



Canada's Tournament Capital

CITY OF KAMLOOPS

**Financial Statements for the Year-Ended
2010 December 31**

**CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2010, with comparatives for 2009**

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Independent Auditor's Report

To the Members of Council, inhabitants and ratepayers of City of Kamloops

We have audited the accompanying consolidated financial statements of City of Kamloops, which comprise the statement of financial position as at December 31, 2010, and the consolidated statements of change in net debt, financial activities, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of consolidated 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 generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the consolidated 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 presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained 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 Kamloops as at December 31, 2010 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

"BDO Canada LLP"

Chartered Accountants

Kamloops, British Columbia
April 19, 2011



Management's Responsibility for Financial Reporting

The accompanying financial statements of the City of Kamloops and all the information in this annual report are the responsibility of management and have been approved by the Mayor and Council of the City.

The financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles. Financial statements are not precise since they include certain amounts based on estimates and judgments. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the financial statements are presented fairly, in all material respects.

The City maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the City's assets are appropriately accounted for and adequately safeguarded.

The City Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements.

The Audit Committee reviews the City's financial statements and recommends their approval to City Council. The Audit Committee meets periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the annual report, the financial statements and the external auditors' report. The Mayor and Council take this information into consideration when approving the financial statements for issuance to the ratepayers. The Mayor and Council also consider the engagement of the external auditors.

The financial statements have been audited by BDO Canada LLP in accordance with Canadian generally accepted auditing standards on behalf of the ratepayers. BDO Canada LLP has full access to the Council and management.

*** Peter Milobar ***

Mayor

*** Sally Edwards, BBA, CMA ***

Finance and Information Technology Director

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
YEAR ENDED DECEMBER 31, 2010, with comparatives for 2009

	<u>2010</u>	<u>2009</u>
Financial assets		
Cash and short-term investments (note 3)	\$ 112,201,836	\$ 113,814,140
Accounts receivable (note 4)	21,801,911	23,124,832
Long-term investments	309,158	296,670
	<u>134,312,905</u>	<u>137,235,642</u>
Liabilities		
Accounts payable (note 5)	15,524,040	20,386,049
Payroll benefits payable	3,579,944	3,344,094
Post-employment benefits payable (note 6)	6,518,476	6,247,476
Landfill post-closure costs (note 7)	3,273,566	2,278,564
Deferred revenue (note 8)	28,480,361	26,094,263
Long-term debt (note 9)	93,044,566	107,149,378
	<u>150,420,953</u>	<u>165,499,824</u>
Net debt	<u>(16,108,048)</u>	<u>(28,264,182)</u>
Non-financial assets		
Inventory	1,220,270	1,322,994
Prepaid expenses	544,812	841,604
Tangible capital assets (note 10 & Schedule 1)	991,757,783	975,531,981
	<u>993,522,865</u>	<u>977,696,579</u>
Accumulated surplus (note 11)	<u>\$ 977,414,817</u>	<u>\$ 949,432,397</u>

Commitments and contingencies - Note 15

See accompanying notes to consolidated financial statements.

*** Sally Edwards, BBA, CMA ***

S.E. Edwards, C.M.A.,
 Finance and Information Technology Director

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED DECEMBER 31, 2010, with comparatives for 2009

	<u>2010 Budget</u>	<u>2010</u>	<u>2009</u>
	(note 17)		
Revenue (note 12)			
Taxation (note 13)	\$ 84,155,790	\$ 84,132,935	\$ 81,511,048
Development levies utilized	9,739,011	2,118,515	6,749,220
Fees, rates and sales of service	61,461,101	53,462,725	50,493,997
Grants (note 14)	30,325,124	23,979,804	23,675,281
Investment income	2,923,142	4,596,572	4,408,849
Private contributions	612,447	4,586,037	6,692,344
Gain on disposal of capital assets	89,000	750,106	456,628
	<u>189,305,615</u>	<u>173,626,694</u>	<u>173,987,367</u>
Expenditures (note 12)			
Cemetery	605,455	753,307	728,449
Community development	4,463,146	4,148,668	4,288,911
Corporate administration	9,238,423	8,532,289	7,923,368
Environmental services	616,046	410,729	475,169
Fire services	13,287,801	13,743,503	13,009,006
Infrastructure maintenance	9,253,672	19,734,836	18,235,475
Legislative and enforcement	4,265,224	4,406,242	4,232,558
Parks, recreation and cultural services	20,840,939	27,807,130	28,203,158
Police services	21,627,903	19,566,974	19,904,459
Public transit	11,879,236	12,173,649	10,738,121
Solid waste	6,199,445	7,378,208	6,425,977
Water utility	7,066,894	13,025,208	11,026,404
Sewer utility	4,856,161	6,270,729	6,285,688
Kamloops Airport Authority Society	-	1,671,204	1,501,513
Venture Kamloops Business Development Society	-	492,433	583,077
Debt servicing costs	5,688,197	5,529,165	5,736,874
	<u>119,888,542</u>	<u>145,644,274</u>	<u>139,298,207</u>
Increase in accumulated surplus	<u>69,417,073</u>	<u>27,982,420</u>	<u>34,689,160</u>

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN NET DEBT
YEAR ENDED DECEMBER 31, 2010, with comparatives for 2009

	<u>2010</u>	<u>2009</u>
Increase in accumulated surplus	\$ 27,982,420	\$ 34,689,160
Capital additions	(41,260,528)	(57,252,352)
Annual depreciation	23,003,317	22,388,017
Net book value of assets disposed	2,031,409	2,983,394
Decrease in prepaid expenses	296,792	152,543
Decrease in inventory	102,724	61,455
Change in net debt	<u>12,156,134</u>	<u>3,022,217</u>
Net debt, beginning of the year	(28,264,182)	(31,286,399)
Net debt, end of the year	<u>\$ (16,108,048)</u>	<u>\$ (28,264,182)</u>

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2010, with comparatives for 2009

	<u>2010</u>	<u>2009</u>
Cash provided by (used for):		
Operating		
Increase in accumulated surplus	\$ 27,982,420	\$ 34,689,160
Changes in non-cash operating items:		
Decrease (increase) in accounts receivable	1,322,921	3,273,226
Decrease (increase) in inventory	102,724	61,455
Decrease (increase) in prepaid expenses	296,792	152,543
Decrease (increase) in investments	(12,488)	(12,983)
Increase (decrease) in accounts payable	(4,862,009)	4,132,568
Increase (decrease) in payroll benefits payable	235,850	140,999
Increase (decrease) in post-employment benefits payable	271,000	117,000
Increase (decrease) in landfill post-closure costs	995,002	216,823
Increase (decrease) in deferred revenue	2,386,098	(3,342,760)
	<u>28,718,310</u>	<u>39,428,031</u>
Annual depreciation	23,003,317	22,388,017
Loss (Gain) on tangible capital assets disposed	(750,105)	(456,628)
	<u>50,971,522</u>	<u>61,359,420</u>
Financing:		
Proceeds from issuance of long-term debt	-	6,000,000
Principal repayments on long-term debt	(14,104,814)	(6,811,285)
Repayment of obligations under capital lease	-	(11,974)
	<u>(14,104,814)</u>	<u>(823,259)</u>
Capital transactions:		
Tangible capital asset additions	(41,260,528)	(57,252,352)
Proceeds from sale of tangible capital assets	2,781,516	3,440,022
	<u>(38,479,012)</u>	<u>(53,812,330)</u>
Increase (decrease) in cash for the year	(1,612,304)	6,723,831
Cash, beginning of the year	113,814,140	107,090,309
Cash, end of the year	<u>\$ 112,201,836</u>	<u>\$ 113,814,140</u>

See accompanying notes to consolidated financial statements.



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2010, with comparatives for 2009

The City of Kamloops was incorporated in 1893 under statute of the Province of British Columbia. Its principal activities include the provision of local government services to residents of the incorporated area. These include cemetery; community development; fire; infrastructure maintenance; legislative and enforcement; parks, recreation and leisure; police; public transit; solid waste; water utility; sewer utility and fiscal services. The City is also responsible for the Kamloops Airport Authority Society and the Venture Kamloops Business Development Society.

1 . Significant accounting policies:

(a) Basis of presentation:

The consolidated financial statements of the City have been prepared, in all material respects, in accordance with Canadian generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants (CICA).

(b) Fund accounting:

The resources and operations of the City are comprised of the funds listed below. Supporting schedules to the consolidated financial statements are included to show the financial activities and balance of each fund for supplementary information.

General Fund:

Accounts for operating and capital revenues and expenditures for all the activities of the City except those included in the water and sewer funds and holds all property required for these purposes and related long-term debt.

Water Fund:

Accounts for operating and capital revenues and expenditures for the water utility and holds all property required for this purposes and related long-term debt.

Sewer Fund:

Accounts for operating and capital revenues and expenditures for the sewer utility and holds all property required for this purposes and related long-term debt.

(c) Basis of consolidation:

The consolidated financial statements include the accounts of the General, Water, and Sewer funds as well as the Kamloops Airport Authority Society and the Venture Kamloops Business Development Society. Separate audited financial statements have been prepared for the Societies. Inter-fund balances and transactions have been eliminated.



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2010, with comparatives for 2009

1 . Significant accounting policies (continued):

(d) Revenue recognition:

Revenues are recorded in the period in which the transactions or events that gave rise to the revenues occur. Amounts that have been received in advance of services being rendered are recorded as deferred revenue until the City discharges the obligations that led to the collection of funds.

(e) Inventory:

Inventory is valued at the lower of cost and net realizable value with cost determined by the average cost method.

(f) Investments:

Short-term investments and investments are recorded at cost, which approximates net realizable value.

(g) Tangible capital assets:

Tangible capital assets are recorded at cost less accumulated amortization and are classified according to their functional use. Costs include all costs directly attributable to the acquisition or construction of the tangible capital asset including transportation costs, design and engineering fees, legal fees and site preparation costs.

Assets were amortized using the straight-line method, with one half of a year of amortization taken in the year of acquisition and disposition. There are several different amortization periods used for each major category of assets, as follows:

Land	No amortization taken
Site improvements	5 - 50 years
Equipment	5 - 10 years
Buildings	15 - 50 years
Transportation network	10 - 75 years
Water network	10 - 75 years
Sanitary network	10 - 75 years
Drainage network	10 - 75 years
Communication network	20 years
Computing infrastructure	4 - 10 years

During the year, the City received \$4,044,101 (2009 - \$2,624,097) in land and infrastructure from developers. The City also received buildings during the year valued at \$ nil (2009 - \$3,190,955) from local societies and through the conclusion of capital leases.



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2010, with comparatives for 2009

1 . Significant accounting policies (continued):

The City holds several works of art and historic treasures that have not been included in the tangible capital assets, including displays at the museum, statues located throughout the City and various works of art and decorations in the facilities.

No interest was capitalized during the year. There were no write-downs of capital assets during the year.

(h) Long-term debt:

Long-term debt is recorded net of any related sinking fund balances. Debt service charges, including principal and interest, are charged against current revenue in the period in which they occur.

(i) Reserves:

Reserves for operating and capital purposes represent amounts reserved either internally or by statute for specific future purposes.

(j) Use of estimates:

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that have an effect on the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the year. Actual results could be different from those estimates. Significant estimates in these financial statements include the post-employment benefit payable and the landfill post-closure costs.

(j) Financial instruments:

Unless otherwise noted, it is management's opinion that the City is not exposed to significant interest, currency or credit risks arising from its financial instruments. The fair values of its financial instruments reported in the financial statements approximate their carrying values, unless otherwise noted.

(k) Landfill post-closure costs:

The City is required to fund the closure of its landfill sites and to provide for the post-closure care of the facilities. Closure and post-closure activities include the final cover, landscaping, surface and groundwater monitoring, leachate control and visual inspection. The requirement is being provided for over the estimated life of the landfill sites based on the respective usage of each facility.



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2010, with comparatives for 2009

1 . Significant accounting policies (continued):

(l) Pension plan:

The City of Kamloops and its employees contribute to the Municipal Pension Plan, a jointly trustee pension plan. The pension plan is a multi-employer contributory pension plan. Basic pension benefits provided are defined.

2 . Segmented Information

The City of Kamloops is a diversified municipal government institution that provides a wide range of services to its citizens. Distinguishable functional segments have been separately disclosed. The nature of the segments and the activities they encompass are as follows; and quantitative data on these segments can be found in note 12.

Cemetery:

This segment captures all of the revenue and expenses associated with Cemetery operations including providing services to the public and maintenance of the cemetery infrastructure.

Community development:

This segment includes almost all of the activities of the Planning, Engineering and Development Services Department including Building Permits, Business Licenses, Zoning, Development Applications and Engineering Services. The only function of the Planning Development and Engineering Services department that has been separated into its own segment is the Public Transit function.

Corporate administration:

This segment includes all of the internal support service functions of the corporation. This includes Human Resources, Information Technology, Finance and the Chief Administration Officer's department. All of these functions are typical to all medium to large corporation, either private or public.

Environmental services:

This segment includes all of the operating activities of the Environmental Services Division.



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2010, with comparatives for 2009

2 . Segmented Information (continued)

Fire services:

This segment includes all of the operating activities of the Fire and Rescue Services Division including fire prevention, suppression and education. This function also includes maintenance of the fire department fleet and operation of the Fire Training Centre.

Infrastructure maintenance:

This segment includes all of the function of the Public Works department that involve the repair and maintenance of the City's infrastructure assets including the road network, the stormwater (drainage) network, administrative buildings and the City's vehicle fleet. Maintenance of the recreation buildings and park assets are not included in this segment.

Legislative and enforcement:

This segment includes the functions related to the legislative operations of the City. This encompasses revenue and expenses directly related to City Council, the City Clerk's office, bylaw enforcement, parking and animal control.

Parks, recreation and leisure services:

All operating activities of the Parks, Recreation and Cultural Services department are included in this segment. This includes the revenue expenses to provide recreation and cultural programs throughout the City as well as repair and maintenance of the buildings and other infrastructure used to provide these programs.

Police services:

This segment includes all of the operating activities of the Police Services Division. This includes the activities of the RCMP and the municipal staff who support these activities.

Public transit:

This segment includes all of the operating activities of the Public Transit Division.

Solid waste:

Included in this segment is all of the revenue and expenses related to the collection and disposal of the residents garbage and recycling products.



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2010, with comparatives for 2009

2 . Segmented Information (continued)

Water utility:

This segment includes all of the operating activities related to the treatment and distribution of water throughout the City.

Sewer utility:

This segment includes all of the operating activities related to the collection and treatment of wastewater (sewage) throughout the City.

Kamloops Airport Authority Society:

This segment includes all of the operating activities of the Kamloops Airport Authority Society whose mandate is to oversee the operation of the Kamloops Airport and the repair and maintenance of its assets.

Venture Kamloops Business Development Society:

This segment includes all of the operating activities of the Venture Kamloops Business Development Society.

Debt servicing costs:

This segment includes all of the debt servicing costs of the City except debt principle repayments.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2010, with comparatives for 2009

3 . Cash and short-term investments:

	<u>2010</u>	<u>2009</u>
Restricted cash and short-term investments:		
Statutory reserves	\$ 26,670,834	\$ 22,750,232
Development cost charges	13,891,513	12,578,227
Cemetery Perpetual Care Trust Fund	1,449,467	1,367,868
Kamloops Airport Authority Society	2,538,882	4,479,658
Venture Kamloops Business Development Society	267,934	145,825
	<u>44,818,630</u>	<u>41,321,810</u>
Unrestricted cash and short-term investments	67,383,206	72,492,330
	<u>\$ 112,201,836</u>	<u>\$ 113,814,140</u>

As at December 31, 2010, the City held \$110,951,967 in short-term investments. The maturity dates of these investments range from January 12, 2011 to June 6, 2023. The interest rates earned on these investments range from 1.28% to 6%.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2010, with comparatives for 2009

4 . Accounts Receivable:

	<u>2010</u>	<u>2009</u>
General fund:		
Taxes	\$ 3,398,945	\$ 3,640,026
Utilities	1,672,800	1,291,832
Trade	4,427,841	4,415,675
Accrued interest	715,486	641,531
Province of British Columbia	5,209,407	1,607,667
Government of Canada	1,798,255	642,602
	<u>17,222,734</u>	<u>12,239,333</u>
Water Fund:		
Trade	1,162,413	1,036,428
Province of British Columbia	390,630	2,870,546
	<u>1,553,043</u>	<u>3,906,974</u>
Sewer Fund:		
Province of British Columbia	1,936,155	-
Cemetery Trust:		
Accrued interest	11,175	12,716
Kamloops Airport Authority Society:		
Trade	305,356	1,377,281
Government of Canada	767,728	5,573,393
	<u>1,073,084</u>	<u>6,950,674</u>
Venture Kamloops Business Development Society:		
Trade	5,720	15,135
	<u>\$ 21,801,911</u>	<u>\$ 23,124,832</u>

5 . Accounts payable:

	<u>2010</u>	<u>2009</u>
General fund:		
Trade	\$ 8,611,688	\$ 11,799,628
Payroll and benefits	1,933,908	1,687,719
Province of British Columbia	498,161	425,142
Government of Canada	4,299,049	4,505,741
	<u>15,342,806</u>	<u>18,418,230</u>
Kamloops Airport Authority Society:		
Trade	112,538	1,922,199
Venture Kamloops Business Development Society:		
Trade	68,696	45,620
	<u>\$ 15,524,040</u>	<u>\$ 20,386,049</u>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2010, with comparatives for 2009**

6 . Post-employment benefits payable:

The City of Kamloops sponsors a defined benefit plan for retirement benefits other than pensions for certain employees. The plan provides for a payout of accumulated sick leave for CUPE local 900 employees; an early retirement incentive payment and deferred vacation payout for IAFF local 913 employees; and an early retirement incentive payment for Management employees.

Total benefit payments paid during the year were \$428,000 (2009 - \$558,000). The plan does not require any contribution from employees. The retirement benefit liability at December, 31, 2010 includes the following components:

	<u>2010</u>	<u>2009</u>
Accrued benefit obligation - opening balance	\$ 5,971,000	\$ 5,776,000
Current service cost	403,000	381,000
Interest cost	288,000	293,000
Benefits paid	(428,000)	(558,000)
Actuarial gain/(loss) - current	20,000	79,000
Accrued benefit obligation - ending balance	<u>6,254,000</u>	<u>5,971,000</u>
Unamortized net actuarial (loss)/gain	(12,000)	-
Funding excess	276,476	276,476
Post-employment benefit payable	<u>\$ 6,518,476</u>	<u>\$ 6,247,476</u>

Actuarial valuations for accounting purposes are performed using the projected benefit method prorated on services. The most recent actuarial report was prepared on February 24, 2011. The accrued benefit obligation shown for 2010 is based on amounts included in the 2011 valuation. There is a net unamortized actuarial loss to be amortized on a straight-line basis over the expected average remaining service life of the related employee group (11 years).

The actuarial valuation was based on a number of assumptions about future events, such as inflation rates, interest rates, wage and salary increases, and employee turnover and mortality. The assumptions used reflect the City's best estimates. The expected inflation rate is 3.25%. The discount rate used to determine the accrued benefit obligation is 4.25%.

The retirement benefit expenditure is included in the statement of revenues and expenditures as a component of program expenditures. The retirement benefit interest expenditure is included in the public debt interest expenditure. The prior period cost of plan amendment is included in the current expenditures for the year indicated.



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2010, with comparatives for 2009

7 . Landfill post-closure costs:

The City of Kamloops operates two solid waste landfill sites in the Kamloops area and assumes certain obligations for the landfill sites including closure and post closure liabilities. The reported liabilities are based on estimates and assumptions with respect to events extending over the remaining life of each of the landfills. The estimates and assumptions are provided through an independent assessment conducted in 2009 with the results included in 2010. The liability and annual expenditure is calculated based on the ratio of current usage to total capacity of the site and the estimated future cash flows associated with closure and post-closure activities stated in current (2010) dollars. The aggregate liability for closure and post-closure costs for the two landfills is \$3,273,566 (2009 - \$2,278,564).

The main landfill at the Mission Flats site is expected to serve until 2068 with 25 years needed for post-closure care based on the independent assessment. The remaining capacity of the landfill site is estimated at 3.7 million cubic meters, which is 86% of the site's total capacity. Approximately 60% of landfill closure will be completed while the landfill is still in operation with costs associated with the closure being charged to expenditures when they are incurred.

Since a final design for the Barnhartvale site has not been completed the independent assessment was not able to provide a lifespan analysis. The City anticipates that the Barnhartvale site will serve until 2021 with 25 years needed for post-closure care. The remaining capacity of the landfill site is estimated at 196,858 cubic meters, which is approximately 35% of the site's total capacity.

The estimated total expenditures for closure and post-closure care of the two landfills in current (2010) dollars is \$18,733,086 (2009 estimate - \$17,499,940) with \$15,459,520 (2009 - \$15,221,376) remaining to be recognized as a liability.

The City has not provided a reserve to fund future landfill capital expenditures as at December 31, 2010. The funding required is provided through current operations.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2010, with comparatives for 2009

8 . Deferred revenue:

	Balance at December 31, 2009	Collected	Interest	Recognized	Balance at December 31, 2010
General fund:					
Taxes	\$ 11,400,125	\$ 12,228,196	\$ -	\$ (11,400,125)	\$ 12,228,196
Leases	71,100			(6,153)	64,947
Business licenses	995,356	992,897	-	(995,356)	992,897
Other	1,049,455	1,139,996	-	(886,643)	1,302,808
	<u>13,516,036</u>	<u>14,361,089</u>	<u>-</u>	<u>(13,288,277)</u>	<u>14,588,848</u>
Development cost charges	12,578,227	3,178,341	253,461	(2,118,516)	13,891,513
	<u>\$ 26,094,263</u>	<u>\$ 17,539,430</u>	<u>\$ 253,461</u>	<u>\$ (15,406,793)</u>	<u>\$ 28,480,361</u>

9 . Long-term debt:

(a) Long-term debt outstanding:

	General fund *	Water fund	Sewer fund	Total
Balance at December 31, 2009	\$ 66,270,569	\$ 36,102,482	\$ 4,776,327	\$ 107,149,378
Principal repayments	(9,373,756)	(2,845,339)	(520,550)	(12,739,645)
Actuarial adjustments	(413,159)	(647,902)	(304,106)	(1,365,167)
Debt acquired	-	-	-	-
Balance at December 31, 2010	<u>\$ 56,483,654</u>	<u>\$ 32,609,241</u>	<u>\$ 3,951,671</u>	<u>\$ 93,044,566</u>

* Kamloops Airport Authority Society debt included in General Fund balance

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2010, with comparatives for 2009

9 . Long-term debt (continued):

(b) Future principle repayment and sinking fund earnings on outstanding borrowings over the next five years and thereafter are as follows:

	General fund *	Water fund	Sewer fund	Total
Principle repayment:				
2011	\$ 2,499,932	\$ 2,768,875	\$ 426,229	\$ 5,695,036
2012	2,475,761	2,713,619	361,350	5,550,730
2013	2,444,321	2,705,011	331,076	5,480,408
2014	2,444,321	2,717,569	331,076	5,492,966
2015	2,434,360	2,695,830	303,682	5,433,872
Thereafter	23,942,584	11,613,292	605,801	36,161,677
	36,241,279	25,214,196	2,359,214	63,814,689
Sinking fund earnings	20,242,375	7,395,045	1,592,457	29,229,877
	\$ 56,483,654	\$ 32,609,241	\$ 3,951,671	\$ 93,044,566

* Kamloops Airport Authority Society debt included in General Fund

The weighted average interest rate on long-term debt in 2010 was 4.44% (2009 - 4.54%).

Sinking fund assets, managed by the Municipal Finance Authority are used to reduce long term debt to be repaid. In the event that the City does not default under any of its obligations, the sinking fund earnings will be used to offset future principle repayments.

(c) Un-issued debt:

The City internally finances certain capital projects pending the issue of long-term debt and/or short-term debt. For budget and financial reporting purposes, borrowed funds received in the current year are applied to advances pending from prior year's. A summary of the current year's transactions and cumulative advances pending debenture issue are as follows:

	Balance at December 31, 2009	Capital assets purchased pending debt	Debt acquired	Adjustments	Balance at December 31, 2010
General fund	\$ 3,058,915	\$ 4,679,273	\$ -	\$ -	\$ 7,738,188
Water fund	2,044,956	1,537,018	-	-	3,581,974
Sewer fund	60,470	-	-	-	60,470
	\$ 5,164,341	\$ 6,216,291	\$ -	\$ -	\$ 11,380,632

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2010, with comparatives for 2009

10 . Tangible capital assets:

See schedules 1a and 1b for details

			2010	2009
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
General fund:				
Land	\$ 74,945,039	\$ -	\$ 74,945,039	\$ 74,451,123
Land under roads	399,142,354	-	399,142,354	399,069,947
Site improvements	53,885,828	(24,575,768)	29,310,060	29,870,361
Buildings	117,268,201	(50,352,249)	66,915,952	64,313,134
Transportation network	213,585,959	(89,310,576)	124,275,383	122,185,058
Drainage network	66,355,576	(23,153,955)	43,201,621	43,633,985
Water network	6,641,841	(3,774,763)	2,867,078	3,115,854
Equipment	46,341,904	(27,097,626)	19,244,278	20,607,703
Computing infrastructure	6,364,403	(5,269,144)	1,095,259	1,181,304
Communication network	1,241,354	(286,551)	954,803	1,016,879
Work in progress	16,607,146	-	16,607,146	7,250,130
	<u>1,002,379,605</u>	<u>(223,820,632)</u>	<u>778,558,973</u>	<u>766,695,478</u>
Water fund:				
Site improvements	687,761	(377,800)	309,961	374,655
Buildings	16,531,721	(4,450,748)	12,080,973	12,750,208
Transportation network	37,114	(25,971)	11,143	12,265
Water network	133,468,023	(38,968,978)	94,499,045	87,625,212
Equipment	1,260,530	(302,804)	957,726	227,159
Computing infrastructure	13,036	(7,382)	5,654	3,391
Work in progress	937,054	-	937,054	7,838,929
	<u>152,935,239</u>	<u>(44,133,683)</u>	<u>108,801,556</u>	<u>108,831,819</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2010, with comparatives for 2009

10 . Tangible capital assets (continued):

			2010	2009
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Sewer fund:				
Site improvements	285,406	(121,995)	163,411	42,809
Buildings	9,116,863	(1,242,617)	7,874,246	1,527,300
Sanitary network	57,195,803	(19,271,095)	37,924,708	38,038,569
Equipment	471,522	(30,099)	441,423	19,604
Computing infrastructure	7,333	(4,918)	2,415	3,882
Work in progress	281,032	-	281,032	1,272,295
	<u>67,357,959</u>	<u>(20,670,724)</u>	<u>46,687,235</u>	<u>40,904,459</u>
Kamloops Airport Authority Society:				
Land	8,745,200	-	8,745,200	8,745,200
Buildings	19,945,803	(3,233,350)	16,712,453	17,107,694
Transportation network	36,771,236	(10,314,165)	26,457,071	27,262,725
Drainage network	1,981,915	(121,793)	1,860,122	1,917,651
Sanitary network	543,400	(188,649)	354,751	365,723
Water network	4,890,600	(1,697,839)	3,192,761	3,291,506
Equipment	1,075,838	(705,159)	370,679	393,196
Computing infrastructure	76,457	(72,497)	3,960	830
	<u>74,030,449</u>	<u>(16,333,452)</u>	<u>57,696,997</u>	<u>59,084,525</u>
Venture Kamloops Business Development Society:				
Equipment	24,975	(16,323)	8,652	11,274
Computing infrastructure	17,021	(12,651)	4,370	4,426
	<u>41,996</u>	<u>(28,974)</u>	<u>13,022</u>	<u>15,700</u>
	<u>\$ 1,296,745,248</u>	<u>\$ (304,987,465)</u>	<u>\$ 991,757,783</u>	<u>\$ 975,531,981</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2010, with comparatives for 2009

11 . Accumulated Surplus:

(a) Reserves for operating purposes

	Balance at December 31, 2009	Interest income and contributions	Transfers to operations and capital	Balance at December 31, 2010
General fund:				
Affordable Housing	\$ 252,700	\$ 316,847	\$ (50,000)	\$ 519,547
Art Gallery	464,069	8,543	(8,543)	464,069
Arts Legacy	229,044	-	-	229,044
Bi-centennial Legacy	296,669	12,489	-	309,158
Canada Games Legacy	568,300	-	-	568,300
Climate Action	36,077	79,983	-	116,060
Community Arts	7,999	-	-	7,999
Deferred Operating	1,863,189	1,051,090	(406,028)	2,508,251
Environmental Grant	30,000	-	-	30,000
General Building	80,753	6,154	-	86,907
Heritage Foundation	130,000	20,000	-	150,000
Insurance	1,007,098	23,786	(14,000)	1,016,884
Oak Hills Dyke	12,932	-	-	12,932
Police Contract	2,127,100	920,912	(1,040,199)	2,007,813
Return to Work	237,146	-	-	237,146
Solid Waste	741,752	640,190	-	1,381,942
Sports Legacy	189,200	2,819	-	192,019
Working Capital	1,415,197	344,000	-	1,759,197
Youth Legacy	4,331	-	-	4,331
2006 BC Summer Games	-	91,787	-	91,787
	<u>9,693,556</u>	<u>3,518,600</u>	<u>(1,518,770)</u>	<u>11,693,386</u>
Sewer fund:				
Deferred Operating	\$ -	\$ 50,000	\$ -	\$ 50,000
	<u>-</u>	<u>50,000</u>	<u>-</u>	<u>50,000</u>
Cemetery:				
Cemetery Care Trust Fund	<u>1,380,584</u>	<u>147,527</u>	<u>(67,469)</u>	<u>1,460,642</u>
Venture Kamloops Business Development Society:				
Reserve fund	<u>-</u>	<u>53,000</u>	<u>-</u>	<u>53,000</u>
	<u>\$ 11,074,140</u>	<u>\$ 3,769,127</u>	<u>\$ (1,586,239)</u>	<u>\$ 13,257,028</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2010, with comparatives for 2009

11 . Accumulated Surplus (continued):

(b) Reserves for capital purposes

	Balance at December 31, 2009	Interest income and contributions	Transfers to operations and capital	Balance at December 31, 2010
Statutory reserves:				
Tax sale property fund	\$ 8,755,283	\$ 579,936	\$ (454,518)	\$ 8,880,701
Local improvement fund	366,583	154,764	-	521,347
Debt retirement fund	20,578	378	-	20,956
Parking facility reserve	753,860	208,337	(60,240)	901,957
Land sale reserve fund	903,916	2,458,960	(766,266)	2,596,610
Equipment replacement fund	11,950,012	4,861,090	(3,061,839)	13,749,263
	<u>22,750,232</u>	<u>8,263,465</u>	<u>(4,342,863)</u>	<u>26,670,834</u>
Non-statutory reserves:				
General fund	\$ 13,107,250	\$ 9,511,045	\$ (7,156,469)	\$ 15,461,826
Water fund	6,679,287	1,991,465	(644,442)	8,026,310
Sewer fund	2,088,943	2,865,099	(515,235)	4,438,807
	<u>21,875,480</u>	<u>14,367,609</u>	<u>(8,316,146)</u>	<u>27,926,943</u>
Airport capital fund	\$ 9,117,203	\$ 1,397,986	\$ (7,408,746)	\$ 3,106,443
	<u>\$ 53,742,915</u>	<u>\$ 24,029,060</u>	<u>\$ (20,067,755)</u>	<u>\$ 57,704,220</u>

Included in the general fund non-statutory reserves above is \$5,859,647 (2009 - \$4,468,100) of Community Works Funds (Gas tax). Gas Tax funding is provided by the Government of Canada. The use of the funding is established by a funding agreement between the Municipality and the Union of British Columbia Municipalities. Gas Tax funding may be used towards designated public transit, community energy, water, wastewater, solid waste and capacity building projects, as specified in the funding agreements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2010, with comparatives for 2009

11 . Accumulated Surplus (continued):

(c) Current funds

	<u>2010</u>	<u>2009</u>
General fund:		
Balance, beginning of year	\$ 9,305,456	\$ 8,496,032
Operating Surplus (deficit) for the year	<u>611,833</u>	<u>809,424</u>
	<u>9,917,289</u>	<u>9,305,456</u>
Water fund:		
Balance, beginning of year	6,621,347	6,517,216
Operating Surplus (deficit) for the year	<u>(16,181)</u>	<u>104,131</u>
	<u>6,605,166</u>	<u>6,621,347</u>
Sewer fund:		
Balance, beginning of year	7,505,932	6,191,059
Operating Surplus (deficit) for the year	<u>(3,475,599)</u>	<u>1,314,873</u>
	<u>4,030,333</u>	<u>7,505,932</u>
Kamloops Airport Authority Society:		
Balance, beginning of year	390,930	71,364
Operating Surplus (deficit) for the year	<u>2,055</u>	<u>319,566</u>
	<u>392,985</u>	<u>390,930</u>
Venture Kamloops Business Development Society:		
Balance, beginning of year	119,411	130,969
Operating Surplus (deficit) for the year	<u>36,543</u>	<u>(11,558)</u>
	<u>155,954</u>	<u>119,411</u>
	<u>\$ 21,101,727</u>	<u>\$ 23,943,076</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2010, with comparatives for 2009

11 . Accumulated Surplus (continued):

(d) Capital Equity

	<u>2010</u>	<u>2009</u>
General fund:		
Balance, beginning of year	\$ 711,819,998	\$ 696,060,164
Net capital equity addition for the year	<u>10,236,389</u>	<u>15,759,834</u>
	<u>722,056,387</u>	<u>711,819,998</u>
Water fund:		
Balance, beginning of year	70,684,381	63,854,316
Net capital equity addition for the year	<u>1,925,961</u>	<u>6,830,065</u>
	<u>72,610,342</u>	<u>70,684,381</u>
Sewer fund:		
Balance, beginning of year	36,067,662	34,803,898
Net capital equity addition for the year	<u>6,607,432</u>	<u>1,263,764</u>
	<u>42,675,094</u>	<u>36,067,662</u>
Kamloops Airport Authority Society:		
Balance, beginning of year	42,084,525	40,336,129
Net capital equity addition for the year	<u>5,912,472</u>	<u>1,748,396</u>
	<u>47,996,997</u>	<u>42,084,525</u>
Venture Kamloops Business Development Society:		
Balance, beginning of year	15,700	3,058
Net capital equity addition for the year	<u>(2,678)</u>	<u>12,642</u>
	<u>13,022</u>	<u>15,700</u>
	<u>\$ 885,351,842</u>	<u>\$ 860,672,266</u>
Total Accumulated Surplus		
	<u>2010</u>	<u>2009</u>
General fund	\$ 759,128,888	\$ 743,926,260
Water fund	87,241,818	83,985,015
Sewer fund	51,194,234	45,662,537
Cemetery	1,460,642	1,380,584
Statutory reserves	26,670,834	22,750,232
Kamloops Airport Authority Society	51,496,425	51,592,658
Venture Kamloops Business Development Society	221,976	135,111
	<u>\$ 977,414,817</u>	<u>\$ 949,432,397</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2010, with comparatives for 2009

12 . Operating activities by segment:

	<u>2010 Budget</u>	<u>2010</u>	<u>2009</u>
Cemetery:			
Revenue			
Property tax requirement (contribution)	\$ 182,915	\$ 174,897	\$ 177,525
Fees, rates and sales of service	463,430	454,109	423,457
Investment income	47,210	67,469	69,383
Total operating revenue	<u>\$ 693,555</u>	<u>\$ 696,475</u>	<u>\$ 670,365</u>
Expenses			
Salaries, wages and benefits	\$ 371,858	\$ 388,694	\$ 391,552
Personnel expenses	3,250	896	1,343
Supplies and other expenses	82,707	74,380	91,064
Contractual services	15,250	18,538	16,580
Transfers from other functions	132,390	133,909	101,424
Amortization of tangible capital assets	-	136,890	126,486
Total operating expenses	<u>\$ 605,455</u>	<u>\$ 753,307</u>	<u>\$ 728,449</u>
Transfers of equity			
Transfer to trusts	88,100	80,058	68,402
Transfer from capital equity	-	(136,890)	(126,486)
Total transfers of equity	<u>\$ 88,100</u>	<u>\$ (56,832)</u>	<u>\$ (58,084)</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2010, with comparatives for 2009

12 . Operating activities by segment (continued):

	<u>2010 Budget</u>	<u>2010</u>	<u>2009</u>
Community development:			
Revenue			
Property tax requirement (contribution)	\$ 1,967,746	\$ 827,925	\$ 1,238,503
Fees, rates and sales of service	2,242,615	3,170,751	2,701,154
Grants	55,000	-	-
Sale of capital assets	-	2,734,776	3,426,099
Total operating revenue	<u>\$ 4,265,361</u>	<u>\$ 6,733,452</u>	<u>\$ 7,365,756</u>
Expenses			
Salaries, wages and benefits	\$ 5,018,799	\$ 4,549,921	\$ 4,574,328
Personnel expenses	107,515	83,522	63,979
Supplies and other expenses	233,319	529,851	507,502
Contractual services	335,456	170,854	142,088
Transfers from other functions	369,707	350,556	356,675
Transfers to other functions	(427,650)	(427,650)	(427,650)
Cost allocated to capital	(1,174,000)	(1,183,025)	(1,007,035)
Amortization of tangible capital assets	-	74,639	79,024
Total operating expenses	<u>\$ 4,463,146</u>	<u>\$ 4,148,668</u>	<u>\$ 4,288,911</u>
Transfers of equity			
Transfer from reserves	\$ (270,000)	\$ (89,000)	\$ (213,294)
Transfer to reserves	72,215	323,001	282,215
Transfer to other funds	-	2,425,422	3,086,948
Transfer from capital equity	-	(74,639)	(79,024)
Total transfers of equity	<u>\$ (197,785)</u>	<u>\$ 2,584,784</u>	<u>\$ 3,076,845</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2010, with comparatives for 2009

12 . Operating activities by segment (continued):

	<u>2010 Budget</u>	<u>2010</u>	<u>2009</u>
Corporate administration:			
Revenue			
Property tax requirement (contribution)	\$ 7,469,593	\$ 9,765,370	\$ 7,368,816
Fees, rates and sales of service	2,106,540	2,416,590	2,428,496
Grants	5,730,094	5,757,263	5,802,704
Investment income	1,260,000	2,461,853	2,464,777
Private contributions	-	90,881	-
Sale of capital assets	9,000	5,041	119
Total operating revenue	<u>\$ 16,575,227</u>	<u>\$ 20,496,998</u>	<u>\$ 18,064,912</u>
Expenses			
Salaries, wages and benefits	\$ 6,542,344	\$ 6,386,893	\$ 6,173,773
Personnel expenses	374,338	296,061	267,726
Supplies and other expenses	2,153,016	1,567,509	1,100,098
Contractual services	2,605,220	2,362,890	2,365,986
Transfers from other functions	880,736	876,145	856,940
Transfers to other functions	(3,217,969)	(3,230,825)	(3,205,288)
Cost allocated to capital	(99,262)	(99,262)	(72,630)
Amortization of tangible capital assets	-	372,878	436,763
Total operating expenses	<u>\$ 9,238,423</u>	<u>\$ 8,532,289</u>	<u>\$ 7,923,368</u>
Transfers of equity			
Transfer from reserves	\$ (381,740)	\$ (105,588)	\$ (304,980)
Transfer to reserves	6,826,166	10,771,299	9,332,354
Transfer to other funds	892,378	1,671,876	1,550,933
Transfer from capital equity	-	(372,878)	(436,763)
Total transfers of equity	<u>\$ 7,336,804</u>	<u>\$ 11,964,709</u>	<u>\$ 10,141,544</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2010, with comparatives for 2009

12 . Operating activities by segment (continued):

	<u>2010 Budget</u>	<u>2010</u>	<u>2009</u>
Environmental services:			
Revenue			
Property tax requirement (contribution)	\$ 288,296	\$ 253,395	\$ 273,477
Grants	327,750	153,935	212,222
Total operating revenue	<u>\$ 616,046</u>	<u>\$ 407,330</u>	<u>\$ 485,699</u>
Expenses			
Salaries, wages and benefits	\$ 306,442	\$ 293,089	\$ 295,825
Personnel expenses	3,600	3,441	4,308
Supplies and other expenses	328,750	153,644	212,597
Contractual services	48,000	25,398	33,351
Transfers from other functions	27,680	30,184	24,763
Transfers to other functions	(98,426)	(98,426)	(98,426)
Amortization of tangible capital assets	-	3,399	2,751
Total operating expenses	<u>\$ 616,046</u>	<u>\$ 410,729</u>	<u>\$ 475,169</u>
Transfers of equity			
Transfer to reserves	\$ -	\$ -	\$ 13,281
Transfer from capital equity	-	(3,399)	(2,751)
Total transfers of equity	<u>\$ -</u>	<u>\$ (3,399)</u>	<u>\$ 10,530</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2010, with comparatives for 2009

12 . Operating activities by segment (continued):

	<u>2010 Budget</u>	<u>2010</u>	<u>2009</u>
Fire services:			
Revenue			
Property tax requirement (contribution)	\$ 13,178,208	\$ 13,003,083	\$ 12,307,172
Fees, rates and sales of service	965,388	978,466	932,011
Sale of capital assets	-	-	750
Private contributions	15,000	15,000	5,000
Total operating revenue	<u>\$ 14,158,596</u>	<u>\$ 13,996,549</u>	<u>\$ 13,244,933</u>
Expenses			
Salaries, wages and benefits	\$ 12,150,259	\$ 12,049,575	\$ 11,034,791
Personnel expenses	99,035	99,571	100,143
Supplies and other expenses	638,758	574,515	851,888
Contractual services	208,923	203,315	229,633
Transfers from other functions	190,826	288,369	289,828
Transfers to other functions	-	(99,591)	(98,949)
Amortization of tangible capital assets	-	627,749	601,672
Total operating expenses	<u>\$ 13,287,801</u>	<u>\$ 13,743,503</u>	<u>\$ 13,009,006</u>
Transfers of equity			
Transfer from reserves	\$ -	\$ -	\$ (269,096)
Transfer to reserves	83,811	93,811	347,297
Transfer to other funds	786,984	786,984	759,398
Transfer from capital equity	-	(627,749)	(601,672)
Total transfers of equity	<u>\$ 870,795</u>	<u>\$ 253,046</u>	<u>\$ 235,927</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2010, with comparatives for 2009

12 . Operating activities by segment (continued):

	<u>2010 Budget</u>	<u>2010</u>	<u>2009</u>
Infrastructure maintenance:			
Revenue			
Property tax requirement (contribution)	\$ 11,364,002	\$ 12,210,065	\$ 10,417,935
Fees, rates and sales of service	9,100	10,828	25,866
Grants	650	869	835
Sale of capital assets	80,000	41,698	13,054
Total operating revenue	<u>\$ 11,453,752</u>	<u>\$ 12,263,460</u>	<u>\$ 10,457,690</u>
Expenses			
Salaries, wages and benefits	\$ 8,910,878	\$ 8,117,803	\$ 7,666,992
Personnel expenses	96,425	68,611	67,292
Supplies and other expenses	4,821,880	6,656,252	4,822,919
Contractual services	2,037,502	1,733,135	1,921,653
Transfers from other functions	3,210,178	3,100,794	3,385,933
Transfers to other functions	(8,301,569)	(9,367,068)	(9,321,088)
Cost allocated to capital	(1,521,622)	(633,405)	(424,645)
Amortization of tangible capital assets	-	10,058,714	10,116,419
Total operating expenses	<u>\$ 9,253,672</u>	<u>\$ 19,734,836</u>	<u>\$ 18,235,475</u>
Transfers of equity			
Transfer from reserves	\$ (154,100)	\$ (14,000)	\$ (10,000)
Transfer to reserves	-	60,400	61,400
Transfer to other funds	2,354,180	2,540,938	2,287,234
Transfer from capital equity	-	(10,058,714)	(10,116,419)
Total transfers of equity	<u>\$ 2,200,080</u>	<u>\$ (7,471,376)</u>	<u>\$ (7,777,785)</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2010, with comparatives for 2009

12 . Operating activities by segment (continued):

	<u>2010 Budget</u>	<u>2010</u>	<u>2009</u>
Legislative and enforcement:			
Revenue			
Property tax requirement (contribution)	\$ 2,898,129	\$ 2,881,492	\$ 2,707,843
Fees, rates and sales of service	1,484,321	1,518,804	1,506,508
Investment income	32,000	-	18,274
Total operating revenue	<u>\$ 4,414,450</u>	<u>\$ 4,400,296</u>	<u>\$ 4,232,625</u>
Expenses			
Salaries, wages and benefits	\$ 2,721,024	\$ 2,700,515	\$ 2,684,425
Personnel expenses	128,880	81,640	90,347
Supplies and other expenses	893,531	880,864	780,893
Contractual services	211,046	215,904	168,502
Transfers from other functions	340,743	355,885	338,954
Transfers to other functions	(30,000)	(30,000)	(30,000)
Amortization of tangible capital assets	-	201,434	199,437
Total operating expenses	<u>\$ 4,265,224</u>	<u>\$ 4,406,242</u>	<u>\$ 4,232,558</u>
Transfers of equity			
Transfer from reserves	\$ (20,000)	\$ (11,167)	\$ -
Transfer to reserves	11,000	12,489	12,982
Transfer to other funds	158,226	194,166	186,522
Transfer from capital equity	-	(201,434)	(199,437)
Total transfers of equity	<u>\$ 149,226</u>	<u>\$ (5,946)</u>	<u>\$ 67</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2010, with comparatives for 2009

12 . Operating activities by segment (continued):

	<u>2010 Budget</u>	<u>2010</u>	<u>2009</u>
Parks, recreation and cultural services:			
Revenue			
Property tax requirement (contribution)	\$ 14,216,560	\$ 16,002,317	\$ 16,830,680
Fees, rates and sales of service	6,239,802	6,465,172	6,345,055
Grants	25,000	19,845	47,737
Investment income	30,000	10,461	10,656
Private contributions	30,000	79,273	73,249
Total operating revenue	<u>\$ 20,541,362</u>	<u>\$ 22,577,068</u>	<u>\$ 23,307,377</u>
Expenses			
Salaries, wages and benefits	\$ 10,379,452	\$ 10,515,272	\$ 10,057,184
Personnel expenses	167,005	150,199	139,604
Supplies and other expenses	5,260,799	5,947,834	7,113,768
Contractual services	2,860,950	3,105,591	3,087,781
Transfers from other functions	2,599,970	3,006,271	2,789,266
Transfers to other functions	(287,179)	(287,179)	(287,179)
Cost allocated to capital	(140,058)	-	-
Amortization of tangible capital assets	-	5,369,142	5,302,734
Total operating expenses	<u>\$ 20,840,939</u>	<u>\$ 27,807,130</u>	<u>\$ 28,203,158</u>
Transfers of equity			
Transfer from reserves	\$ (559,577)	\$ (142,739)	\$ (24,856)
Transfer to reserves	155,000	176,819	307,905
Transfer to other funds	105,000	105,000	123,904
Transfer from capital equity	-	(5,369,142)	(5,302,734)
Total transfers of equity	<u>\$ (299,577)</u>	<u>\$ (5,230,062)</u>	<u>\$ (4,895,781)</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2010, with comparatives for 2009

12 . Operating activities by segment (continued):

	<u>2010 Budget</u>	<u>2010</u>	<u>2009</u>
Police services:			
Revenue			
Property tax requirement (contribution)	\$ 17,025,632	\$ 16,865,464	\$ 16,021,702
Fees, rates and sales of service	321,500	222,958	224,296
Grants	2,452,949	2,292,210	3,581,205
Total operating revenue	<u>\$ 19,800,081</u>	<u>\$ 19,380,632</u>	<u>\$ 19,827,203</u>
Expenses			
Salaries, wages and benefits	\$ 3,493,751	\$ 3,287,516	\$ 3,246,937
Personnel expenses	78,585	26,624	42,417
Supplies and other expenses	58,130	62,350	93,515
Contractual services	17,883,979	16,004,634	16,330,551
Transfers from other functions	113,458	123,165	129,866
Amortization of tangible capital assets	-	62,685	61,173
Total operating expenses	<u>\$ 21,627,903</u>	<u>\$ 19,566,974</u>	<u>\$ 19,904,459</u>
Transfers of equity			
Transfer from reserves	\$ (1,827,822)	\$ (1,044,570)	\$ (618,877)
Transfer to reserves	-	920,913	602,794
Transfer from capital equity	-	(62,685)	(61,173)
Total transfers of equity	<u>\$ (1,827,822)</u>	<u>\$ (186,342)</u>	<u>\$ (77,256)</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2010, with comparatives for 2009

12 . Operating activities by segment (continued):

	<u>2010 Budget</u>	<u>2010</u>	<u>2009</u>
Public transit:			
Revenue			
Property tax requirement (contribution)	\$ 2,709,132	\$ 2,842,305	\$ 2,254,486
Fees, rates and sales of service	4,028,386	4,026,468	3,826,919
Grants	5,141,718	5,283,326	4,651,792
Total operating revenue	<u>\$ 11,879,236</u>	<u>\$ 12,152,099</u>	<u>\$ 10,733,197</u>
Expenses			
Salaries, wages and benefits	\$ 112,388	\$ 107,638	\$ 69,322
Personnel expenses	1,175	1,112	1,014
Supplies and other expenses	-	81	-
Contractual services	11,721,742	11,999,052	10,616,807
Transfers from other functions	43,931	44,216	46,054
Amortization of tangible capital assets	-	21,550	4,924
Total operating expenses	<u>\$ 11,879,236</u>	<u>\$ 12,173,649</u>	<u>\$ 10,738,121</u>
Transfers of equity			
Transfer from capital equity	-	(21,550)	(4,924)
Total transfers of equity	<u>\$ -</u>	<u>\$ (21,550)</u>	<u>\$ (4,924)</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2010, with comparatives for 2009

12 . Operating activities by segment (continued):

	<u>2010 Budget</u>	<u>2010</u>	<u>2009</u>
Solid waste:			
Revenue			
Property tax requirement (contribution)	\$ 648,137	\$ 1,396,616	\$ 1,589,471
Fees, rates and sales of service	6,247,500	6,590,625	5,197,516
Total operating revenue	<u>\$ 6,895,637</u>	<u>\$ 7,987,241</u>	<u>\$ 6,786,987</u>
Expenses			
Salaries, wages and benefits	\$ 1,704,345	\$ 1,734,952	\$ 1,699,929
Personnel expenses	10,895	7,904	6,082
Supplies and other expenses	281,201	1,244,544	340,133
Contractual services	2,664,940	2,818,766	2,693,196
Transfers from other functions	2,714,680	2,857,558	2,755,976
Transfers to other functions	(1,176,616)	(1,316,673)	(1,092,664)
Amortization of tangible capital assets	-	31,157	23,325
Total operating expenses	<u>\$ 6,199,445</u>	<u>\$ 7,378,208</u>	<u>\$ 6,425,977</u>
Transfers of equity			
Transfer from reserves	\$ -	\$ -	\$ (30,420)
Transfer to reserves	696,192	640,190	414,755
Transfer from capital equity	-	(31,157)	(23,325)
Total transfers of equity	<u>\$ 696,192</u>	<u>\$ 609,033</u>	<u>\$ 361,010</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2010, with comparatives for 2009

12 . Operating activities by segment (continued):

	<u>2010 Budget</u>	<u>2010</u>	<u>2009</u>
Water utility:			
Revenue			
Fees, rates and sales of service	\$ 7,694,766	\$ 12,282,871	\$ 10,509,527
Investment income	90,000	305,716	272,985
Total operating revenue	<u>\$ 7,784,766</u>	<u>\$ 12,588,587</u>	<u>\$ 10,782,512</u>
Expenses			
Salaries, wages and benefits	\$ 2,857,218	\$ 2,590,122	\$ 2,485,968
Personnel expenses	34,071	44,720	33,654
Supplies and other expenses	2,261,563	4,917,028	3,361,385
Contractual services	360,290	476,846	632,089
Transfers from other functions	1,874,597	1,963,443	1,840,358
Transfers to other functions	(286,539)	(286,539)	(286,539)
Cost allocated to capital	(34,306)	-	-
Amortization of tangible capital assets	-	3,319,588	2,959,489
Total operating expenses	<u>\$ 7,066,894</u>	<u>\$ 13,025,208</u>	<u>\$ 11,026,404</u>
Transfers of equity			
Transfer from reserves	\$ -	\$ -	\$ (10,000)
Transfer to reserves	-	1,991,465	2,112,996
Transfer from other funds	(32,128)	-	(210,528)
Transfer to other funds	750,000	891,502	823,129
Transfer from capital equity	-	(3,319,588)	(2,959,489)
Total transfers of equity	<u>\$ 717,872</u>	<u>\$ (436,621)</u>	<u>\$ (243,892)</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2010, with comparatives for 2009

12 . Operating activities by segment (continued):

	<u>2010 Budget</u>	<u>2010</u>	<u>2009</u>
Sewer utility:			
Revenue			
Fees, rates and sales of service	\$ 4,771,385	\$ 7,861,126	\$ 5,205,967
Investment income	84,000	356,675	305,599
Total operating revenue	<u>\$ 4,855,385</u>	<u>\$ 8,217,801</u>	<u>\$ 5,511,566</u>
Expenses			
Salaries, wages and benefits	\$ 1,668,093	\$ 1,401,705	\$ 1,389,786
Personnel expenses	33,536	33,318	22,360
Supplies and other expenses	1,252,792	1,741,399	1,576,382
Contractual services	721,612	768,332	903,662
Transfers from other functions	1,254,072	1,255,012	1,223,733
Transfers to other functions	(39,640)	(39,640)	(39,640)
Cost allocated to capital	(34,304)	-	-
Amortization of tangible capital assets	-	1,110,603	998,876
Total operating expenses	<u>\$ 4,856,161</u>	<u>\$ 6,270,729</u>	<u>\$ 6,075,159</u>
Transfers of equity			
Transfer from reserves	\$ -	\$ 50,000	\$ (10,000)
Transfer to reserves	-	2,865,099	347,835
Transfer from other funds	(776)	-	(6,407)
Transfer to other funds	-	142,576	103,855
Transfer from capital equity	-	(1,110,603)	(998,876)
Total transfers of equity	<u>\$ (776)</u>	<u>\$ 1,947,072</u>	<u>\$ (563,593)</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2010, with comparatives for 2009

12. Operating activities by segment (continued):

	2010 Budget	2010	2009
Kamloops Airport Authority Society:			
Revenue			
Fees, rates and sales of service	\$ -	\$ 1,485,905	\$ 1,642,491
Investment income	-	28,280	10,638
Total operating revenue	<u>\$ -</u>	<u>\$ 1,514,185</u>	<u>\$ 1,653,129</u>
Expenses			
Supplies and other expenses	\$ -	\$ 43,611	\$ 11,505
Contractual services	-	19,588	20,086
Amortization of tangible capital assets	-	1,608,005	1,469,922
Total operating expenses	<u>\$ -</u>	<u>\$ 1,671,204</u>	<u>\$ 1,501,513</u>
Transfers of equity			
Transfer to reserves	\$ -	\$ 1,397,986	\$ 1,568,538
Transfer to funds	-	53,000	53,000
Transfer from capital equity	-	(1,608,005)	(1,469,922)
Total transfers of equity	<u>\$ -</u>	<u>\$ (157,019)</u>	<u>\$ 151,616</u>
Venture Kamloops Business Development Society:			
Revenue			
Fees, rates and sales of service	\$ -	\$ (17,968)	\$ 93,417
Grants	-	9,566	1,529
Investment income	-	951	1,109
Total operating revenue	<u>\$ -</u>	<u>\$ (7,451)</u>	<u>\$ 96,055</u>
Expenses			
Supplies and other expenses	\$ -	\$ 487,549	\$ 578,055
Amortization of tangible capital assets	-	4,884	5,022
Total operating expenses	<u>\$ -</u>	<u>\$ 492,433</u>	<u>\$ 583,077</u>
Transfers of equity			
Transfer to reserves	-	53,000	-
Transfer from other funds	\$ -	\$ (548,000)	\$ (482,000)
Transfer from capital equity	-	(4,884)	(5,022)
Total transfers of equity	<u>\$ -</u>	<u>\$ (499,884)</u>	<u>\$ (487,022)</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2010, with comparatives for 2009

12 . Operating activities by segment (continued):

	2010 Budget	2010	2009
Debt servicing costs:			
Revenue sources:			
Property tax requirement (contribution)	\$ 3,415,922	\$ 2,670,196	\$ 2,641,940
Fees, rates and sales of service	2,734,829	2,777,986	2,936,177
Total revenue	<u>\$ 6,150,751</u>	<u>\$ 5,448,182</u>	<u>\$ 5,578,117</u>
Expenses by fund:			
General fund	\$ 3,527,628	\$ 2,751,179	\$ 2,800,697
Water fund	2,208,891	2,111,305	2,235,145
Sewer fund	525,938	448,350	521,995
Kamloops Airport Authority Society	-	218,331	179,037
Total expenses by fund	<u>\$ 6,262,457</u>	<u>\$ 5,529,165</u>	<u>\$ 5,736,874</u>
Transfers of equity			
Transfer from reserves	\$ (111,706)	\$ (111,706)	\$ (188,504)
Transfer to reserves	-	30,723	29,747
Total transfers of equity	<u>\$ (111,706)</u>	<u>\$ (80,983)</u>	<u>\$ (158,757)</u>

13 . Taxation:

	2010 Budget	2010	2009
General fund:			
Real property	\$ 79,670,122	\$ 79,590,191	\$ 77,136,189
Special assessments	853,271	917,672	866,500
Utilities	1,337,813	1,337,812	1,281,131
Grants in lieu of taxes	2,294,584	2,287,260	2,227,228
	<u>\$ 84,155,790</u>	<u>\$ 84,132,935</u>	<u>\$ 81,511,048</u>

On behalf of other taxing jurisdictions the City collected and remitted the following taxes:

	2010	2009
Province of British Columbia - school taxes	\$ 36,689,470	\$ 34,893,712
Thompson-Nicola Regional Hospital District	3,050,210	2,895,956
Thompson-Nicola Regional District	5,118,965	5,118,113
British Columbia Assessment Authority	1,054,405	964,609
	<u>\$ 45,913,050</u>	<u>\$ 43,872,390</u>

14 . Grants:

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2010, with comparatives for 2009

	<u>2010 Budget</u>	<u>2010</u>	<u>2009</u>
General fund:			
Federal Government:			
Policing	\$ 1,751,493	\$ 1,580,626	\$ 1,500,948
Community Works Fund	3,290,094	3,290,473	3,340,924
Provincial Government:			
Transit	5,141,718	5,283,326	4,651,792
Gaming revenue	2,400,000	2,386,808	2,385,739
Victims assistance	60,000	70,960	70,907
Traffic fines	461,456	461,456	1,836,828
Capital infrastructure	10,690,510	7,466,964	2,400,246
Other	628,400	433,798	509,357
	<u>24,423,671</u>	<u>20,974,411</u>	<u>16,696,741</u>
Water fund:			
Provincial Government:			
Capital infrastructure	<u>1,609,453</u>	<u>778,175</u>	<u>2,870,546</u>
Sewer fund:			
Provincial Government:			
Capital infrastructure	<u>4,292,000</u>	<u>2,105,921</u>	<u>-</u>
Kamloops Airport Authority Society:			
Federal Government:			
Capital infrastructure	<u>-</u>	<u>111,731</u>	<u>4,106,465</u>
Venture Kamloops Business Development Society:			
Provincial Government:			
Other	<u>-</u>	<u>9,566</u>	<u>1,529</u>
	<u>\$ 30,325,124</u>	<u>\$ 23,979,804</u>	<u>\$ 23,675,281</u>



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2010, with comparatives for 2009

15 . Commitments and contingencies:

- (a) The City of Kamloops has entered into various agreements and contracts for services and construction for periods ranging from one to five years.
- (b) The City of Kamloops, as a member of the Thompson-Nicola Regional District, is liable for its proportion of any operating deficits or long-term debt related to functions in which it participates.
- (c) The City of Kamloops is a participant in the Municipal Insurance Association of British Columbia. Should the Association pay out claims in excess of premiums received, it is possible the City, along with other participants, would be required to contribute towards the deficit.
- (d)

The City of Kamloops and its employees contribute to the Municipal Pension Plan ("the plan"), a jointly trusteesd pension plan. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the pension plan, including investment of the assets and administration of benefits. The pension plan is a multi-employer contributory pension plan. Basic pension benefits provided are defined. The plan has about 163,000 active members and approximately 60,000 retired members. Active members include approximately 35,000 contributors from local governments.

Every three years an actuarial valuation is performed to assess the financial position of the plan and the adequacy of plan funding. The most recent valuation as at December 31, 2009 indicated an unfunded liability of \$1,024 million for basic pension benefits. The next valuation will be as at December 31, 2012 with results available in 2013. The actuary does not attribute portions of the surplus to individual employers. The City of Kamloops paid \$3,971,285 (2009 - \$3,788,783) for employer contributions to the plan in fiscal 2010.

- (e) From time to time the City of Kamloops is brought forth as a defendant in various lawsuits. The City reviews its exposure to any potential litigation for which it would not be covered by insurance and assesses whether a successful claim against the City would materially affect the consolidated financial statements of the City. The City reserves a portion of its operating surplus for future payment of insurance deductibles and payment of claims for which it would not be covered by insurance. The City is currently not aware of any claims brought against it that if not defended successfully would result in a material change to the consolidated financial statements of the City.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2010, with comparatives for 2009

15 . Commitments and contingencies (continued):

- (f) The City issues certain of its debt instruments through the Municipal Finance Authority. As a condition of these borrowings and as required by legislation, a debt reserve fund is to be established in the amount of one-half the average instalment of principal and interest as set out in the agreement(s) entered into. The reserve is funded in part by cash, being the withholding of 1% of the total issue proceeds, and the remainder being funded by a demand note whereby the City may be required to loan certain amounts to the Municipal Finance Authority. These demand notes are contingent in nature and are not reflected in the accounts of the City.

Details of the cash deposits and contingent demand notes on hand at year end are as follows:

	Cash Deposits	Contingent Demand Notes	2010 Total	2009 Total
General fund	\$ 689,027	\$ 1,820,607	\$ 2,509,634	\$ 2,586,519
Water utility fund	657,395	1,948,180	2,605,575	2,737,316
Sewer utility fund	143,317	380,649	523,966	680,141
Kamloops Airport Authority	98,099	326,119	424,218	-
	<u>\$ 1,587,838</u>	<u>\$ 4,475,555</u>	<u>\$ 6,063,393</u>	<u>\$ 6,003,976</u>

- (g) The Kamloops Airport Authority Society has entered into a lease agreement with Kamloops Airport Ltd. for a forty-five year term ending August 27, 2042. The lease provides for the option to extend the term for a further 20 years.
- (h) The City of Kamloops has provided an irrevocable standby letter of credit for \$30,000 to Fisheries and Oceans Canada. The letter of credit can be drawn upon to meet the City's obligations in connection with compensation and monitoring conditions of Fisheries Act Subsection 35(2). The letter of credit expires on July 20, 2012.

16 . Trust funds:

The City operates the cemeteries and maintains a cemetery perpetual care fund in accordance with the Cemetery and Funeral Services Act.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2010, with comparatives for 2009

17 . Budget figures:

Budget figures represent the Financial Plan By-law adopted by Council at the time of adoption of the Annual Taxation By-law. Subsequent amendments to the Financial Plan By-law have been made by Council to reflect changes as required by law.

The Financial Plan did not anticipate amortization expense. In addition, some expenses that were classified as capital expenditure did not represent new assets or extend the life or service capacity or improve the quality of an existing asset.

If these expenses were added to the Financial Plan the amounts would be as follows:

	Financial Plan Bylaw	Amortization expense	Expenses not capitalized	Fiscal Plan
Revenue				
Taxation	\$ 84,155,790	\$ -	\$ -	\$ 84,155,790
Development levies utilized	9,739,011	-	-	9,739,011
Fees, rates and sales of service	61,461,101	-	-	61,461,101
Grants	30,325,124	-	-	30,325,124
Investment income	2,923,142	-	-	2,923,142
Private contributions	612,447	-	-	612,447
Gain on disposal of capital assets	89,000	-	-	89,000
	<u>189,305,615</u>	<u>-</u>	<u>-</u>	<u>189,305,615</u>
Expenditures				
Cemetery	605,455	136,890	5,219	747,564
Community development	4,463,146	74,639	67,985	4,605,770
Corporate administration	9,238,423	372,878	56,914	9,668,215
Environmental services	616,046	3,399	-	619,445
Fire services	13,287,801	627,749	5,076	13,920,626
Infrastructure maintenance	9,253,672	10,058,714	1,882,930	21,195,316
Legislative and enforcement	4,265,224	201,434	14,924	4,481,582
Parks, recreation and culture	20,840,939	5,369,142	1,184,813	27,394,894
Police services	21,627,903	62,685	10,187	21,700,775
Public transit	11,879,236	21,550	-	11,900,786
Solid waste	6,199,445	31,157	9,144	6,239,746
Water utility	7,066,894	3,319,588	2,414,034	12,800,516
Sewer utility	4,856,161	1,110,603	333,890	6,300,654
Kamloops Airport Authority	-	-	-	-
Venture Kamloops	-	-	-	-
Debt servicing costs	5,688,197	-	-	5,688,197
	<u>119,888,542</u>	<u>21,390,428</u>	<u>5,985,116</u>	<u>147,264,086</u>
Increase (decrease) in accumulated surplus	<u>\$ 69,417,073</u>	<u>\$ (21,390,428)</u>	<u>\$ (5,985,116)</u>	<u>\$ 42,041,529</u>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2010, with comparatives for 2009**

18 . Comparative figures:

Certain comparative amounts presented in the financial statements have been reclassified to conform with the current year's presentation.

Schedule 1a - Tangible Capital Assets (2010)

	Original Cost as at December 31, 2009	Accumulated Depreciation to December 31, 2009	Net Asset Value as at December 31, 2009	2010 Additions	2010 Disposals	Accumulated Depreciation on Disposals	2010 Depreciation	Original Cost as at December 31, 2010	Accumulated Depreciation to December 31, 2010	Net Asset Value as at December 31, 2010
Cemetery										
Site improvements	964,383	(377,415)	586,968	141,404	-	-	(62,804)	1,105,787	(440,219)	665,568
Buildings	2,270,872	(873,668)	1,397,204	-	-	-	(61,913)	2,270,872	(935,581)	1,335,291
Drainage network	-	-	-	6,500	-	-	-	6,500	-	6,500
Water network	-	-	-	21,014	-	-	(91)	21,014	(91)	20,923
Equipment	96,464	(49,499)	46,965	46,698	-	-	(11,982)	143,162	(61,481)	81,681
Computing infrastructure	500	(250)	250	-	-	-	(100)	500	(350)	150
Work in progress	15,223	-	15,223	(15,223)	-	-	-	-	-	-
	3,347,442	(1,300,832)	2,046,610	200,393	-	-	(136,890)	3,547,835	(1,437,722)	2,110,113
Community development										
Land	74,451,123	-	74,451,123	2,525,325	(2,031,409)	-	-	74,945,039	-	74,945,039
Site improvements	615,697	(262,463)	353,234	-	-	-	(17,509)	615,697	(279,972)	335,725
Buildings	247,991	(154,425)	93,566	-	-	-	(3,492)	247,991	(157,917)	90,074
Transportation network	6,941	(2,590)	4,351	-	-	-	(138)	6,941	(2,728)	4,213
Equipment	263,628	(132,224)	131,404	-	-	-	(26,363)	263,628	(158,587)	105,041
Computing infrastructure	167,535	(106,582)	60,953	-	-	-	(27,137)	167,535	(133,719)	33,816
Work in progress	12,227	-	12,227	15,110	-	-	-	27,337	-	27,337
	75,765,142	(658,284)	75,106,858	2,540,435	(2,031,409)	-	(74,639)	76,274,168	(732,923)	75,541,245
Corporate administration										
Site improvements	47,022	(10,579)	36,443	-	-	-	(2,351)	47,022	(12,930)	34,092
Transportation network	372	(197)	175	-	-	-	(5)	372	(202)	170
Equipment	250,356	(44,307)	206,049	-	-	-	(25,036)	250,356	(69,343)	181,013
Computing infrastructure	4,835,144	(4,003,847)	831,297	593,635	-	-	(345,486)	5,428,779	(4,349,333)	1,079,446
Communication network	-	-	-	-	-	-	-	-	-	-
Work in progress	939,977	-	939,977	531,696	-	-	-	1,471,673	-	1,471,673
	6,072,871	(4,058,930)	2,013,941	1,125,331	-	-	(372,878)	7,198,202	(4,431,808)	2,766,394
Environmental services										
Site improvements	14,668	(9,343)	5,325	-	-	-	(533)	14,668	(9,876)	4,792
Computing infrastructure	14,317	(4,388)	9,929	-	-	-	(2,866)	14,317	(7,254)	7,063
	28,985	(13,731)	15,254	-	-	-	(3,399)	28,985	(17,130)	11,855
Fire services										
Site improvements	18,826	(16,775)	2,051	-	-	-	(656)	18,826	(17,431)	1,395
Buildings	219,429	(98,257)	121,172	209,865	-	-	(16,149)	429,294	(114,406)	314,888
Equipment	8,500,885	(3,644,521)	4,856,364	36,175	(13,086)	13,086	(600,160)	8,523,974	(4,231,595)	4,292,379
Computing infrastructure	70,768	(46,515)	24,253	-	-	-	(10,784)	70,768	(57,299)	13,469
Work in progress	195,099	-	195,099	2,104,171	-	-	-	2,299,270	-	2,299,270
	9,005,007	(3,806,068)	5,198,939	2,350,211	(13,086)	13,086	(627,749)	11,342,132	(4,420,731)	6,921,401

Schedule 1a - Tangible Capital Assets (2010)

	Original Cost as at December 31, 2009	Accumulated Depreciation to December 31, 2009	Net Asset Value as at December 31, 2009	2010 Additions	2010 Disposals	Accumulated Depreciation on Disposals	2010 Depreciation	Original Cost as at December 31, 2010	Accumulated Depreciation to December 31, 2010	Net Asset Value as at December 31, 2010
Infrastructure maintenance										
Land under roads	399,069,947	-	399,069,947	72,407	-	-	-	399,142,354	-	399,142,354
Site improvements	7,023,534	(2,221,469)	4,802,065	1,280,653	-	-	(206,187)	8,304,187	(2,427,656)	5,876,531
Buildings	27,475,284	(10,229,509)	17,245,775	1,695,637	(53,177)	53,177	(791,967)	29,117,744	(10,968,299)	18,149,445
Transportation network	195,611,576	(79,285,059)	116,326,517	7,232,653	-	-	(4,961,828)	202,844,229	(84,246,887)	118,597,342
Drainage network	64,908,896	(21,274,911)	43,633,985	1,442,548	(2,368)	2,368	(1,881,412)	66,349,076	(23,153,955)	43,195,121
Equipment	25,695,171	(15,125,406)	10,569,765	1,698,042	(6,716)	6,716	(2,116,823)	27,386,497	(17,235,513)	10,150,984
Computing infrastructure	269,667	(183,767)	85,900	-	-	-	(38,421)	269,667	(222,188)	47,479
Communication network	1,241,354	(224,475)	1,016,879	-	-	-	(62,076)	1,241,354	(286,551)	954,803
Work in progress	4,824,785	-	4,824,785	55,336	-	-	-	4,880,121	-	4,880,121
	726,120,214	(128,544,596)	597,575,618	13,477,276	(62,261)	62,261	(10,058,714)	739,535,229	(138,541,049)	600,994,180
Legislative and enforcement										
Buildings	1,201,901	(976,810)	225,091	142,639	-	-	(25,257)	1,344,540	(1,002,067)	342,473
Equipment	1,589,841	(578,331)	1,011,510	31,704	-	-	(15,608)	1,621,545	(593,939)	1,027,606
Computing infrastructure	88,879	(54,263)	34,616	-	-	-	(160,569)	88,879	(214,832)	(125,953)
	2,880,621	(1,609,404)	1,271,217	174,343	-	-	(201,434)	3,054,964	(1,810,838)	1,244,126
Parks, recreation and cultural services										
Site improvements	43,155,928	(19,130,968)	24,024,960	500,710	-	-	(2,188,287)	43,656,638	(21,319,255)	22,337,383
Buildings	80,183,423	(35,350,246)	44,833,177	1,857,162	(164,394)	164,394	(1,879,844)	81,876,191	(37,065,696)	44,810,495
Transportation network	10,633,001	(4,815,569)	5,817,432	42,038	-	-	(202,798)	10,675,039	(5,018,367)	5,656,672
Water network	6,559,696	(3,443,842)	3,115,854	61,131	-	-	(330,830)	6,620,827	(3,774,672)	2,846,155
Equipment	7,297,909	(3,747,734)	3,550,175	164,737	(4,330)	4,330	(727,508)	7,458,316	(4,470,912)	2,987,404
Computing infrastructure	238,252	(145,444)	92,808	-	-	-	(39,875)	238,252	(185,319)	52,933
Work in progress	979,523	-	979,523	6,949,222	-	-	-	7,928,745	-	7,928,745
	149,047,732	(66,633,803)	82,413,929	9,575,000	(168,724)	168,724	(5,369,142)	158,454,008	(71,834,221)	86,619,787
Police services										
Equipment	496,425	(260,954)	235,471	16,029	(1,603)	1,603	(12,321)	510,851	(271,672)	239,179
Computing infrastructure	64,779	(34,494)	30,285	-	-	-	(50,364)	64,779	(84,858)	(20,079)
Work in progress	3,346	-	3,346	(3,346)	-	-	-	-	-	-
	564,550	(295,448)	269,102	12,683	(1,603)	1,603	(62,685)	575,630	(356,530)	219,100
Public transit										
Site improvements	5,187	(2,857)	2,330	-	-	-	(520)	5,187	(3,377)	1,810
Buildings	71,667	(5,015)	66,652	1,495,844	-	-	(1,433)	1,567,511	(6,448)	1,561,063
Transportation network	59,378	(22,795)	36,583	-	-	-	(19,597)	59,378	(42,392)	16,986
Work in progress	213,048	-	213,048	(213,048)	-	-	-	-	-	-
	349,280	(30,667)	318,613	1,282,796	-	-	(21,550)	1,632,076	(52,217)	1,579,859
Solid waste										
Site improvements	117,816	(60,831)	56,985	-	-	-	(4,221)	117,816	(65,052)	52,764
Buildings	414,058	(83,561)	330,497	-	-	-	(18,274)	414,058	(101,835)	312,223
Equipment	-	-	-	183,575	-	-	-	183,575	(4,584)	178,991
Computing infrastructure	20,927	(9,914)	11,013	-	-	-	(4,078)	20,927	(13,992)	6,935
Work in progress	66,902	-	66,902	(66,902)	-	-	-	-	-	-
	619,703	(154,306)	465,397	116,673	-	-	(31,157)	736,376	(185,463)	550,913

Schedule 1a - Tangible Capital Assets (2010)

	Original Cost as at December 31, 2009	Accumulated Depreciation to December 31, 2009	Net Asset Value as at December 31, 2009	2010 Additions	2010 Disposals	Accumulated Depreciation on Disposals	2010 Depreciation	Original Cost as at December 31, 2010	Accumulated Depreciation to December 31, 2010	Net Asset Value as at December 31, 2010
Water utility										
Site improvements	687,761	(313,106)	374,655	-	-	-	(64,694)	687,761	(377,800)	309,961
Buildings	16,531,721	(3,781,513)	12,750,208	-	-	-	(669,235)	16,531,721	(4,450,748)	12,080,973
Transportation network	37,114	(24,849)	12,265	-	-	-	(1,122)	37,114	(25,971)	11,143
Water network	124,192,527	(36,567,315)	87,625,212	9,399,023	(123,527)	123,527	(2,525,190)	133,468,023	(38,968,978)	94,499,045
Equipment	472,491	(245,332)	227,159	788,039	-	-	(57,472)	1,260,530	(302,804)	957,726
Computing infrastructure	8,898	(5,507)	3,391	4,138	-	-	(1,875)	13,036	(7,382)	5,654
Work in progress	7,838,929	-	7,838,929	(6,901,875)	-	-	-	937,054	-	937,054
	<u>149,769,441</u>	<u>(40,937,622)</u>	<u>108,831,819</u>	<u>3,289,325</u>	<u>(123,527)</u>	<u>123,527</u>	<u>(3,319,588)</u>	<u>152,935,239</u>	<u>(44,133,683)</u>	<u>108,801,556</u>
Sewer utility										
Site improvements	146,163	(103,354)	42,809	139,243	-	-	(18,641)	285,406	(121,995)	163,411
Buildings	2,637,589	(1,110,289)	1,527,300	6,479,274	-	-	(132,328)	9,116,863	(1,242,617)	7,874,246
Sanitary network	56,385,316	(18,346,747)	38,038,569	815,238	(4,751)	4,751	(929,099)	57,195,803	(19,271,095)	37,924,708
Equipment	20,635	(1,031)	19,604	450,887	-	-	(29,068)	471,522	(30,099)	441,423
Computing infrastructure	7,333	(3,451)	3,882	-	-	-	(1,467)	7,333	(4,918)	2,415
Work in progress	1,272,295	-	1,272,295	(991,263)	-	-	-	281,032	-	281,032
	<u>60,469,331</u>	<u>(19,564,872)</u>	<u>40,904,459</u>	<u>6,893,379</u>	<u>(4,751)</u>	<u>4,751</u>	<u>(1,110,603)</u>	<u>67,357,959</u>	<u>(20,670,724)</u>	<u>46,687,235</u>
Kamloops Airport Authority Society										
Land	8,745,200	-	8,745,200	-	-	-	-	8,745,200	-	8,745,200
Buildings	19,787,999	(2,680,305)	17,107,694	157,804	-	-	(553,045)	19,945,803	(3,233,350)	16,712,453
Transportation network	36,733,708	(9,470,983)	27,262,725	37,528	-	-	(843,182)	36,771,236	(10,314,165)	26,457,071
Drainage network	1,981,915	(64,264)	1,917,651	-	-	-	(57,529)	1,981,915	(121,793)	1,860,122
Sanitary network	543,400	(177,677)	365,723	-	-	-	(10,972)	543,400	(188,649)	354,751
Water network	4,890,600	(1,599,094)	3,291,506	-	-	-	(98,745)	4,890,600	(1,697,839)	3,192,761
Equipment	1,054,779	(661,583)	393,196	21,059	-	-	(43,576)	1,075,838	(705,159)	370,679
Computing infrastructure	72,371	(71,541)	830	4,086	-	-	(956)	76,457	(72,497)	3,960
	<u>73,809,972</u>	<u>(14,725,447)</u>	<u>59,084,525</u>	<u>220,477</u>	<u>-</u>	<u>-</u>	<u>(1,608,005)</u>	<u>74,030,449</u>	<u>(16,333,452)</u>	<u>57,696,997</u>
Venture Kamloops Business Development Society										
Equipment	25,125	(13,851)	11,274	-	(150)	150	(2,622)	24,975	(16,323)	8,652
Computing infrastructure	25,439	(21,013)	4,426	2,206	(10,624)	10,624	(2,262)	17,021	(12,651)	4,370
	<u>50,564</u>	<u>(34,864)</u>	<u>15,700</u>	<u>2,206</u>	<u>(10,774)</u>	<u>10,774</u>	<u>(4,884)</u>	<u>41,996</u>	<u>(28,974)</u>	<u>13,022</u>
Total tangible capital assets	1,257,900,855	(282,368,874)	975,531,981	41,260,528	(2,416,135)	384,726	(23,003,317)	1,296,745,248	(304,987,465)	991,757,783
Summary by asset Group:										
Land	83,196,323	-	83,196,323	2,525,325	(2,031,409)	-	-	83,690,239	-	83,690,239
Land under roads	399,069,947	-	399,069,947	72,407	-	-	-	399,142,354	-	399,142,354
Site improvements	52,796,985	(22,509,160)	30,287,825	2,062,010	-	-	(2,566,403)	54,858,995	(25,075,563)	29,783,432
Buildings	151,041,934	(55,343,598)	95,698,336	12,038,225	(217,571)	217,571	(4,152,937)	162,862,588	(59,278,964)	103,583,624
Transportation network	243,082,090	(93,622,042)	149,460,048	7,312,219	-	-	(6,028,670)	250,394,309	(99,650,712)	150,743,597
Drainage network	66,890,811	(21,339,175)	45,551,636	1,449,048	(2,368)	2,368	(1,938,941)	68,337,491	(23,275,748)	45,061,743
Sanitary network	56,928,716	(18,524,424)	38,404,292	815,238	(4,751)	4,751	(940,071)	57,739,203	(19,459,744)	38,279,459
Water network	135,642,823	(41,610,251)	94,032,572	9,481,168	(123,527)	123,527	(2,954,856)	145,000,464	(44,441,580)	100,558,884
Equipment	45,763,709	(24,504,773)	21,258,936	3,436,945	(25,885)	25,885	(3,673,123)	49,174,769	(28,152,011)	21,022,758
Computing infrastructure	5,884,809	(4,690,976)	1,193,833	604,065	(10,624)	10,624	(686,240)	6,478,250	(5,366,592)	1,111,658
Communication network	1,241,354	(224,475)	1,016,879	-	-	-	(62,076)	1,241,354	(286,551)	954,803
Work in progress	16,361,354	-	16,361,354	1,463,878	-	-	-	17,825,232	-	17,825,232
	<u>1,257,900,855</u>	<u>(282,368,874)</u>	<u>975,531,981</u>	<u>41,260,528</u>	<u>(2,416,135)</u>	<u>384,726</u>	<u>(23,003,317)</u>	<u>1,296,745,248</u>	<u>(304,987,465)</u>	<u>991,757,783</u>

Schedule 1b - Tangible Capital Assets (2009)

	Original Cost as at December 31, 2008	Accumulated Depreciation to December 31, 2008	Net Asset Value as at December 31, 2008	2009 Additions	2009 Disposals	Accumulated Depreciation on Disposals	2009 Depreciation	Original Cost as at December 31, 2009	Accumulated Depreciation to December 31, 2009	Net Asset Value as at December 31, 2009
Cemetery										
Site improvements	964,383	(317,089)	647,294	-	-	-	(60,326)	964,383	(377,415)	586,968
Buildings	2,270,872	(816,899)	1,453,973	-	-	-	(56,769)	2,270,872	(873,668)	1,397,204
Equipment	89,353	(40,208)	49,145	7,111	-	-	(9,291)	96,464	(49,499)	46,965
Computing infrastructure	500	(150)	350	-	-	-	(100)	500	(250)	250
Work in progress	-	-	-	15,223	-	-	-	15,223	-	15,223
	<u>3,325,108</u>	<u>(1,174,346)</u>	<u>2,150,762</u>	<u>22,334</u>	<u>-</u>	<u>-</u>	<u>(126,486)</u>	<u>3,347,442</u>	<u>(1,300,832)</u>	<u>2,046,610</u>
Community development										
Land	73,079,941	-	73,079,941	4,175,500	(2,804,318)	-	-	74,451,123	-	74,451,123
Site improvements	607,367	(244,930)	362,437	8,330	-	-	(17,533)	615,697	(262,463)	353,234
Buildings	247,991	(150,150)	97,841	-	-	-	(4,275)	247,991	(154,425)	93,566
Transportation network	6,941	(2,452)	4,489	-	-	-	(138)	6,941	(2,590)	4,351
Equipment	238,097	(107,139)	130,958	25,531	-	-	(25,085)	263,628	(132,224)	131,404
Computing infrastructure	167,535	(74,589)	92,946	-	-	-	(31,993)	167,535	(106,582)	60,953
Work in progress	-	-	-	12,227	-	-	-	12,227	-	12,227
	<u>74,347,872</u>	<u>(579,260)</u>	<u>73,768,612</u>	<u>4,221,588</u>	<u>(2,804,318)</u>	<u>-</u>	<u>(79,024)</u>	<u>75,765,142</u>	<u>(658,284)</u>	<u>75,106,858</u>
Corporate administration										
Site improvements	47,022	(8,228)	38,794	-	-	-	(2,351)	47,022	(10,579)	36,443
Transportation network	372	(192)	180	-	-	-	(5)	372	(197)	175
Equipment	63,578	(28,611)	34,967	186,778	-	-	(15,696)	250,356	(44,307)	206,049
Computing infrastructure	4,488,758	(3,598,977)	889,781	360,227	(13,841)	13,841	(418,711)	4,835,144	(4,003,847)	831,297
Work in progress	286,428	-	286,428	653,549	-	-	-	939,977	-	939,977
	<u>4,886,158</u>	<u>(3,636,008)</u>	<u>1,250,150</u>	<u>1,200,554</u>	<u>(13,841)</u>	<u>13,841</u>	<u>(436,763)</u>	<u>6,072,871</u>	<u>(4,058,930)</u>	<u>2,013,941</u>
Environmental services										
Site improvements	14,668	(8,810)	5,858	-	-	-	(533)	14,668	(9,343)	5,325
Computing infrastructure	7,849	(2,170)	5,679	6,468	-	-	(2,218)	14,317	(4,388)	9,929
	<u>22,517</u>	<u>(10,980)</u>	<u>11,537</u>	<u>6,468</u>	<u>-</u>	<u>-</u>	<u>(2,751)</u>	<u>28,985</u>	<u>(13,731)</u>	<u>15,254</u>
Fire services										
Site improvements	18,826	(16,119)	2,707	-	-	-	(656)	18,826	(16,775)	2,051
Buildings	219,429	(90,089)	129,340	-	-	-	(8,168)	219,429	(98,257)	121,172
Equipment	7,256,734	(3,064,465)	4,192,269	1,244,151	-	-	(580,056)	8,500,885	(3,644,521)	4,856,364
Computing infrastructure	70,768	(33,723)	37,045	-	-	-	(12,792)	70,768	(46,515)	24,253
Work in progress	32,860	-	32,860	162,239	-	-	-	195,099	-	195,099
	<u>7,598,617</u>	<u>(3,204,396)</u>	<u>4,394,221</u>	<u>1,406,390</u>	<u>-</u>	<u>-</u>	<u>(601,672)</u>	<u>9,005,007</u>	<u>(3,806,068)</u>	<u>5,198,939</u>

Schedule 1b - Tangible Capital Assets (2009)

	Original Cost as at December 31, 2008	Accumulated Depreciation to December 31, 2008	Net Asset Value as at December 31, 2008	2009 Additions	2009 Disposals	Accumulated Depreciation on Disposals	2009 Depreciation	Original Cost as at December 31, 2009	Accumulated Depreciation to December 31, 2009	Net Asset Value as at December 31, 2009
Infrastructure maintenance										
Land under roads	398,648,336	-	398,648,336	421,611	-	-	-	399,069,947	-	399,069,947
Site improvements	6,729,120	(2,035,048)	4,694,072	294,414	-	-	(186,421)	7,023,534	(2,221,469)	4,802,065
Buildings	27,251,848	(9,635,353)	17,616,495	317,399	(93,963)	93,963	(688,119)	27,475,284	(10,229,509)	17,245,775
Transportation network	181,532,087	(75,584,689)	105,947,398	15,507,562	(1,428,073)	1,391,044	(5,091,414)	195,611,576	(79,285,059)	116,326,517
Drainage network	62,418,133	(19,473,019)	42,945,114	2,565,162	(74,399)	71,474	(1,873,366)	64,908,896	(21,274,911)	43,633,985
Equipment	23,713,618	(13,046,115)	10,667,503	2,070,822	(89,269)	89,269	(2,168,560)	25,695,171	(15,125,406)	10,569,765
Computing infrastructure	263,933	(136,633)	127,300	5,734	-	-	(47,134)	269,667	(183,767)	85,900
Communication network	1,214,542	(163,070)	1,051,472	26,812	-	-	(61,405)	1,241,354	(224,475)	1,016,879
Work in progress	5,383,264	-	5,383,264	(558,479)	-	-	-	4,824,785	-	4,824,785
	707,154,881	(120,073,927)	587,080,954	20,651,037	(1,685,704)	1,645,750	(10,116,419)	726,120,214	(128,544,596)	597,575,618
Legislative and enforcement										
Buildings	1,198,005	(970,379)	227,626	21,641	(17,745)	17,745	(24,176)	1,201,901	(976,810)	225,091
Equipment	1,579,791	(419,850)	1,159,941	10,050	-	-	(158,481)	1,589,841	(578,331)	1,011,510
Computing infrastructure	88,879	(37,483)	51,396	-	-	-	(16,780)	88,879	(54,263)	34,616
	2,866,675	(1,427,712)	1,438,963	31,691	(17,745)	17,745	(199,437)	2,880,621	(1,609,404)	1,271,217
Parks, recreation and cultural services										
Site improvements	39,613,753	(18,613,246)	21,000,507	5,169,333	(1,627,158)	1,627,158	(2,144,880)	43,155,928	(19,130,968)	24,024,960
Buildings	76,831,698	(33,896,545)	42,935,153	3,759,938	(408,213)	408,213	(1,861,914)	80,183,423	(35,350,246)	44,833,177
Transportation network	10,746,212	(4,647,824)	6,098,388	4,298	(117,509)	38,384	(206,129)	10,633,001	(4,815,569)	5,817,432
Water network	6,559,696	(3,115,857)	3,443,839	-	-	-	(327,985)	6,559,696	(3,443,842)	3,115,854
Equipment	7,170,628	(3,030,307)	4,140,321	127,281	-	-	(717,427)	7,297,909	(3,747,734)	3,550,175
Computing infrastructure	238,252	(101,045)	137,207	-	-	-	(44,399)	238,252	(145,444)	92,808
Work in progress	1,160,355	-	1,160,355	(180,832)	-	-	-	979,523	-	979,523
	142,320,594	(63,404,824)	78,915,770	8,880,018	(2,152,880)	2,073,755	(5,302,734)	149,047,732	(66,633,803)	82,413,929
Police services										
Equipment	472,263	(212,520)	259,743	24,162	-	-	(48,434)	496,425	(260,954)	235,471
Computing infrastructure	64,779	(21,755)	43,024	-	-	-	(12,739)	64,779	(34,494)	30,285
Work in progress	958	-	958	2,388	-	-	-	3,346	-	3,346
	538,000	(234,275)	303,725	26,550	-	-	(61,173)	564,550	(295,448)	269,102
Public transit										
Site improvements	5,187	(2,337)	2,850	-	-	-	(520)	5,187	(2,857)	2,330
Buildings	71,667	(3,582)	68,085	-	-	-	(1,433)	71,667	(5,015)	66,652
Transportation network	59,378	(19,824)	39,554	-	-	-	(2,971)	59,378	(22,795)	36,583
Work in progress	64,383	-	64,383	148,665	-	-	-	213,048	-	213,048
	200,615	(25,743)	174,872	148,665	-	-	(4,924)	349,280	(30,667)	318,613
Solid waste										
Site improvements	117,816	(56,610)	61,206	-	-	-	(4,221)	117,816	(60,831)	56,985
Buildings	414,058	(68,355)	345,703	-	-	-	(15,206)	414,058	(83,561)	330,497
Computing infrastructure	18,060	(6,016)	12,044	2,867	-	-	(3,898)	20,927	(9,914)	11,013
Work in progress	24,989	-	24,989	41,913	-	-	-	66,902	-	66,902
	574,923	(130,981)	443,942	44,780	-	-	(23,325)	619,703	(154,306)	465,397

Schedule 1b - Tangible Capital Assets (2009)

	Original Cost as at December 31, 2008	Accumulated Depreciation to December 31, 2008	Net Asset Value as at December 31, 2008	2009 Additions	2009 Disposals	Accumulated Depreciation on Disposals	2009 Depreciation	Original Cost as at December 31, 2009	Accumulated Depreciation to December 31, 2009	Net Asset Value as at December 31, 2009
Water utility										
Site improvements	687,761	(246,948)	440,813	-	-	-	(66,158)	687,761	(313,106)	374,655
Buildings	16,531,721	(3,249,947)	13,281,774	-	-	-	(531,566)	16,531,721	(3,781,513)	12,750,208
Transportation network	37,114	(23,727)	13,387	-	-	-	(1,122)	37,114	(24,849)	12,265
Water network	122,344,626	(34,381,677)	87,962,949	2,028,224	(180,323)	127,360	(2,312,998)	124,192,527	(36,567,315)	87,625,212
Equipment	444,774	(199,467)	245,307	27,717	-	-	(45,865)	472,491	(245,332)	227,159
Computing infrastructure	8,898	(3,727)	5,171	-	-	-	(1,780)	8,898	(5,507)	3,391
Work in progress	1,833,432	-	1,833,432	6,005,497	-	-	-	7,838,929	-	7,838,929
	<u>141,888,326</u>	<u>(38,105,493)</u>	<u>103,782,833</u>	<u>8,061,438</u>	<u>(180,323)</u>	<u>127,360</u>	<u>(2,959,489)</u>	<u>149,769,441</u>	<u>(40,937,622)</u>	<u>108,831,819</u>
Sewer utility										
Site improvements	146,163	(96,590)	49,573	-	-	-	(6,764)	146,163	(103,354)	42,809
Buildings	2,637,589	(1,045,003)	1,592,586	-	-	-	(65,286)	2,637,589	(1,110,289)	1,527,300
Sanitary network	55,773,038	(17,482,867)	38,290,171	679,760	(67,482)	60,448	(924,328)	56,385,316	(18,346,747)	38,038,569
Equipment	-	-	-	20,635	-	-	(1,031)	20,635	(1,031)	19,604
Computing infrastructure	7,333	(1,984)	5,349	-	-	-	(1,467)	7,333	(3,451)	3,882
Work in progress	483,460	-	483,460	788,835	-	-	-	1,272,295	-	1,272,295
	<u>59,047,583</u>	<u>(18,626,444)</u>	<u>40,421,139</u>	<u>1,489,230</u>	<u>(67,482)</u>	<u>60,448</u>	<u>(998,876)</u>	<u>60,469,331</u>	<u>(19,564,872)</u>	<u>40,904,459</u>
Kamloops Airport Authority Society										
Land	8,745,200	-	8,745,200	-	-	-	-	8,745,200	-	8,745,200
Buildings	10,144,059	(2,270,971)	7,873,088	9,643,940	-	-	(409,334)	19,787,999	(2,680,305)	17,107,694
Transportation network	35,483,576	(8,622,278)	26,861,298	1,250,132	-	-	(848,705)	36,733,708	(9,470,983)	27,262,725
Drainage network	1,981,915	(4,955)	1,976,960	-	-	-	(59,309)	1,981,915	(64,264)	1,917,651
Sanitary network	543,400	(166,366)	377,034	-	-	-	(11,311)	543,400	(177,677)	365,723
Water network	4,890,600	(1,497,295)	3,393,305	-	-	-	(101,799)	4,890,600	(1,599,094)	3,291,506
Equipment	904,906	(622,534)	282,372	149,873	-	-	(39,049)	1,054,779	(661,583)	393,196
Computing infrastructure	72,371	(71,126)	1,245	-	-	-	(415)	72,371	(71,541)	830
	<u>62,766,027</u>	<u>(13,255,525)</u>	<u>49,510,502</u>	<u>11,043,945</u>	<u>-</u>	<u>-</u>	<u>(1,469,922)</u>	<u>73,809,972</u>	<u>(14,725,447)</u>	<u>59,084,525</u>
Venture Kamloops Business Development Society										
Equipment	12,819	(10,664)	2,155	12,306	-	-	(3,187)	25,125	(13,851)	11,274
Computing infrastructure	20,081	(19,178)	903	5,358	-	-	(1,835)	25,439	(21,013)	4,426
	<u>32,900</u>	<u>(29,842)</u>	<u>3,058</u>	<u>17,664</u>	<u>-</u>	<u>-</u>	<u>(5,022)</u>	<u>50,564</u>	<u>(34,864)</u>	<u>15,700</u>
Total tangible capital assets	1,207,570,796	(263,919,756)	943,651,040	57,252,352	(6,922,293)	3,938,899	(22,388,017)	1,257,900,855	(282,368,874)	975,531,981
Summary by asset Group:										
Land	81,825,141	-	81,825,141	4,175,500	(2,804,318)	-	-	83,196,323	-	83,196,323
Land under roads	398,648,336	-	398,648,336	421,611	-	-	-	399,069,947	-	399,069,947
Site improvements	48,952,066	(21,645,955)	27,306,111	5,472,077	(1,627,158)	1,627,158	(2,490,363)	52,796,985	(22,509,160)	30,287,825
Buildings	137,818,937	(52,197,273)	85,621,664	13,742,918	(519,921)	519,921	(3,666,246)	151,041,934	(55,343,598)	95,698,336
Transportation network	227,865,680	(88,900,986)	138,964,694	16,761,992	(1,545,582)	1,429,428	(6,150,484)	243,082,090	(93,622,042)	149,460,048
Drainage network	64,400,048	(19,477,974)	44,922,074	2,565,162	(74,399)	71,474	(1,932,675)	66,890,811	(21,339,175)	45,551,636
Sanitary network	56,316,438	(17,649,233)	38,667,205	679,760	(67,482)	60,448	(935,639)	56,928,716	(18,524,424)	38,404,292
Water network	133,794,922	(38,994,829)	94,800,093	2,028,224	(180,323)	127,360	(2,742,782)	135,642,823	(41,610,251)	94,032,572
Equipment	41,946,561	(20,781,880)	21,164,681	3,906,417	(89,269)	89,269	(3,812,162)	45,763,709	(24,504,773)	21,258,936
Computing infrastructure	5,517,996	(4,108,556)	1,409,440	380,654	(13,841)	13,841	(596,261)	5,884,809	(4,690,976)	1,193,833
Communication network	1,214,542	(163,070)	1,051,472	26,812	-	-	(61,405)	1,241,354	(224,475)	1,016,879
Work in progress	9,270,129	-	9,270,129	7,091,225	-	-	-	16,361,354	-	16,361,354
	<u>1,207,570,796</u>	<u>(263,919,756)</u>	<u>943,651,040</u>	<u>57,252,352</u>	<u>(6,922,293)</u>	<u>3,938,899</u>	<u>(22,388,017)</u>	<u>1,257,900,855</u>	<u>(282,368,874)</u>	<u>975,531,981</u>



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Auditor's Report on Supplementary Information

To the Members of Council, inhabitants and ratepayers of City of Kamloops

We have audited and reported separately herein on the consolidated financial statements of the City of Kamloops as at and for the year ended December 31, 2010 in accordance with Canadian generally accepted auditing standards.

Our audit was conducted for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole in accordance with Canadian generally accepted accounting principles. The current year's supplementary information included in the following schedules for the year ended December 31, 2010 is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

"BDO Canada LLP"

Chartered Accountants

Kamloops, British Columbia
April 19, 2011

GENERAL FUND
STATEMENT OF FINANCIAL POSITION
YEAR ENDED DECEMBER 31, 2010, with comparatives for 2009

	<u>2010</u>	<u>2009</u>
Financial assets		
Cash and short-term investments	\$ 51,448,982	\$ 55,783,822
Accounts receivable	17,222,734	12,239,333
Long-term investments	309,158	296,670
	<u>68,980,874</u>	<u>68,319,825</u>
Liabilities		
Accounts payable	15,342,806	18,418,230
Payroll benefits payable	3,293,137	3,063,649
Post-employment benefits payable	6,518,476	6,247,476
Landfill post-closure costs	3,273,566	2,278,564
Deferred revenue	14,588,848	13,516,036
Long-term debt	46,783,655	49,270,569
	<u>89,800,488</u>	<u>92,794,524</u>
Net financial liabilities	<u>(20,819,614)</u>	<u>(24,474,699)</u>
Non-financial assets		
Inventory	848,713	867,948
Prepaid expenses	540,816	837,533
Tangible capital assets	778,558,973	766,695,478
	<u>779,948,502</u>	<u>768,400,959</u>
Accumulated surplus	\$ <u>759,128,888</u>	\$ <u>743,926,260</u>

GENERAL FUND
STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED DECEMBER 31, 2010, with comparatives for 2009

	<u>2010 Budget</u>	<u>2010</u>	<u>2009</u>
Revenue			
Taxation	\$ 84,155,790	\$ 84,132,935	\$ 81,511,048
Development levies utilized	3,644,937	906,018	5,694,712
Fees, rates and sales of service	24,108,582	25,854,770	23,576,278
Grants	24,423,671	20,974,411	16,696,741
Investment income	1,737,191	2,885,473	2,855,062
Private contributions	592,447	3,295,663	5,989,478
Gain on disposal of capital assets	89,000	750,106	516,625
Transfers from other funds	9,479,842	5,119,411	6,581,706
	<u>148,231,460</u>	<u>143,918,787</u>	<u>143,421,650</u>
Expenditures			
Cemetery	605,455	753,307	728,449
Community development	4,463,146	4,148,668	4,288,911
Corporate administration	9,238,423	8,532,289	7,923,368
Environmental services	616,046	410,729	475,169
Fire services	13,287,801	13,743,503	13,009,006
Infrastructure maintenance	9,253,672	19,734,836	18,235,475
Legislative and enforcement	4,265,224	4,406,242	4,232,558
Parks, recreation and cultural services	20,840,939	27,807,130	28,203,158
Police services	21,627,903	19,566,974	19,904,459
Public transit	11,879,236	12,173,649	10,738,121
Solid waste	6,199,445	7,378,208	6,425,977
Debt servicing costs	2,953,368	2,751,179	2,800,697
Transfers to other funds	4,384,868	7,309,445	8,484,397
	<u>109,615,526</u>	<u>128,716,159</u>	<u>125,449,745</u>
Increase in accumulated surplus	<u>\$ 38,615,934</u>	<u>\$ 15,202,628</u>	<u>\$ 17,971,905</u>

WATER FUND
STATEMENT OF FINANCIAL POSITION
YEAR ENDED DECEMBER 31, 2010, with comparatives for 2009

	<u>2010</u>	<u>2009</u>
Financial assets		
Cash and short-term investments	\$ 9,363,803	\$ 7,127,102
Accounts receivable	1,553,043	3,906,974
	<u>10,916,846</u>	<u>11,034,076</u>
Liabilities		
Payroll benefits payable	159,337	155,803
Long-term debt	32,609,240	36,102,482
	<u>32,768,577</u>	<u>36,258,285</u>
Net financial liabilities	<u>(21,851,731)</u>	<u>(25,224,209)</u>
Non-financial assets		
Inventory	291,993	377,405
Tangible capital assets	108,801,556	108,831,819
	<u>109,093,549</u>	<u>109,209,224</u>
Accumulated surplus	<u>\$ 87,241,818</u>	<u>\$ 83,985,015</u>

WATER FUND
STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED DECEMBER 31, 2010, with comparatives for 2009

	<u>2009 Budget</u>	<u>2009</u>	<u>2008</u>
Revenue			
Development levies utilized	\$ 4,554,995	\$ 800,685	\$ 965,522
Fees, rates and sales of service	24,432,268	17,232,400	16,453,320
Grants	1,609,453	778,175	2,870,546
Investment income	744,577	953,618	868,469
Private contributions	20,000	726,514	395,732
Transfers from other funds	215,925	1,446	302,730
	<u>31,577,218</u>	<u>20,492,838</u>	<u>21,856,319</u>
Expenditures			
Water utility	7,066,894	13,025,208	11,026,404
Debt servicing costs	2,208,891	2,111,305	2,235,145
Loss on disposal of capital assets	-	-	52,963
Transfers to other funds	750,000	2,099,522	823,129
	<u>10,025,785</u>	<u>17,236,035</u>	<u>14,137,641</u>
Increase in accumulated surplus	<u>\$ 21,551,433</u>	<u>\$ 3,256,803</u>	<u>\$ 7,718,678</u>

**SEWER FUND
STATEMENT OF FINANCIAL POSITION
YEAR ENDED DECEMBER 31, 2010, with comparatives for 2009**

	<u>2010</u>	<u>2009</u>
Financial assets		
Cash and short-term investments	\$ 6,570,421	\$ 9,581,406
Accounts receivable	1,936,155	-
	<u>8,506,576</u>	<u>9,581,406</u>
Liabilities		
Payroll benefits payable	127,470	124,642
Long-term debt	3,951,671	4,776,327
	<u>4,079,141</u>	<u>4,900,969</u>
Net financial assets	<u>4,427,435</u>	<u>4,680,437</u>
Non-financial assets		
Inventory	79,564	77,641
Tangible capital assets	46,687,235	40,904,459
	<u>46,766,799</u>	<u>40,982,100</u>
Accumulated surplus	<u>\$ 51,194,234</u>	<u>\$ 45,662,537</u>

SEWER FUND
STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED DECEMBER 31, 2010, with comparatives for 2009

	<u>2010 Budget</u>	<u>2010</u>	<u>2009</u>
Revenue			
Development levies utilized	\$ 1,539,079	\$ 411,812	\$ 88,986
Fees, rates and sales of service	12,920,251	8,648,483	8,211,808
Grants	4,292,000	2,105,921	-
Investment income	394,164	660,781	604,188
Private contributions	-	563,860	307,134
Transfers from other funds	150,776	2,495	216,936
	<u>19,296,270</u>	<u>12,393,352</u>	<u>9,429,052</u>
Expenditures			
Sewer utility	4,856,161	6,270,729	6,285,688
Debt servicing costs	525,938	448,350	521,995
Loss on disposal of capital assets	-	-	7,034
Transfers to other funds	-	142,576	103,855
	<u>5,382,099</u>	<u>6,861,655</u>	<u>6,918,572</u>
Increase in accumulated surplus	<u>\$ 13,914,171</u>	<u>\$ 5,531,697</u>	<u>\$ 2,510,480</u>

**CEMETERY CARE TRUST FUND
STATEMENT OF FINANCIAL POSITION
YEAR ENDED DECEMBER 31, 2010, with comparatives for 2009**

	<u>2010</u>	<u>2009</u>
Financial Assets		
Cash and short-term investments	\$ 1,449,467	\$ 1,367,868
Accounts receivable	11,175	12,716
	<u>1,460,642</u>	<u>1,380,584</u>
Accumulated surplus		
Balance, beginning of the year	<u>1,380,584</u>	<u>1,312,182</u>
Add:		
Transfer from General Revenue Fund	80,058	68,402
Interest earned	67,469	69,383
	<u>147,527</u>	<u>137,785</u>
Less:		
Transfer to General Revenue Fund	<u>(67,469)</u>	<u>(69,383)</u>
Balance, end of the year	<u>1,460,642</u>	<u>1,380,584</u>
	<u>\$ -</u>	<u>\$ -</u>

**STATUTORY RESERVE FUNDS
STATEMENT OF FINANCIAL POSITION
YEAR ENDED DECEMBER 31, 2010, with comparatives for 2009**

	<u>2010</u>	<u>2009</u>
Financial Assets		
Cash and short-term investments	\$ 40,562,347	\$ 35,328,459
	<u>40,562,347</u>	<u>35,328,459</u>
Liabilities		
Deferred revenue	13,891,513	12,578,227
	<u>13,891,513</u>	<u>12,578,227</u>
Accumulated surplus	<u>\$ 26,670,834</u>	<u>\$ 22,750,232</u>

**STATUTORY RESERVE FUNDS
STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED DECEMBER 31, 2010, with comparatives for 2009**

	<u>2010 Budget</u>	<u>2010</u>	<u>2009</u>
Revenue			
Transfer to:			
Tax sale property	\$ 135,000	\$ 579,936	\$ 418,931
Local improvement	13,930	154,765	102,442
Debt retirement	400	379	379
Parking facility	171,226	208,336	197,217
Land sale	51,000	2,458,959	3,125,391
Equipment replacement	4,642,308	4,861,089	4,607,158
Cemetery trust	88,100	80,058	68,402
	<u>5,101,964</u>	<u>8,343,522</u>	<u>8,519,920</u>
Expenditures			
Transfer from:			
Tax sale property	2,103,796	454,518	510,322
Local improvement	208,797	-	92,202
Parking facility	89,834	60,240	19,843
Land sale	860,543	766,265	2,263,234
Equipment replacement	6,503,459	3,061,839	3,683,927
	<u>9,766,429</u>	<u>4,342,862</u>	<u>6,569,528</u>
Increase in accumulated surplus	<u>\$ (4,664,465)</u>	<u>\$ 4,000,660</u>	<u>\$ 1,950,392</u>

**KAMLOOPS AIRPORT AUTHORITY SOCIETY
STATEMENT OF FINANCIAL POSITION
YEAR ENDED DECEMBER 31, 2010, with comparatives for 2009**

	<u>2010</u>	<u>2009</u>
Financial assets		
Cash and short-term investments	\$ 2,538,882	\$ 4,479,658
Accounts receivable	1,073,084	6,950,674
	<u>3,611,966</u>	<u>11,430,332</u>
Liabilities		
Accounts payable	112,538	1,922,199
Long-term debt	9,700,000	17,000,000
	<u>9,812,538</u>	<u>18,922,199</u>
Net financial liabilities	<u>(6,200,572)</u>	<u>(7,491,867)</u>
Non-financial assets		
Tangible capital assets	57,696,997	59,084,525
	<u>57,696,997</u>	<u>59,084,525</u>
Accumulated surplus	\$ <u>51,496,425</u>	\$ <u>51,592,658</u>

KAMLOOPS AIRPORT AUTHORITY SOCIETY
STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED DECEMBER 31, 2010, with comparatives for 2009

	<u>2010 Budget</u>	<u>2010</u>	<u>2009</u>
Revenue			
Fees, rates and sales of service	\$ -	\$ 1,706,291	2,153,068
Grants	-	111,731	4,106,465
Investment income	-	28,280	10,638
	<u>-</u>	<u>1,846,302</u>	<u>6,270,171</u>
Expenditures			
Kamloops Airport Authority Society	-	1,671,204	1,501,513
Debt servicing costs	-	218,331	179,037
Transfers to other funds	-	53,000	53,000
	<u>-</u>	<u>1,942,535</u>	<u>1,733,550</u>
Increase (decrease) in accumulated surplus	\$ -	\$ <u>(96,233)</u>	\$ <u>4,536,621</u>

**VENTURE KAMLOOPS BUSINESS DEVELOPMENT SOCIETY
STATEMENT OF FINANCIAL POSITION
YEAR ENDED DECEMBER 31, 2010, with comparatives for 2009**

	<u>2010</u>	<u>2009</u>
Financial assets		
Cash and short-term investments	\$ 267,934	\$ 145,825
Accounts receivable	5,720	15,135
	<u>273,654</u>	<u>160,960</u>
Liabilities		
Accounts payable	68,696	45,620
	<u>68,696</u>	<u>45,620</u>
Net financial assets	<u>204,958</u>	<u>115,340</u>
Non-financial assets		
Prepaid expenses	3,996	4,071
Tangible capital assets	13,022	15,700
	<u>17,018</u>	<u>19,771</u>
Accumulated surplus	<u>\$ 221,976</u>	<u>\$ 135,111</u>

VENTURE KAMLOOPS BUSINESS DEVELOPMENT SOCIETY
STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED DECEMBER 31, 2010, with comparatives for 2009

	<u>2010 Budget</u>	<u>2010</u>	<u>2009</u>
Revenue			
Fees, rates and sales of service	\$ -	\$ 20,781	99,523
Grants	-	9,566	1,529
Investment income	-	951	1,109
Transfers from other funds		548,000	482,000
	<u>-</u>	<u>579,298</u>	<u>584,161</u>
Expenditures			
Venture Kamloops Business Development Society	-	492,433	583,077
	<u>-</u>	<u>492,433</u>	<u>583,077</u>
Increase (decrease) in accumulated surplus	\$ -	\$ 86,865	\$ 1,084