

# **CITY OF THOMPSON**

**Consolidated Financial Statements  
For the Year Ended December 31, 2013**

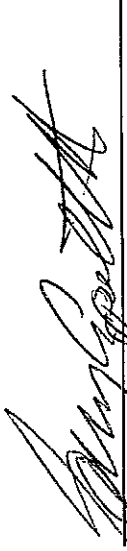
## STATEMENT OF RESPONSIBILITY

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/Reeve 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 public sector accounting standards.

  
\_\_\_\_\_  
Gary Ceppatelli  
Chief Administrative Officer

# KENDALL & PANDYA

Chartered Accountants

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118 Cree Road, Thompson, MB R8N 0C1 (204) 778-7312 Fax 778-7919

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

\* Operating as professional corporations

## 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, 2013 and have rendered our Auditor's Report thereon dated June 26, 2014. Our examination was conducted in accordance with Canadian 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 26, 2014



KENDALL & PANDYA  
Chartered Accountants

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Chartered Accountants

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

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## INDEPENDENT AUDITOR'S REPORT

To the Mayor and members of Council of the CITY OF THOMPSON:

### Report on the Financial Statements

We have audited the accompanying consolidated financial statements of the CITY OF THOMPSON which comprise the consolidated statement of financial position as of December 31, 2013 and the consolidated statement of operations and accumulated surplus, changes in net financial assets and cash flows for the year ended December 31, 2013, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

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

### Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian 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 judgment, 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 consolidated financial statements present fairly, in all material respects, the financial position of the City of Thompson, as at December 31, 2013 and its operations and cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Thompson, Manitoba  
June 26, 2014

  
Chartered Accountants.

**CITY OF THOMPSON**  
**Consolidated Financial Statements**  
**For the Year Ended December 31, 2013**

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**CITY OF THOMPSON  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
As at December 31, 2013**

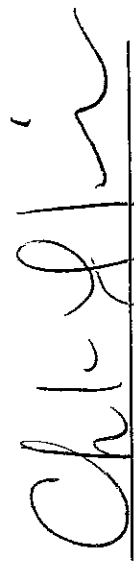
	<u>2013</u>	<u>2012</u>
<b>FINANCIAL ASSETS</b>		
Cash and temporary investments (Note 3)	\$ 5,881,037	\$ 4,918,829
Amounts receivable (Note 4)	6,793,304	8,110,454
Portfolio investments (Note 5)	967,990	956,789
Loans and advances	225	4,784
Real estate properties held for sale	292,486	223,201
Deferred Asset	<u>172,335</u>	<u>201,058</u>
	<u>14,107,377</u>	<u>14,415,115</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities (Note 7)	7,603,343	8,443,569
Deferred revenue	1,718,135	979,616
Land deposits	193,140	197,987
Long-term debt (Note 8)	13,854,265	14,029,044
Obligations under capital lease (Note 9)	<u>15,415</u>	<u>28,974</u>
	<u>23,384,298</u>	<u>23,679,189</u>
<b>NET FINANCIAL ASSETS (NET DEBT)</b>	<u>(9,276,921)</u>	<u>(9,264,074)</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Schedule 1)	59,422,109	57,409,692
Inventories (Note 6)	351,493	343,850
Prepaid expenses	<u>180,413</u>	<u>163,472</u>
	<u>59,954,015</u>	<u>57,917,014</u>
<b>ACCUMULATED SURPLUS (DEFICIT)</b>	<u>\$ 50,677,094</u>	<u>\$ 48,652,940</u>

**COMMITMENTS AND CONTINGENCIES (NOTE 9)**

Approved on behalf of Council:



Mayor- Jim Johnston



Councillor- Charlene Lafreniere

**CITY OF THOMPSON**  
**CONSOLIDATED STATEMENT OF OPERATIONS**  
**For the Year Ended December 31, 2013**

	2013 Budget (Note 13)	2013 Actual	2012 Actual
<b>REVENUE</b>			
Property taxes	\$ 8,995,597	\$ 8,910,146	\$ 8,644,923
Grants in lieu of taxation	5,048,779	5,048,777	4,785,765
User fees	4,243,084	3,737,605	3,974,615
Permits, licences and fines	456,211	285,159	593,873
Investment income	1,512	19,356	(15,046)
Other revenue	927,894	1,018,693	2,184,067
Water and sewer	3,859,503	3,855,691	3,936,433
Grants - Province of Manitoba	3,970,413	4,160,706	11,192,828
Grants - other	837,870	830,879	811,938
Total revenue (Schedules 2, 4 and 5)	<u>28,340,862</u>	<u>27,867,012</u>	<u>36,109,396</u>
<b>EXPENSES</b>			
General government services	2,038,636	3,152,378	2,952,028
Protective services	9,413,474	8,652,839	8,757,845
Transportation services	4,487,698	3,618,991	3,547,780
Environmental health services	1,663,836	1,665,241	1,712,670
Public health and welfare services	267,612	241,503	282,083
Regional planning and development	169,871	63,108	20,894
Resource conservation and industrial development	294,920	372,926	266,006
Recreation and cultural services	4,743,627	4,830,313	4,508,418
Water and sewer services	3,044,590	3,245,559	2,900,132
Total expenses (Schedules 3, 4 and 5)	<u>26,124,264</u>	<u>25,842,858</u>	<u>24,947,856</u>
<b>ANNUAL SURPLUS (DEFICIT)</b>	2,216,598	2,024,154	11,161,540
<b>ACCUMULATED SURPLUS (DEFICIT), BEGINNING OF YEAR</b>	<u>48,652,940</u>	<u>48,652,940</u>	<u>37,491,400</u>
<b>ACCUMULATED SURPLUS (DEFICIT), END OF YEAR</b>	<u>\$ 50,869,538</u>	<u>\$ 50,677,094</u>	<u>\$ 48,652,940</u>

**CITY OF THOMPSON**  
**CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS**  
**For the Year Ended December 31, 2013**

	<u>2013</u>	<u>2013</u>	<u>2012</u>
	Budget	Actual	Actual
	(Note 13)		
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>\$ 2,248,168</b>	<b>\$ 2,024,154</b>	<b>\$ 11,161,540</b>
Acquisition of tangible capital assets	(5,158,150)	(4,529,124)	(6,869,238)
Amortization of tangible capital assets	2,471,007	2,485,756	2,204,943
Loss (Gain) on sale of tangible capital assets		(25,713)	14,657
Proceeds on sale of tangible capital assets		56,666	39,816
Decrease (increase) in inventories	-	(7,644)	59,733
Decrease (increase) in prepaid expense	-	(16,942)	(5,669)
	<u>(2,687,143)</u>	<u>(2,037,001)</u>	<u>(4,555,759)</u>
<b>CHANGE IN NET FINANCIAL ASSETS</b>	<u><u>(438,975)</u></u>	<u>(12,847)</u>	<u>6,605,781</u>
<b>NET FINANCIAL ASSETS, BEGINNING OF YEAR</b>		<u>(9,264,074)</u>	<u>(15,869,855)</u>
<b>NET FINANCIAL ASSETS, END OF YEAR</b>		<u><u>\$ (9,276,921)</u></u>	<u><u>\$ (9,264,074)</u></u>



**CITY OF THOMPSON**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**For the Year Ended December 31, 2013**

	2013	2012
<b>OPERATING TRANSACTIONS</b>		
Annual surplus (deficit)	\$ 2,024,154	\$ 11,161,540
Changes in non-cash items:		
Amounts receivable	1,317,150	(995,078)
Inventories	(7,643)	59,733
Prepays	(16,942)	(5,669)
Accounts payable and accrued liabilities	(840,226)	578,548
Deferred Revenue	738,519	(4,338,806)
Land deposits	(4,847)	16,671
Loss (Gain) on sale of tangible capital asset	(25,713)	14,657
Amortization	2,485,756	2,204,943
Deferred Asset	28,723	28,722
	<u>5,698,931</u>	<u>8,725,259</u>
Cash provided by operating transactions		
<b>CAPITAL TRANSACTIONS</b>		
Proceeds on sale of tangible capital assets	56,666	39,816
Cash used to acquire tangible capital assets	<u>(4,529,124)</u>	<u>(6,869,238)</u>
	<u>(4,472,458)</u>	<u>(6,829,422)</u>
Cash applied to capital transactions		
<b>INVESTING TRANSACTIONS</b>		
Proceeds on sale of portfolio investments	(11,201)	(5,491)
Proceeds on sale of real estate properties		
Loans and advances repaid	4,559	8,970
Purchase of portfolio investments		
Acquisition of real estate properties	<u>(69,285)</u>	<u>(51,315)</u>
Loans and advances issued	-	-
	<u>(75,927)</u>	<u>(47,836)</u>
Cash applied to investing transactions		
<b>FINANCING TRANSACTIONS</b>		
Proceeds of long-term debt	1,185,000	3,442,113
Debt repayment	<u>(1,359,779)</u>	<u>(1,351,626)</u>
Obligation under capital lease		
Repayment of obligation under capital lease	<u>(13,559)</u>	<u>1,456</u>
	<u>(188,338)</u>	<u>2,091,943</u>
Cash applied to financing transactions		
<b>DECREASE IN CASH AND TEMPORARY INVESTMENTS</b>	962,208	3,939,944
<b>CASH AND TEMPORARY INVESTMENTS, BEGINNING OF YEAR</b>	<u>4,918,829</u>	<u>978,885</u>
<b>CASH AND TEMPORARY INVESTMENTS, END OF YEAR</b>	<u>\$ 5,881,037</u>	<u>\$ 4,918,829</u>

**CITY OF THOMPSON**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2013**

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**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  
Thompson Housing Agency

For the current fiscal year, Thompson Housing Agency financial information has been consolidated using year ended March 31, 2014.

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.

**CITY OF THOMPSON**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2013**

**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.

The estimated cost to close and maintain solid waste landfill sites, if any, are based on estimated future expenses, in current dollars, adjusted for estimated inflation, and are charged to expenses as the landfill capacity is used.

**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 internal finance charges as part of the cost of its tangible capital assets.

**General Tangible Capital Assets**

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

**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.

**CITY OF THOMPSON**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2013**

**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.

**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:

	2013	2012
Cash	\$ 5,881,037	\$ 4,918,829
Temporary Investments	-	-
	\$ 5,881,037	\$ 4,918,829

Temporary investments are comprised mainly of guaranteed investment certificates and term deposits and have a market value approximating cost. The Municipality has designate \$0 (2012 \$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.

	2013	2012
Taxes on roll (Schedule 11)	\$ 1,883,919	\$ 1,655,834
Government grants	1,244,846	2,662,335
Utility customers	1,842,025	1,807,927
Accrued interest	-	-
Organizations and individuals	2,132,947	2,270,725
Other governments	103,827	70,238
	7,207,564	8,467,059
Less allowances for doubtful amounts	414,260	356,605
	\$ 6,793,304	\$ 8,110,454

**CITY OF THOMPSON**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2013**

<b>5.</b>	<b>Portfolio Investments</b>	<u>2013</u>	<u>2012</u>
	Marketable securities:		
	Government of Canada	-	\$ -
	Province of Manitoba	-	-
	Municipal Debentures	-	-
	Other investments	<u>\$ 967,990</u>	<u>956,789</u>
		<u>\$ 967,990</u>	<u>\$ 956,789</u>

The aggregate market value of the marketable securities at December 31, 2013 is \$967,990 (2012- \$956,789). Portfolio Investments earned \$11,201 in investment income during the year (2012 - \$5,491).

<b>6.</b>	<b>Inventories</b>	<u>2013</u>	<u>2012</u>
	<b>Inventories for use:</b>		
	Chemicals, herbicides, insecticides	-	\$ -
	Fuel	7,058	4,970
	Culverts	155,425	149,356
	Aggregate	-	7,738
	Other supplies	<u>189,010</u>	<u>181,786</u>
		<u>\$ 351,493</u>	<u>\$ 343,850</u>

<b>7.</b>	<b>Accounts Payable and Accrued Liabilities</b>	<u>2013</u>	<u>2012</u>
	Accounts payable	6,413,220	\$ 7,407,096
	Accrued expenses	1,190,123	1,036,473
	Accrued interest payable	-	-
	School levies (Schedule 13)	-	-
	Other governments	-	-
		<u>\$ 7,603,343</u>	<u>\$ 8,443,569</u>

<b>8.</b>	<b>Long Term Debt</b>	<u>2013</u>	<u>2012</u>
	<b>General Authority:</b>		
	Debenture, interest at 6.875%, payable at \$233,695 annually including interest, maturing December 1, 2017	793,812	961,409
	Debenture, interest at 6.625%, payable at \$177,770 annually including interest, maturing December 1, 2017	607,277	736,270
	Debenture, interest at 6.625%, payable at \$27,498 annually including interest, maturing December 1, 2018	113,888	132,601
	Debenture, interest at 5.500%, payable at \$354,502 annually including interest, maturing December 1, 2024	2,868,824	3,055,285
	Debenture, interest at 5.625%, payable at \$147,669 annually including interest, maturing December 1, 2023	1,106,458	1,187,310
	Debenture, interest at 5.5%, payable at \$41,351 annually including interest, maturing December 1, 2023	334,600	356,380
	Debenture, interest at 5.5%, payable at \$83,167 annually including interest, maturing December 1, 2023	673,029	716,773
	Debenture, interest at 5.0%, payable at \$304,943 annually including interest, maturing December 1, 2026	2,864,508	3,018,525
	Debenture, interest at 3.875%, payable at \$81,578 annually including interest, maturing December 31, 2027	868,878	
	Debenture, interest at 2.875%, payable at \$87,435 annually including interest, maturing December 31, 2016	247,915	325,978

**CITY OF THOMPSON  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
For the Year Ended December 31, 2013**

Debtenture, interest at 4%, payable at \$58,198 annually including interest, maturing December 31, 2021	391,832	432,722
Debtenture, interest at 4.25%, payable at \$35,693 annually including interest, maturing December 31, 2021	350,952	370,882
Debtenture, interest at 3.875%, payable at \$24,072 annually including interest, maturing December 31, 2016	256,390	108,760
Debtenture, interest at 4%, payable at \$51,716 annually including interest, maturing December 31, 2027	82,764	575,000
	546,283	575,000
	<u>12,107,409</u>	<u>11,977,895</u>

**Utility Fund:**

Debtenture, interest at 4.950%, payable at \$84,224 annually including interest, maturing December 1, 2015	\$ 156,582	\$ 229,314
Debtenture, interest at 4.930%, payable at \$161,808 annually including interest, maturing December 1, 2015	300,907	440,720
Debtenture, interest at 4%, payable at \$57,850 annually including interest, maturing December 31, 2021	389,490	430,135
Debtenture, interest at 4.25%, payable at \$91,520 annually including interest, maturing December 31, 2026	899,876	950,980
	<u>1,746,855</u>	<u>2,051,149</u>

**Thompson Community Development Corp.:**

Loan payable, Province of Manitoba, non-interest	\$ -	\$ -
	<u>\$ 13,854,264</u>	<u>\$ 14,029,045</u>

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

2014	\$1,430,585
2015	\$1,505,248
2016	\$1,337,954
2017	\$1,292,007
2018	\$951,833

**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:

2014	\$ 14,712
2015	1,581
2016	-
2017	-
2018	-
Remainder of lease	<u>-</u>
Total minimum lease payments	\$ 16,293
Less amount representing future interest at 9.25%	<u>878</u>
Balance of obligation	<u>\$ 15,415</u>

Interest expense includes **\$2,059** (2012 - \$2,600) with respect to this obligation.

Assets under capital lease includes office equipment.

Cost of leased tangible capital assets	<u>2013</u>	<u>2012</u>
	\$ 48,909	\$ 48,909
Accumulated amortization of leased tangible capital assets	<u>42,462</u>	<u>32,162</u>
	<u>\$ 6,447</u>	<u>\$ 16,747</u>

**CITY OF THOMPSON  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
For the Year Ended December 31, 2013**

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**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 requirements of the Chartered Professional Accountants of Canada 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 8.3% of basic annual earnings up to the CPP ceiling plus 9.5% of basic annual earnings in excess of the CPP ceiling, plus 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 \$649,002 (2012 - \$506,971) and are included in the statement of operations.

Subject to the following paragraph, any unfunded liabilities are to be funded by the participating employers. The most recent actuarial valuation as of December 31, 2012 indicated the plan was 94% funded on a going concern basis and had an unfunded solvency liability of \$220.5 million. The solvency position of the plan is determined by comparing the plan assets to the actuarial present value of the benefits accrued in respect of credited service up to the valuation date, calculated as if the plan were wound up on December 31, 2012.

In 2010, the Government of Manitoba enacted a regulation which permits sponsors of public sector pension plans, including MEPP, to elect permanent exemption from solvency funding requirements subject to certain conditions stated in the regulation. MEPP has elected permanent exemption from solvency funding requirements. As a result, solvency funding is no longer required by MEPP.

**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

**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. Accumulated Surplus**

Accumulated surplus consists of the following:

	<b>2013</b>	<b>2012</b>
General operating fund - Nominal surplus	\$ 4,182,181	\$ 2,310,489
Utility operating fund(s) - Nominal surplus	783,604	1,180,912
TCA net of related borrowings	42,891,013	42,411,031
Reserve funds	3,255,134	3,149,953
Accumulated surplus of municipality unconsolidated	51,111,932	49,052,384
Accumulated surpluses of consolidated entities	(434,838)	(399,444)
Accumulated surplus per Consolidated Statement of Financial Position	\$ 50,677,094	\$ 48,652,940

**CITY OF THOMPSON  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
For the Year Ended December 31, 2013**

**15. 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, 2013:

- a) Compensation paid to members of council amounted to \$110,219 in aggregate.
- b) There were no members of council receiving compensation in excess of \$50,000 individually.

Council Members:

	Compensation	Expenses	Total
Mayor - Tim Johnston	\$ 29,745	\$ 12,255	\$ 42,000
Councillor - Stella Locker	9,915		9,915
Councillor - Charlene Lafreniere	9,915	1,493	11,408
Councillor - Judy Kolada	9,915	-	9,915
Councillor - Erin Hogan	10,876	3,986	14,862
Councillor - Luke Robinson	9,915	1,920	11,835
Councillor - Penelope Byer	9,915	-	9,915
Councillor- Dennis Fenske	10,108	3,961	14,069
Councillor- Brad Evenson	9,915	-	9,915
	<u>\$ 110,219</u>	<u>\$ 23,615</u>	<u>\$ 133,834</u>

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

**16. Public Utilities Board**

The Public Utilities Board (PUB) regulates the rates charged by all water and sewer utilities, except the City of Winnipeg utility and those utilities operated by the Manitoba Water Services Board. PUB has the authority to order any owner of a utility to adopt uniform and prescribed accounting policies. PUB's prescribed accounting policies on tangible capital assets and government transfers do not meet the recommendations of PSAB.

For information purposes, the Municipality has deferred the capital grants it has received in the past for its utilities and amortized them over the useful life of the related tangible capital asset.

No capital grants have been deferred and amortized in these financial statements.



**SCHEDULE 1**

**CITY OF THOMPSON  
CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS  
For the Year Ended December 31, 2013**

	2013		2012		2013		2012	
	Assets Under Construction	Water and Sewer	Roads, Streets, and Bridges	Computer Hardware and Software	Vehicles and Equipment	Buildings and Leasehold Improvements	Land and Land Improvements	Totals
<b>Cost</b>								
Opening costs	503,859	38,039,200	20,956,222	354,127	13,388,221	27,947,669	3,043,012	97,918,104
Additions during the year	(405,536)	988,075	1,629,887	27,737	533,854	877,839	877,267	6,869,238
Disposals and write downs	-	(50,000)	-	-	(304,586)	-	-	(555,033)
Closing costs	98,323	38,977,275	22,586,109	381,864	13,617,489	28,825,508	3,920,279	104,232,309
<b>Accumulated Amortization</b>								
Opening accum'd amortization	-	25,804,562	8,633,117	183,395	7,774,759	4,017,342	409,442	45,118,238
Amortization	-	602,162	392,735	36,786	762,593	583,839	107,641	2,204,943
Disposals and write downs	(323,634)	(46,000)	-	-	(277,634)	-	-	(500,564)
Closing accum'd amortization	-	26,360,723	9,025,853	220,181	8,259,718	4,601,181	517,083	46,822,617
<b>Net Book Value of Tangible Capital Assets</b>	98,323	12,616,552	13,560,257	161,683	5,357,771	24,224,327	3,403,196	57,409,692

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

## CITY OF THOMPSON

## SCHEDULE 2

**CONSOLIDATED SCHEDULE OF REVENUES**  
**For the Year Ended December 31, 2013**

	2013 Actual	2012 Actual
<b>Property taxes:</b>		
Municipal taxes levied (Schedule 12)	\$ 8,796,389	\$ 8,431,528
Taxes added	<u>113,757</u>	<u>213,395</u>
	<u>8,910,146</u>	<u>8,644,923</u>
<b>Grants in lieu of taxation:</b>		
Federal government	12,105	10,918
Federal government enterprises	-	-
Provincial government	264,564	252,737
Provincial government enterprises	-	-
Other local governments	-	-
Non-government organizations	<u>4,772,108</u>	<u>4,522,109</u>
	<u>5,048,777</u>	<u>4,785,765</u>
<b>User fees</b>		
Parking meters	-	-
Sales of service	2,485,800	2,598,575
Sales of goods	306,906	442,843
Rentals	488,627	456,632
Development charges	17,103	22,025
Facility use fees	<u>439,169</u>	<u>454,540</u>
	<u>3,737,605</u>	<u>3,974,615</u>
<b>Permits, licences and fines</b>		
Permits	61,331	367,100
Licences	87,168	109,323
Aggregate mining and transportation fees	-	-
Fines	<u>136,660</u>	<u>117,450</u>
	<u>285,159</u>	<u>593,873</u>
<b>Investment income:</b>		
Cash and temporary investments	19,356	(15,046)
Marketable securities	-	-
Municipal debentures	-	-
Other (specify):	-	-
	<u>19,356</u>	<u>(15,046)</u>
<b>Other revenue:</b>		
Municipal accomodation tax	480,400	521,887
Miscellaneous other grants and revenue	150,192	1,612,279
Gain on sale of tangible capital assets	12,350	14,068
Gain on sale of real estate held for sale	-	-
Penalties and interest	183,180	149,891
Gain on land sales	<u>192,571</u>	<u>(114,058)</u>
	<u>1,018,693</u>	<u>2,184,067</u>
<b>Water and sewer</b>		
Water and Sewer (Schedule 9)	<u>3,855,691</u>	<u>3,936,433</u>
<b>Grants - Province of Manitoba</b>		
General assistance payment	2,128,518	2,041,297
General support grant	204,932	203,377
VLТ revenues	199,444	195,762
Other unconditional grants	-	-
Conditional grants	<u>1,627,812</u>	<u>8,752,392</u>
	<u>4,160,706</u>	<u>11,192,828</u>
<b>Grants - other</b>		
Federal government - gas tax funding	821,305	733,870
Federal government - other	9,574	78,068
Other local governments	<u>830,879</u>	<u>811,938</u>
	<u>27,867,012</u>	<u>36,109,396</u>
<b>Total revenue</b>		

## CITY OF THOMPSON

## SCHEDULE 3

CONSOLIDATED SCHEDULE OF EXPENSES  
For the Year Ended December 31, 2013

	2013 Actual	2012 Actual
<b>General government services:</b>		
Legislative	\$ 256,788	\$ 291,044
General administrative	2,298,294	2,183,053
Other	597,296	477,931
	<u>3,152,378</u>	<u>2,952,028</u>
<b>Protective services:</b>		
Police	4,493,625	4,638,715
Fire	1,190,717	1,397,383
Emergency measures	-	-
Other protection	2,968,497	2,721,747
	<u>8,652,839</u>	<u>8,757,845</u>
<b>Transportation services:</b>		
Road transport		
Administration and engineering	651,624	672,289
Road and street maintenance	1,670,518	1,604,499
Bridge maintenance	-	-
Sidewalk and boulevard maintenance	232,565	223,953
Street lighting	268,247	252,362
Other	336,104	347,458
Air transport	-	-
Public transit	459,933	447,219
Other	-	-
	<u>3,618,991</u>	<u>3,547,780</u>
<b>Environmental health services:</b>		
Waste collection and disposal	838,852	810,561
Recycling	722,608	828,902
Other	103,781	73,207
	<u>1,665,241</u>	<u>1,712,670</u>
<b>Public health and welfare services:</b>		
Public health	79,904	120,484
Medical care	-	-
Hospital care	-	-
Social assistance	161,599	161,599
	<u>241,503</u>	<u>282,083</u>
<b>Regional planning and development</b>		
Planning and zoning	56,385	4,489
Urban renewal	-	-
Beautification and land rehabilitation	6,723	16,405
Urban area weed control	-	-
Other	-	-
	<u>63,108</u>	<u>20,894</u>
<b>Resource conservation and industrial development</b>		
Rural area weed control	-	-
Drainage of land	-	-
Veterinary services	-	-
Water resources and conservation	-	-
Regional development	361,367	254,101
Industrial development		
Tourism	11,537	11,884
Other	22	21
	<u>372,926</u>	<u>266,006</u>
<b>Sub-totals forward</b>	<u>17,766,986</u>	<u>17,539,306</u>

CITY OF THOMPSON

SCHEDULE 3

CONSOLIDATED SCHEDULE OF EXPENSES  
For the Year Ended December 31, 2013

Sub-totals forward	<u>17,766,986</u>	<u>17,539,306</u>
<b>Recreation and cultural services:</b>		
Administration	916,325	881,263
Community centers and halls	814,525	748,406
Swimming pools and beaches	1,049,139	962,352
Golf courses	-	-
Skating and curling rinks	1,111,374	942,976
Parks and playgrounds	272,225	209,768
Other recreational facilities	125,375	142,364
Museums	53,681	53,418
Libraries	388,317	392,232
Other cultural facilities	99,352	175,639
	<u>4,830,313</u>	<u>4,508,418</u>
<b>Water and sewer services</b>		
Water and sewer services (Schedule 9)	<u>3,245,559</u>	<u>2,900,132</u>
<b>Total expenses</b>	<u>25,842,858</u>	<u>24,947,856</u>

SCHEDULE 4

CITY OF THOMPSON  
 CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM  
 For the Year Ended December 31, 2013

	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
<b>REVENUE</b>										
Property taxes	\$ 8,910,146	\$ 8,644,923	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants in lieu of taxation	5,048,777	4,785,765	-	-	-	-	-	-	-	-
User fees	108,282	98,506	2,073,600	2,182,372	229,764	261,539	697,467	743,686	17,193	27,142
Grants - other	821,305	733,870	-	-	-	-	-	-	-	-
Permits, licenses and fines	84,774	109,606	200,385	484,267	-	-	-	-	-	-
Investment income	19,356	(15,046)	-	-	-	-	-	126,708	-	-
Other revenue	826,121	2,298,125	-	-	-	-	-	-	-	-
Water and sewer	-	-	-	-	-	-	-	-	-	-
Prov of MB - Unconditional Grants	2,532,894	2,440,436	-	-	555,161	329,089	102,267	-	-	-
Prov of MB - Conditional Grants	-	-	812,349	797,349	784,925	590,628	799,734	870,394	17,193	27,142
<b>Total revenue</b>	<b>\$ 18,351,655</b>	<b>\$ 19,096,185</b>	<b>\$ 3,086,334</b>	<b>\$ 3,463,989</b>	<b>\$ 784,925</b>	<b>\$ 590,628</b>	<b>\$ 799,734</b>	<b>\$ 870,394</b>	<b>\$ 17,193</b>	<b>\$ 27,142</b>
<b>EXPENSES</b>										
Personnel services	\$ 1,981,120	\$ 1,829,373	\$ 4,092,065	\$ 3,721,187	\$ 2,213,984	\$ 2,271,693	\$ 690,924	\$ 795,906	\$ 44,505	\$ 72,314
Contract services	590,346	653,324	3,859,621	4,301,275	631,270	602,446	578,506	553,579	7,416	14,432
Utilities	80,491	93,163	116,845	121,721	358,945	342,271	81,966	73,681	-	-
Maintenance materials and supplies	(40,281)	(26,479)	212,073	194,549	(272,463)	(252,391)	123,115	103,630	7,982	13,737
Grants and contributions	399,888	276,220	-	-	-	-	-	-	181,599	181,599
Amortization	93,566	86,531	231,268	261,165	646,888	581,987	187,467	183,495	-	-
Interest on long term debt	-	-	140,968	157,947	40,367	1,773	3,263	2,379	-	-
Other	47,249	39,897	-	-	-	-	-	-	-	-
<b>Total expenses</b>	<b>\$ 3,152,379</b>	<b>\$ 2,952,029</b>	<b>\$ 8,652,840</b>	<b>\$ 8,757,845</b>	<b>\$ 3,618,991</b>	<b>\$ 3,547,779</b>	<b>\$ 1,665,241</b>	<b>\$ 1,712,670</b>	<b>\$ 241,502</b>	<b>\$ 282,082</b>
<b>Surplus (Deficit)</b>	<b>\$ 15,199,276</b>	<b>\$ 16,144,156</b>	<b>\$ (5,566,506)</b>	<b>\$ (5,293,856)</b>	<b>\$ (2,834,066)</b>	<b>\$ (2,957,151)</b>	<b>\$ (865,507)</b>	<b>\$ (842,276)</b>	<b>\$ (224,309)</b>	<b>\$ (254,940)</b>

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

SCHEDULE 4

CITY OF THOMPSON  
 CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM  
 Year Ended December 31, 2013

	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
	Regional Planning and Development		Resource Conservation and Industrial Dev		Recreation and Cultural Services		Water and Sewer Services		Total		2013	2012
<b>REVENUE</b>												
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,910,146	\$ 8,644,923	\$ -	\$ -
Grants in lieu of taxation	-	-	-	-	-	-	-	-	5,048,777	4,785,765	-	-
User fees	38,903	20,204	47,482	544,972	593,683	78,068	-	-	3,737,605	3,974,615	-	-
Grants - other	-	-	-	9,574	-	-	-	-	830,879	811,938	-	-
Permits, licenses and fines	-	-	-	-	-	-	-	-	285,159	593,873	-	-
Investment income	-	-	-	-	-	-	-	-	19,356	111,662	-	-
Other revenue	192,571	(114,058)	-	-	-	-	-	-	1,018,693	2,184,067	-	-
Water and sewer	-	-	-	-	-	-	3,936,433	3,936,433	3,855,691	3,936,433	-	-
Prov of MB - Unconditional Grants	-	-	-	-	-	-	-	-	2,532,894	2,440,436	-	-
Prov of MB - Conditional Grants	-	-	-	158,035	7,499,245	-	-	-	1,627,812	8,625,684	-	-
Total revenue	\$ 231,474	\$ (93,854)	\$ 27,424	\$ 47,482	\$ 712,582	\$ 8,170,996	\$ 3,855,691	\$ 3,936,433	\$ 27,867,012	\$ 36,109,396		
<b>EXPENSES</b>												
Personnel services	\$ 5,068	\$ 9,709	\$ 206,613	\$ 297,854	\$ 2,503,570	\$ 2,424,042	\$ 849,402	\$ 680,560	\$ 12,587,251	\$ 12,102,638		
Contract services	54,184	5,922	138,925	89,074	351,856	392,896	283,308	177,867	6,495,433	6,790,816		
Utilities	-	-	728	1,402	364,562	344,571	132,573	117,172	1,136,111	1,093,981		
Maintenance materials and supplies	3,856	5,263	13,540	71,687	285,465	225,790	1,246,644	1,239,736	1,579,931	1,575,523		
Grants and contributions	-	-	-	(250,000)	53,681	74,085	-	-	635,167	281,905		
Amortization	-	-	2,358	2,811	736,020	529,662	602,159	598,205	2,499,726	2,243,855		
Interest on long term debt	-	-	-	-	478,262	485,747	91,109	69,957	753,969	717,803		
Other	-	-	10,762	53,178	56,895	31,625	40,364	16,635	155,270	141,335		
Total expenses	\$ 63,108	\$ 20,894	\$ 372,926	\$ 266,006	\$ 4,830,311	\$ 4,508,418	\$ 3,245,559	\$ 2,900,133	\$ 25,842,858	\$ 24,947,856		
Surplus (Deficit)	\$ 168,366	\$ (114,748)	\$ (345,502)	\$ (218,524)	\$ (4,117,729)	\$ 3,662,578	\$ 610,132	\$ 1,036,301	\$ 2,024,154	\$ 11,161,540		

CONSOLIDATED DETAILS AND RECONCILIATION TO CORE GOVERNMENT RESULTS

For the Year Ended December 31, 2013

	2013	2012	2013	2012	2013	2012
	Core	Controlled	Government	Partnerships	Total	Total
<b>REVENUE</b>						
Property taxes	\$ 8,910,146	\$ -	\$ -	\$ -	\$ 8,910,146	\$ 8,644,923
Grants in lieu of taxation	5,048,778	-	-	-	5,048,778	4,785,765
User fees	3,548,438	189,165	305,378	-	3,737,603	3,974,615
Grants - other	830,879	-	-	-	830,879	938,646
Permits, licenses and fines	268,098	17,061	15,023	-	285,159	593,873
Investment income	18,844	512	1,048	-	19,356	(15,046)
Other revenue	1,004,331	14,362	19,155	-	1,018,693	2,184,067
Water and sewer	3,855,692	-	-	-	3,855,692	3,936,433
Prov of MB - Unconditional Grants	2,532,894	-	-	-	2,532,894	2,440,436
Prov of MB - Conditional Grants	1,365,967	261,845	309,436	-	1,627,812	8,625,684
<b>Total revenue</b>	<b>\$ 27,384,067</b>	<b>\$ 482,945</b>	<b>\$ 650,040</b>	<b>\$ -</b>	<b>\$ 27,867,012</b>	<b>\$ 36,109,396</b>
<b>EXPENSES</b>						
Personnel services	\$ 11,853,301	\$ 733,950	\$ 1,010,726	\$ -	\$ 12,587,251	\$ 12,102,638
Contract services	6,298,169	197,264	170,986	-	6,495,433	6,790,816
Utilities	1,021,309	114,802	108,920	-	1,136,111	1,093,981
Maintenance materials and supplies	1,517,153	62,778	107,621	-	1,579,931	1,575,523
Grants and contributions	635,167	-	-	-	635,167	281,905
Amortization	2,335,176	164,550	163,324	-	2,499,726	2,243,855
Interest on long term debt	753,969	-	-	-	753,969	717,803
Other	80,275	74,995	84,803	-	155,270	141,335
<b>Total expenses</b>	<b>\$ 24,494,519</b>	<b>\$ 1,348,339</b>	<b>\$ 1,646,380</b>	<b>\$ -</b>	<b>\$ 25,842,858</b>	<b>\$ 24,947,856</b>
<b>Surplus (Deficit)</b>	<b>\$ 2,889,548</b>	<b>\$ (865,394)</b>	<b>\$ (996,340)</b>	<b>\$ -</b>	<b>\$ 2,024,154</b>	<b>\$ 11,161,540</b>

SCHEDULE 6

CITY OF THOMPSON  
 SCHEDULE OF CHANGE IN RESERVE FUND BALANCES  
 For the Year Ended December 31, 2013

2012	2013	REVENUE											
		General Reserve	Equipment Reserve	Infrastructure Reserve	Building Major Repairs	Gas Tax Reserve	Transit Reserve	Affordable Housing Reserve	Public Safety Reserve	Election Reserve	Economic Development Reserve	Total	Total
		\$ 24,629	\$ 1,793	\$ 4,135	\$ 2,405	\$ 4,747	\$ 590	\$ 435	\$ 143	\$ -	\$ -	\$ 38,877	\$ 46,620
		Investment income	Grants received	Other income	Total revenue								
		27,497	6,165	288,240	25,032	821,304	96,080	96,080	96,080	100,000	1,477,600	1,313,732	
		52,126	7,958	292,375	27,437	826,051	590	96,515	96,223	100,000	1,516,477	1,360,352	
		Total revenue											
		-	-	-	-	-	-	-	-	-	-	-	-
		Investment charges	Other expenses	Total expenses									
		(22,882)	-	-	-	(87,434)	-	(193,500)	(15,000)	-	(22,882)	9,948	
		Debt repayments	Transfers from (to) operating fund	Transfers from (to) utility fund	Transfers from (to) capital fund	Acquisition of tangible capital assets							
		16,436	(6,159)	(75,431)	3,437	237,329	590	(96,985)	(91,238)	100,000	105,181	77,539	
		CHANGE IN RESERVE FUND BALANCES											
		1,921,977	124,148	269,890	150,774	318,382	207,794	23,474	114,712	-	3,149,953	3,072,414	
		FUND SURPLUS, BEGINNING OF YEAR											
		\$ 1,938,413	\$ 117,989	\$ 194,459	\$ 154,211	\$ 555,711	\$ 42,865	\$ 110,809	\$ 23,474	\$ 17,202	\$ 100,000	\$ 3,149,953	\$ 3,149,953
		FUND SURPLUS, END OF YEAR											



SCHEDULE 7

For the Year Ended December 31, 2013

	2012	2013	Total
<b>ASSETS</b>			
Cash and temporary investments	\$ 545,893	\$ 406,362	\$ 545,893
Portfolio investments	-	-	-
Other	-	-	-
<b>LIABILITIES AND FUND BALANCES</b>			
Due to Municipality	\$ -	\$ -	\$ -
Fund balance	\$ 811	\$ 25,859	\$ 1,566
	\$ 503	\$ 503	\$ -
<b>REVENUES</b>			
Contributions and donations	\$ -	\$ 40	\$ -
Investment income	\$ 10	\$ 573	\$ 18
	\$ 503	\$ 503	\$ -
<b>EXPENDITURES</b>			
Cemetery maintenance	-	-	-
Distribution to beneficiaries	-	-	-
Other	-	-	-
<b>EXPENSES OF REVENUES OVER</b>			
	10	573	18
	10	613	18
	503	503	503
	503	503	503
<b>FUND BALANCE, BEGINNING OF YEAR</b>	\$ 811	\$ 25,859	\$ 1,566
<b>FUND BALANCE, END OF YEAR</b>	\$ 811	\$ 25,859	\$ 1,566

**CITY OF THOMPSON**  
**SCHEDULE 8**  
**SCHEDULE OF FINANCIAL POSITION FOR UTILITIES**  
**December 31, 2013**

	2013	2012
<b>FINANCIAL ASSETS</b>		
Cash and temporary investments	\$ -	\$ -
Amounts receivable	1,842,025	1,807,927
Portfolio investments	-	-
Due from other funds	\$ 1,842,025	\$ 1,879,057
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ -	\$ -
Deferred revenue	414,661	387,252
Long-term debt (Note 9)	1,746,855	2,051,148
Due to other funds	11,634	-
<b>NET FINANCIAL ASSETS (NET DEBT)</b>	<b>\$ (331,125)</b>	<b>\$ (331,125)</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Schedule 1)	\$ 12,616,552	\$ 12,616,552
Inventories	-	-
Prepaid expenses	-	-
<b>FUND SURPLUS (DEFICIT)</b>	<b>\$ 12,285,427</b>	<b>\$ 11,675,296</b>
	<b>Water and Sewer</b>	<b>Utility</b>
	<b>Total</b>	<b>Total</b>

COMMITMENTS AND CONTINGENCIES (Notes 11 and 12)

## CITY OF THOMPSON

## SCHEDULE 9

SCHEDULE OF UTILITY OPERATIONS - City of Thompson Water and Waste Water Utility  
For the Year Ended December 31, 2013

	Budget	2013	2012
<b>REVENUE</b>			
<b>Water</b>			
Water fees	\$ 2,220,000	\$ 2,115,256	\$ 2,216,114
Bulk Water fees	-	5,487	10,071
sub-total- water	<u>2,220,000</u>	<u>2,120,743</u>	<u>2,226,185</u>
<b>Sewer</b>			
Sewer fees	1,480,000	1,249,891	1,364,329
Lagoon tipping fees	-	-	-
sub-total- sewer	<u>1,480,000</u>	<u>1,249,891</u>	<u>1,364,329</u>
<b>Property taxes</b>	-	-	-
<b>Government transfers</b>			
Operating	532,662	375,690	262,718
Capital	-	-	-
sub-total- government transfers	<u>532,662</u>	<u>375,690</u>	<u>262,718</u>
<b>Other</b>			
Hydrant rentals	82,000	82,000	82,000
Connection charges	-	-	-
Installation service	-	-	-
Penalties	-	13,047	-
Contributed tangible capital assets	-	-	-
Investment income	-	-	-
Administration fees	-	-	-
Gain on sale of tangible capital assets	-	-	-
Other income	-	14,320	1,201
sub-total- other	<u>35,466</u>	<u>109,367</u>	<u>83,201</u>
<b>Total revenue</b>	<u>4,279,196</u>	<u>3,855,691</u>	<u>3,936,433</u>

## CITY OF THOMPSON

## SCHEDULE 9

SCHEDULE OF UTILITY OPERATIONS - City of Thompson Water and Waste Water Utility  
 For the Year Ended December 31, 2013

	Budget	2013	2012
<b>EXPENSES</b>			
<b>General</b>			
Administration	1,069,633	1,294,894	1,147,919
Training costs	-	-	-
Billing and collection	-	8,723	5,223
Utilities (telephone, electricity, etc.)	-	-	-
sub-total- general	<u>1,069,633</u>	<u>1,303,617</u>	<u>1,153,141</u>
<b>Water General</b>			
Purification and treatment	-	-	453,891
Water purchases	-	-	-
Transmission and distribution	612,135	590,557	-
Hydrant maintenance	-	-	-
Transportation services	68,257	-	-
Connection costs	118,436	-	-
sub-total- water general	<u>798,828</u>	<u>590,557</u>	<u>453,891</u>
<b>Water Amortization &amp; Interest</b>			
Amortization	365,511	365,511	363,110
Interest on long term debt	91,109	91,109	69,957
sub-total- water amortization & interest	<u>456,620</u>	<u>456,620</u>	<u>433,067</u>
<b>Sewer General</b>			
Collection system costs	-	206,222	162,175
Treatment and disposal cost	231,390	288,264	301,956
Lift Station costs	132,645	163,630	160,808
Transportation services	-	-	-
Connection costs	-	-	-
Other sewage & disposal costs	118,826	-	-
sub-total- sewer general	<u>482,861</u>	<u>658,116</u>	<u>624,939</u>
<b>Sewage Amortization &amp; Interest</b>			
Amortization	236,649	236,649	235,095
Interest on long term debt	-	-	-
sub-total- sewer amortization & interest	<u>236,649</u>	<u>236,649</u>	<u>235,095</u>
<b>Total expenses</b>	<u>3,044,591</u>	<u>3,245,559</u>	<u>2,900,133</u>
<b>NET OPERATING SURPLUS</b>	1,234,606	610,132	1,036,301
<b>TRANSFERS</b>			
Transfers from (to) operating fund	-	-	-
Transfers from (to) reserve funds	259,527	-	-
<b>CHANGE IN UTILITY FUND BALANCE</b>	<u>\$ 1,494,133</u>	610,132	1,036,301
<b>FUND SURPLUS, BEGINNING OF YEAR</b>		11,675,295	10,638,994
<b>FUND SURPLUS, END OF YEAR</b>		<u>\$ 12,285,427</u>	<u>\$ 11,675,295</u>

SCHEDULE 10

RECONCILIATION OF THE FINANCIAL PLAN TO THE BUDGET

For the Year Ended December 31, 2013

	Financial Plan	Financial Plan	Financial Plan	Amortization	Interest	Long Term	Consolidated	PSAB
	General	Utility(ies)	(TCA)	Expense	Accruals	Entitles	Budget	
<b>REVENUE</b>								
Property taxes	\$ 8,995,597	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,995,597	\$ 8,995,597
Grants in lieu of taxation	5,048,779	-	-	-	-	-	5,048,779	5,048,779
User fees	4,053,919	-	-	-	-	-	4,243,084	4,243,084
Grants - Province of Manitoba	3,708,568	-	-	-	-	-	261,845	3,970,413
Grants - other	837,870	-	-	-	-	-	-	837,870
Permits, licences and fines	439,150	-	-	-	-	-	17,061	456,211
Investment income	1,000	-	-	-	-	-	512	1,512
Other revenue	913,532	-	-	-	-	-	14,362	927,894
Water and Sewer	4,646,197	-	-	-	-	-	(786,694)	3,859,503
Transfers from accumulated surplus	-	-	-	-	-	-	-	-
Transfers from reserves	2,015,494	-	-	-	-	-	(2,015,494)	-
Total revenue	\$ 26,013,908	\$ 4,646,197	\$ -	\$ -	\$ -	\$ (2,802,188)	\$ 482,945	\$ 28,340,862
<b>EXPENSES</b>								
General government services	\$ 1,889,779	\$ -	\$ 108,315	\$ 140,968	\$ 40,543	\$ -	\$ 2,038,636	\$ 2,038,636
Protective services	8,946,237	-	231,268	646,888	40,367	95,000	9,413,474	9,413,474
Transportation services	3,800,444	-	187,467	-	-	-	4,487,698	4,487,698
Environmental health services	890,732	-	-	3,263	-	-	1,663,836	1,663,836
Public health and welfare services	264,349	-	-	-	-	-	267,612	267,612
Regional planning and development	431,924	-	-	-	-	-	169,871	294,920
Resource cons and industrial dev	277,834	-	-	-	-	-	17,086	294,920
Recreation and cultural services	3,351,675	-	736,021	478,262	-	-	4,743,627	4,743,627
Water and sewer services	-	2,351,322	602,160	91,109	-	-	3,044,590	3,044,590
Fiscal services:								
Transfer to capital	2,459,094	1,792,000	(4,251,094)	-	-	-	-	-
Transfer to utility	419,691	-	-	-	-	(419,691)	-	-
Debt charges	1,793,836	395,403	-	(2,189,239)	-	-	-	-
Short term interest	632	-	-	-	-	(632)	-	-
Transfer to reserves	1,352,770	107,472	-	-	-	(1,460,242)	-	-
Transfer to firefighter trust	95,000	-	-	-	-	(95,000)	-	-
Allowance for tax assets	39,911	-	-	-	-	(39,911)	-	-
Total expenses	\$ 26,013,908	\$ 4,646,197	\$ (1,738,975)	\$ (1,435,270)	\$ (1,879,933)	\$ -	\$ 518,339	\$ 26,124,264
<b>Surplus (Deficit)</b>	\$ -	\$ 0	\$ 1,738,975	\$ 1,435,270	\$ (922,255)	\$ -	\$ (35,394)	\$ 2,216,598

CITY OF THOMPSON  
 ANALYSIS OF TAXES ON ROLL  
 Year Ended December 31, 2013

SCHEDULE 11

	2013	2012
<b>Balance, beginning of year</b>	<b>\$ 1,655,834</b>	<b>\$ 1,309,527</b>
<b>Add:</b>		
Tax levy (Schedule 12)	17,525,214	16,901,077
Taxes added	113,757	228,786
Penalties or interest	183,180	149,086
Other accounts added	1,046	16,947
Tax Adjustments (specify)	-	-
Tax Adjustments (specify)	-	-
<b>Sub-total</b>	<b>17,823,197</b>	<b>17,295,896</b>
<b>Deduct:</b>		
Cash collections - current	15,297,542	14,560,628
Cash collections - arrears	490,129	557,090
Writeoffs	34,922	48,502
Title value of land sales	-	-
Title value of tax titles acquired	-	-
Tax discounts	-	-
M.P.T.C. - cash advance	1,772,519	1,783,038
Other credits (specify)	331	331
<b>Sub-total</b>	<b>17,595,112</b>	<b>16,949,589</b>
<b>Balance, end of year</b>	<b>\$ 1,883,919</b>	<b>\$ 1,655,834</b>

CITY OF THOMPSON  
 ANALYSIS OF TAX LEVY  
 Year Ended December 31, 2013

SCHEDULE 12

	2013		2012	
	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%	-	-
sub-total- L.U.D.			-	-
Debt charges:				
Frontage	-	0.000%	-	-
L.I.D.	-	0.000%	-	-
Mill Rate (At large)	415,454,730	4.187%	1,739,509	1,719,272
sub-total- Debt charges			1,739,509	1,719,272
General Municipal	415,454,730	14.873%	6,179,058	5,801,828
Reserves:				
Election Reserve	415,454,730	0.045%	18,695	-
Name of reserve	-	0.000%	-	-
Name of reserve	-	0.000%	-	-
sub-total- Reserves			6,197,753	5,801,828
Special levies:				
Name of special levy	415,454,730	0.525%	218,114	222,581
Name of special levy	By-law 1827-2010			
Name of special levy	By-law 1826-2010		183,091	242,864
sub-total- Special levies			401,205	465,445
Business tax (rate%)	0.0449	0.000%	457,770	445,683
<b>Total municipal taxes (Schedule 2)</b>				
Education support levy	102,702,190	11.830%	1,214,967	1,123,947
Special levy:				
Mystery Lake #2355	405,548,880	18.528%	7,514,010	7,344,903
Mystery Lake #2355			-	-
Name of school division	-	0.000%	-	-
sub-total- Special levies			7,514,010	7,344,903
<b>Total education taxes</b>				
			8,728,977	8,468,850
<b>Total tax levy (Schedule 11)</b>				
			\$ 17,525,214	\$ 16,901,077

**SCHEDULE 13**

**CITY OF THOMPSON  
ANALYSIS OF SCHOOL ACCOUNTS**

December 31, 2013

	2013		2012	
	Opening Balance	Current Requirement	Current Payment	Ending Balance
Education support levy	\$ -	\$ 1,342,574	\$ 1,028,412	\$ -
Special levies	45,000	7,768,726	6,388,074	1,425,652
#2355 - Mystery Lake				45,000
School division	-	-	-	-
School division	-	-	-	-
School division	-	-	-	-
School division	-	-	-	-
School division	-	-	-	-
School division	-	-	-	-
School division	-	-	-	-
Sub-total	45,000	7,768,726	6,388,074	1,425,652
Total	\$ 45,000	\$ 9,111,300	\$ 7,416,486	\$ 1,739,814
				\$ 45,000



CITY OF THOMPSON

SCHEDULE 14

SCHEDULE OF GENERAL OPERATING FUND EXPENSES

For the Year Ended December 31, 2013

	2013 Actual	2012 Actual
<b>General government services:</b>		
Legislative	\$ 256,788	\$ 291,045
General administrative	2,238,438	2,183,053
Other	597,296	477,931
	<u>3,092,522</u>	<u>2,952,029</u>
<b>Protective services:</b>		
Police	4,493,627	4,638,715
Fire	1,190,717	1,397,383
Emergency measures	-	-
Other	2,968,497	2,721,747
	<u>8,652,841</u>	<u>8,757,845</u>
<b>Transportation services:</b>		
Road transport		
Administration and engineering	651,624	672,289
Road and street maintenance	1,670,518	1,604,499
Bridge maintenance	-	-
Sidewalk and boulevard maintenance	232,565	223,953
Street lighting	268,247	252,362
Other	336,104	347,458
Air transport	-	-
Public transit	459,933	447,219
Other	-	-
	<u>3,618,991</u>	<u>3,547,780</u>
<b>Environmental health services:</b>		
Waste collection and disposal	838,852	810,561
Recycling	136,971	141,630
Other	103,781	73,207
	<u>1,079,604</u>	<u>1,025,398</u>
<b>Public health and welfare services:</b>		
Public health	79,904	120,484
Medical care	-	-
Social assistance	-	-
Other	161,599	161,599
	<u>241,503</u>	<u>282,083</u>
<b>Regional planning and development</b>		
Planning and zoning	8,294	3,048
Urban renewal	-	-
Beautification and land rehabilitation	6,723	16,405
Urban area weed control	-	-
Other	-	-
	<u>15,017</u>	<u>19,453</u>
<b>Resource conservation and industrial development</b>		
Rural area weed control	-	-
Drainage of land	-	-
Veterinary services	-	-
Water resources and conservation	-	-
Regional development	194,281	(145,695)
Industrial development	-	-
Tourism	11,537	11,884
Other	22	21
	<u>205,840</u>	<u>(133,790)</u>
<b>Sub-totals forward</b>	<u>16,906,318</u>	<u>16,450,797</u>

CITY OF THOMPSON

SCHEDULE 14

SCHEDULE OF GENERAL OPERATING FUND EXPENSES

For the Year Ended December 31, 2013

	2013 Actual	2012 Actual
<b>Sub-totals forward</b>	<u>16,906,318</u>	<u>16,450,797</u>
<b>Recreation and cultural services:</b>		
Administration	916,325	881,263
Community centers and halls	814,525	748,406
Swimming pools and beaches	1,049,139	962,352
Golf courses	-	-
Skating and curling rinks	1,111,374	942,976
Parks and playgrounds	272,225	209,768
Other recreational facilities	125,375	142,364
Museums	53,681	53,418
Libraries	-	-
Other cultural facilities	-	10,000
	<u>4,342,644</u>	<u>3,950,547</u>
<b>Total expenses</b>	<u><u>21,248,962</u></u>	<u><u>20,401,343</u></u>



CITY OF THOMPSON  
 RECONCILIATION OF ANNUAL SURPLUS (DEFICIT)  
 December 31, 2013

MUNICIPAL NET SURPLUS (DEFICIT) UNDER THE MUNICIPAL ACT		Adjustments for reporting under public sector accounting standards	
2013	2012	2013	2012
General	Utility	Total	Total
\$ 305,849	\$ 0	\$ 305,849	\$ 1,048,395

- Eliminate expense - transfers to reserves
- Eliminate revenue - transfers from reserves
- Increase revenue - reserve funds interest
- Increase (Decrease) revenue - Net surplus (deficit) of consolidated entities
- Eliminate revenue - transfer from nominal surplus(es)
- Increase expense - amortization of tangible capital assets
- Decrease expense - principal portion of debenture debt
- Eliminate expense - acquisitions of tangible capital assets

NET SURPLUS (DEFICIT) PER CONSOLIDATED STATEMENT OF OPERATIONS

2013	2012	2013	2012
General	Utility	Total	Total
\$ 1,414,022	\$ 610,132	\$ 2,024,154	\$ 11,161,542
1,477,600	-	1,477,600	1,312,879
(1,411,296)	-	(1,411,296)	(1,235,341)
38,877	-	38,877	58,692
(35,394)	-	(35,394)	250,000
-	(80,077)	(80,077)	-
(1,912,316)	(602,160)	(2,514,475)	(2,243,855)
1,110,301	304,294	1,414,594	1,351,626
1,840,401	988,075	2,828,476	10,619,146