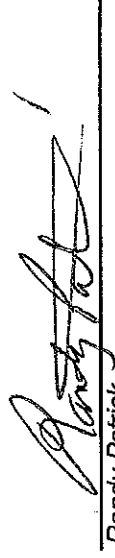
STATEMENT OF RESPONSIBILITY

The accompanying Consolidated Financial Statements are the responsibility of the management of the City of Thompson and have been prepared in compliance with legislation, and in accordance with generally accepted accounting principles established by the Public Sector Accounting Board of The Canadian Institute of Chartered Accountants.

In carrying out its responsibilities, management maintains appropriate systems of internal and administrative controls designed to provide reasonable assurance that transactions are executed in accordance with proper authorization, that assets are properly accounted for and safeguarded, and that financial information produced is relevant and reliable.

Council of the Municipality met with management and the external auditors to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the consolidated financial statements.

Kendall & Pandya as the Municipality's appointed external auditors, have audited the Consolidated Financial Statements. The Auditor's report is addressed to the Mayor and members of Council and appears on the following page. Their opinion is based upon an examination conducted in accordance with Canadian generally accepted auditing standards, performing such tests and other procedures as they consider necessary to obtain reasonable assurance that the Consolidated Financial Statements are free of material misstatement and present fairly the financial position and results of the Municipality in accordance with Canadian generally accepted accounting principles.



Randy Patrick
Chief Administrative Officer

KENDALL & PANDYA

Chartered Accountants

300-31 Main St., P.O. Box 175, Flin Flon, MB R8A 1M7 (204) 687-8211 Fax 687-2957
118 Cree Road, Thompson, MB R8N 0C1 (204) 778-7312 Fax 778-7919

Partners.... David Kendall, FCA *
Manisha Pandya, CA *

* Operating as professional corporations

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of the CITY OF THOMPSON:

Report on the Financial Statements

We have audited the statement of financial position of CITY OF THOMPSON as at December 31, 2010 and the statement of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, and for such internal controls as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

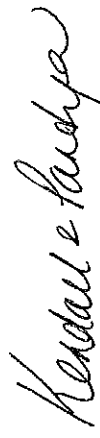
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the City of Thompson, as at December 31, 2010 and its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Thompson, Manitoba
June 30, 2011



Chartered Accountants.

KENDALL & PANDYA

Chartered Accountants

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SUPPLEMENTARY AUDIT REPORT SECTION 190(2) MUNICIPAL ACT

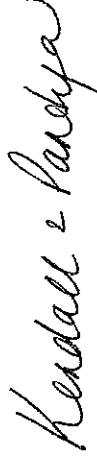
To the Mayor and Councillors
City of Thompson
Thompson, Manitoba

We have examined the financial statements of the City of Thompson as at and for the year ended December 31, 2010 and have rendered our Auditor's Report thereon dated June 30, 2011. Our examination was conducted in accordance with Canadian generally accepted auditing standards to obtain reasonable assurance whether the financial statements are free of material misstatement. This examination was not designed to, and may not, disclose deficiencies or other reportable matters.

Pursuant to our appointment as Municipal Auditors of the City of Thompson, and in accordance with the provisions of Section 190(2) based upon the examination referred to above we wish to report as follows:

- a) In our opinion, the accounting procedures and systems of control employed by the City of Thompson are adequate to preserve and protect its assets.
- b) To the best of our knowledge and belief, based on the scope of examination described above, the funds of the City of Thompson have been paid and disbursed only under authority granted by an Act of the Legislature or under authority of a resolution or by-law passed under the authority of an Act of the Legislature.
- c) In our opinion, there are no other matters which should be brought to the attention of the Minister and Council.
- d) We have no other recommendations regarding the proper performance of duties and the keeping of records and books of accounts by the City Manager, other than those listed in the management report.

Thompson, Manitoba
June 30, 2011



KENDALL & PANDYA
Chartered Accountants

CITY OF THOMPSON
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For the Year Ended December 31, 2010

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CITY OF THOMPSON
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2010

	<u>2010</u>	<u>2009</u>
FINANCIAL ASSETS		
Cash and temporary investments (Note 3)	\$ 2,474,916	\$ 4,742,249
Amounts receivable (Note 4)	5,867,077	3,542,498
Portfolio investments (Note 5)	947,576	930,137
Loans and advances	20,634	14,336
Real estate properties held for sale	155,620	252,740
Deferred Asset	257,862	
Other assets	<u>1,032,580</u>	<u>491,002</u>
	<u>\$ 10,756,265</u>	<u>\$ 9,972,962</u>
LIABILITIES		
Accounts payable and accrued liabilities (Note 7)	\$ 5,901,838	\$ 3,870,913
Deferred revenue	1,277,992	293,675
Land deposits	164,608	170,980
Long-term debt (Note 8)	9,629,853	9,188,609
Obligations under capital lease (Note 9)	38,700	14,791
Other liabilities	<u>1,032,580</u>	<u>491,002</u>
	<u>18,045,571</u>	<u>14,029,970</u>
	<u>\$ (7,289,306)</u>	<u>\$ (4,057,008)</u>
NET FINANCIAL ASSETS (NET DEBT)		
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	\$ 41,894,641	\$ 37,413,541
Inventories (Note 6)	404,398	399,379
Prepaid expenses	<u>307,845</u>	<u>327,189</u>
	<u>42,606,884</u>	<u>38,140,109</u>
ACCUMULATED SURPLUS (DEFICIT)	<u>\$ 35,317,578</u>	<u>\$ 34,083,101</u>

COMMITMENTS AND CONTINGENCIES (NOTES 10 AND 11)

Approved on behalf of Council:

Tim Johnston - Mayor

Charlene Lafreniere - Councillor

CITY OF THOMPSON
CONSOLIDATED STATEMENT OF OPERATIONS
Year Ended December 31, 2010

	2010 Budget	2010 Actual	2009 Actual
REVENUE			
Property taxes	\$ 9,758,188	\$ 9,981,228	\$ 8,801,690
Grants in lieu of taxation	4,816,080	4,764,665	4,834,005
User fees	3,861,256	3,773,979	3,422,479
Grants - Province of Manitoba	13,486,960	4,006,140	3,505,773
Grants - other	678,150	881,370	907,483
Permits, licences and fines	316,003	271,294	259,082
Investment income	11,569	46,123	40,975
Other revenue	802,948	1,385,015	2,285,634
Transfers from accumulated surplus	-	-	-
Transfers from reserves	-	-	-
Water and sewer	-	-	-
Total revenue (Schedules 2, 4 and 5)	<u>33,731,154</u>	<u>25,109,814</u>	<u>24,057,121</u>
EXPENSES			
General government services	2,600,275	2,411,450	2,778,466
Protective services	8,673,260	8,406,262	8,205,830
Transportation services	3,809,954	3,982,899	3,776,304
Environmental health services	1,878,725	1,790,856	1,691,097
Public health and welfare services	262,849	231,535	220,407
Regional planning and development	139,581	20,721	20,975
Resource conservation and industrial development	994,475	786,519	741,119
Recreation and cultural services	4,260,453	4,144,831	3,973,290
Water and sewer services	1,991,805	2,100,264	1,969,114
Total expenses (Schedules 3, 4 and 5)	<u>24,611,377</u>	<u>23,875,337</u>	<u>23,376,601</u>
ANNUAL SURPLUS (DEFICIT)	9,119,776	1,234,477	680,520
ACCUMULATED SURPLUS (DEFICIT), BEGINNING OF YEAR	<u>34,083,101</u>	<u>34,083,101</u>	<u>33,402,581</u>
ACCUMULATED SURPLUS (DEFICIT), END OF YEAR	<u>\$ 43,202,878</u>	<u>\$ 35,317,578</u>	<u>\$ 34,083,101</u>

**CITY OF THOMPSON
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
Year Ended December 31, 2010**

	2010 Budget (Note 16)	2010 Actual	2009 Actual
ANNUAL SURPLUS (DEFICIT)	\$ 9,119,776	\$ 1,234,477	\$ 680,520
Acquisition of tangible capital assets	(11,853,601)	(6,268,622)	(3,259,107)
Amortization of tangible capital assets	1,787,522	1,787,522	1,511,323
Loss (Gain) on sale of tangible capital assets	-	-	-
Proceeds on sale of tangible capital assets	-	-	-
Repayment of nominal surplus	-	-	-
Decrease (increase) in inventories	-	(5,019)	2,642
Decrease (increase) in prepaid expense	-	19,344	(80,734)
	(10,066,079)	(4,466,775)	(1,825,876)
CHANGE IN NET FINANCIAL ASSETS	(946,303)	(3,232,298)	(1,145,356)
NET FINANCIAL ASSETS (NET DEBT), BEGINNING OF YEAR	(4,057,008)	(4,057,008)	(2,911,652)
NET FINANCIAL ASSETS (NET DEBT), END OF YEAR	\$ (5,003,311)	\$ (7,289,306)	\$ (4,057,008)

CITY OF THOMPSON
CONSOLIDATED STATEMENT OF CASH FLOWS
Year Ended December 31, 2010

	2010	2009
OPERATING TRANSACTIONS		
Annual surplus (deficit)	\$ 1,234,477	\$ 680,520
Changes in non-cash items:		
Amounts receivable	(2,324,579)	342,767
Inventories	(5,019)	2,642
Prepays	19,344	(80,734)
Accounts payable and accrued liabilities	2,030,925	(2,639,272)
Deferred Revenue	984,317	250,344
Land deposits	(6,372)	(172,922)
Loss (Gain) on sale of tangible capital asset		
Amortization	1,787,522	1,511,323
Deferred Asset	(257,862)	-
Cash provided by operating transactions	3,462,754	(105,332)
CAPITAL TRANSACTIONS		
Proceeds on sale of tangible capital assets	-	34,915
Cash used to acquire tangible capital assets	(6,268,622)	(3,294,022)
Cash applied to capital transactions	(6,268,622)	(3,259,107)
INVESTING TRANSACTIONS		
Proceeds on sale of portfolio investments	(17,439)	477,356
Proceeds on sale of real estate properties	97,120	36,637
Loans and advances repaid	(6,298)	(9,363)
Purchase of portfolio investments		
Acquisition of real estate properties	-	-
Loans and advances issued	-	-
Cash applied to investing transactions	73,383	504,630
FINANCING TRANSACTIONS		
Proceeds of long-term debt	1,249,851	-
Debt repayment	(808,607)	(710,503)
Obligation under capital lease		
Repayment from nominal surplus		
Repayment of obligation under capital lease	23,909	(13,957)
Cash applied to financing transactions	465,153	(724,460)
INCREASE (DECREASE) IN CASH AND TEMPORARY INVESTMENTS	(2,267,333)	(3,584,269)
CASH AND TEMPORARY INVESTMENTS, BEGINNING OF YEAR	4,742,249	8,326,518
CASH AND TEMPORARY INVESTMENTS, END OF YEAR	\$ 2,474,916	\$ 4,742,249

CITY OF THOMPSON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2010

1. Status of the City of Thompson

The incorporated City of Thompson is a municipal government that was created on July 7, 1970 pursuant to the Manitoba Municipal Act. The Municipality provides or funds municipal services such as police, fire, public works, urban planning, parks and recreation, library, zoo and other general government operations. The Municipality does not own a utility, has several designated special purpose reserves and provides funding support for other financial entities involved in economic development, recreation and tourism.

2. Significant Accounting Policies

The consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles as recommended by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants and reflect the following significant accounting policies:

a) Reporting Entity

The consolidated financial statements include the assets, liabilities, revenues and expenses of the reporting entity. The reporting entity is comprised of all the funds, agencies, local boards, and committees of the Council which are controlled by the Municipality. Control is defined as the power to govern the financial and reporting policies of another organization with the expected benefits or risk of loss to the Municipality. The controlled organizations are consolidated after adjusting their accounting policies to a basis consistent with the accounting policies of the municipality. Inter-fund and inter-company balances and transactions have been eliminated. The controlled organizations include:

Thompson Planning District
Thompson Public Library
Thompson Zoological Society
Thompson Community Development Corporation
Thompson Recycling Centre

The taxation with respect to the operations of school divisions are not reflected in the Municipal surplus of these financial statements.

Trust funds and their related operations administered by the Municipality are not consolidated in these financial statements. The trust funds administered by the Municipality are presented in Schedule 7 - Schedule of Trust Funds.

b) Basis of Accounting

The consolidated financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenses are recognized as they are incurred and measurable based upon the receipt of goods and services or the creation of an obligation to pay.

c) Cash and Temporary Investments

Cash and temporary investments include cash and short-term investments, if any, with maturities of three months or less from the date of acquisition.

d) Investments

Temporary investments, if any, are accounted for at the lower of cost and market.

Portfolio investments, if any, are accounted for at cost.

e) Real Estate Properties Held for Sale

Real estate properties held for sale are recorded at the lower of cost and net realizable value. Cost includes the amount of acquisition, legal fees, and improvements to prepare the properties for sale or servicing.

It is reasonably anticipated that real estate properties held for resale will be sold outside the reporting entity within one year of the balance sheet date.

CITY OF THOMPSON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2010

f) Non-Financial Assets

Non-financial assets, if any, are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the change in net financial assets for the year.

Real estate properties and inventories held for sale are classified as non-financial assets if it is anticipated that the sale will not be completed within one year of the reporting date.

g) Tangible Capital Assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to the acquisition, construction, development or betterment of the asset. Donated assets are recorded at their estimated fair value upon acquisition. Certain tangible capital assets for which historical cost information is not available have been recorded at current fair market values discounted by a relevant inflation factor. Certain assets are disclosed at a nominal value as the determination of current fair market value was not available. The Municipality does not capitalize interest charges as part of the cost of its tangible capital assets.

General Tangible Capital Assets

	Amortized Over
Land	
Land Improvements	Indefinite
Buildings and leasehold improvements	10 to 30 years
Buildings	25 to 40 years
Leasehold improvements	Life of lease
Vehicles and Equipment	
Vehicles	5 years
Machinery, equipment and furniture	10 years
Maintenance and road construction equipment	15 years
Computer Hardware and Software	4 years

Infrastructure Assets

Transportation	
Land	Indefinite
Road surface	20 to 30 years
Road grade	40 years
Bridges	25 to 50 years
Traffic lights and equipment	10 years
Water and Sewer	
Land	Indefinite
Land improvements	30 to 50 years
Buildings	25 to 40 years
Underground networks	40 to 60 years
Machinery and equipment	10 to 20 years
Dams and other surface water structures	40 to 60 years

Certain assets which have historical or cultural value including works of art, historical documents as well as historical and cultural artifacts are not recognized as tangible capital assets because a reasonable estimate of the future benefits associated with such property cannot be made. Intangibles, Crown lands that have not been purchased by the municipality, forests, water, and other natural resources are not recognized as tangible capital assets.

h) Leases

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to the ownership or property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

i) Inventories

Inventories held for sale are recorded at the lower of cost and net realizable value.

Inventories held for consumption are recorded at the lower of cost and replacement value.

**CITY OF THOMPSON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2010**

j) Revenue Recognition

Revenues are recognized as they are earned and measurable.

Government transfers are recognized in the financial statements in the period which the events giving rise to the transfer occur, eligibility criteria are met, and reasonable estimates of the amount can be made.

Deferred revenue, if any, represents user charges and other fees which have been collected, for which the related services have yet to be provided. These amounts will be recognized as revenue in the fiscal year the services are provided.

k) Measurement Uncertainty

Estimates are used to accrue revenues and expenses in circumstances where the actual accrued revenues are unknown at the time the financial statements are prepared. Uncertainty in the determination of the amount at which an item is recognized in the financial statements is known as measurement uncertainty. Such uncertainty exists when there is a variance between the recognized amount and another reasonable possible amount, as there is whenever estimates are used.

Measurement uncertainty in these financial statements exists in the accrual of the landfill closure and post closure liabilities. The accrual of the landfill liabilities is based on estimated future cash flows discounted to the financial statement date. The estimate of the future cash flows and the closure date of the landfill are based upon the best estimates by management. The actual future cash flows and closure date may differ significantly.

3. Cash and Temporary Investments

Cash and temporary investments are comprised of the following:

	2010	2009
Cash		
Temporary Investments	\$ 2,474,916	\$ 4,276,864
	-	465,385
	<u>\$ 2,474,916</u>	<u>\$ 4,742,249</u>

Temporary investments are comprised mainly of guaranteed investment certificates and term deposits and have a market value approximating cost. The Municipality has designate \$0 (2009 \$0) to reserves for debt principal repayments and tangible capital asset acquisitions. See Schedule 6 – Schedule of Change in Reserve Fund Balances.

4. Amounts Receivable

Amounts receivable are valued at their net realizable value.

	2010	2009
Taxes on roll (Schedule 11)	\$ 1,380,967	\$ 918,187
Government grants	\$ 1,298,558	828,906
Utility customers	-	-
Accrued interest	-	-
Organizations and individuals	\$ 2,831,581	1,579,954
Other governments	\$ 397,893	257,374
	<u>5,909,000</u>	<u>3,584,421</u>
Less allowances for doubtful amounts	41,923	41,923
	<u>\$ 5,867,077</u>	<u>\$ 3,542,498</u>

5. Portfolio Investments

Marketable securities:

	2010	2009
Government of Canada	-	-
Province of Manitoba	-	-
Municipal Debentures	-	-
Other investments	\$ 947,576	930,137
	<u>\$ 947,576</u>	<u>\$ 930,137</u>

The aggregate market value of the marketable securities at December 31, 2010 is **\$947,576** (2009 - \$930,137). Portfolio investments earned **\$24,433** in investment income during the year (2009 - \$40,915).

**CITY OF THOMPSON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2010**

6. Inventories

Inventories for use:

	<u>2010</u>	<u>2009</u>
Chemicals, herbicides, insecticides	\$ -	\$ -
Fuel	1,734	4,276
Culverts	145,184	145,080
Aggregate	15,159	15,159
Other supplies	242,321	234,864
	<u>\$ 404,398</u>	<u>\$ 399,379</u>

7. Accounts Payable and Accrued Liabilities

	<u>2010</u>	<u>2009</u>
Accounts payable	5,043,253	\$ 3,253,854
Accrued expenses	858,585	617,059
Accrued interest payable	-	-
School levies (Schedule 13)	-	-
Other governments	-	-
	<u>\$ 5,901,838</u>	<u>\$ 3,870,913</u>

**8. Long Term Debt
General Authority:**

	<u>2010</u>	<u>2009</u>
Debenture, interest at 6.750%, payable at \$84,293 annually including interest, maturing December 1, 2012	\$ 152,932	\$ 222,224
Debenture, interest at 6.750%, payable at \$16,211 annually including interest, maturing December 1, 2012	\$ 29,410	42,735
Debenture, interest at 6.875%, payable at \$233,695 annually including interest, maturing December 1, 2017	\$ 1,264,955	1,402,245
Debenture, interest at 6.625%, payable at \$177,770 annually including interest, maturing December 1, 2017	\$ 970,708	1,077,119
Debenture, interest at 6.625%, payable at \$27,498 annually including interest, maturing December 1, 2018	\$ 166,611	182,048
Debenture, interest at 5.500%, payable at \$354,502 annually including interest, maturing December 1, 2024	\$ 3,399,553	3,558,347
Debenture, interest at 5.625%, payable at \$147,669 annually including interest, maturing December 1, 2023	\$ 1,336,382	1,405,019
Debenture, interest at 5.5%, payable at \$41,351 annually including interest, maturing December 1, 2024	\$ 396,507	-
Debenture, interest at 5.5%, payable at \$83,167 annually including interest, maturing December 1, 2024	\$ 797,539	-
	<u>8,514,597</u>	<u>7,889,737</u>

Utility Fund:

Debenture, interest at 4.910%, payable at \$84,224 annually including interest, maturing December 1, 2015	\$ 364,532	\$ 427,341
Debenture, interest at 4.930%, payable at \$161,808 annually including interest, maturing December 1, 2015	\$ 700,723	821,531
	<u>1,065,256</u>	<u>1,248,872</u>

Thompson Community Development Corp.:

Loan payable, Province of Manitoba, non-interest bearing, no set terms of repayment	\$ 50,000	\$ 50,000
	<u>\$ 9,629,853</u>	<u>\$ 9,188,609</u>

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

2011	\$856,504
2012	\$907,316
2013	\$860,686
2014	\$911,024
2015	\$964,351

**CITY OF THOMPSON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2010**

9. Obligation Under Capital Leases

Future minimum lease payments under the capital lease together with the obligation due under the capital lease are as follows:

2011	\$ 14,437
2012	10,874
2013	10,874
2014	9,968
2015	-
Remainder of lease	-
	<hr/>
Total minimum lease payments	\$ 46,152
	<hr/>
Less amount representing future interest at 9.25%	7,453
	<hr/>
Balance of obligation	<u>\$ 38,700</u>

Interest expense includes \$1,535 (2009 - \$2,666) with respect to this obligation.

Assets under capital lease includes office equipment.

	2010	2009
Cost of leased tangible capital assets	\$ 50,813	\$ 58,577
Accumulated amortization of leased tangible capital assets	16,893	39,734
	<hr/>	<hr/>
	<u>\$ 33,920</u>	<u>\$ 18,843</u>

10. Retirement Benefits

The majority of the employees of the Municipality are members of the Municipal Employees' Pension Plan (MEPP), which is a multi-employer defined benefit pension plan. MEPP members will receive benefits based on 1.5% of their final average yearly Canada Pension Plan (CPP) earnings times years of service, plus 2% of their final average yearly non-CPP earnings times years of service. The costs of the retirement plan are not allocated to the individual entities within the related group. As a result, individual entities within the related group are not able to identify their share of the underlying assets and liabilities. Therefore, the plan is accounted for as a defined contribution plan in accordance with the requirements of the Canadian Institute of Chartered Accountants Handbook section PS3250.

Pension assets consist of investment grade securities. Market and credit risk on these securities are managed by MEPP by placing plan assets in trust and through MEPP investment policy. The pension expense is based on the contribution rate. The MEPP requires that employees contribute 5.8% of basic annual earnings up to the CPP ceiling plus 7. % of basic annual earnings in excess of the CPP ceiling, plus an additional 0.1% of earnings below and in excess of the CPP ceiling from employees that are not members of the Municipal Disability Income Plan. The employers are required to match the employee contributions to the MEPP. Actual contributions to MEPP made during the year by the Municipality on behalf of its employees amounted to \$440,437 (2009 - \$401,386) and are included in the statement of operations.

Any unfunded liabilities are to be funded by the participating employers. The most recent actuarial valuation as of December 31, 2008 indicates the plan is fully funded on a going concern basis but has an unfunded solvency liability of \$1.1 million. The solvency position of the plan is determined by comparing the solvency liability of \$1.1 million. The solvency position of the plan s determined by comparing the solvency of the plan assets to the actuarial present value of the benefits accrued in respect of credited service prior to the valuation date, calculated as of the plan were wound up on December 31, 2008. Effective January 2010, employee and employer contributions will increase to 6.3% of basic annual earnings up to the CPP ceiling, plus 7.5% if basic earnings in excess of the CPP ceiling. The new contribution rates are sufficient to fund the solvency liability by December 2013.

11. Financial Instruments

The Municipality as part of its operations carries a number of financial instruments. It is management's opinion the Municipality is not exposed to significant interest, currency or credit risk arising from these financial instruments, except as otherwise disclosed. Unless otherwise noted, the fair value of these financial instruments approximates their carrying values.

12. Subsequent Events

None

CITY OF THOMPSON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2010

13. Budget

The financial plan is prepared on a revenue and expenditure basis. For comparative purposes, the Municipality has modified its financial plan to prepare a budget that is consistent with the scope and accounting principles used to report the actual results. The budget figures used in these financial statements have been approved by council.

The reconciliation between the financial plan and the budget figures used in these statements is disclosed in Schedule 10 - Reconciliation of the Financial Plan to the Budget.

14. Public Sector Compensation Disclosure

It is a requirement of the *Public Sector Compensation Disclosure Act* that annual public disclosure be made of aggregate compensation paid to members of council, and of individual compensation in an amount exceeding \$50,000 annually to any member of council, officer or employee of the Municipality. For the year ended December 31, 2010:

- a) Compensation paid to members of council amounted to \$97,001 in aggregate.
- b) There were no members of council receiving compensation in excess of \$50,000 individually.

Council Members:

	<u>Compensation</u>	<u>Expenses</u>	<u>Total</u>
Mayor - Tim Johnston	\$ 29,745	\$ 10,297	\$ 40,042
Councillor - Harold Smith	9,224	2,543	11,767
Councillor - Stella Locker	9,915	-	9,915
Councillor - Oswald Sawh	8,263	1,580	9,843
Councillor - Charlene Lafreniere	10,107	552	10,659
Councillor - Judy Kolada	9,915	-	9,915
Councillor - Brian Wilson	3,305	-	3,305
Councillor - Erin Stewart	9,915	9,402	19,317
Councillor - Luke Robinson	1,653	1,093	2,746
Councillor - Penelope Byer	1,653		1,653
Councillor- Dennis Fenske	1,653	406	2,059
Councillor- Brad Evenson	1,653	682	2,335
	<u>\$ 97,001</u>	<u>\$ 26,555</u>	<u>\$ 123,556</u>

- c) Officers having received compensation in excess of \$50,000 are listed, audited and reported in a separate audit report.

CITY OF THOMPSON
CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
Year Ended December 31, 2010

SCHEDULE 1

	General Capital Assets				Infrastructure			Totals	
	Land and Land Improvements	Buildings and Leasehold Improvements	Vehicles and Equipment	Computer Hardware and Software	Roads, Streets, and Bridges	Water and Sewer	Assets Under Construction	2010	2009
Cost									
Opening costs	1,872,987	14,871,987	7,584,028	260,036	17,641,713	34,015,266	89,337	76,335,355	73,076,248
Additions during the year	279,495	236,596	2,284,039	34,608	869,692	20,620	2,543,572	6,268,622	3,259,107
Disposals and write downs	-	-	(43,780)	-	-	-	-	(43,780)	-
Closing costs	<u>2,152,482</u>	<u>15,108,583</u>	<u>9,824,287</u>	<u>294,644</u>	<u>18,511,405</u>	<u>34,035,886</u>	<u>2,632,909</u>	<u>82,560,196</u>	<u>76,335,355</u>
Accumulated Amortization									
Opening accum'd amortization	247,354	3,127,968	3,663,893	74,434	7,723,272	24,084,893	-	38,921,814	37,410,491
Amortization	41,688	238,777	618,628	36,714	267,425	584,290	-	1,787,522	1,511,323
Disposals and write downs	-	-	(43,780)	-	-	-	-	(43,780)	-
Closing accum'd amortization	<u>289,041</u>	<u>3,366,744</u>	<u>4,238,740</u>	<u>111,148</u>	<u>7,990,698</u>	<u>24,669,184</u>	<u>-</u>	<u>40,665,555</u>	<u>38,921,814</u>
Net Book Value of Tangible Capital Assets	<u>1,863,441</u>	<u>11,741,839</u>	<u>5,585,547</u>	<u>183,495</u>	<u>10,520,707</u>	<u>9,366,703</u>	<u>2,632,909</u>	<u>41,894,641</u>	<u>37,413,541</u>

Water and sewer underground networks contributed to the Municipality totals \$10,498,103 and were capitalized at their fair value at the time of their receipt.

The Municipality has 67 km of roads that are capitalized at a nominal value of \$3,981,315

CONSOLIDATED SCHEDULE OF REVENUES

Year Ended December 31, 2010

	2010 Actual	2009 Actual
Property taxes:		
Municipal taxes levied (Schedule 12)	\$ 9,513,066	\$ 8,493,313
Taxes added	334,890	205,297
Penalties and interest	133,272	103,080
	<u>9,981,228</u>	<u>8,801,690</u>
Grants in lieu of taxation:		
Federal government	17,444	17,722
Federal government enterprises	-	-
Provincial government	281,983	294,173
Provincial government enterprises	-	-
Other local governments	-	-
Non-government organizations	4,465,238	4,522,110
	<u>4,764,665</u>	<u>4,834,005</u>
User fees		
Parking meters	-	-
Sales of service	2,283,717	1,930,260
Sales of goods	584,052	707,370
Rentals	380,246	354,428
Development charges	66,316	57,240
Facility use fees	459,648	373,181
	<u>3,773,979</u>	<u>3,422,479</u>
Grants - Province of Manitoba		
General assistance payment	2,150,299	2,015,512
General support grant	194,772	168,107
VLT revenues	191,946	277,284
Conditional grants	1,469,123	1,044,870
	<u>4,006,140</u>	<u>3,505,773</u>
Grants - other		
Federal government - gas tax funding	881,370	878,677
Federal government - other	-	28,806
Other local governments	<u>881,370</u>	<u>907,483</u>
Permits, licences and fines		
Permits	91,307	76,442
Licences	110,115	67,251
Aggregate mining and transportation fees	-	-
Fines	69,872	115,389
	<u>271,294</u>	<u>259,082</u>
Investment income:		
Cash and temporary investments	46,123	40,975
Marketable securities	-	-
Municipal debentures	-	-
Other (specify):	-	-
	<u>46,123</u>	<u>40,975</u>
Other revenue:		
Municipal accomodation tax	498,026	526,949
Miscellaneous other grants and revenue	27,808	1,551,265
Gain on sale of tangible capital assets	-	-
Gain on sale of real estate held for sale	859,181	207,420
Gain on land sales	<u>1,385,015</u>	<u>2,285,634</u>
Water and sewer (Schedule 9)		
	-	-
Total revenue	<u>25,109,814</u>	<u>24,057,121</u>

CITY OF THOMPSON

SCHEDULE 3

CONSOLIDATED SCHEDULE OF EXPENSES

Year Ended December 31, 2010

	2010 Actual	2009 Actual
General government services:		
Legislative	\$ 262,592	\$ 241,140
General administrative	1,733,265	1,693,014
Other	415,593	844,312
	<u>2,411,450</u>	<u>2,778,466</u>
Protective services:		
Police	4,470,628	4,480,930
Fire	1,209,453	1,195,868
Emergency measures	-	5,912
Other protection	2,726,182	2,523,120
	<u>8,406,262</u>	<u>8,205,830</u>
Transportation services:		
Road transport		
Administration and engineering	984,995	910,310
Road and street maintenance	1,729,030	1,573,878
Bridge maintenance	-	-
Sidewalk and boulevard maintenance	278,655	210,298
Street lighting	253,793	276,440
Other	332,149	428,139
Air transport	-	-
Public transit	404,277	377,239
	<u>3,982,899</u>	<u>3,776,304</u>
Environmental health services:		
Waste collection and disposal	862,773	902,540
Recycling	858,496	736,418
Other	69,587	52,139
	<u>1,790,856</u>	<u>1,691,097</u>
Public health and welfare services:		
Public health	69,936	58,808
Medical care	-	-
Hospital care	-	-
Social assistance	161,599	161,599
	<u>231,535</u>	<u>220,407</u>
Regional planning and development		
Planning and zoning	94	2,461
Urban renewal	-	-
Beautification and land rehabilitation	20,627	18,514
Urban area weed control	-	-
Other	-	-
	<u>20,721</u>	<u>20,975</u>
Resource conservation and industrial development		
Rural area weed control	-	-
Drainage of land	-	-
Veterinary services	-	-
Water resources and conservation	-	-
Regional development	700,805	677,940
Industrial development		
Tourism	85,697	63,130
Other	17	49
	<u>786,519</u>	<u>741,119</u>
Sub-totals forward	<u>\$ 17,630,243</u>	<u>\$ 17,434,198</u>

CITY OF THOMPSON

SCHEDULE 3

CONSOLIDATED SCHEDULE OF EXPENSES

Year Ended December 31, 2010

Sub-totals forward	<u>\$ 17,630,243</u>	<u>\$ 17,434,198</u>
Recreation and cultural services:		
Administration	932,829	777,110
Community centers and halls	510,523	584,627
Swimming pools and beaches	992,409	885,165
Golf courses	-	-
Skating and curling rinks	648,508	564,036
Parks and playgrounds	185,344	262,761
Other recreational facilities	201,317	219,214
Museums	53,512	49,500
Libraries	405,326	394,593
Other cultural facilities	215,065	236,283
	<u>4,144,832</u>	<u>3,973,290</u>
Water and sewer services (Schedule 9)	<u>2,100,264</u>	<u>1,969,114</u>
Total expenses	<u>\$ 23,875,338</u>	<u>\$ 23,376,601</u>

CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM

Year Ended December 31, 2010

	General Government*		Protective Services		Transportation Services		Environmental Health Services		Public Health and Welfare Services	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
REVENUE										
Property taxes	\$ 8,341,466	\$ 7,256,296	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants in lieu of taxation	4,764,665	4,834,005	-	-	-	-	-	-	-	-
User fees	247,801	283,372	1,975,330	1,637,954	153,314	206,078	638,465	574,971	12,190	17,450
Prov of MB - Unconditional Grants	2,537,017	2,460,903	-	-	-	-	-	-	-	-
Prov of MB - Conditional Grants	140,245	-	527,346	516,098	358,876	181,547	-	-	-	3,000
Grants - other	881,370	878,677	-	-	-	-	265,120	-	-	-
Permits, licences and fines	88,537	47,798	171,402	199,353	-	-	-	-	-	-
Investment income	46,123	40,975	-	-	-	-	-	-	-	-
Other revenue	525,834	2,072,917	-	-	-	-	-	-	-	-
Water and sewer	-	-	-	-	-	-	-	-	-	-
Total revenue	\$ 17,573,058	\$ 17,874,943	\$ 2,674,078	\$ 2,353,405	\$ 512,190	\$ 387,625	\$ 903,585	\$ 574,971	\$ 12,190	\$ 20,450
EXPENSES										
Personnel services	\$ 1,547,101	\$ 1,270,455	\$ 3,620,100	\$ 3,333,371	\$ 2,093,717	\$ 1,747,877	\$ 854,455	\$ 841,176	\$ 31,659	\$ 29,304
Contract services	487,373	609,547	4,138,469	4,003,697	549,997	670,246	574,065	472,735	13,405	161,599
Utilities	71,964	75,816	107,648	103,369	329,009	355,728	155,513	31,071	-	-
Maintenance materials and supplies	135,556	137,524	178,981	207,340	549,599	566,784	74,447	85,793	4,872	10,604
Grants and contributions	43,208	481,305	-	162,511	-	-	-	-	181,599	18,900
Amortization	81,688	40,042	193,301	199,315	460,577	435,511	132,376	41,010	-	-
Interest on long term debt	4,664	3,323	167,763	196,227	-	157	-	-	-	-
Other	39,896	160,451	-	-	-	-	-	219,312	-	-
Total expenses	\$ 2,411,450	\$ 2,778,463	\$ 8,406,262	\$ 8,205,830	\$ 3,982,899	\$ 3,776,303	\$ 1,790,856	\$ 1,691,097	\$ 231,535	\$ 220,407
Surplus (Deficit)	\$ 15,161,608	\$ 15,096,480	\$ (5,732,184)	\$ (5,852,425)	\$ (3,470,709)	\$ (3,388,678)	\$ (887,271)	\$ (1,116,126)	\$ (219,345)	\$ (199,957)

* The general government category includes revenues and expenses that cannot be attributed to a particular sector.

CITY OF THOMPSON

CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM

Year Ended December 31, 2010

SCHEDULE 4

	Regional Planning and Development		Resource Conservation and Industrial Dev		Recreation and Cultural Services		Water and Sewer Services		Total	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
REVENUE										
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,639,762	\$ 1,545,394	\$ 9,981,228	\$ 8,801,690
Grants in lieu of taxation	-	-	-	-	-	-	-	-	4,764,665	4,834,005
User fees	66,416	31,510	86,150	86,798	593,083	547,215	1,230	37,131	3,773,979	3,422,479
Prov of MB - Unconditional Grants	-	-	-	-	-	-	-	-	2,537,017	2,460,903
Prov of MB - Conditional Grants	-	-	-	-	177,537	344,225	-	-	1,204,004	1,044,870
Grants - other	-	-	-	-	-	28,806	-	-	1,146,490	907,483
Permits, licences and fines	-	-	-	-	11,353	11,931	-	-	271,293	259,082
Investment income	-	-	-	-	-	-	-	-	46,123	40,975
Other revenue	859,181	207,420	-	-	-	5,297	-	-	1,385,015	2,285,634
Water and sewer	-	-	-	-	-	-	-	-	-	-
Total revenue	\$ 925,598	\$ 238,930	\$ 86,150	\$ 86,798	\$ 781,973	\$ 937,474	\$ 1,640,992	\$ 1,582,525	\$ 25,109,814	\$ 24,057,121
EXPENSES										
Personnel services	\$ 11,062	\$ 5,911	\$ 387,115	\$ 379,213	\$ 2,276,838	\$ 2,222,689	\$ 780,401	\$ 764,334	\$ 11,602,447	\$ 10,594,330
Contract services	2,887	8,029	152,944	210,577	488,909	293,065	359,778	83,141	6,767,827	6,512,636
Utilities	-	-	2,335	1,340	293,403	288,514	108,884	98,210	1,068,756	954,048
Maintenance materials and supplies	6,772	7,035	75,680	149,989	263,398	229,350	204,495	383,400	1,493,799	1,777,819
Grants and contributions	-	-	54,000	-	72,512	71,981	-	-	351,319	734,697
Amortization	-	-	7,117	-	356,824	226,567	584,290	568,878	1,816,173	1,511,323
Interest on long term debt	-	-	-	-	350,068	354,006	62,416	71,156	584,911	624,869
Other	-	-	107,329	-	42,881	287,118	-	-	190,106	666,881
Total expenses	\$ 20,721	\$ 20,975	\$ 786,519	\$ 741,119	\$ 4,144,831	\$ 3,973,290	\$ 2,100,264	\$ 1,969,119	\$ 23,875,337	\$ 23,376,603
Surplus (Deficit)	\$ 904,877	\$ 217,955	\$ (700,369)	\$ (654,321)	\$ (3,362,858)	\$ (3,035,816)	\$ (459,272)	\$ (386,594)	\$ 1,234,477	\$ 680,518

CONSOLIDATED DETAILS AND RECONCILIATION TO CORE GOVERNMENT RESULTS

Year Ended December 31, 2010

	Core Government		Controlled Entities		Government Partnerships		Total	
	2010	2009	2010	2009	2010	2009	2010	2009
REVENUE								
Property taxes	9,981,228	8,801,690	\$ -	\$ -	\$ -	\$ -	\$ 9,981,228	\$ 8,801,690
Grants in lieu of taxation	4,764,665	4,834,005	-	-	-	-	4,764,665	4,834,005
User fees	3,440,158	3,025,718	333,821	396,761	-	-	3,773,979	3,422,479
Prov of MB - Unconditional Grants	2,537,017	2,460,903	-	-	-	-	2,537,017	2,460,903
Prov of MB - Conditional Grants	800,091	2,242,504	403,913	168,001	-	-	1,204,004	2,410,505
Grants - other	1,146,490	907,483	-	-	-	-	1,146,490	907,483
Permits, licences and fines	259,942	247,151	11,353	11,931	-	-	271,295	259,082
Investment income	44,554	40,975	1,569	-	-	-	46,123	40,975
Other revenue	1,350,730	914,702	34,285	5,297	-	-	1,385,015	919,999
Water and sewer	-	-	-	-	-	-	-	-
Total revenue	<u>\$ 24,324,875</u>	<u>\$ 23,475,131</u>	<u>\$ 784,941</u>	<u>\$ 581,990</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,109,816</u>	<u>\$ 24,057,121</u>
EXPENSES								
Personnel services	10,485,218	9,579,770	\$ 1,117,230	\$ 1,014,560	\$ -	\$ -	\$ 11,602,448	\$ 10,594,330
Contract services	6,601,396	6,344,267	166,430	168,369	-	-	6,767,826	6,512,636
Utilities	887,517	892,452	181,238	61,596	-	-	1,068,755	954,048
Maintenance materials and supplies	1,379,662	1,709,818	114,138	68,001	-	-	1,493,800	1,777,819
Grants and contributions	351,319	734,697	-	-	-	-	351,319	734,697
Amortization	1,673,617	1,511,323	142,556	-	-	-	1,816,173	1,511,323
Interest on long term debt	584,911	624,869	-	-	-	-	584,911	624,869
Other	39,896	160,453	150,210	506,428	-	-	190,106	666,881
Total expenses	<u>\$ 22,003,536</u>	<u>\$ 21,557,649</u>	<u>\$ 1,871,802</u>	<u>\$ 1,818,954</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,875,338</u>	<u>\$ 23,376,603</u>
Surplus (Deficit)	<u>\$ 2,321,338</u>	<u>\$ 1,917,482</u>	<u>\$ (1,086,861)</u>	<u>\$ (1,236,964)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,234,477</u>	<u>\$ 680,518</u>

SCHEDULE OF CHANGE IN RESERVE FUND BALANCES

Year Ended December 31, 2010

								2010	2009	
	General Reserve	Equipment Reserve	Infrastructure Reserve	Building Major Repairs	Gas Tax Reserve	Transit Reserve	Affordable Housing Reserve	Public Safety Reserve	Total	Total
REVENUE										
Investment income	\$ 8,638	\$ 800	\$ 1,928	\$ 3,282	\$ 2	\$ 1,276	-		\$ 15,926	\$ 18,433
Grants received									\$ -	\$ 600,000
Other income	27,498		298,816	46,382	504,929	9,500	99,605	99,605	1,086,335	591,691
Total revenue	36,135	800	300,744	49,664	504,931	10,776	99,605	99,605	1,102,261	1,210,124
EXPENSES										
Investment charges	-	-	-	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-	-	-	166
Total expenses	-	-	-	-	-	-	-	-	-	166
NET REVENUES	36,135	800	300,744	49,664	504,931	10,776	99,605	99,605	1,102,261	1,209,958
TRANSFERS										
Debt repayments	(15,437)	-	-	-	-	-	-	-	(15,437)	(11,943)
Transfers from (to) operating fund					(29,258)	29,258	(15,187)	(20,171)	(35,358)	(742,956)
Transfers from (to) utility fund	-	-	-	-	-	-	-	-	-	-
Transfers from (to) capital fund										-
Acquisition of tangible capital assets	-	(62,351)	(380,864)	(135,893)	(909,019)	(80,257)	(33,024)	(61,725)	(1,663,134)	-
CHANGE IN RESERVE FUND BALANCES	20,698	(61,551)	(80,120)	(86,229)	(433,346)	(40,223)	51,394	17,709	(611,669)	455,059
FUND SURPLUS, BEGINNING OF YEAR	1,807,018	190,588	273,232	239,076	499,504	80,257	51,390	68,442	3,209,507	2,754,448
FUND SURPLUS, END OF YEAR	\$ 1,827,716	\$ 129,037	\$ 193,112	\$ 152,847	\$ 66,158	\$ 40,034	\$ 102,784	\$ 86,151	\$ 2,597,838	\$ 3,209,507

CITY OF THOMPSON
 SCHEDULE OF TRUST FUNDS
 Year Ended December 31, 2010

SCHEDULE 7

	Winterfest	Zoo	Race Relations	Skate Park	Trail Breakers	NUIC	Operation Rednose	Spirit Way	Ski Club	Community Centre	Golf Club	Rotary Park	Our Home Kikanow	2010	Total 2009
ASSETS															
Cash and temporary investments	\$ 784	\$ 65,511	\$ 1,511	\$ 85,270	\$ 36,498	\$ 54,449	\$ 2,550	\$ 242,210	\$ 6,325	\$ 530,972	\$ 1,465	\$ 300	\$ 4,734	\$ 1,032,580	\$ 491,002
Portfolio investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<u>\$ 784</u>	<u>\$ 65,511</u>	<u>\$ 1,511</u>	<u>\$ 85,270</u>	<u>\$ 36,498</u>	<u>\$ 54,449</u>	<u>\$ 2,550</u>	<u>\$ 242,210</u>	<u>\$ 6,325</u>	<u>\$ 530,972</u>	<u>\$ 1,465</u>	<u>\$ 300</u>	<u>\$ 4,734</u>	<u>\$ 1,032,580</u>	<u>\$ 491,002</u>
LIABILITIES AND FUND BALANCES															
Due to Municipality	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fund balance	784	65,511	1,511	85,270	36,498	54,449	2,550	242,210	6,325	530,972	1,465	300	4,734	1,032,580	491,002
	<u>\$ 784</u>	<u>\$ 65,511</u>	<u>\$ 1,511</u>	<u>\$ 85,270</u>	<u>\$ 36,326</u>	<u>\$ 54,449</u>	<u>\$ 2,550</u>	<u>\$ 242,210</u>	<u>\$ 6,325</u>	<u>\$ 530,972</u>	<u>\$ 1,465</u>	<u>\$ 300</u>	<u>\$ 4,734</u>	<u>\$ 1,032,580</u>	<u>\$ 491,002</u>
REVENUES															
Contributions and donations	\$ -	\$ 125	\$ -	\$ 31,750	\$ -	\$ -	\$ -	\$ 544	\$ -	\$ 516,445	\$ -	\$ 300	\$ 4,536	\$ 553,701	\$ 260,833
Investment income	3	291	10	-	173	258	-	2,164	34	99	147	-	-	3,178	561
	<u>3</u>	<u>416</u>	<u>10</u>	<u>31,750</u>	<u>173</u>	<u>258</u>	<u>-</u>	<u>2,708</u>	<u>34</u>	<u>516,544</u>	<u>147</u>	<u>300</u>	<u>4,536</u>	<u>556,879</u>	<u>261,394</u>
EXPENDITURES															
Cemetery maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Distribution to beneficiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	(15,000)	(15,000)	14,897
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(15,000)</u>	<u>(15,000)</u>	<u>14,897</u>
EXCESS OF REVENUES OVER EXPENDITURES															
	3	416	10	31,750	173	258	-	2,708	34	516,544	147	300	(10,464)	541,879	246,497
FUND BALANCE, BEGINNING OF YEAR															
	781	65,095	1,502	53,520	36,326	54,191	2,550	239,502	6,292	14,428	1,318	-	15,197	490,701	244,505
FUND BALANCE, END OF YEAR															
	<u>\$ 784</u>	<u>\$ 65,511</u>	<u>\$ 1,511</u>	<u>\$ 85,270</u>	<u>\$ 36,498</u>	<u>\$ 54,449</u>	<u>\$ 2,550</u>	<u>\$ 242,210</u>	<u>\$ 6,325</u>	<u>\$ 530,972</u>	<u>\$ 1,465</u>	<u>\$ 300</u>	<u>\$ 4,734</u>	<u>\$ 1,032,580</u>	<u>\$ 491,002</u>

SCHEDULE OF FINANCIAL POSITION FOR UTILITIES
 Year Ended December 31, 2010

	2010						2009
	Name of Utility	Name of Utility	Name of Utility	Name of Utility	Name of Utility	Name of Utility	Total
FINANCIAL ASSETS							
Cash and temporary investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Amounts receivable	-	-	-	-	-	-	-
Portfolio investments	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES							
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred revenue	-	-	-	-	-	-	-
Long-term debt (Note 9)	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET FINANCIAL ASSETS (NET DEBT)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
NON-FINANCIAL ASSETS							
Tangible capital assets (Schedule 1)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Inventories	-	-	-	-	-	-	-
Prepaid expenses	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND SURPLUS (DEFICIT)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

COMMITMENTS AND CONTINGENCIES (Notes 11 and 12)

CITY OF THOMPSON

SCHEDULE 9

SCHEDULE OF UTILITY OPERATIONS - Name of Utility
 Year Ended December 31, 2010

	2010 Budget	2010 Actual	2009 Actual
REVENUE			
Water fees	\$ -	\$ -	\$ -
Sewer fees	-	-	-
Property taxes	-	1,639,762	1,545,394
Bulk Water fees	-	-	-
Lagoon tipping fees	-	-	-
Hydrant rentals	-	-	-
Connection charges	-	-	-
Penalties	-	-	-
Government transfers - operating	-	-	-
Government transfers - capital	-	-	-
Investment income	-	-	-
Administration fees	-	-	-
Other income	-	1,230	37,131
Total revenue	-	<u>1,640,992</u>	<u>1,582,525</u>
EXPENSES			
General			
Administration	-	1,140,179	847,475
Training costs	-	-	-
Billing and collection	-	-	-
Utilities (telephone, electricity, etc.)	-	\$ 108,884	98,210
sub-total- general	-	<u>1,249,063</u>	<u>945,685</u>
Water			
Purification and treatment	-	-	-
Transmission and distribution	533,279	204,495	383,400
Transportation services	-	-	-
Water purchases	-	-	-
Connection costs	-	-	-
Amortization	-	354,664	345,072
Interest on long term debt	297,240	62,416	71,156
sub-total- water	<u>830,519</u>	<u>621,575</u>	<u>799,628</u>
Sewer			
Collection system costs	422,533	-	-
Treatment and disposal cost	250,741	-	-
Lift Station costs	130,969	-	-
Transportation services	-	-	-
Water purchases	-	-	-
Connection costs	-	-	-
Amortization	-	229,626	223,801
Interest on long term debt	-	-	-
sub-total- sewer	<u>804,243</u>	<u>229,626</u>	<u>223,801</u>
Total expenses	<u>1,634,762</u>	<u>2,100,264</u>	<u>1,969,114</u>
NET REVENUES	(1,634,762)	(459,272)	(386,589)
TRANSFERS			
Transfers from (to) operating fund	1,639,762	459,272	386,589
Transfers from (to) reserve funds	<u>(5,000)</u>	<u>-</u>	<u>-</u>
CHANGE IN UTILITY FUND BALANCE	-	-	-
FUND SURPLUS, BEGINNING OF YEAR	-	-	-
FUND SURPLUS, END OF YEAR	\$ -	\$ -	\$ -

CITY OF THOMPSON

SCHEDULE 10

RECONCILIATION OF THE FINANCIAL PLAN TO THE BUDGET
Year Ended December 31, 2010

	Financial Plan General	Financial Plan Utility	Amortization (TCA)	Interest Expense	Transfers	Long Term Accruals	Consolidated Entities	PSAB Budget
REVENUE								
Property taxes	\$ 9,758,188	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,758,188
Grants in lieu of taxation	4,816,080	-	-	-	-	-	-	4,816,080
User fees	3,548,486	-	-	-	-	-	312,770	3,861,256
Grants - Province of Manitoba	13,083,047	-	-	-	-	-	403,913	13,486,960
Grants - other	-	-	-	-	-	-	678,150	678,150
Permits, licences and fines	304,650	-	-	-	-	-	11,353	316,003
Investment income	10,000	-	-	-	-	-	1,569	11,569
Other revenue	771,032	-	-	-	-	-	31,916	802,948
Transfers from accumulated surplus	250,000	-	-	-	(250,000)	-	-	-
Transfers from reserves	2,707,059	1,639,762	-	-	(4,346,821)	-	-	-
Total revenue	\$ 35,248,542	\$ 1,639,762	\$ -	\$ -	\$ (4,596,821)	\$ -	\$ 1,439,671	\$ 33,731,154
EXPENSES								
General government services	\$ 2,478,059	\$ -	\$ 79,581	-	\$ 40,528	\$ -	\$ -	\$ 2,598,168
Protective services	8,205,135	-	193,301	179,824	95,000	-	-	8,673,260
Transportation services	3,336,876	-	460,577	12,500	-	-	-	3,809,954
Environmental health services	904,002	-	132,376	-	-	-	842,347	1,878,725
Public health and welfare services	262,849	-	-	-	-	-	-	262,849
Regional planning and development	138,324	-	-	-	-	-	1,257	139,581
Resource cons and industrial dev	575,411	-	-	-	-	-	419,064	994,475
Recreation and cultural services	2,944,428	-	356,824	350,068	-	-	609,134	4,260,453
Water and sewer services	-	1,337,522	583,658	69,993	-	-	-	1,991,173
Fiscal services:								
Transfer to capital	11,853,601	5,000	(11,858,601)	-	-	-	-	-
Transfer to utility	1,639,762	-	-	-	(1,639,762)	-	-	-
Debt charges	1,367,355	297,240	-	(1,664,595)	-	-	-	-
Short term interest	632	-	-	-	(632)	-	-	-
Transfer to reserves	1,258,870	-	-	-	(1,258,870)	-	-	-
Transfer to firefighter trust	95,000	-	-	-	(95,000)	-	-	-
Transfer - Deficit repayment	148,342	-	-	-	(148,342)	-	-	-
Allowance for tax assets	39,896	-	-	-	(39,896)	-	-	-
Total expenses	\$ 35,248,542	\$ 1,639,762	\$ (10,052,285)	\$ (1,052,210)	\$ (3,046,974)	\$ -	\$ 1,871,802	\$ 24,608,638
Surplus (Deficit)	\$ -	\$ 0	\$ 10,052,285²⁶	\$ 1,052,210	\$ (1,549,847)	\$ -	\$ (432,131)	\$ 9,122,516

CITY OF THOMPSON
 ANALYSIS OF TAXES ON ROLL
 Year Ended December 31, 2010

SCHEDULE 11

	2010	2009
Balance, beginning of year	\$ 918,187	\$ 690,440
Add:		
Tax levy (Schedule 12)	17,542,062	16,363,656
Taxes added	401,760	210,028
Penalties or interest	63,354	47,996
Other accounts added	32,515	16,657
Tax Adjustments (specify)	-	-
Tax Adjustments (specify)	-	-
Sub-total	18,039,691	16,638,337
Deduct:		
Cash collections - current	15,608,764	14,299,840
Cash collections - arrears	205,250	417,258
Writeoffs	66,574	4,827
Title value of land sales	-	-
Title value of tax titles acquired	-	-
Tax discounts	-	-
M.P.T.C. - cash advance	1,696,732	1,688,356
Other credits (specify)	(411)	309
Sub-total	17,576,909	16,410,590
Balance, end of year	\$ 1,380,969	\$ 918,187

CITY OF THOMPSON

SCHEDULE 12

ANALYSIS OF TAX LEVY

Year Ended December 31, 2010

	2010		2009	
	Assessment	Mill Rate	Levy	Levy
Other governments (L.U.D.):				
Name of LUD	-	0.000%	\$ -	-
Name of LUD	-	0.000%	-	-
Name of LUD	-	0.000%	-	-
Debt charges:				
Frontage	-	0.000%	-	-
L.I.D.	-	0.000%	-	-
Mill Rate (At large)	331,716,530	3.518%	1,166,979	1,283,502
General Municipal	331,716,530	22.003%	7,298,759	6,631,145
Reserves:				
Name of reserve	-	0.000%	-	-
Name of reserve	-	0.000%	-	-
Name of reserve	-	0.000%	-	-
Special levies:				
Library	331,716,530	0.671%	222,582	218,721
By-law 1827-2010			212,501	-
By-law 1826-2010			219,432	-
Business tax (rate%)	4.35%	0.000%	398,035	359,945
Total municipal taxes (Schedule 2)			9,518,287	8,493,313
Education support levy	78,773,660	12.330%	971,279	986,373
Special levy:				
Mystery Lake #2355	324,193,050	21.754%	7,052,496	6,883,969
Mystery Lake #2355			-	-
Name of school division	-	0.000%	-	-
Total education taxes			8,023,775	7,870,343
Total tax levy (Schedule 11)			\$ 17,542,062	\$ 16,363,656

CITY OF THOMPSON
 ANALYSIS OF SCHOOL ACCOUNTS
 Year Ended December 31, 2010

SCHEDULE 13

	2010			2009
	Opening Balance	Current Requirement	Current Payment	Ending Balance
Education support levy	\$ -	\$ 1,088,474	\$ 1,088,474	\$ -
Special levies				
#2355 - Mystery Lake	-	7,291,436	7,291,436	-
School division	-	-	-	-
School division	-	-	-	-
School division	-	-	-	-
School division	-	-	-	-
School division	-	-	-	-
School division	-	-	-	-
Sub-total	-	7,291,436	7,291,436	-
Total	\$ -	\$ 8,379,910	\$ 8,379,910	\$ -

CITY OF THOMPSON

SCHEDULE 15

SCHEDULE OF L.U.D. OPERATIONS - Name of L.U.D.
Year Ended December 31, 2010

	2010 Budget	2010 Actual	2009 Actual
Revenue			
Taxation	\$ -	\$ -	\$ -
Other Revenue	-	-	-
Total revenue	\$ -	\$ -	\$ -
Expenses			
General Government:			
Indemnities	\$ -	\$ -	\$ -
Transportation Services			
Road and street maintenance	-	-	-
Bridge maintenance	-	-	-
Sidewalk and boulevard maintenance	-	-	-
Street lighting	-	-	-
Other	-	-	-
Environmental health			
Waste collection and disposal	-	-	-
Recycling	-	-	-
Other	-	-	-
Regional planning and development			
Planning and zoning	-	-	-
Urban renewal	-	-	-
Beautification and land rehabilitation	-	-	-
Urban area weed control	-	-	-
Other	-	-	-
Recreation and cultural services			
Community centers and halls	-	-	-
Swimming pools and beaches	-	-	-
Golf courses	-	-	-
Skating and curling rinks	-	-	-
Parks and playgrounds	-	-	-
Other recreational facilities	-	-	-
Museums	-	-	-
Libraries	-	-	-
Other cultural facilities	-	-	-
Total expenses	\$ -	\$ -	\$ -
Net revenues (expenses)	-	-	-
Transfers:			
Transfers from (to) L.U.D. reserves	-	\$ -	-
Transfers from (to) operating fund	-	-	-
Other	-	-	-
Change in L.U.D. balances	-	-	-
Unexpended balance, beginning of year	\$ -	\$ -	\$ -
Unexpended balance, end of year	\$ -	\$ -	\$ -