



City of Kamloops, British Columbia, Canada

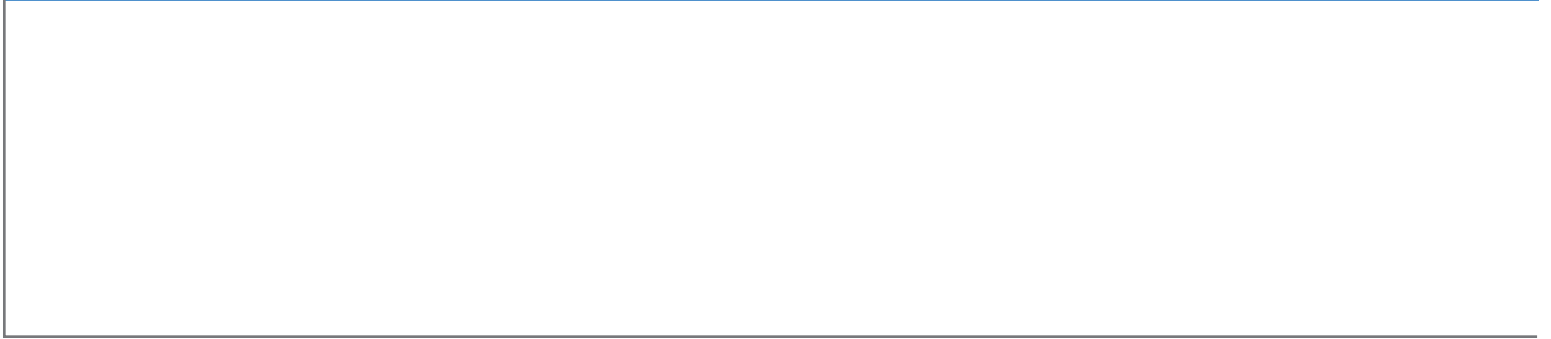
Annual Report 2012

For the year ended December 31, 2012



Canada's Tournament Capital







Canada's Tournament Capital

City of Kamloops,
British Columbia, Canada

Annual Report 2012

For the year ended December 31, 2012

Prepared by: City of Kamloops
Business and Client Services Division
Department of Finance

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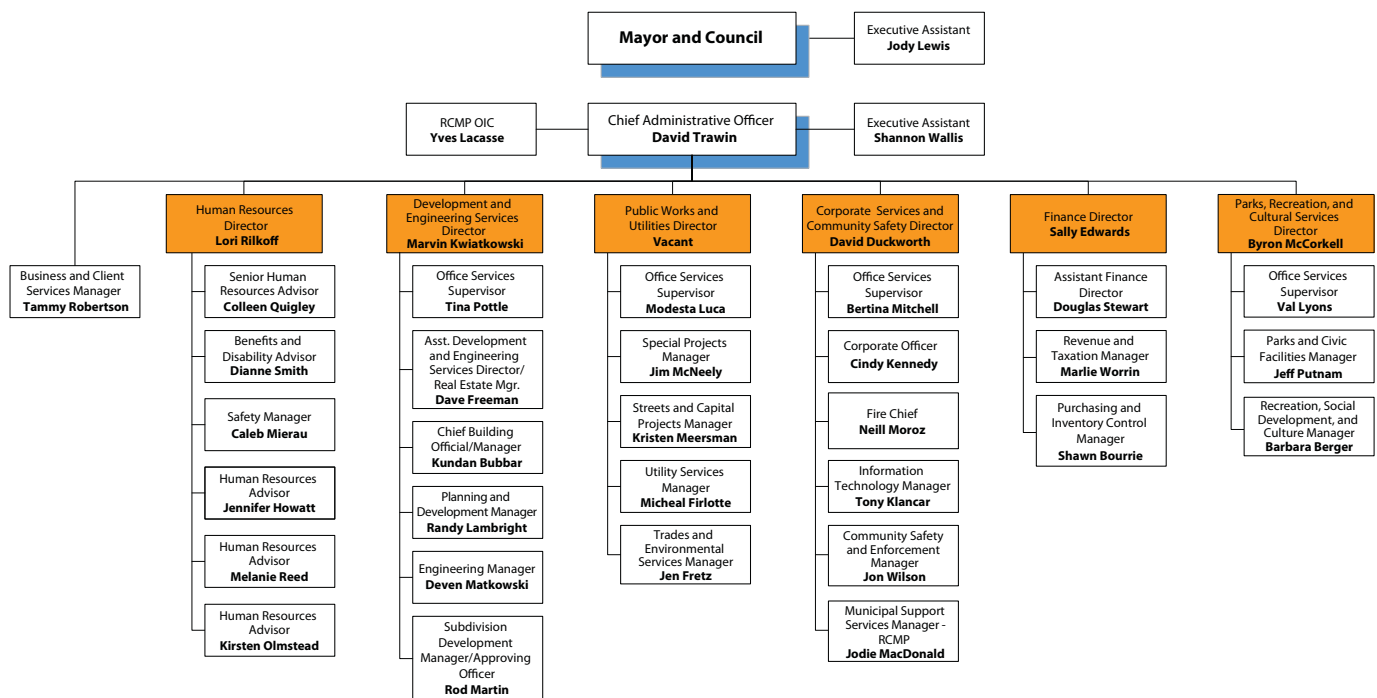
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City of Kamloops Management

Organizational Chart 2012



City Administration and Departments

City Administration

- Chief Administrative Officer
- Business and Client Services
- Corporate Services and Community Safety
- Development and Engineering Services
- Finance
- Human Resources
- Parks, Recreation, and Cultural Services
- Public Works and Utilities

City Council

Peter Milobar — Message from the Mayor



**MAYOR
PETER MILOBAR**

Coordinated
Enforcement
Task Force

Kamloops Airport
Authority
Society (Chair)

Police Committee
(Chair)

Service Agreement
Negotiating Committee

Thompson-Nicola
Regional District

Tournament Capital
Committee

2012 was a year of celebration for many reasons. It marked milestones and accomplishments that focused on our City's resilience, growth and cohesiveness.

Most notably, we recognized the 200-year shared history between Kamloops and the Tk'emlups te Secwepemc. The strong relationship between our communities has helped make the city a culturally and economically vibrant place to live and do business.

The year 2012 highlighted our strong and growing community with accolades and positive

rankings by the business community, governmental organizations and our own residents. Kamloops was rated the top community in BC for business competitiveness and one of the top three in Western Canada for business by two independent business groups. This recognition provides confidence we're making progress on building an economically vibrant community. It's especially validating to be recognized by others for our work in making Kamloops an attractive city for work and play.

And while the City has been rated highly by business organizations, we realize other positive indicators further demonstrate our community's progress. Construction values exceeded the \$200-million mark in 2012 – a significant milestone achieved only four times, previously, the last being in 2008. Air travel also rose in 2012 after a small dip in 2011. Hotel numbers further supported the strong year with an increase of 7% in revenues indicating an increase in visitors to Kamloops.

Our 2012 Citizen Satisfaction Survey showed positive energy and improvement as noted by residents. Nearly 100% of citizens felt Kamloops has a good quality of life, many stating that it had improved over the past three years. It was important to learn that residents felt the top reasons for the improvement were due to economic growth and development. This opinion was another sign we have done well in attracting and growing our community.

The City has worked hard to build our community in a responsible and thoughtful way. Initiatives such as the Airshed Management Plan, enhanced energy efficiencies and new environmentally-friendly practices have been part of City Council's goal to reduce environmental impacts. New infrastructure has also been built with the intent to make Kamloops a highly desirable and safe city. Beautification on Lorne Street, new pathways and increased fire service in Aberdeen are some of the projects that we were proud to complete in 2012.

As the year came to a close, the City was recognized for its improvements in governance. A rework of the City of Kamloops Annual Report, which included increased and improved financial reporting, resulted in the Government Finance Officers Association's award for Financial Reporting. This award acknowledged the City's efforts to better inform citizens of its finances and statistical reports. While we are proud of this accomplishment, we see it as part of our bigger goal to improve public engagement with our residents. In 2012, we increased our engagement opportunities significantly starting with the budget process through to input on several planning documents including the Airshed Management Plan, Agriculture Area Plan and Parks Master Plan. We appreciate the public's growing involvement in City planning and will continue to look for opportunities to seek input on direction and projects.

It is the commitment and involvement of residents, businesses and institutions that are the catalysts of Kamloops' success. Those who volunteer in the community, those who create job opportunities, and those who provide vital services such as education and health care have contributed to Kamloops being recognized as a city of opportunity. With this strong community foundation and a solid economic outlook, I look forward to the future of this great city.

PETER MILOBAR,
Mayor of Kamloops

City Council



**COUNCILLOR
NANCY BEPPLE**

Audit Committee
Community & Council
Services Committee (Chair)
Service Agreement
Negotiating Committee
Thompson-Nicola
Regional District



**COUNCILLOR
DONOVAN COVERS**

Audit Committee
Community & Council
Services Committee
Heritage Commission
Social Planning Council



**COUNCILLOR
KEN CHRISTIAN**

Coordinated Enforcement
Task Force
Kamloops Airport
Authority Society
Service Agreement
Negotiating Committee
Tournament Capital Committee



**COUNCILLOR
NELLY DEVER**

Agricultural Advisory
Committee
Parcel Tax Roll Review Panel
Police Committee
Venture Kamloops Board



**COUNCILLOR
TINA LANGE**

Airshed Advisory Committee
Kamloops Chamber of
Commerce Liaison
Thompson-Nicola
Regional District
Venture Kamloops Board



**COUNCILLOR
ARJUN SINGH**

Arts Commission
Community & Council
Services Committee
Tournament Capital Committee



**COUNCILLOR
MARG SPINA**

Airshed Advisory Committee
Audit Committee (Chair)
Parcel Tax Roll Review
Panel (Chair)
Thompson-Nicola
Regional District



**COUNCILLOR
PAT WALLACE**

Kamloops Airport
Authority Society
Police Committee
Thompson-Nicola
Regional District
Tournament Capital
Committee (Chair)

Council Strategic Goals and Objectives

A Framework Guided by Public and Stakeholder Consultation

Economy

Diversify, strengthen, and fortify our economy through creative and innovative partnerships.

- Continue to support and collaborate with Venture Kamloops and Tourism Kamloops for the retention of existing businesses as well as the development of new industries that focus on high tech, manufacturing, and transportation sectors.
- Continue the Tournament Capital Project Marketing Strategy.
- Expand industrial land availability.
- Improve the attraction of the downtown core for business (parkade, high density residential, increased transit).
- Improve Tranquille business corridor attractiveness.

Livability

Ensure Kamloops maintains a high quality of life while meeting the challenge of a growing community.

- Support the expansion and improvement of Royal Inland Hospital and Interior Health Authority Services.
- Build neighbourhood capacity through social planning, encouraging new neighbourhood associations, and revitalizing old neighbourhoods.
- Enhance sense of safety/security in all areas of the City, especially in the downtown core and North Shore.
- Continue to enhance city-wide beautification efforts with a specific focus on gateways and edible landscaping.
- Develop and implement the Cultural Strategic Plan Phase II.
- Develop socially and financially sustainable transit service to reach goals in the Transit Plan.





City of Kamloops Council 2012

Environment

Implement strategies that reduce our impact on the environment.

- Continue to implement the Kamloops Sustainability Plan.
- Continue to densify and infill core commercial and residential zones.
- Increase landfill diversion to 40% by 2015.

Governance

Be recognized for excellence in public service in local government.

- Maintain and enhance relations and service agreements with government/ governing bodies, specifically with Tk'emlúps Indian Band, Thompson Rivers University, and the Interior Health Authority.
- Be recognized for great public engagement.
- Conduct a thorough review of City costs and fiscal accountability and the balance of user fees and taxes.

Infrastructure

Invest in the long-term financial stability of our assets and improve the overall infrastructure standards of the City.

- Improve parking management in the downtown core.
- Ensure that the cost of infrastructure is shared appropriately between private and public sector.
- Construct Wastewater Treatment Plant.
- Support Utilization of Asset Management Plan in Corporate and Council Decision Making.

Accomplishments



International and domestic praise show Kamloops as place to do business

34%

Percentage of businesses in Kamloops that are **home-based.**

International ranking puts Kamloops on top for business and lifestyle

A combination of economic opportunity and ideal lifestyle made Kamloops a clear choice for earning “top British Columbia community for overall business competitiveness” by KPMG in its annual Competitive Alternatives study. The 2012 analysis compared 110 cities from 14 countries and considered factors such as cost of labor, taxes, real estate and utilities, as well as opportunities including availability of education, skilled labor, infrastructure and cost of living. Other BC cities in the ranking included Prince George, Vancouver and Victoria. The award arrived on the heels of another earned in 2011 when Kamloops was named by the Real Estate Investment Network as BC’s top community for investment in the Interior.

Award points to City’s high tech capabilities

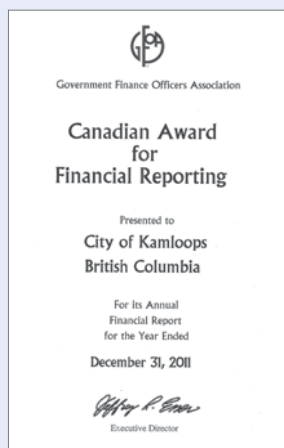
Affordability, land availability and supporting municipal infrastructure are all reasons Kamloops has attracted large business development opportunities in the past several years. Those realities have been recognized in Western Canada by Venture Alberta Magazine, which named Kamloops the best place for business in B.C in 2012, and among the top three cities in the Western provinces. The kudos came after magazine staff reviewed 85 applications from cities within Saskatchewan, Alberta and BC. Kamloops’ growing reputation as an information technology and communication hub, as well as the number of new businesses, helped earn the top spot. Kamloops issued 621 new business licenses in 2012. It also increased its building-permit values for 2012 to exceed the \$200-million mark, up from 2011’s value of \$157.6 million.

200 year history celebrated in 2012

A special commemoration between Kamloops and Tk'emlúps te Secwépemc of living side-by-side over the past two centuries was celebrated in 2012 through the theme "2 Rivers, 2 Peoples, 200 Years." Several collaborative initiatives and events were planned throughout the bicentennial year to reflect on a shared history and recognition of the two communities. Some of these included a bicentennial spring break camp at the Kamloops Museum and



Archives, a monthly lecture series and publishing of articles, heritage walking tours and a special "Celebration 200" performance by the Kamloops Symphony Orchestra. A highlight for the year was August 25 when representatives from the City and the Tk'emlúps te Secwépemc, donned in traditional clothing, took part in a historical reenactment and rendezvous by canoe at the meeting of the North and South Thompson Rivers. Other activities for that day included a pancake breakfast, walking tours, and live music at Riverside Park.



City recognized for financial reporting

The Government Finance Officers Association of the U.S. and Canada awarded a Canadian Award for Financial Reporting to the City of Kamloops for its annual financial report for the fiscal year ended December 31, 2011. The Canadian Award for Financial Reporting program was established to encourage municipal governments to publish high quality financial reports that are easily readable and efficiently organized.



KFR/New Gold FireFit Team defends title

In an international challenge that showcases the intense physical rigors of a fire-fighting career, Kamloops once again came out on top. The Kamloops Fire Rescue New/Gold FireFit Team successfully defended their World Championship title against competitors and fire departments from all over the world at the annual FireFit/Combat Challenge hosted in Myrtle Beach, South Carolina. Donned in full protective clothing and gear, including a self-contained breathing apparatus, fire fighters competed head-to-head as they

simulated a series of tasks including a five-storey tower climb carrying 45-pound high rise packs, forcible entry by moving a 160-pound weight with a sledge hammer, dragging fully charged hoses 100 feet and rescuing a life-sized 'victim'. The local team has also held the Canadian Firefit title for four consecutive years, earning the City awareness, recognition and respect from other fire departments near and far.

Economy

B.C. Lions Training Camp a win-win

"Mutually beneficial" is an apt term to describe the host-guest relationship between the City of Kamloops and the BC Lions, who have utilized Hillside Stadium, the Tournament Capital Centre, Thompson Rivers University and other local facilities for their Training Camp over the past three years. The CFL team's presence in Kamloops during its training season has created opportunities to promote the sport more heavily to community players, the university and, of course, the fans. As the official Training Camp Host City, Kamloops has also benefited from media exposure, promotional video and print exposure at Lions Home games and increased awareness of Tournament Capital facilities by other athletes and coaches. For the BC Lions, Kamloops has provided an easy-to-get to location, outstanding sport and accommodation facilities and easy access to amenities. The team committed to training in the City for an additional year in 2013, creating further momentum to support and get involved with football locally. A plan by the City to host the team for spring training, permanently, is also in the works.

Did you know

\$300,000

amount spent annually by the

BC Lions

football team during its spring training camps in Kamloops over the past 3 seasons.

Tournament Capital Programs bring dollars to City

Legacy Performance Games to make debut

A first for Kamloops and for hundreds of amateur athletes in British Columbia - the inaugural Legacy Performance Games was approved by City Council in 2012 based on the success of hosting the previous year's Western Canada Summer Games. The Legacy Games, which will go June 27-30, 2013, were created to enhance Provincial Sport Organizations' abilities to provide high level competition to amateur athletes. About 600 athletes will compete in seven sport categories including cycling, canoe and kayak, synchronized swimming, wrestling, beach volleyball, wheelchair tennis and wheelchair rugby with other sports expected to be added in future years. The Games are to be hosted every two years in Kamloops and plans are in the works during alternating years to host a Legacy Masters Games.

Kamloops wins host spot for NACAC Under-23 Track and Field Championships

Sometimes opportunities present themselves in unforeseen ways. Such was the case with the City's impressive bid to host the 2015 Pan Am Junior Track and Field Championships. While Kamloops lost out in a tight competition with the City of Edmonton, the Athletics Canada selection committee recognized the strength of this community's hosting capabilities and, instead, proposed Kamloops host the 2014 Under 23 North America, Central America and Caribbean (NACAC U23) Championships. In good sportsmanship style, the City said, "yes." It's estimated about 500 athletes, coaches and team staff will attend the summer event, which would be a stepping stone for many athletes to the 2016 Olympics in Brazil. The NACAC event, governed by the IAAF (International Association of Athletics Federations), includes more than 30 countries and allows up to two athletes per event, per country, to compete.



Construction values exceed \$200 million mark

For the fourth time in the City's history, Kamloops exceeded the \$200 million mark in terms of building permit issuance in 2012 with help from projects such as the new \$30 million Telus Data Centre. That number is well above 2011's total of \$162.5 million. The last time the City exceeded the \$200 million mark was in 2008 when permits totaled \$208.6 million for the year – the highest value on record for the municipality. The total value for residential projects in 2012 was \$78 million, while commercial values were \$114 million. Other projects requiring building permits came to just over \$10 million. Of the overarching "commercial" building category, City numbers further break-down to specific commercial at \$54 million, institutional construction at \$28 million, and industrial at almost \$32 million.

Tourism numbers strong

Kamloops strong reputation as a family-friendly and pet-friendly, destination area for sport-tourism, leisure and other outdoor pursuits helped bolster hotel tax revenues and occupancy rates in 2012. Hotel-tax revenues exceeded forecasts for the year by seven percent (from January to September) over forecasts originally set for the same time period. That increase put the City two percent higher than the provincial average in terms of market share. Promotional support for the Kamloops region from tour operators such as the Rocky Mountaineer has also benefited people's awareness and decisions to visit the community.

275,424
travellers came through the
Kamloops Airport,
up almost 5%
from a year prior.

Airport sees increase in travelers for business and leisure

Kamloops Airport was a busy place in 2012 with an estimated 60% of travelers coming and going from leisure destinations, while about 40% was associated with business travel. An increase in travel by almost 5% is attributed to lower fares by airlines as well as increased departures to cities including Vancouver, Calgary and Prince George. Kamloops residents who travelled to other destinations for work made up a large part of that 5% increase. Airport capital investments in 2012 totaling \$855,000 have also helped to improve services. They include a new fire truck, plow truck, chemical spreader and increased lighting on the aircraft side of the main terminal. Additional conveniences and items of interest for visitors to the airport include free WiFi, First Nations themed artwork, and food offerings at the new BG Urban Café. Future expansion plans are targeting additional flights to and from Edmonton as well as attracting additional carriers to travel to warm weather destinations during the winter months. Kamloops Airport is responsible for more than \$440 million in GDP contribution to the region.

Property values remain stable

No significant increases or decreases in property values were felt in Kamloops through 2012, an indication of market place stability described as a good situation for both buyers and sellers by the City's assessment division. Some neighbourhoods saw property values rise or fall slightly depending on the location. Most areas saw less than 1% fluctuation, with the exception of Barnhartvale, which saw an increase in value of 6.15%, believed to be due by demand for larger lot sizes. Meanwhile, property sales were up 2% compared to the year prior, according to the Kamloops Real Estate Association, a small increase that also supports market stability. The median price of a house sold in Kamloops in December 2012 was \$359,500 up from \$353,000 for the same month in 2011. Projections suggest the stability trend will continue through 2013.

Environment



New City cleaning process saves money, kinder to the earth

A City-wide effort to use sustainable, responsible cleaning practices throughout municipal facilities and property has had sparkling results. It's due to a new cleaning technology commitment – identified and researched by the Environmental Services Division – which uses a chemical-free process to clean and sanitize surfaces. The switch has replaced the need for about 6,000 litres of chemical-based cleaning products traditionally used by the City, annually. The new system takes ordinary tap water and infuses it with ozone through an electrical process to create liquefied ozone, eliminating the need for traditional cleaners such as chlorine bleach, window cleaning sprays and deodorizers. The process reverts to water and oxygen after cleaning and is 100% chemical-free. The technology has replaced up to 70% of the current chemical products used by the City to clean everything from vehicles, windows and mirrors to counters, floors, appliances, and restrooms.

25

Number of **pounds of compostable food waste** the staff in the Public Works Centre's main building **divert from the landfill, monthly**, by using a composter and food digester as part of a waste reduction pilot program.

Airshed Management Plan aims to meet and exceed standards

Input from residents, community groups and organizations helped to shape the direction of a new Airshed Management Plan for Kamloops that supports the City's role in managing regional air quality. Public outreach and consultation played a large part in the development of the plan and included opportunities for people to attend staff presentations, an interactive workshop

and open house where a series of strategies and actions were presented included those generated from the public. Residents had the opportunity to learn about the biggest sources of emissions and which government agencies hold responsibility for air quality management. During this outreach period, individuals who could not attend in person were invited to comment,

ask questions and provide ideas on the plan via the City's website. The plan was developed through 2011/2012 with input and expertise from the City, BC Ministry of Environment and Interior Health Authority. It was adopted by City Council in early 2013 and aims to meet and, where possible, exceed national air quality standards.

Goats help devour weed problem

Through the years a variety of municipal horticulture practices, City-hosted programs and education sessions to Kamloops residents have all played important parts in increasing awareness of, and reducing the spread of noxious weeds. As an additional line of defense, the City most recently invested in a new form of weed control bringing in a large herd of goats to attack the problem gastro-intestinally. About 450 goats were brought in to Kenna Cartwright Park during the summer through



a company that specializes in grazing goats for weed control – and were put to work on devouring noxious weeds, specifically toadflax, in areas difficult to manage by hand-pulling, mowing or other methods of weed removal due to the topography.

Two mountain goat herders and a team of herding dogs also helped manage the weed control mission. Based on the success of the program, the City is considering expanding on this method to other areas in the future.

Energy, cost savings found in lighting upgrade

Better visibility, increased energy efficiency and significant cost savings are all benefits from lighting upgrades undertaken at three City owned facilities in 2012. The \$61,000 investment, including supporting rebates and incentives from BC Hydro totally about \$25,000, is projected to save the municipality almost \$16,000, annually. Specific lighting upgrades were made at Parkside Lounge and through the concourse and lobby at the Interior Savings Centre, while lighting fixtures were upgraded throughout the Kamloops Gymnastic and Trampoline Centre at the TCC as well as the Public Works mechanics shop. Electricity costs at public facilities have proven to be an increasing expense and opportunities to integrate energy and cost savings through efficient lighting will continue to help keep user costs down. Many of the upgrades also increase the life of the product, which reduces the maintenance required as well as the amount of material diverted to our landfills.

Did you know

3.6 million

Number of rides on Kamloops Transit in 2012.

Residents weigh in on agriculture issues

Local food self-sufficiency and sustainable agriculture practices have proven to be important issues for the public based on significant input and feedback in the development of the City's Agriculture Area Plan. Several public consultation and stakeholder-driven activities were undertaken by the City to help gauge interest in local agriculture, food buying, and consumption habits. One of those was a community survey, which was completed by more than 400 individuals. Results suggest food producers and residents

support a year-round farmers' market facility, more education and marketing on local food production, stronger focus on flexible local farming bylaws and more flexibility on how land is used within the Agriculture Land Reserve, among other issues. Once complete, the plan will outline local agriculture policies and programs within the City's mandate as well as agricultural partnerships with more senior levels of government. The plan is expected to be brought to council for adoption sometime in 2013.

Livability

Success of marathon paves way for bigger event

Kamloops success in hosting healthy living and sport events earned further recognition in July when the City partnered with Thompson Rivers University to host the first marathon in the community since the early 1990s. More than 400 participants took to the route July 28-29, in 5km, 10 km, 21km and full marathon categories. The format saw runners do the two shorter distances on the first day and longer distances the following day. Community-wide involvement in event promotion, including the City's commitment as presenting sponsor, helped to earn participation numbers. Organizers hope to continue to grow the Kamloops Marathon into the thousands for future years, joining other successful community-wide run/walk events such as the Kamloops Daily News Boogie. Funds raised from the 2012 marathon helped to support the TRU Athletics Cross Country Running Team.

Edible garden very tasteful

Edible gardens big and small can serve to enhance local food security and promote healthier communities. In support of that the City recruited some of its own in-house horticulture experts to design and build an edible "demonstration" garden located at the front entrance of City Hall. A variety of root vegetables, leafy greens, herbs and berries such as Swiss chard, chives, pumpkins, beets and strawberries, were planted during the spring and were tended by City staff throughout the summer. In September, a harvesting ceremony was hosted by the Mayor and Council with more than 400 pounds of produce donated to the Kamloops Food Bank, Interior Community Services Community Kitchens program and other non-profit organizations.

Community centre supports healthy neighbourhoods

A former elementary school on the North Shore is being transformed into a new community centre for the North Shore focused on the promotion of health and wellness of children, youth and families in North Kamloops and beyond. The former John Tod Elementary School, which was closed in the summer of 2010, will be a space for the Boys and Girls Club of Kamloops and the Kamloops YMCA/YWCA to offer rich and dynamic programming to the whole community. The centre will be renovated starting in 2013 and will assist in strengthening the community's identity and support the revitalization of the neighbourhood. The City has committed \$1 million to project with additional funding through the federal government by way of a \$250,000 community infrastructure grant and a \$50,000 accessibility grant. The centre will also be supported by in-kind donations from the Boys and Girls Club and the YMCA/YWCA. The community centre is slated to open September 2014.

Kamloops chosen as pilot community in national initiative to end youth homelessness

A pilot project to end youth homelessness - developed and managed through a multi-partnership between the City, local and national organizations - is poised to become a model for other cities across Canada to follow. Kamloops is one of two communities – the other is Kingston, ON – selected for the “Mobilizing Local Capacity to End Youth Homelessness Program.” In choosing the City, assessors noted strength in community collaboration such as the Kamloops Working Group on Homelessness (KWGH) and the Homelessness Action Plan (HAP) that are already involved in finding solutions to this important issue. In addition to the local organizations involved, the project has support and access to resources from Toronto-based non-profit Eva’s Initiatives, the Canadian Housing and Renewal Association, the National Learning Community on Youth Homelessness, and the Catherine Donnelly Foundation. The program runs through 2013 and will utilize research and consultation in the development of a strategic action plan to end youth homelessness in our community.



Volunteerism an asset worth celebrating

Every year, thousands of individuals from the community volunteer their time to support various events throughout the City and 2012 was no exception. To show support for this enormous network of giving, the City hosted a volunteer appreciation barbecue in April drawing about 525 people who came to celebrate outside the Interior Savings Centre. Local dignitaries were also on hand to show appreciation for the hours volunteers put in to support Kamloops organizations and events.

42

percentage increase of
Kamloops Museum
visitors since 2009.



Demonstration and Community Garden an asset to McDonald Park

A commitment by community organizations and the City to promote gardening as an accessible activity for all citizens has gained significant momentum in recent years. A recent success has been the creation of the McDonald Park Edible Demonstration and Community Garden, which officially opened in June of 2012. The structure of the green space is two-fold. In

the middle of the garden there are edible flowers, herbs, and produce beds, tended and cared for by the Kamloops Food Policy Council volunteers. The produce that grows there is for anyone to sample and harvest for free. Surrounding the Edible Demonstration Garden is the Community Garden plots managed by Interior Community Services, which provides

access for residents to grow their own food for a minimal cost. The space is also used for gardening workshops and education sessions. The project, which received an additional \$5,000 grant and \$5,000 in product from the Scott’s Miracle Gro 1000 Initiative, demonstrates a strong community partnership that supports food security and has contributed to the McDonald Park area.

Governance



Residents happy with quality of life

Residents believe quality of life in Kamloops has improved over the past three years due to some key improvements such as increased economic growth, business and residential development, better shopping choices, improved infrastructure and more services. The City of Kamloops' 2012 Citizen Satisfaction Survey also found people's crime and safety concerns have gone down since 2009, with 40% of respondents feeling safer. Meanwhile, 84% said they receive good value for their tax dollars, which is 5% above the

average province-wide. When it comes to the level and quality of services provided by the City, a large majority (90%) feel satisfied overall. Top of mind issues identified through the survey were Ajax Mine/mining and transportation issues such as downtown parking and road conditions, with taxation and municipal spending also landing high on residents list of concerns. Results suggest people prefer user fees over tax increases.

Emergency Operations Centre successfully guides flood response

As an ongoing practice, the City plans for and prepares its response and leadership roles in the event of an emergency. During June 2012, learnings from those scenarios were put in to action as the City's Emergency Operations Centre (EOC) was activated to manage flood threats along the North and South Thompson Rivers. During that time the EOC team monitored water levels, closed boat launches, provided warnings to the public and watercraft users and maintained regular communication with the BC River Forecast Centre and Environment Canada. As water levels rose, the Centre escalated its operations and installed gabion baskets in specific areas along both river banks and closed and/or cordoned off City Parks, recreation and public areas that could hinder public safety during the flooding. Following the rivers' peaks, the EOC moved into a recovery phase with the removal of barricades, fencing and gabion baskets and sandbag pick up for residents whose properties were affected by high water levels.

Dufferin Park open house attracts ideas

About 50 residents and representatives from the community attended a City-hosted open house to review and weigh in on plans for a future park in Dufferin, and in close proximity to Pineview Valley, two areas that have experienced significant residential development in the past five to ten years. Ideas ranged from adding a water park and BMX park to leaving the existing land alone. Development plans will begin in 2013.

Commitment to improved public engagement attracts residents

Round-table format for budget meetings draws crowd

A series of public meetings on the City's budget, which included opportunities for group discussions and one-on-one interactions with City councillors, proved a great success in 2012 with 217 people in attendance. Residents were invited to a series of three meetings in February and March to gauge citizens' interests, concerns and priorities related to municipal spending. The new format for public dialogue included budget discussions on parks, recreation and culture, public works and sustainability, development and engineering services and corporate and community affairs. The city moved to the new format and round-table discussions to encourage greater participation by residents. As a result of enhanced budget and reporting efforts, the City was recognized for financial reporting by the Government Finance Officers Association in Canada and the U.S.



Parks plan maps green-space development over next decade

Residents had the opportunity to review and discuss the City's framework for future parkland and outdoor recreation development as well as management of existing green space at a Parks Master Plan open house in January. The event provided the public opportunity to review results of the plan that examined park design, development of trail systems and waterfront, sport facilities, play and exercise areas, amenities and agriculture activities, among other issues. The open house was just one part of an extensive outreach program with the public through 2011 and 2012. The Parks Master Plan will be taken back to Council for adoption in the second quarter of 2013.

New Aberdeen Park a benefit to neighbourhood

Public input and support for a new park in Aberdeen was a key driver in a City decision to turn part of the former Aberdeen Golf Links into an impressive green space. A 36-acre parcel of property was purchased by the City in 2009 for \$2.3 million after the former owners stopped operating the course, and learned of the neighbourhood's desire to develop park land. In May of 2012, the City hosted an open house that drew about 75 residents. The event included conceptual plans for the \$2.5 million redevelopment, which would see a new community centre, playfields, expanded parking, community gardens, a pathway and preservation of the existing pond. Development begins in 2013.



myKamloops now available



App makes it easy to report civic issues

A new civic reporting tool that takes advantage of popular mobile technology has made it easier for Kamloops residents to share issues and problems with the City in an immediate and multi-faceted fashion. Whether through a photo image, video, or voice recording, citizens can report civic issues via the free myKamloops app, which is compatible with all popular

kinds of smart phones. The App, launched in early 2012, was not developed to replace other forms of reporting such as by phone and email, but has provided people opportunities to act quickly and conveniently to report problems or issues such as graffiti, potholes, fallen trees, and damaged signs to name a few. Once an issue is reported through the app, it

is routed to the appropriate City department for review. The app can be downloaded from various app stores based on the type of mobile device by searching for 'myKamloops'. For residents without a Smartphone, the app is also available through the City's Facebook page (link to page) or for more information refer to www.kamloops.ca/mobileapp.

Infrastructure



Lorne Street update has urban appeal

Accessibility, safety and street appeal have all been achieved with the completion of the Lorne Street beautification project in a high traffic, pedestrian-oriented area of downtown. Upgrades within the \$4.4 million project have included construction of an underground utility wire network, updating water and sewer infrastructure, replacing sidewalks, adding a round-about, accent fencing and landscaping at Lorne Street and 3rd Avenue. Phase one and two were completed in the fall of 2012 while phase 3, which extends the project to First Avenue, will be complete in the fall of 2013. During the project, the City has worked to create minimal disruptions to pedestrians and vehicle traffic accessing Lorne Street, the Interior Savings Centre and Riverside Park. Funding for the upgrade came from multiple sources including City water and sewer funds, development cost charges, taxes, gaming money, and \$250,000 in provincial funding through a community recreation program.

Did you
know

Kamloops' use of water increases from 800L/person/day in the winter to 1800L/person/day in the summer? That's a daily average of 1000L of water per person – mostly for irrigating lawns!

Sewage Centre upgrades support improved river water quality

Increased energy efficiencies and controls to protect the environment are two major benefits from an infrastructure upgrade to the Kamloops Sewage Treatment Centre. The main plant upgrade, which began in 2012 to include a new administration and control building, improves the quality of treated effluent. Specifically, the new infrastructure almost doubles the City's capacity to treat wastewater increasing the volume it can treat daily from 37,000 m³ to 60,000 m³. Other improvements within the project address

odour, reduce chemical use, reduce greenhouse gas, address disinfection and provide sludge controls. During the construction and testing phases, the City's existing treatment plant has stayed operational. The \$43.4 million project was supported financially through the federal Building Canada Fund, the Federation of Canadian Municipalities' Green Municipal Fund, BC Hydro and the City, and is expected to be put into operations in the spring of 2014.

Aberdeen Fire Station new facility

Kamloops newest fire station in Aberdeen has a valuable multi-purpose – it's a fully-equipped facility staffed with first-responders, a back-up dispatch centre to the main City Fire Station on Summit Drive, and it serves as a training facility for Kamloops entire fire service. The Aberdeen station, which was completed in fall of 2012 has provided the City improved fire



safety through decreased response times and first responder support. The station has a full-time staff of four providing capacity to handle about 400 calls as first-responders, annually, and another 200 as back up. It also serves as a year-round training centre, which includes a training tower for practicing rope rescues, high- and low-rise firefighting and other scenarios.



Valleyview pathway better connects neighbourhoods

A much anticipated cycling and pedestrian improvement connecting Kamloops East neighbourhoods to downtown, is now a reality. The Valleyview Interchange Multi-Use Pathway connects Valleyview Drive with Battle Street, Columbia Street, and the Rivers Trail, via a new rail bridge. A ribbon-cutting ceremony in June, attended by various government representatives, served as the official opening of the 1.2 kilometer-long pathway, which improves safety and offers residents more active, sustainable means of travel

within the community. The path safely separates users from vehicles, and a pedestrian/cyclist overpass over the CP Rail tracks at 15th Avenue provides direct access to the Rivers Trail. The project, part of the City's Bicycle Master Plan as well as the Pedestrian and Trails Master Plans, totaled \$6.1 million with \$2.3 million contributed through Canada's Gas Tax Fund, \$2.8 million through the Province of BC, \$300,000 from Development Cost Charges (DCC's), and \$700,000 from the City.

David Trawin — Message from the CAO



In my previous position as Director of Development and Engineering Services for the City of Kamloops, I learned a lot about the municipality as an organization and about the community as a whole. Coming into that position as an out-of-towner made the learning curve steep.

Through it all, one of the things I recognized quickly was citizen pride and a willingness from people to engage on many different issues. That sense of community seems greater compared to anywhere else I've lived. Although different beliefs and methodologies exist about what needs to be done, or what will or will not improve City living, it's evident that those who participate have the same goal in mind – making Kamloops a better place to live, work, and play.

This passion also exists within the City of Kamloops organization. The positive workplace culture spurs staff to do their best work for the benefit of the organization and the community. I'm no exception. It's why I feel honoured to be the new Chief Administrative Officer, following my appointment in May of 2012. The position gives me an opportunity to build upon what my predecessors – particularly Randy Diehl – have achieved.

Randy built a solid foundation in the City of Kamloops, fostered a good working relationship with the unions, led Kamloops to being a Top 100 corporation, developed five solid corporate values – openness, trust, innovation, pride, and health – and set the direction for a budget process that continues to evolve today.

The foundation has allowed senior management to concentrate on processes that move the organization to the next level. Prioritized areas include civic engagement, financial control and accountability.

In furthering civic engagement the City recognizes people want to learn and be able to input in a variety of ways, whether through traditional media, social and online media, or through face-to-face interaction. The

corporation is committed to continually improving this process in relation to City operations, planning processes, and budget deliberations, among other issues. Based on feedback from 2012 on various public issues, we believe the number of residents participating in these conversations is growing.

In relation to financial controls, it is the corporation's responsibility to the taxpayer to ensure accountability. In 2012 several initiatives were undertaken in this regard including:

- A three-year cost averaging for operational budgeting and zero-based capital budgeting;
- A review and recommendations on the City's purchasing practices, which once implemented, resulted in an estimated \$1.9 million in annual purchasing savings;
- A revamping of the Capital Projects Division and capital projects delivery process that resulted in about \$300,000 in savings over the City's traditional approach of delivering capital projects.

To further ingrain the City's accountability to citizens, our organization has also focused more on tracking efficiencies and/or inefficiencies among all departments. This priority has required all departments to include benchmark reporting and identify alignments with City Council's strategic plan within their individual annual reports. Staff members have also been working to expand the My City application tracking software to cover more of the city's internal application processes and further identify efficiencies.

This organization is blessed with a quality senior management team that assisted me greatly in my first year at the helm. Credit for positive change goes to them and their teams. I know Council members, senior management and staff are all committed to doing the best for this municipality. Even though my family and I have only been in the City for 10 years, I am proud to call Kamloops my home.

DAVID TRAWIN,
Chief Administrative Officer



Canada's Tournament Capital

City of Kamloops,
British Columbia, Canada

Financial Statements

For the year ended December 31, 2012

Prepared by: City of Kamloops
Business and Client Services Division
Department of Finance



Financial Reports

City of Kamloops 2012

Kamloops is a diverse and growing community that enjoys a high standard of municipal programs and services aimed at maintaining and improving quality of life for all residents. Goals such as affordability; a strengthened economy; improved infrastructure, utility, and environmental services; and support for recreation, culture, and social responsibility help guide the City of Kamloops in overseeing an annual \$143.8 million operating budget to maintain this standard.

The City's budget is overseen by the Finance Department and managed by seven departments, each responsible for overseeing a multitude of programs that keep City operations running smoothly. Everything from road improvements and expanding public transit options to providing recreational opportunities for the entire family as well as police and fire services has a price tag that is accounted for.

The following pages provide the audited 2012 Financial Statements and a statistical snapshot of the City of Kamloops.



April 23, 2013

Your Worship and Members of Council:

I am pleased to submit the 2012 Annual Report for the City of Kamloops (the "City") for the year ended December 31, 2012, in accordance with Sections 98 and 167 of the Community Charter. The Annual Report includes an introductory section which provides an organization overview, audited consolidated financial statements, and statistical information.

The consolidated financial statements for the year ended December 31, 2012, were prepared by the City's Finance Department in accordance with Canadian public sector accounting standards. The City maintains systems of internal controls to provide reasonable assurance that the financial information is relevant, reliable, and accurate. The Audit Committee reviews the City's consolidated financial statements and recommends their approval to City Council. The City Council is responsible for the appointment of the City's external auditor. The consolidated financial statements were audited by BDO Canada LLP who expressed an unqualified opinion in their report dated April 23, 2013.

The City improved its financial position with an increase in accumulated surplus of \$19.6 million. We are pleased to report that expenses in the year were very close to budget. Total expenses for 2012 were \$158.5 million versus a budget of \$159.7 million. Total expenses for 2011 were \$153.5 million. An increase of \$4.3 million in salaries, wages, and benefits, an increase of \$1.1 million in the RCMP contract, and an increase of \$1.0 million for expanded services and increase in the BC Transit contract were the main reasons for the increase in expenses compared to the prior year. These increases were slightly offset by decreases in various expenses of \$1.4 million across various departments. The City acquired \$48.3 million of tangible capital assets and recognized \$24.5 million in amortization of tangible capital assets.

On behalf of the Finance Department, I would like to express my appreciation to City Council and staff for their efforts in achieving positive results in 2012.

Respectfully submitted,

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

Sally Edwards, BBA, CMA
Finance Director

Our corporate mission is...

MAKING KAMLOOPS SHINE

7 Victoria Street West | Kamloops BC V2C 1A2
P. 250-828-3311 | F. 250-828-3578 | www.kamloops.ca





Tel: 250 372 9505
Fax: 250 374 6323
www.bdo.ca

BDO Canada LLP
300 - 272 Victoria Street
Kamloops BC V2C 1Z6

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 consolidated statement of financial position as at December 31, 2012, and the consolidated statements of operations and accumulated surplus, changes in net debt, 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 and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, 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, 2012 and the results of its operations, changes in net debt, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

BDO Canada LLP

Chartered Accountants

Kamloops, British Columbia
April 23, 2013



Management's Responsibility for Financial Reporting

The accompanying consolidated 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 consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards. Consolidated 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 consolidated 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 consolidated financial statements.

The Audit Committee reviews the City's consolidated 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 consolidated financial statements and the external auditors' report. The Mayor and Council take this information into consideration when approving the consolidated financial statements for issuance to the ratepayers. The Mayor and Council also consider the engagement of the external auditors.

The consolidated financial statements have been audited by BDO Canada LLP in accordance with 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, 2012, with comparatives for 2011

| | <u>2012</u> | <u>2011</u> |
|--|-------------------------|-------------------------|
| Financial assets | | |
| Cash (note 4) | \$ 19,105,739 | \$ 12,220,244 |
| Short-term investments (note 4) | 116,015,933 | 112,686,030 |
| Accounts receivable (note 5) | 18,989,980 | 20,526,107 |
| Long-term investments (note 6) | 332,989 | 320,616 |
| | <u>154,444,641</u> | <u>145,752,997</u> |
| Liabilities | | |
| Accounts payable (note 7) | 20,751,106 | 17,856,579 |
| Payroll benefits payable | 3,923,667 | 3,762,177 |
| Post-employment benefits payable (note 8) | 7,424,476 | 7,022,476 |
| Landfill post-closure costs (note 9) | 3,802,326 | 3,533,881 |
| Deferred revenue (note 10) | 39,059,188 | 34,154,291 |
| Long-term debt (note 11) | 95,782,076 | 92,665,057 |
| | <u>170,742,839</u> | <u>158,994,461</u> |
| Net debt | <u>(16,298,198)</u> | <u>(13,241,464)</u> |
| Non-financial assets | | |
| Inventory | 968,770 | 1,142,652 |
| Prepaid expenses | 808,875 | 670,450 |
| Tangible capital assets (note 12 & Schedule 1) | 1,039,895,834 | 1,017,241,845 |
| | <u>1,041,673,479</u> | <u>1,019,054,947</u> |
| Accumulated surplus (note 13) | <u>\$ 1,025,375,281</u> | <u>\$ 1,005,813,483</u> |

Commitments and contingencies - (note 17)

See accompanying notes and schedules to consolidated financial statements.

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

*** Peter Milobar ***

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

 Peter Milobar
 Mayor

**CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
YEAR ENDED DECEMBER 31, 2012, with comparatives for 2011**

| | 2012 Fiscal Plan (note 19) | 2012 | 2011 |
|---|----------------------------------|----------------------|----------------------|
| Revenue (note 14) | | | |
| Taxation (note 15) | \$ 90,488,277 | \$ 90,574,271 | \$ 87,489,806 |
| Development levies utilized | 8,718,302 | 3,043,103 | 3,758,220 |
| Fees, rates and sales of service | 53,400,902 | 55,798,000 | 52,256,684 |
| Government transfers (note 16) | 25,243,455 | 17,247,203 | 19,916,416 |
| Investment income | 3,802,137 | 4,570,612 | 6,545,210 |
| Private contributions | 884,591 | 6,804,525 | 12,503,541 |
| | <u>182,537,664</u> | <u>178,037,714</u> | <u>182,469,877</u> |
| Expenses (note 14) | | | |
| Cemetery | 782,912 | 751,089 | 775,183 |
| Community development | 4,858,242 | 4,361,240 | 4,560,481 |
| Corporate administration | 11,283,789 | 9,393,025 | 9,438,548 |
| Environmental services | 784,688 | 503,599 | 510,628 |
| Fire services | 14,965,713 | 15,641,891 | 14,206,640 |
| Infrastructure maintenance | 23,258,239 | 23,971,225 | 23,485,624 |
| Legislative and enforcement | 4,845,272 | 5,010,559 | 4,660,452 |
| Parks, recreation and cultural services | 30,964,699 | 30,746,314 | 29,569,417 |
| Police services | 23,907,227 | 22,317,571 | 21,026,777 |
| Public Transit | 14,650,194 | 13,950,816 | 12,768,946 |
| Solid waste | 7,144,579 | 7,088,834 | 6,578,448 |
| Water utility | 14,685,266 | 14,418,744 | 13,860,866 |
| Sewer utility | 6,993,774 | 6,805,333 | 6,750,729 |
| Kamloops Airport Authority Society | - | 2,073,332 | 2,008,294 |
| Venture Kamloops Business Development Society | 663,914 | 625,178 | 618,997 |
| Loss (gain) on disposal of capital assets | (80,000) | 817,166 | 2,632,737 |
| | <u>159,708,508</u> | <u>158,475,916</u> | <u>153,452,767</u> |
| Annual surplus | <u>22,829,156</u> | <u>19,561,798</u> | <u>29,017,110</u> |
| Accumulated surplus, beginning of year | | <u>1,005,813,483</u> | 976,796,373 |
| Accumulated surplus, end of year | | <u>1,025,375,281</u> | <u>1,005,813,483</u> |

See accompanying notes and schedules to consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN NET DEBT
YEAR ENDED DECEMBER 31, 2012, with comparatives for 2011

| | 2011 Fiscal Plan (note 19) | 2012 | 2011 |
|--|----------------------------------|-------------------------------|------------------------|
| Annual surplus | \$ 22,829,156 | \$ 19,561,798 | \$ 29,017,110 |
| Acquisition of tangible capital assets | (104,681,390) | (48,325,927) | (45,809,390) |
| Amortization of tangible capital assets | 24,541,483 | 24,541,483 | 23,870,152 |
| Net book value of tangible capital assets disposed | - | 1,130,455 | 3,158,319 |
| Decrease (increase) in prepaid expenses | - | (138,425) | (28,640) |
| Decrease (increase) in inventory | - | 173,882 | 77,619 |
| Change in net debt | <u>(57,310,751)</u> | <u>(3,056,734)</u> | <u>10,285,170</u> |
| Net debt, beginning of the year | (13,241,464) | (13,241,464) | (23,526,634) |
| Net debt, end of the year | <u>\$ (70,552,215)</u> | <u>\$ (16,298,198)</u> | <u>\$ (13,241,464)</u> |

See accompanying notes and schedules to consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2012, with comparatives for 2011

| | <u>2012</u> | <u>2011</u> |
|---|----------------------|----------------------|
| Cash provided by (used for): | | |
| Operating transactions: | | |
| Annual surplus | \$ 19,561,798 | \$ 29,017,110 |
| Items not involving cash: | | |
| Amortization of tangible capital assets | 24,541,483 | 23,870,152 |
| Increase (decrease) in post-employment benefits payable | 402,000 | 504,000 |
| Increase (decrease) in landfill post-closure costs | 268,445 | 260,315 |
| Loss (gain) on disposal of tangible capital assets | 817,166 | 2,632,737 |
| Private contributions | (6,804,525) | (12,503,541) |
| Changes in non-cash operating items: | | |
| Decrease (increase) in accounts receivable | 1,536,127 | 1,167,629 |
| Decrease (increase) in inventory | 173,882 | 77,619 |
| Decrease (increase) in prepaid expenses | (138,425) | (28,639) |
| Increase (decrease) in accounts payable | 2,894,527 | 2,332,539 |
| Increase (decrease) in payroll benefits payable | 161,490 | 182,233 |
| Increase (decrease) in deferred revenue | 4,904,897 | (6,513) |
| | <u>48,318,865</u> | <u>47,505,641</u> |
| Capital transactions: | | |
| Tangible capital asset additions | (41,521,402) | (33,305,849) |
| Proceeds from sale of tangible capital assets | 313,290 | 5,791,056 |
| | <u>(41,208,112)</u> | <u>(27,514,793)</u> |
| Investing transactions: | | |
| Decrease (increase) in short-term investments | (3,329,903) | (6,636,421) |
| Decrease (increase) in long-term investments | (12,373) | (11,458) |
| | <u>(3,342,276)</u> | <u>(6,647,879)</u> |
| Financing transactions: | | |
| Proceeds from issuance of long-term debt | 10,486,067 | 6,700,000 |
| Principal repayments on long-term debt | (7,369,049) | (7,079,509) |
| | <u>3,117,018</u> | <u>(379,509)</u> |
| Increase (decrease) in cash and short-term investments for the year | 6,885,495 | 9,609,403 |
| Cash, beginning of the year | 12,220,244 | 2,610,841 |
| Cash, end of the year | <u>\$ 19,105,739</u> | <u>\$ 12,220,244</u> |

See accompanying notes and schedules to consolidated financial statements.



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2012, with comparatives for 2011

The City of Kamloops (The "City") 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 public sector accounting standards for local governments as recommended by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants (CICA).

(b) Basis of accounting:

The basis of accounting followed in these financial statements is an accrual method and includes revenues in the period in which the transactions or events occurred that gave rise to the revenues and expenses in the period the goods and services were acquired and a liability was incurred.

(c) 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 expenses 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 expenses 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 expenses for the sewer utility and holds all property required for this purposes and related long term debt.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2012, with comparatives for 2011

1 . Significant accounting policies (continued):

(d) 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 also been prepared for the Societies. Inter-fund balances and transactions have been eliminated.

The Kamloops Airport Authority Society and the Venture Kamloops Business Development Society are controlled by the City through its appointment of the members of each society. The consolidated financial statements include all accounts of these societies.

(e) Revenue recognition:

Revenues are accounted for in the period in which the transactions or events occurred that gave rise to the revenues and the amounts to be received can be reasonably estimated and collection is reasonably assured.

Taxation for municipal purposes is recorded as revenue in the period the taxes are levied.

User charges, fees, and other amounts collected for which the City has an obligation to perform or provide a future service are deferred until the service is provided.

Contributions or other funding received which has externally imposed restrictions are initially accounted for as deferred revenue and then recognized as revenue when used for the specific purpose.

Contributions received in-kind are recognized as revenue in the period received at the fair market value at the time of the contribution.

(f) Government transfers:

Government transfers are recognized as revenue in the period in which events giving rise to the transfer occur, provided that the transfers are authorized, any eligibility criteria have been met, and a reasonable estimate of the amount can be made unless the transfer agreement contains stipulations that creates a liability in which case the transfers are recognized as revenue over the period that the liability is extinguished.

(g) Inventory:

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

(h) Investments:

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



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2012, with comparatives for 2011

1. Significant accounting policies (continued):

(i) 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. 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 |

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.

(j) Non-financial assets

Non-financial assets are held for use in the provision of goods and services but are not available to discharge existing liabilities. These assets have a useful life extending beyond the current year and are not intended for sale in the ordinary course of operations.

(k) 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.

(l) Reserves:

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

(m) Use of estimates:

The preparation of financial statements in accordance with Canadian public sector accounting standards 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 expenses 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2012, with comparatives for 2011

1 . Significant accounting policies (continued):

(n) 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.

(o) Retirement benefits and other employee benefit plans:

The City's contributions due during the period to its multi-employer defined benefit plan are expensed as incurred. The costs of other pensions and other retirement benefits that accumulate over the period of service provided by employees are actuarially determined using the projected benefit method prorated on services based on management's best estimate of retirement ages, inflation rates, investment returns, wage and salary escalation, insurance and health care costs trends, employee turnover and discount rates. Actuarial gains and losses are amortized on a straight-line basis over the expected average remaining service life of the employee group.

2 . Adoption of PS 3410 Government Transfers

Effective January 1, 2012, the City of Kamloops adopted a new accounting standard, PS 3410 - Government Transfers. The accounting policies for this standard can be found in Note 1 (e) of the financial statements. The adoption of this standard has been applied prospectively, as permitted by the transitional provisions of the standard, with the exception of the Community Works Funding. In accordance with the previous accounting policies of the City and Canadian public sector accounting standards, the City had recognized all Community Works Funding as revenue in the year received, and transferred the revenues to a reserve fund. This treatment is no longer acceptable under PS 3410. As such, all unspent Community Works Funding that was previously included in the reserve funds have been moved to deferred revenue (Note 10). The retrospective change required to correct the reserves is detailed below.

| | |
|--|-----------|
| Accumulated surplus, beginning of year decreased | 5,859,647 |
| Accumulated surplus, end of year decreased | 5,680,443 |
| Deferred Revenue increased | 5,680,443 |
| Grant revenue increased | 401,771 |
| Interest revenue decreased | 222,567 |
| Annual surplus increased | 179,204 |

In addition to the changes in the recognition of contributions from Community Works Funding outlined above, the City has prospectively applied the recommendations of PS 3410 with regards to the Community Works Funding applied to capital projects. The Community Works Funding agreement contains certain stipulations, which require the funds to be repaid should the assets purchased with these funds be sold, leased, encumbered or disposed prior to ten years of the asset purchase or project completion. As such, all Community Works Funding applied is being deferred and recognized into revenue over the ten year stipulated period.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2012, with comparatives for 2011

3 . 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 14.

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.

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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2012, with comparatives for 2011

3 . Segmented Information (continued)

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.

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.

Tangible capital asset acquisition:

This segment identifies the revenue sources and use of operating equity and reserves to acquire capital asset and increase the capital equity.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012, with comparatives for 2011

4 . Cash and short-term investments:

| | <u>2012</u> | <u>2011</u> |
|---|--------------------|--------------------|
| Consolidated cash | 19,105,739 | 12,220,244 |
| Consolidated short-term investments | 116,015,933 | 112,686,030 |
| | <u>135,121,672</u> | <u>124,906,274</u> |
| Restricted cash and short-term investments: | | |
| Statutory reserves | \$ 32,167,972 | \$ 29,304,719 |
| Development cost charges | 14,636,968 | 13,804,597 |
| Kamloops Airport Authority Society | 3,236,035 | 3,276,278 |
| Venture Kamloops Business Development Society | 200,968 | 208,167 |
| Unrestricted cash and short-term investments | 84,879,729 | 78,312,513 |
| | <u>135,121,672</u> | <u>124,906,274</u> |

The maturity dates of the short-term investments held directly by the City range from January 4, 2013 to June 1, 2025. The interest rates earned on these investments range from 1.15% to 3.23%.

5 . Accounts Receivable:

| | <u>2012</u> | <u>2011</u> |
|---|----------------------|----------------------|
| General fund: | | |
| Taxes | \$ 4,066,543 | \$ 3,860,902 |
| Utilities | 1,655,520 | 1,308,786 |
| Trade | 4,597,568 | 7,633,187 |
| Accrued interest | 1,002,703 | 1,056,517 |
| Province of British Columbia | 5,317 | 1,669,879 |
| Government of Canada | 926,633 | 1,037,009 |
| | <u>12,254,284</u> | <u>16,566,280</u> |
| Water Fund: | | |
| Trade | 1,123,339 | 1,069,846 |
| Province of British Columbia | - | - |
| | <u>1,123,339</u> | <u>1,069,846</u> |
| Sewer Fund: | | |
| Province of British Columbia | 4,416,584 | 2,605,924 |
| | <u>4,416,584</u> | <u>2,605,924</u> |
| Kamloops Airport Authority Society: | | |
| Trade | 351,823 | 269,694 |
| Government of Canada | 833,547 | - |
| | <u>1,185,370</u> | <u>269,694</u> |
| Venture Kamloops Business Development Society: | | |
| Trade | 10,403 | 14,363 |
| | <u>\$ 18,989,980</u> | <u>\$ 20,526,107</u> |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2012, with comparatives for 2011

6 . Long-term investments:

The City's long-term investments are held by the Kamloops Foundation in two endowment funds; the City of Kamloops Centennial Fund "A" and the City of Kamloops Centennial Fund "B". All of the income earned in Fund "A" is re-invested in the fund. 90% of the income earned in Fund "B" is returned to the City to support the grant-in-aid program and the remaining 10% is re-invested in the Fund.

7 . Accounts payable:

| | <u>2012</u> | <u>2011</u> |
|---|----------------------|----------------------|
| General fund: | | |
| Trade | \$ 11,909,299 | \$ 10,183,518 |
| Payroll and benefits | 2,782,814 | 2,038,910 |
| Province of British Columbia | 260,277 | 238,825 |
| Government of Canada | 5,253,641 | 5,163,608 |
| | <u>20,206,031</u> | <u>17,624,861</u> |
| Kamloops Airport Authority Society: | | |
| Trade | <u>475,181</u> | <u>201,228</u> |
| Venture Kamloops Business Development Society: | | |
| Trade | <u>69,894</u> | <u>30,490</u> |
| | <u>\$ 20,751,106</u> | <u>\$ 17,856,579</u> |

8 . 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 \$534,000 (2011 - \$592,000). The plan does not require any contribution from employees. The retirement benefit liability at December, 31, 2012 includes the following components:

| | <u>2012</u> | <u>2011</u> |
|--|---------------------|---------------------|
| Accrued benefit obligation - opening balance | \$ 7,424,000 | \$ 6,254,000 |
| Current service cost | 595,000 | 462,000 |
| Interest cost | 270,000 | 287,000 |
| Benefits paid | (534,000) | (592,000) |
| Plan amendment | - | 337,000 |
| Actuarial gain/(loss) - current | (64,000) | 676,000 |
| Accrued benefit obligation - ending balance | <u>7,691,000</u> | <u>7,424,000</u> |
| Unamortized net actuarial (loss)/gain | (543,000) | (678,000) |
| Funding excess | 276,476 | 276,476 |
| Post-employment benefit payable | <u>\$ 7,424,476</u> | <u>\$ 7,022,476</u> |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2012, with comparatives for 2011

8 . Post-employment benefits payable (continued):

Actuarial valuations for accounting purposes are performed using the projected benefit method prorated on services. The most recent actuarial report was prepared on February 4, 2013 using data as of December 31, 2012. The accrued benefit obligation shown for 2012 is based on amounts included in the 2012 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 (2011 - 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% (2011 - 3.25%). The discount rate used to determine the accrued benefit obligation is 3.5% (2011 - 3.5%).

The retirement benefit expense is included in the statement of operations as a component of program expenses. The retirement benefit interest expense is included in the public debt interest expense. The prior period cost of plan amendment is included in the current expenses for the year indicated.

9 . 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 expense 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 (2012) dollars. The aggregate liability for closure and post-closure costs for the two landfills is \$3,802,326 (2011 = \$3,533,881).

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 3.65 million cubic meters, which is 85% 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 expenses 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 163,114 cubic meters, which is approximately 29% of the site's total capacity.

The estimated total expenses for closure and post-closure care of the two landfills in current (2012) dollars is \$19,083,089 (2011 estimate = \$18,907,217) with \$15,280,763 (2011 = \$15,373,336) remaining to be recognized as a liability.

The City has not provided a reserve to fund future landfill capital expenses as at December 31, 2012. The funding required is provided through current operations.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012, with comparatives for 2011

10 . Deferred revenue:

| | Balance at December 31, 2011 | Collected | Interest | Recognized | Balance at December 31, 2012 |
|---|------------------------------------|----------------------|-------------------|------------------------|------------------------------------|
| General fund: | | | | | |
| Taxes | \$ 12,385,595 | \$ 23,583,607 | - | \$ (22,434,625) | \$ 13,534,577 |
| Leases | 59,803 | | | (5,144) | 54,659 |
| Business licenses | 1,007,461 | 1,007,461 | - | (1,010,897) | 1,004,025 |
| Other | 1,213,059 | 1,278,259 | - | (1,219,648) | 1,271,670 |
| | <u>14,665,918</u> | <u>25,869,327</u> | <u>-</u> | <u>(24,670,314)</u> | <u>15,864,931</u> |
| Community works fund (gas tax): | | | | | |
| Unapplied funds | 5,680,443 | 3,290,095 | 107,015 | (5,235,972) | 3,841,581 |
| Applied funds | - | 5,235,972 | | (523,597) | 4,712,375 |
| | <u>5,680,443</u> | <u>8,526,067</u> | <u>107,015</u> | <u>(5,759,569)</u> | <u>8,553,956</u> |
| Development cost charges: | | | | | |
| | <u>13,804,597</u> | <u>3,513,690</u> | <u>361,783</u> | <u>(3,043,102)</u> | <u>14,636,968</u> |
| Venture Kamloops Business Development Society: | | | | | |
| | <u>3,333</u> | <u>3,333</u> | <u>-</u> | <u>(3,333)</u> | <u>3,333</u> |
| | <u>\$ 34,154,291</u> | <u>\$ 37,912,417</u> | <u>\$ 468,798</u> | <u>\$ (33,476,318)</u> | <u>\$ 39,059,188</u> |

11 . Long-term debt:

(a) Long-term debt outstanding:

| | General fund * | Water fund | Sewer fund | Total |
|------------------------------|----------------------|----------------------|---------------------|----------------------|
| Balance at December 31, 2011 | \$ 58,726,462 | \$ 30,655,498 | \$ 3,283,097 | \$ 92,665,057 |
| Principal repayments | (2,736,455) | (2,768,531) | (361,350) | (5,866,336) |
| Actuarial adjustments | (557,183) | (741,040) | (204,490) | (1,502,713) |
| Debt acquired | 7,226,067 | 1,260,000 | 2,000,000 | 10,486,067 |
| Balance at December 31, 2012 | <u>\$ 62,658,891</u> | <u>\$ 28,405,927</u> | <u>\$ 4,717,257</u> | <u>\$ 95,782,075</u> |

* Kamloops Airport Authority Society debt included in General Fund balance. Amount outstanding on Dec 31, 2012 was \$8,711,766 (2011 = \$9,215,571)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2012, with comparatives for 2011

11 . Long-term debt (continued):

(b) Future principal 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 |
|-----------------------|----------------|---------------|--------------|---------------|
| Principal repayment: | | | | |
| 2013 | \$ 3,064,893 | \$ 2,843,847 | \$ 331,076 | \$ 6,239,816 |
| 2014 | 3,064,893 | 2,856,405 | 331,076 | 6,252,374 |
| 2015 | 3,054,931 | 2,834,667 | 303,682 | 6,193,280 |
| 2016 | 3,026,043 | 1,812,991 | 215,087 | 5,054,121 |
| 2017 | 2,944,481 | 1,751,459 | 184,686 | 4,880,626 |
| Thereafter | 25,159,225 | 9,639,965 | 206,028 | 35,005,218 |
| | 40,314,466 | 21,739,334 | 1,571,635 | 63,625,435 |
| Sinking fund earnings | 22,344,425 | 6,666,593 | 3,145,622 | 32,156,640 |
| | \$ 62,658,891 | \$ 28,405,927 | \$ 4,717,257 | \$ 95,782,075 |

* Kamloops Airport Authority Society debt included in General Fund - annual principle payment amount is \$484,429

The weighted average interest rate on long-term debt in 2012 was 4.22% (2011 - 4.34%). Consolidated interest expense on long-term debt was \$5,441,541 (2011 - \$5,434,958).

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, 2011 | Capital assets purchased pending debt | Debt acquired | Balance at December 31, 2012 |
|--------------|------------------------------------|---|----------------|------------------------------------|
| General fund | \$ 6,713,022 | \$ 688,573 | \$ -7,226,067 | \$ 175,528 |
| Water fund | 2,150,564 | 334,049 | -1,280,000 | 1,204,613 |
| Sewer Fund | 1,524,279 | 4,435,508 | -2,000,000 | 3,959,787 |
| | \$ 10,387,865 | \$ 5,458,130 | \$ -10,506,067 | \$ 5,339,928 |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012, with comparatives for 2011

12 . Tangible capital assets:
See schedules 1a and 1b for details

| | | | 2012 | 2011 |
|--------------------------|----------------------|-----------------------------|--------------------|--------------------|
| | Cost | Accumulated Amortization | Net Book Value | Net Book Value |
| General fund: | | | | |
| Land | \$ 76,501,114 | \$ - | \$ 76,501,114 | \$ 76,030,142 |
| Land under roads | 417,022,338 | - | 417,022,338 | 414,082,621 |
| Site improvements | 62,242,725 | (30,781,892) | 31,460,833 | 32,492,012 |
| Buildings | 123,627,875 | (57,095,338) | 66,532,537 | 64,534,880 |
| Transportation network | 232,634,170 | (100,306,601) | 132,327,569 | 125,380,086 |
| Drainage network | 69,821,514 | (26,169,323) | 43,652,191 | 43,884,609 |
| Water network | 7,634,190 | (4,533,295) | 3,100,895 | 3,394,857 |
| Equipment | 49,700,963 | (31,004,483) | 18,696,480 | 20,621,244 |
| Computing infrastructure | 6,506,130 | (5,022,138) | 1,483,992 | 1,040,266 |
| Communication network | 1,705,853 | (434,587) | 1,271,266 | 1,071,906 |
| Work in progress | 9,079,765 | - | 9,079,765 | 14,520,109 |
| | <u>1,056,476,637</u> | <u>(255,347,657)</u> | <u>801,128,980</u> | <u>797,052,732</u> |
| Water fund: | | | | |
| Site improvements | 753,912 | (489,658) | 264,254 | 284,012 |
| Buildings | 20,478,442 | (5,841,714) | 14,636,728 | 14,981,103 |
| Transportation network | 74,400 | (31,640) | 42,760 | 45,746 |
| Water network | 144,349,785 | (43,589,560) | 100,760,225 | 96,480,535 |
| Equipment | 717,612 | (418,931) | 298,681 | 254,718 |
| Computing infrastructure | 69,288 | (17,842) | 51,446 | 15,825 |
| Work in progress | 7,641,208 | - | 7,641,208 | 1,261,231 |
| | <u>174,084,647</u> | <u>(50,389,345)</u> | <u>123,695,302</u> | <u>113,323,170</u> |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012, with comparatives for 2011

12 . Tangible capital assets (continued):

| | | | 2012 | 2011 |
|---|-------------------------|-----------------------------|--------------------------------|-------------------------|
| | Cost | Accumulated Amortization | Net Book Value | Net Book Value |
| Sewer fund: | | | | |
| Site improvements | 143,086 | (112,980) | 30,106 | 33,471 |
| Buildings | 2,776,863 | (1,306,161) | 1,470,702 | 1,414,520 |
| Sanitary network | 60,014,338 | (21,095,537) | 38,918,801 | 38,724,587 |
| Equipment | 145,406 | (25,746) | 119,660 | 95,279 |
| Computing infrastructure | 10,109 | (6,863) | 3,246 | 3,748 |
| Work in progress | 17,729,655 | - | 17,729,655 | 9,297,262 |
| | <u>80,819,457</u> | <u>(22,547,287)</u> | <u>58,272,170</u> | <u>49,568,867</u> |
| Kamloops Airport Authority Society: | | | | |
| Land | 8,745,200 | - | 8,745,200 | 8,745,200 |
| Buildings | 20,503,696 | (4,322,215) | 16,181,481 | 16,605,498 |
| Transportation network | 37,446,952 | (11,970,327) | 25,476,625 | 26,239,546 |
| Drainage network | 1,981,915 | (231,727) | 1,750,188 | 1,804,318 |
| Sanitary network | 543,400 | (209,615) | 333,785 | 344,109 |
| Water network | 4,890,600 | (1,886,532) | 3,004,068 | 3,096,978 |
| Equipment | 2,128,138 | (858,868) | 1,269,270 | 435,368 |
| Computing infrastructure | 94,765 | (82,169) | 12,596 | 15,931 |
| | <u>76,334,666</u> | <u>(19,561,453)</u> | <u>56,773,213</u> | <u>57,286,948</u> |
| Venture Kamloops Business Development Society: | | | | |
| Equipment | 38,691 | (22,817) | 15,874 | 6,900 |
| Computing infrastructure | 31,835 | (21,540) | 10,295 | 3,229 |
| | <u>70,526</u> | <u>(44,357)</u> | <u>26,169</u> | <u>10,129</u> |
| | <u>\$ 1,387,785,933</u> | <u>\$ (347,890,099)</u> | <u>\$ 1,039,895,834</u> | <u>\$ 1,017,241,846</u> |

During the year the City received \$5,553,864 (2011 - \$11,967,709) in land and infrastructure from developers. These contributed tangible capital assets were recorded at fair value at the date of contribution.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012, with comparatives for 2011

13 . Accumulated Surplus:

(a) Reserves for operating purposes

| | Balance at December 31, 2011 | Interest income and contributions | Transfers to operations and capital | Balance at December 31, 2012 |
|---|------------------------------------|---|---|------------------------------------|
| General fund: | | | | |
| Affordable Housing | \$ 610,672 | \$ 206,473 | \$ | \$ 817,145 |
| Art Gallery | 464,069 | 11,155 | (11,155) | 464,069 |
| Arts Legacy | 229,044 | | | 229,044 |
| Bi-centennial Legacy | 320,616 | 12,373 | | 332,989 |
| Canada Games Legacy | 568,300 | | | 568,300 |
| Climate Action | 235,556 | 166,386 | | 401,942 |
| Community Arts | 7,999 | | | 7,999 |
| Deferred Operating | 2,986,602 | 2,141,656 | (1,093,592) | 4,034,666 |
| Environmental Grant | 30,000 | | | 30,000 |
| General Building | 92,051 | 5,144 | | 97,195 |
| Heritage Foundation | 170,000 | 20,000 | | 190,000 |
| Insurance | 824,132 | 55,413 | (102,502) | 777,043 |
| Oak Hills Dyke | 12,932 | | | 12,932 |
| Police Contract | 2,300,024 | 181,254 | (19,205) | 2,462,073 |
| Return to Work | 237,146 | | | 237,146 |
| Health Benefit Premiums | - | 367,000 | | 367,000 |
| Solid Waste | 1,543,463 | 488,147 | (738,229) | 1,293,381 |
| Sports Legacy | 192,019 | | | 192,019 |
| Working Capital | 1,898,100 | | (8,633) | 1,889,467 |
| Youth Legacy | 4,331 | | | 4,331 |
| 2006 BC Summer Games | 95,186 | 2,288 | | 97,474 |
| | <u>12,822,242</u> | <u>3,657,289</u> | <u>(1,973,316)</u> | <u>14,506,215</u> |
| Water fund: | | | | |
| Deferred Operating | \$ - | \$ 768,000 | \$ | \$ 768,000 |
| | <u>-</u> | <u>768,000</u> | <u>0</u> | <u>768,000</u> |
| Sewer fund: | | | | |
| Deferred Operating | \$ 50,000 | \$ | \$ | \$ 50,000 |
| | <u>50,000</u> | <u>-</u> | <u>0</u> | <u>50,000</u> |
| Venture Kamloops Business Development Society: | | | | |
| Reserve fund | <u>54,060</u> | <u>1,081</u> | <u>0</u> | <u>55,141</u> |
| | <u>\$ 12,926,302</u> | <u>\$ 4,426,370</u> | <u>\$ (1,973,316)</u> | <u>\$ 15,379,356</u> |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012, with comparatives for 2011

13 . Accumulated Surplus (continued):

(b) Reserves for capital purposes

| | Balance at December 31, 2011 | Interest income and contributions | Transfers to operations and capital | Balance at December 31, 2012 |
|----------------------------|------------------------------------|---|---|------------------------------------|
| Statutory reserves: | | | | |
| Tax sale property fund | \$ 10,044,502 | \$ 502,000 | \$ (26,761) | \$ 10,519,741 |
| Local improvement fund | 499,182 | 119,263 | - | 618,445 |
| Debt retirement fund | 21,732 | 1,846,129 | (420,536) | 1,447,325 |
| Parking facility reserve | 1,121,768 | 197,763 | - | 1,319,531 |
| Land sale reserve fund | 1,564,146 | 37,516 | (130,981) | 1,470,681 |
| Equipment replacement fund | 16,053,389 | 4,641,890 | (3,903,030) | 16,792,249 |
| | <u>29,304,719</u> | <u>7,344,561</u> | <u>(4,481,308)</u> | <u>32,167,972</u> |
| Non-statutory reserves: | | | | |
| General fund | \$ 11,525,593 | \$ 4,386,425 | \$ (7,090,538) | \$ 8,821,480 |
| Water fund | 8,909,796 | 1,997,690 | (1,218,979) | 9,688,507 |
| Sewer fund | 4,583,067 | 1,646,033 | (1,032,623) | 5,196,477 |
| | <u>25,018,456</u> | <u>8,030,148</u> | <u>(9,342,140)</u> | <u>23,706,464</u> |
| Airport capital fund | \$ 3,044,135 | \$ 2,044,257 | \$ (1,959,075) | \$ 3,129,317 |
| | <u>\$ 57,367,310</u> | <u>\$ 17,418,966</u> | <u>\$ (15,782,523)</u> | <u>\$ 59,003,753</u> |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012, with comparatives for 2011

13 . Accumulated Surplus (continued):

(c) Current funds

| | <u>2012</u> | <u>2011</u> |
|--|----------------------|----------------------|
| General fund: | | |
| Balance, beginning of year | \$ 11,795,560 | \$ 9,917,289 |
| Operating Surplus (deficit) for the year | <u>(839,788)</u> | <u>1,878,271</u> |
| | <u>10,955,772</u> | <u>11,795,560</u> |
| Water fund: | | |
| Balance, beginning of year | 6,104,542 | 6,605,166 |
| Operating Surplus (deficit) for the year | <u>526,761</u> | <u>(500,624)</u> |
| | <u>6,631,303</u> | <u>6,104,542</u> |
| Sewer fund: | | |
| Balance, beginning of year | 4,877,043 | 4,030,333 |
| Operating Surplus (deficit) for the year | <u>1,180,954</u> | <u>846,710</u> |
| | <u>6,057,997</u> | <u>4,877,043</u> |
| Kamloops Airport Authority Society: | | |
| Balance, beginning of year | 397,609 | 392,985 |
| Operating Surplus (deficit) for the year | <u>3,968</u> | <u>4,624</u> |
| | <u>401,577</u> | <u>397,609</u> |
| Venture Kamloops Business Development Society: | | |
| Balance, beginning of year | 136,936 | 155,954 |
| Operating Surplus (deficit) for the year | <u>(51,368)</u> | <u>(19,018)</u> |
| | <u>85,568</u> | <u>136,936</u> |
| | <u>\$ 24,132,217</u> | <u>\$ 23,311,690</u> |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012, with comparatives for 2011

13 . Accumulated Surplus (continued):

(d) Capital Equity

| | <u>2012</u> | <u>2011</u> |
|--|-------------------------|-------------------------|
| General fund: | | |
| Balance, beginning of year | \$ 740,571,228 | \$ 728,818,321 |
| Net capital equity addition for the year | <u>5,852,455</u> | <u>11,752,907</u> |
| | <u>746,423,683</u> | <u>740,571,228</u> |
| Water fund: | | |
| Balance, beginning of year | <u>78,793,956</u> | 72,809,447 |
| Net capital equity addition for the year | <u>3,365,352</u> | <u>5,984,509</u> |
| | <u>82,159,308</u> | <u>78,793,956</u> |
| Sewer fund: | | |
| Balance, beginning of year | <u>44,761,491</u> | 42,415,900 |
| Net capital equity addition for the year | <u>4,915,526</u> | <u>2,345,591</u> |
| | <u>49,677,017</u> | <u>44,761,491</u> |
| Kamloops Airport Authority Society: | | |
| Balance, beginning of year | <u>48,071,377</u> | 47,996,997 |
| Net capital equity addition for the year | <u>502,400</u> | <u>74,380</u> |
| | <u>48,573,777</u> | <u>48,071,377</u> |
| Venture Kamloops Business Development Society: | | |
| Balance, beginning of year | <u>10,129</u> | 13,022 |
| Net capital equity addition for the year | <u>16,041</u> | <u>(2,893)</u> |
| | <u>26,170</u> | <u>10,129</u> |
| | <u>\$ 926,859,955</u> | <u>\$ 912,208,181</u> |
| Total Accumulated Surplus | | |
| | <u>2012</u> | <u>2011</u> |
| General fund | \$ 780,707,150 | \$ 776,714,623 |
| Water fund | <u>99,247,118</u> | 93,808,294 |
| Sewer fund | <u>60,981,491</u> | 54,271,601 |
| Statutory reserves | <u>32,167,972</u> | 29,304,719 |
| Kamloops Airport Authority Society | <u>52,104,671</u> | 51,513,121 |
| Venture Kamloops Business Development Society | <u>166,879</u> | 201,125 |
| | <u>\$ 1,025,375,281</u> | <u>\$ 1,005,813,483</u> |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012, with comparatives for 2011

14 . Operating activities by segment:

| | 2012 Fiscal Plan | 2012 | 2011 |
|---|---------------------|---------------------|---------------------|
| Cemetery: | | | |
| Revenue | | | |
| Property tax requirement (contribution) | \$ 180,149 | \$ 176,393 | \$ 207,194 |
| Fees, rates and sales of service | 400,000 | 370,951 | 345,999 |
| Investment income | 69,000 | 69,982 | 72,059 |
| Total operating revenue | <u>\$ 649,149</u> | <u>\$ 617,326</u> | <u>\$ 625,252</u> |
| Expenses | | | |
| Salaries, wages and benefits | \$ 394,777 | \$ 407,651 | \$ 386,424 |
| Personnel expenses | 3,250 | 1,721 | 627 |
| Supplies and other expenses | 93,597 | 69,295 | 90,646 |
| Contractual services | 18,250 | 18,367 | 17,620 |
| Transfers from other functions | 139,275 | 120,292 | 129,935 |
| Amortization of tangible capital assets | 133,763 | 133,763 | 149,931 |
| Total operating expenses | <u>\$ 782,912</u> | <u>\$ 751,089</u> | <u>\$ 775,183</u> |
| Transfers of equity | | | |
| Transfer to (from) capital equity | (133,763) | (133,763) | (149,931) |
| Total transfers of equity | <u>\$ (133,763)</u> | <u>\$ (133,763)</u> | <u>\$ (149,931)</u> |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012, with comparatives for 2011

14 . Operating activities by segment (continued):

| | 2012 Fiscal Plan | 2012 | 2011 |
|---|---------------------|----------------------------|---------------------|
| Community development: | | | |
| Revenue | | | |
| Property tax requirement (contribution) | \$ 1,968,800 | \$ 1,123,106 | \$ 1,305,229 |
| Fees, rates and sales of service | 2,627,015 | 3,210,676 | 2,868,029 |
| Government transfers | 55,000 | 30,000 | 62,851 |
| Total operating revenue | <u>\$ 4,650,815</u> | <u>\$ 4,363,782</u> | <u>\$ 4,236,109</u> |
| Expenses | | | |
| Salaries, wages and benefits | \$ 5,400,157 | \$ 4,904,484 | \$ 4,871,782 |
| Personnel expenses | 114,035 | 79,988 | 81,012 |
| Supplies and other expenses | 342,836 | 463,230 | 505,179 |
| Contractual services | 341,756 | 179,551 | 313,280 |
| Transfers from other functions | 387,373 | 367,035 | 402,799 |
| Transfers to other functions | (427,650) | (427,650) | (427,650) |
| Cost allocated to capital | (1,397,150) | (1,302,283) | (1,268,171) |
| Amortization of tangible capital assets | 96,885 | 96,885 | 82,250 |
| Total operating expenses | <u>\$ 4,858,242</u> | <u>\$ 4,361,240</u> | <u>\$ 4,560,481</u> |
| Loss (gain) on disposal of capital assets | <u>\$ 0</u> | <u>\$ (99,526)</u> | <u>\$ (225,300)</u> |
| Transfers of equity | | | |
| Transfer to (from) reserves | \$ (110,542) | \$ 207,403 | \$ (16,822) |
| Transfer to (from) other funds | - | (8,450) | - |
| Transfer to (from) capital equity | (96,885) | (96,885) | (82,250) |
| Total transfers of equity | <u>\$ (207,427)</u> | <u>\$ 102,068</u> | <u>\$ (99,072)</u> |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012, with comparatives for 2011

14 . Operating activities by segment (continued):

| | 2012 Fiscal Plan | 2012 | 2011 |
|---|----------------------|----------------------|----------------------|
| Corporate administration: | | | |
| Revenue | | | |
| Property tax requirement (contribution) | \$ 9,233,371 | \$ 10,508,574 | \$ 10,058,239 |
| Fees, rates and sales of service | 2,256,540 | 2,315,197 | 1,583,047 |
| Government transfers | 5,707,394 | 5,976,283 | 5,804,841 |
| Investment income | 2,171,300 | 2,543,224 | 4,130,920 |
| Total operating revenue | <u>\$ 19,368,605</u> | <u>\$ 21,343,278</u> | <u>\$ 21,577,047</u> |
| Expenses | | | |
| Salaries, wages and benefits | \$ 7,246,171 | \$ 7,196,451 | \$ 6,744,371 |
| Personnel expenses | 401,794 | 307,821 | 258,435 |
| Supplies and other expenses | 3,035,595 | 1,365,577 | 1,741,768 |
| Contractual services | 2,429,443 | 2,345,817 | 2,554,714 |
| Transfers from other functions | 480,198 | 490,762 | 854,869 |
| Transfers to other functions | (2,672,116) | (2,660,638) | (3,085,953) |
| Cost allocated to capital | (62,408) | (62,408) | - |
| Debt servicing costs | 113,279 | 97,810 | 20,084 |
| Amortization of tangible capital assets | 311,833 | 311,833 | 350,260 |
| Total operating expenses | <u>\$ 11,283,789</u> | <u>\$ 9,393,025</u> | <u>\$ 9,438,548</u> |
| Transfers of equity | | | |
| Transfer to (from) reserves | \$ 5,342,518 | \$ 8,901,051 | \$ 10,380,786 |
| Transfer to (from) other funds | 3,054,131 | 3,361,035 | 2,107,973 |
| Transfer to (from) capital equity | (311,833) | (311,833) | (350,260) |
| Total transfers of equity | <u>\$ 8,084,816</u> | <u>\$ 11,950,253</u> | <u>\$ 12,138,499</u> |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012, with comparatives for 2011

14 . Operating activities by segment (continued):

| | 2012 Fiscal Plan | 2012 | 2011 |
|---|---------------------|--------------------|--------------------|
| Environmental services: | | | |
| Revenue | | | |
| Property tax requirement (contribution) | \$ 354,332 | \$ 331,285 | \$ 340,478 |
| Government transfers | 372,873 | 142,231 | 115,683 |
| Total operating revenue | <u>\$ 727,205</u> | <u>\$ 473,516</u> | <u>\$ 456,161</u> |
| Expenses | | | |
| Salaries, wages and benefits | \$ 485,952 | \$ 465,747 | \$ 422,361 |
| Personnel expenses | 10,605 | 6,692 | 10,460 |
| Supplies and other expenses | 260,044 | 53,070 | 107,240 |
| Contractual services | 85,000 | 33,802 | 39,949 |
| Transfers from other functions | 42,386 | 43,587 | 33,700 |
| Transfers to other functions | (106,782) | (106,782) | (106,782) |
| Amortization of tangible capital assets | 7,483 | 7,483 | 3,700 |
| Total operating expenses | <u>\$ 784,688</u> | <u>\$ 503,599</u> | <u>\$ 510,628</u> |
| Transfers of equity | | | |
| Transfer to (from) reserves | \$ (50,000) | \$ (22,600) | \$ (50,767) |
| Transfer to (from) capital equity | (7,483) | (7,483) | (3,700) |
| Total transfers of equity | <u>\$ (57,483)</u> | <u>\$ (30,083)</u> | <u>\$ (54,467)</u> |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012, with comparatives for 2011

14 . Operating activities by segment (continued):

| | 2012 Fiscal Plan | 2012 | 2011 |
|---|----------------------|-----------------------------|----------------------|
| Fire services: | | | |
| Revenue | | | |
| Property tax requirement (contribution) | \$ 14,022,109 | \$ 14,619,020 | \$ 13,290,513 |
| Fees, rates and sales of service | 1,246,300 | 1,325,567 | 1,190,448 |
| Private contributions | 15,000 | 15,000 | 15,000 |
| Total operating revenue | <u>\$ 15,283,409</u> | <u>\$ 15,959,587</u> | <u>\$ 14,495,961</u> |
| Expenses | | | |
| Salaries, wages and benefits | \$ 13,475,196 | \$ 14,135,548 | \$ 12,738,073 |
| Personnel expenses | 100,455 | 102,359 | 101,743 |
| Supplies and other expenses | 717,746 | 747,583 | 722,254 |
| Contractual services | 276,923 | 241,090 | 199,930 |
| Transfers from other functions | 193,348 | 291,964 | 260,001 |
| Transfers to other functions | - | (78,698) | (69,507) |
| Debt servicing costs | - | - | 77,141 |
| Amortization of tangible capital assets | 202,045 | 202,045 | 177,005 |
| Total operating expenses | <u>\$ 14,965,713</u> | <u>\$ 15,641,891</u> | <u>\$ 14,206,640</u> |
| Loss (gain) on disposal of capital assets | <u>\$ 0</u> | <u>\$ (60,867)</u> | <u>\$ (74,572)</u> |
| Transfers of equity | | | |
| Transfer to (from) reserves | \$ (372,443) | \$ (372,443) | \$ (431,108) |
| Transfer to (from) other funds | 892,184 | 953,051 | 972,006 |
| Transfer to (from) capital equity | (202,045) | (202,045) | (177,005) |
| Total transfers of equity | <u>\$ 317,696</u> | <u>\$ 378,563</u> | <u>\$ 363,893</u> |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012, with comparatives for 2011

14 . Operating activities by segment (continued):

| | 2012 Fiscal Plan | 2012 | 2011 |
|---|-----------------------|-----------------------|-----------------------|
| Infrastructure maintenance: | | | |
| Revenue | | | |
| Property tax requirement (contribution) | \$ 14,316,069 | \$ 14,831,618 | \$ 14,740,080 |
| Fees, rates and sales of service | 9,100 | 6,008 | 9,967 |
| Government transfers | 650 | 1,179 | 945 |
| Private contributions | - | - | 86,754 |
| Total operating revenue | <u>\$ 14,325,819</u> | <u>\$ 14,838,805</u> | <u>\$ 14,837,746</u> |
| Expenses | | | |
| Salaries, wages and benefits | \$ 9,611,567 | \$ 9,044,820 | \$ 8,659,134 |
| Personnel expenses | 101,115 | 71,987 | 78,327 |
| Supplies and other expenses | 6,651,621 | 7,428,726 | 7,816,814 |
| Contractual services | 2,131,702 | 2,075,060 | 1,939,654 |
| Transfers from other functions | 3,525,593 | 3,328,840 | 3,178,579 |
| Transfers to other functions | (9,373,962) | (9,478,457) | (9,210,576) |
| Cost allocated to capital | (1,485,223) | (593,409) | (703,834) |
| Debt servicing costs | 766,226 | 764,058 | 750,746 |
| Amortization of tangible capital assets | 11,329,600 | 11,329,600 | 10,976,780 |
| Total operating expenses | <u>\$ 23,258,239</u> | <u>\$ 23,971,225</u> | <u>\$ 23,485,624</u> |
| Loss (gain) on disposal of capital assets | <u>\$ (80,000)</u> | <u>\$ (148,498)</u> | <u>\$ (225,710)</u> |
| Transfers of equity | | | |
| Transfer to (from) reserves | \$ (127,000) | \$ (127,000) | \$ 56,271 |
| Transfer to (from) other funds | 2,604,180 | 2,472,678 | 2,498,341 |
| Transfer to (from) capital equity | (11,329,600) | (11,329,600) | (10,976,780) |
| Total transfers of equity | <u>\$ (8,852,420)</u> | <u>\$ (8,983,922)</u> | <u>\$ (8,422,168)</u> |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012, with comparatives for 2011

14 . Operating activities by segment (continued):

| | 2012 Fiscal Plan | 2012 | 2011 |
|---|---------------------|----------------------------|---------------------|
| Legislative and enforcement: | | | |
| Revenue | | | |
| Property tax requirement (contribution) | \$ 3,331,508 | \$ 3,407,223 | \$ 3,031,413 |
| Fees, rates and sales of service | 1,450,728 | 1,547,304 | 1,509,639 |
| Investment income | 11,000 | 18,461 | 19,979 |
| Total operating revenue | <u>\$ 4,793,236</u> | <u>\$ 4,972,988</u> | <u>\$ 4,561,031</u> |
| Expenses | | | |
| Salaries, wages and benefits | \$ 2,991,217 | \$ 3,317,590 | \$ 2,870,725 |
| Personnel expenses | 151,570 | 108,877 | 114,270 |
| Supplies and other expenses | 1,060,382 | 957,994 | 1,028,050 |
| Contractual services | 210,846 | 211,023 | 205,411 |
| Transfers from other functions | 311,885 | 295,843 | 384,125 |
| Transfers to other functions | (151,000) | (151,000) | (151,000) |
| Debt servicing costs | 49,630 | 49,490 | |
| Amortization of tangible capital assets | 220,742 | 220,742 | 208,871 |
| Total operating expenses | <u>\$ 4,845,272</u> | <u>\$ 5,010,559</u> | <u>\$ 4,660,452</u> |
| Transfers of equity | | | |
| Transfer to (from) reserves | \$ 11,000 | \$ 12,373 | \$ (78,557) |
| Transfer to (from) other funds | 157,706 | 170,798 | 188,007 |
| Transfer to (from) capital equity | (220,742) | (220,742) | (208,871) |
| Total transfers of equity | <u>\$ (52,036)</u> | <u>\$ (37,571)</u> | <u>\$ (99,421)</u> |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012, with comparatives for 2011

14 . Operating activities by segment (continued):

| | 2012 Fiscal Plan | 2012 | 2011 |
|---|-----------------------|------------------------------|-----------------------|
| Parks, recreation and cultural services: | | | |
| Revenue | | | |
| Property tax requirement (contribution) | \$ 18,215,117 | \$ 18,054,411 | \$ 17,300,229 |
| Fees, rates and sales of service | 6,475,127 | 6,824,382 | 6,560,172 |
| Government transfers | 25,000 | 37,415 | 32,811 |
| Investment income | 30,000 | 13,661 | 21,045 |
| Private contributions | 62,316 | 71,193 | 92,988 |
| Total operating revenue | <u>\$ 24,807,560</u> | <u>\$ 25,001,062</u> | <u>\$ 24,007,245</u> |
| Expenses | | | |
| Salaries, wages and benefits | \$ 11,400,982 | \$ 11,587,420 | \$ 10,646,357 |
| Personnel expenses | 163,485 | 112,157 | 133,879 |
| Supplies and other expenses | 6,340,363 | 5,967,823 | 5,804,572 |
| Contractual services | 2,818,524 | 3,080,797 | 2,867,947 |
| Transfers from other functions | 3,003,158 | 2,765,425 | 2,728,619 |
| Transfers to other functions | (388,907) | (388,907) | (298,127) |
| Cost allocated to capital | (140,058) | (140,058) | - |
| Debt servicing costs | 1,942,055 | 1,936,560 | 1,869,725 |
| Amortization of tangible capital assets | 5,825,097 | 5,825,097 | 5,816,445 |
| Total operating expenses | <u>\$ 30,964,699</u> | <u>\$ 30,746,314</u> | <u>\$ 29,569,417</u> |
| Transfers of equity | | | |
| Transfer to (from) reserves | \$ (532,042) | \$ (120,155) | \$ 149,273 |
| Transfer to (from) other funds | 200,000 | 200,000 | 105,000 |
| Transfer to (from) capital equity | (5,825,097) | (5,825,097) | (5,816,445) |
| Total transfers of equity | <u>\$ (6,157,139)</u> | <u>\$ (5,745,252)</u> | <u>\$ (5,562,172)</u> |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012, with comparatives for 2011

14 . Operating activities by segment (continued):

| | 2012 Fiscal Plan | 2012 | 2011 |
|---|-----------------------|-----------------------------|----------------------|
| Police services: | | | |
| Revenue | | | |
| Property tax requirement (contribution) | \$ 19,317,020 | \$ 19,470,586 | \$ 18,033,034 |
| Fees, rates and sales of service | 209,800 | 208,475 | 201,423 |
| Government transfers | 3,176,808 | 3,641,979 | 3,514,575 |
| Private contributions | 0 | 0 | 5,015 |
| Total operating revenue | <u>\$ 22,703,628</u> | <u>\$ 23,321,040</u> | <u>\$ 21,754,047</u> |
| Expenses | | | |
| Salaries, wages and benefits | \$ 3,684,586 | \$ 3,530,516 | \$ 3,401,589 |
| Personnel expenses | 79,085 | 53,850 | 29,168 |
| Supplies and other expenses | 84,383 | 69,968 | 56,500 |
| Contractual services | 19,916,861 | 18,511,021 | 17,368,709 |
| Transfers from other functions | 86,924 | 96,828 | 109,550 |
| Amortization of tangible capital assets | 55,388 | 55,388 | 61,261 |
| Total operating expenses | <u>\$ 23,907,227</u> | <u>\$ 22,317,571</u> | <u>\$ 21,026,777</u> |
| Transfers of equity | | | |
| Transfer to (from) reserves | \$ (1,148,211) | \$ 1,058,857 | \$ 788,531 |
| Transfer to (from) capital equity | (55,388) | (55,388) | (61,261) |
| Total transfers of equity | <u>\$ (1,203,599)</u> | <u>\$ 1,003,469</u> | <u>\$ 727,270</u> |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012, with comparatives for 2011

14 . Operating activities by segment (continued):

| | 2012 Fiscal Plan | 2012 | 2011 |
|---|----------------------|----------------------|----------------------|
| Public transit: | | | |
| Revenue | | | |
| Property tax requirement (contribution) | \$ 4,003,875 | \$ 3,573,606 | \$ 2,961,761 |
| Fees, rates and sales of service | 4,620,293 | 4,396,354 | 4,308,274 |
| Government transfers | 6,005,366 | 5,960,196 | 5,478,693 |
| Total operating revenue | <u>\$ 14,629,534</u> | <u>\$ 13,930,156</u> | <u>\$ 12,748,728</u> |
| Expenses | | | |
| Salaries, wages and benefits | \$ 120,310 | \$ 118,182 | \$ 116,901 |
| Personnel expenses | 3,000 | 2,706 | 3,790 |
| Supplies and other expenses | - | 53 | - |
| Contractual services | 14,327,417 | 13,630,039 | 12,464,434 |
| Transfers from other functions | 178,807 | 179,176 | 163,603 |
| Amortization of tangible capital assets | 20,660 | 20,660 | 20,218 |
| Total operating expenses | <u>\$ 14,650,194</u> | <u>\$ 13,950,816</u> | <u>\$ 12,768,946</u> |
| Transfers of equity | | | |
| Transfer to (from) capital equity | (20,660) | (20,660) | (20,218) |
| Total transfers of equity | <u>\$ (20,660)</u> | <u>\$ (20,660)</u> | <u>\$ (20,218)</u> |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012, with comparatives for 2011

14 . Operating activities by segment (continued):

| | 2012 Fiscal Plan | 2012 | 2011 |
|---|---------------------|----------------------------|---------------------|
| Solid waste: | | | |
| Revenue | | | |
| Property tax requirement (contribution) | \$ 897,264 | \$ 837,629 | \$ 787,629 |
| Fees, rates and sales of service | 6,836,292 | 6,892,229 | 6,468,198 |
| Total operating revenue | <u>\$ 7,733,556</u> | <u>\$ 7,729,858</u> | <u>\$ 7,255,827</u> |
| Expenses | | | |
| Salaries, wages and benefits | \$ 1,909,904 | \$ 1,967,685 | \$ 1,833,862 |
| Personnel expenses | 7,410 | 2,427 | 10,045 |
| Supplies and other expenses | 704,973 | 454,219 | 448,516 |
| Contractual services | 2,833,495 | 2,987,821 | 2,818,579 |
| Transfers from other functions | 3,371,624 | 3,301,986 | 3,088,954 |
| Transfers to other functions | (1,710,205) | (1,652,682) | (1,646,418) |
| Amortization of tangible capital assets | 27,378 | 27,378 | 24,910 |
| Total operating expenses | <u>\$ 7,144,579</u> | <u>\$ 7,088,834</u> | <u>\$ 6,578,448</u> |
| Transfers of equity | | | |
| Transfer to (from) reserves | \$ 486,099 | \$ 538,146 | \$ 572,033 |
| Transfer to (from) other funds | 130,256 | 130,256 | 130,256 |
| Transfer to (from) capital equity | (27,378) | (27,378) | (24,910) |
| Total transfers of equity | <u>\$ 588,977</u> | <u>\$ 641,024</u> | <u>\$ 677,379</u> |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012, with comparatives for 2011

14 . Operating activities by segment (continued):

| | 2012 Fiscal Plan | 2012 | 2011 |
|---|-----------------------|-----------------------------|----------------------|
| Water utility: | | | |
| Revenue | | | |
| Fees, rates and sales of service | \$ 11,741,478 | \$ 13,404,722 | \$ 13,507,323 |
| Investment income | 45,000 | 273,006 | 588,369 |
| Total operating revenue | <u>\$ 11,786,478</u> | <u>\$ 13,677,728</u> | <u>\$ 14,095,692</u> |
| Expenses | | | |
| Salaries, wages and benefits | \$ 2,963,434 | \$ 2,849,194 | \$ 2,542,729 |
| Personnel expenses | 41,486 | 44,555 | 39,265 |
| Supplies and other expenses | 3,568,199 | 3,626,575 | 3,537,594 |
| Contractual services | 657,670 | 679,681 | 700,137 |
| Transfers from other functions | 2,147,619 | 1,937,596 | 1,954,422 |
| Transfers to other functions | (285,007) | (285,007) | (286,539) |
| Cost allocated to capital | (34,306) | - | - |
| Debt servicing costs | 2,009,511 | 1,949,490 | 2,003,569 |
| Amortization of tangible capital assets | 3,616,660 | 3,616,660 | 3,369,689 |
| Total operating expenses | <u>\$ 14,685,266</u> | <u>\$ 14,418,744</u> | <u>\$ 13,860,866</u> |
| Transfers of equity | | | |
| Transfer to (from) reserves | \$ - | \$ 2,745,210 | \$ 2,482,025 |
| Transfer to (from) other funds | 717,872 | 130,434 | 1,122,490 |
| Transfer to (from) capital equity | (3,616,660) | (3,616,660) | (3,369,689) |
| Total transfers of equity | <u>\$ (2,898,788)</u> | <u>\$ (741,016)</u> | <u>\$ 234,826</u> |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012, with comparatives for 2011

14 . Operating activities by segment (continued):

| | 2012 Fiscal Plan | 2012 | 2011 |
|---|-----------------------|---------------------|---------------------|
| Sewer utility: | | | |
| Revenue | | | |
| Fees, rates and sales of service | \$ 5,799,930 | \$ 7,353,626 | \$ 6,670,269 |
| Investment income | 91,000 | 219,200 | 511,696 |
| Total operating revenue | <u>\$ 5,890,930</u> | <u>\$ 7,572,826</u> | <u>\$ 7,181,965</u> |
| Expenses | | | |
| Salaries, wages and benefits | \$ 1,737,057 | \$ 1,447,465 | \$ 1,460,432 |
| Personnel expenses | 41,501 | 31,381 | 25,860 |
| Supplies and other expenses | 1,981,183 | 1,919,458 | 1,982,855 |
| Contractual services | 633,012 | 883,348 | 769,462 |
| Transfers from other functions | 1,300,755 | 1,215,237 | 1,167,419 |
| Transfers to other functions | (53,316) | (53,316) | (39,640) |
| Cost allocated to capital | (34,304) | - | - |
| Debt servicing costs | 335,818 | 309,692 | 358,310 |
| Amortization of tangible capital assets | 1,052,068 | 1,052,068 | 1,026,031 |
| Total operating expenses | <u>\$ 6,993,774</u> | <u>\$ 6,805,333</u> | <u>\$ 6,750,729</u> |
| Transfers of equity | | | |
| Transfer to (from) reserves | \$ (50,000) | \$ 1,727,925 | \$ 1,173,331 |
| Transfer to (from) other funds | (776) | 91,636 | 283,936 |
| Transfer to (from) capital equity | (1,052,068) | (1,052,068) | (1,026,031) |
| Total transfers of equity | <u>\$ (1,102,844)</u> | <u>\$ 767,493</u> | <u>\$ 431,236</u> |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012, with comparatives for 2011

14 . Operating activities by segment (continued):

| | 2012 Fiscal Plan | 2012 | 2011 |
|---|---------------------|---------------------|---------------------|
| Kamloops Airport Authority Society: | | | |
| Revenue | | | |
| Fees, rates and sales of service | \$ - | \$ 1,776,346 | \$ 2,085,661 |
| Government transfers | - | 833,547 | 275,475 |
| Investment income | - | 54,621 | 36,637 |
| Total operating revenue | <u>\$ -</u> | <u>\$ 2,664,514</u> | <u>\$ 2,397,773</u> |
| Expenses | | | |
| Supplies and other expenses | \$ - | \$ - | \$ - |
| Contractual services | - | 84,952 | 54,545 |
| Debt servicing costs | - | 356,492 | 357,636 |
| Amortization of tangible capital assets | - | 1,631,888 | 1,596,113 |
| Total operating expenses | <u>\$ -</u> | <u>\$ 2,073,332</u> | <u>\$ 2,008,294</u> |
| Loss (gain) on disposal of capital assets | <u>\$ -</u> | <u>\$ (4,400)</u> | <u>\$ -</u> |
| Transfers of equity | | | |
| Transfer to (from) reserves | \$ - | \$ 85,182 | \$ 1,970,445 |
| Transfer to (from) other funds | - | 8,000 | 15,147 |
| Transfer to (from) capital equity | - | 502,400 | (1,596,113) |
| Total transfers of equity | <u>\$ -</u> | <u>\$ 595,582</u> | <u>\$ 389,479</u> |
| Venture Kamloops Business Development Society: | | | |
| Revenue | | | |
| Fees, rates and sales of service | \$ 13,000 | \$ 200 | \$ 2,426 |
| Government transfers | 5,000 | 3,185 | 15,772 |
| Investment income | 500 | 2,135 | 2,601 |
| Total operating revenue | <u>\$ 18,500</u> | <u>\$ 5,520</u> | <u>\$ 20,799</u> |
| Expenses | | | |
| Supplies and other expenses | \$ 653,914 | \$ 615,185 | \$ 613,608 |
| Amortization of tangible capital assets | 10,000 | 9,993 | 5,389 |
| Total operating expenses | <u>\$ 663,914</u> | <u>\$ 625,178</u> | <u>\$ 618,997</u> |
| Transfers of equity | | | |
| Transfer to (from) reserves | \$ (84,002) | \$ (24,253) | \$ 1,060 |
| Transfer to (from) other funds | (551,412) | (585,412) | (593,869) |
| Transfer to (from) capital equity | (10,000) | (9,993) | (5,389) |
| Total transfers of equity | <u>\$ (645,414)</u> | <u>\$ (619,658)</u> | <u>\$ (598,198)</u> |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012, with comparatives for 2011

14 . Operating activities by segment (continued):

| | 2012 Fiscal Plan | 2012 | 2011 |
|---|----------------------|----------------------|------------------------|
| Non-operating activities: | | | |
| Revenue | | | |
| Property tax requirement (contribution) | \$ 4,648,663 | \$ 3,640,820 | \$ 5,434,007 |
| Development levies utilized | 8,718,302 | 3,043,103 | 3,758,220 |
| Fees, rates and sales of service | 9,715,299 | 6,165,963 | 4,945,809 |
| Government transfers | 9,895,364 | 621,188 | 4,614,770 |
| Investment income | 1,384,337 | 1,376,322 | 1,161,904 |
| Private contributions | 807,275 | 6,718,332 | 12,303,784 |
| Total operating revenue | <u>\$ 35,169,240</u> | <u>\$ 21,565,728</u> | <u>\$ 32,218,494</u> |
| Loss (gain) on disposal of capital assets | <u>\$ -</u> | <u>\$ 1,130,457</u> | <u>\$ 3,158,319.00</u> |
| Transfers of equity | | | |
| Transfer to (from) reserves | (34,847,334) | (17,444,225) | (17,173,135) |
| Transfer to (from) current funds | 948,156 | 820,527 | 2,209,963 |
| Transfer to capital equity | 70,964,730 | 37,058,969 | 44,023,347 |
| Total transfers of equity | <u>\$ 37,065,552</u> | <u>\$ 20,435,271</u> | <u>\$ 29,060,175</u> |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012, with comparatives for 2011

14 . Operating activities by segment (continued):

Total revenue by segment:

| | | | |
|---|-----------------------|-----------------------|-----------------------|
| Property tax requirement (contribution) | \$ 90,488,277 | \$ 90,574,271 | \$ 87,489,806 |
| Development levies utilized | 8,718,302 | 3,043,103 | 3,758,220 |
| Fees, rates and sales of service | 53,400,902 | 55,798,000 | 52,256,684 |
| Government transfers | 25,243,455 | 17,247,203 | 19,916,416 |
| Investment income | 3,802,137 | 4,570,612 | 6,545,210 |
| Private contributions | 884,591 | 6,804,525 | 12,503,541 |
| Total revenue | <u>\$ 182,537,664</u> | <u>\$ 178,037,714</u> | <u>\$ 182,469,877</u> |

Total expenses by segment:

| | | | |
|---|-----------------------|-----------------------|-----------------------|
| Salaries, wages and benefits | \$ 61,421,310 | \$ 60,972,753 | \$ 56,694,740 |
| Personnel expenses | 1,218,791 | 926,521 | 886,881 |
| Supplies and other expenses | 25,494,836 | 23,738,756 | 24,455,596 |
| Contractual services | 46,680,899 | 44,962,369 | 42,314,371 |
| Transfers from other functions | 15,168,945 | 14,434,571 | 14,456,575 |
| Transfers to other functions | (15,168,945) | (15,283,137) | (15,322,192) |
| Cost allocated to capital | (3,153,449) | (2,098,158) | (1,972,005) |
| Debt servicing costs | 5,216,519 | 5,463,592 | 5,437,211 |
| Amortization of tangible capital assets | 22,909,602 | 24,541,483 | 23,868,853 |
| Loss (Gain) on disposal of capital assets | (80,000) | 817,166 | 2,632,737 |
| Total operating expenses | <u>\$ 159,708,508</u> | <u>\$ 158,475,916</u> | <u>\$ 153,452,767</u> |

Total transfers of equity by segment:

| | | | |
|-----------------------------------|----------------------|----------------------|----------------------|
| Transfer to (from) reserves | (24,277,816) | 4,089,497 | 6,652,653 |
| Transfer to (from) current funds | 948,156 | 820,527 | 2,209,963 |
| Transfer to (from) capital equity | 48,055,128 | 14,651,774 | 20,154,494 |
| | <u>\$ 24,725,468</u> | <u>\$ 19,561,798</u> | <u>\$ 29,017,110</u> |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012, with comparatives for 2011

15 . Taxation:

| | 2012 Fiscal Plan | 2012 | 2011 |
|--|----------------------|-----------------------------|----------------------|
| General fund: | | | |
| Real property | \$ 85,949,000 | \$ 85,933,186 | \$ 82,910,327 |
| Special assessments | 743,810 | 786,029 | 857,289 |
| Utilities | 1,395,811 | 1,396,648 | 1,395,812 |
| Government transfers in lieu of taxes | 2,399,656 | 2,458,408 | 2,326,378 |
| | <u>90,488,277</u> | <u>90,574,271</u> | <u>87,489,806</u> |
| Collections for other taxing authorities: | | | |
| Province of British Columbia - school taxes | 37,452,094 | 38,189,968 | 37,432,191 |
| Thompson-Nicola Regional Hospital District | 3,486,891 | 4,793,570 | 3,485,891 |
| Thompson-Nicola Regional District | 5,212,112 | 5,550,054 | 5,210,618 |
| British Columbia Assessment Authority | 1,054,856 | 1,041,077 | 1,054,536 |
| | 47,205,953 | 49,574,669 | 47,183,236 |
| Payments to other taxing authorities | <u>(47,205,953)</u> | <u>(49,574,669)</u> | <u>(47,183,236)</u> |
| | <u>\$ 90,488,277</u> | <u>\$ 90,574,271</u> | <u>\$ 87,489,806</u> |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012, with comparatives for 2011

16 . Government transfers:

| | 2012 Fiscal Plan | 2012 | 2011 |
|---|----------------------|----------------------|----------------------|
| General fund: | | | |
| Federal Government: | | | |
| Policing | \$ 1,954,169 | \$ 1,827,616 | \$ 1,668,776 |
| Community Works Fund | 885,660 | 523,597 | 3,691,866 |
| Provincial Government: | | | |
| Transit | 6,005,366 | 5,960,196 | 5,478,693 |
| Gaming revenue | 2,400,000 | 2,505,467 | 2,385,250 |
| Victims assistance | 60,000 | 71,280 | 71,280 |
| Traffic Fines | 992,639 | 1,536,447 | 1,617,495 |
| Capital infrastructure | 512,018 | 267,410 | 3,064,207 |
| Other | 56,091 | 598,183 | 498,809 |
| | <u>12,865,943</u> | <u>13,290,196</u> | <u>18,476,376</u> |
| Water fund: | | | |
| Provincial Government: | | | |
| Capital infrastructure | <u>364,884</u> | <u>434,085</u> | <u>62,342</u> |
| Sewer fund: | | | |
| Provincial Government: | | | |
| Capital infrastructure | <u>12,007,628</u> | <u>2,686,190</u> | <u>1,086,451</u> |
| Kamloops Airport Authority Society: | | | |
| Federal Government: | | | |
| Capital infrastructure | <u>-</u> | <u>833,547</u> | <u>275,475</u> |
| Venture Kamloops Business Development Society: | | | |
| Provincial Government: | | | |
| Other | <u>5,000</u> | <u>3,185</u> | <u>15,772</u> |
| | <u>\$ 25,243,455</u> | <u>\$ 17,247,203</u> | <u>\$ 19,916,416</u> |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2012, with comparatives for 2011

17 . 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 municipality and its employees contribute to the Municipal Pension Plan (the Plan), a jointly trustee pension plan. The board of trustees, representing plan members and employers, is responsible for overseeing the management of the Plan, including investment of the assets and administration of benefits. The Plan is a multi-employer contributory pension plan. Basic pension benefits provided are based on a formula. The Plan has about 176,000 active members and approximately 67,000 retired members. Active members include approximately 35,000 contributors from local governments.

The most recent actuarial valuation as at December 31, 2009 indicated a \$1,024 million funding deficit for basic pension benefits. The next valuation will be as at December 31, 2012 with results available in 2013. Defined contribution plan accounting is applied to the Plan as the Plan exposes the participating entities to actuarial risks associated with the current and former employees of other entities, with the result that there is no consistent and reliable basis for allocating the obligation, Plan assets and cost to individual entities participating in the Plan.

The City of Kamloops paid \$4,641,472 (2011 - \$4,247,519) for employer contributions while employees contributed \$3,991,877 (2011 - \$3,587,260) to the plan in fiscal 2012.

- (e) From time to time the City of Kamloops is brought forth as 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, 2012, with comparatives for 2011

17. 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 | 2012 Total | 2011 Total |
|----------------------------|---------------------|----------------------------|---------------------|---------------------|
| General fund | \$ 835,225 | \$ 2,139,502 | \$ 2,974,727 | \$ 2,696,499 |
| Water utility fund | 686,157 | 1,937,311 | 2,623,468 | 2,568,094 |
| Sewer utility fund | 107,368 | 281,369 | 388,737 | 425,491 |
| Kamloops Airport Authority | 104,508 | 326,119 | 430,627 | 424,218 |
| | <u>\$ 1,733,258</u> | <u>\$ 4,684,301</u> | <u>\$ 6,417,559</u> | <u>\$ 6,114,302</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.

18. Trust funds:

The City operates the cemeteries and maintains a cemetery perpetual care fund in accordance with the *Cremation, Interment and Funeral Services Act*. In accordance with PSAB guidelines, the Cemetery Perpetual

| | 2012 | 2011 |
|-------------------------------------|---------------------|---------------------|
| Financial Assets | | |
| Cash and short-term investments | \$ 1,523,902 | \$ 1,445,370 |
| Accounts receivable | 11,191 | 11,175 |
| | <u>\$ 1,535,093</u> | <u>\$ 1,456,545</u> |
| Accumulated surplus | | |
| Balance, beginning of the year | \$ 1,456,545 | \$ 1,388,583 |
| Care fund contributions | 78,548 | 67,962 |
| Interest Earned | 69,982 | 72,059 |
| Contribution to cemetery operations | (69,982) | (72,059) |
| Balance, end of the year | <u>\$ 1,535,093</u> | <u>\$ 1,456,545</u> |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2012, with comparatives for 2011

19 . Fiscal plan:

The Financial Plan By-law adopted by Council at the time of adoption of the Annual Taxation By-law did not anticipate amortization expense. In addition, some expenses that were classified as capital expense did not represent new assets or extend the life or service capacity or improve the quality of an existing asset and, therefore, must be added to the operating expenses.

These expenses are added to the Financial Plan and presented as the fiscal plan in these Financial Statements as follows:

| | Financial Plan Bylaw | Amortization expense and expenses not capitalized | Venture Kamloops Business Development Society | Fiscal Plan |
|--|-------------------------|--|---|--------------------|
| Revenue | | | | |
| Taxation | \$ 90,488,277 | \$ | \$ | \$ 90,488,277 |
| Development levies utilized | 8,718,302 | | | 8,718,302 |
| Fees, rates and sales of service | 53,387,902 | | 13,000 | 53,400,902 |
| Government transfers | 25,238,455 | | 5,000 | 25,243,455 |
| Investment income | 3,801,637 | | 500 | 3,802,137 |
| Private contributions | 884,591 | | | 884,591 |
| | <u>182,519,164</u> | <u>-</u> | <u>18,500</u> | <u>182,537,664</u> |
| Expenses | | | | |
| Cemetery | 640,640 | 142,272 | | 782,912 |
| Community development | 4,629,904 | 228,338 | | 4,858,242 |
| Corporate administration | 11,108,712 | 726,489 | -551,412 | 11,283,789 |
| Environmental services | 777,205 | 7,483 | | 784,688 |
| Fire services | 14,754,980 | 210,733 | | 14,965,713 |
| Infrastructure maintenance | 10,303,053 | 12,955,186 | | 23,258,239 |
| Legislative and enforcement | 4,555,384 | 289,888 | | 4,845,272 |
| Parks, recreation and culture | 24,009,383 | 6,955,316 | | 30,964,699 |
| Police services | 23,835,353 | 71,874 | | 23,907,227 |
| Public Transit | 14,629,534 | 20,660 | | 14,650,194 |
| Solid waste | 7,057,566 | 87,013 | | 7,144,579 |
| Water utility | 10,036,665 | 4,648,601 | | 14,685,266 |
| Sewer utility | 5,554,518 | 1,439,256 | | 6,993,774 |
| Kamloops Airport Authority | - | | | - |
| Venture Kamloops | - | | 663,914 | 663,914 |
| Loss (gain) on disposal of capital as: | (80,000) | | | (80,000) |
| | <u>131,812,897</u> | <u>27,783,109</u> | <u>112,502</u> | <u>159,708,508</u> |
| Operating activity | 50,706,267 | (27,783,109) | (94,002) | 22,829,156 |
| Debt principle repayment | (6,885,247) | | | (6,885,247) |
| Debt acquired | 27,747,456 | | | 27,747,456 |
| Transfer (to) / from reserves | 24,277,816 | | | 24,277,816 |
| Transfer (to) / from current funds | 864,154 | | 84,002 | 948,156 |
| Transfer (to) / from capital equity | (96,710,446) | 27,783,109 | 10,000 | (68,917,337) |
| | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |



Schedule 1a - Tangible Capital Assets (2012)

| | Original Cost as at December 31, 2011 | Accumulated Depreciation to December 31, 2011 | Net Asset Value as at December 31, 2011 | 2012 Additions | 2012 Disposals | Accumulated Depreciation on Disposals | 2012 Depreciation | Original Cost as at December 31, 2012 | Accumulated Depreciation to December 31, 2012 | Net Asset Value as at December 31, 2012 |
|--|---------------------------------------|---|---|----------------|----------------|---------------------------------------|-------------------|---------------------------------------|---|---|
| Cemetery | | | | | | | | | | |
| Site improvements | 1,132,594 | (533,796) | 598,798 | - | - | - | (67,097) | 1,132,594 | (600,893) | 531,701 |
| Buildings | 2,270,872 | (965,484) | 1,285,388 | - | - | - | (55,603) | 2,270,872 | (1,041,087) | 1,229,785 |
| Equipment | 96,964 | (69,243) | 27,721 | 6,814 | - | - | (10,027) | 103,578 | (79,270) | 24,308 |
| Computing infrastructure | - | - | - | 1,201 | 5,615 | (2,843) | (1,036) | 6,816 | (3,879) | 2,937 |
| Work in progress | - | - | - | 8,382 | - | - | - | 8,382 | - | 8,382 |
| | 3,500,430 | (1,588,523) | 1,911,907 | 16,197 | 5,615 | (2,843) | (133,763) | 3,522,242 | (1,725,129) | 1,797,113 |
| Community development | | | | | | | | | | |
| Land | 76,030,142 | - | 76,030,142 | 498,613 | (27,641) | - | - | 76,501,114 | - | 76,501,114 |
| Site improvements | 677,372 | (296,441) | 380,931 | 4,468 | - | - | (18,478) | 681,840 | (314,919) | 366,921 |
| Buildings | 237,811 | (152,369) | 85,442 | 71,641 | - | - | (6,322) | 309,452 | (158,691) | 150,761 |
| Transportation network | 6,941 | (2,866) | 4,075 | - | - | - | (138) | 6,941 | (3,004) | 3,937 |
| Equipment | 252,773 | (184,629) | 78,144 | 2,448 | - | - | (26,399) | 265,221 | (211,028) | 54,193 |
| Computing infrastructure | 193,679 | (128,251) | 65,428 | 54,119 | 27,969 | 43,447 | (45,548) | 275,767 | (130,352) | 145,415 |
| Work in progress | - | - | - | - | - | - | - | - | - | - |
| | 77,408,718 | (764,556) | 76,644,162 | 631,289 | 328 | 43,447 | (98,885) | 78,040,335 | (817,994) | 77,222,341 |
| Corporate administration | | | | | | | | | | |
| Site improvements | 47,022 | (15,281) | 31,741 | - | - | - | (2,351) | 47,022 | (17,632) | 29,390 |
| Transportation network | 372 | (208) | 166 | - | - | - | (4) | 372 | (210) | 162 |
| Equipment | 317,934 | (97,755) | 220,179 | 16,692 | - | - | (32,629) | 334,626 | (130,384) | 204,242 |
| Computing infrastructure | 4,893,776 | (4,110,489) | 783,289 | 706,115 | (345,412) | 50,430 | (278,849) | 5,254,481 | (4,336,908) | 917,573 |
| Work in progress | 1,913,152 | - | 1,913,152 | - | - | - | - | 2,056,468 | - | 2,056,468 |
| | 7,172,256 | (4,223,731) | 2,948,527 | 876,123 | (345,412) | 50,430 | (311,833) | 7,702,969 | (4,485,134) | 3,217,835 |
| Environmental services | | | | | | | | | | |
| Site improvements | 42,622 | (13,414) | 29,208 | - | - | - | (2,255) | 42,622 | (15,669) | 26,953 |
| Computing infrastructure | 14,317 | (9,997) | 4,320 | 11,067 | 17,074 | (10,575) | (5,228) | 42,458 | (25,800) | 16,658 |
| | 56,939 | (23,411) | 33,528 | 11,067 | 17,074 | (10,575) | (7,483) | 85,080 | (41,469) | 43,611 |
| Fire services | | | | | | | | | | |
| Site improvements | 18,826 | (18,087) | 739 | 42,390 | - | - | (1,446) | 61,216 | (19,533) | 41,683 |
| Buildings | 379,048 | (120,578) | 258,470 | - | - | - | (12,158) | 379,048 | (132,736) | 246,312 |
| Transportation network | - | - | - | 177,563 | - | - | - | (3,314) | 177,563 | (3,314) |
| Equipment | 1,474,965 | (979,428) | 495,537 | 160,560 | - | - | (157,913) | 1,635,225 | (1,137,341) | 497,884 |
| Computing infrastructure | 107,755 | (48,848) | 58,907 | 21,342 | 38,774 | (9,487) | (27,214) | 167,871 | (85,549) | 82,322 |
| Work in progress | 5,243,307 | - | 5,243,307 | (3,295,365) | - | - | - | 1,947,942 | - | 1,947,942 |
| | 7,223,901 | (1,166,841) | 6,056,960 | (2,895,510) | 38,774 | (9,487) | (202,045) | 4,369,165 | (1,378,473) | 2,990,692 |
| Infrastructure maintenance | | | | | | | | | | |
| Land under roads | 414,082,621 | - | 414,082,621 | 2,939,860 | (143) | - | - | 417,022,338 | - | 417,022,338 |
| Site improvements | 7,583,472 | (2,533,137) | 5,050,335 | 1,287,464 | (10,476) | 1,680 | (247,926) | 8,860,460 | (2,779,383) | 6,081,077 |
| Buildings | 29,440,622 | (11,785,171) | 17,655,451 | 4,461,948 | - | - | (858,319) | 33,902,570 | (12,623,490) | 21,279,080 |
| Transportation network | 207,978,844 | (89,871,967) | 118,106,877 | 12,781,488 | (1,014,256) | 582,671 | (5,335,392) | 219,746,076 | (94,624,688) | 125,121,388 |
| Drainage network | 68,284,549 | (24,399,940) | 43,884,609 | 1,710,681 | (173,716) | 73,659 | (1,843,042) | 69,821,514 | (26,169,323) | 43,652,191 |
| Equipment | 37,306,188 | (20,944,862) | 16,361,326 | 1,772,020 | (9,961,151) | 1,954,582 | (2,947,636) | 37,117,041 | (21,937,716) | 15,179,325 |
| Computing infrastructure | 258,723 | (204,678) | 54,045 | 84,897 | (14,429) | 45,220 | (38,815) | 325,191 | (198,273) | 130,918 |
| Communication network | 1,432,583 | (360,677) | 1,071,906 | 288,472 | (15,202) | 4,560 | (78,470) | 1,705,853 | (434,587) | 1,271,266 |
| Work in progress | 6,240,311 | - | 6,240,311 | (3,548,476) | - | - | - | 2,691,835 | - | 2,691,835 |
| | 772,607,813 | (150,100,232) | 622,507,681 | 21,778,337 | (3,189,372) | 2,662,372 | (11,329,600) | 791,196,878 | (158,767,480) | 632,429,398 |
| Legislative and enforcement | | | | | | | | | | |
| Buildings | 2,286,613 | (1,054,228) | 1,232,385 | - | - | - | (45,733) | 2,286,613 | (1,099,961) | 1,186,652 |
| Equipment | 1,606,571 | (911,594) | 694,977 | - | - | - | (160,657) | 1,606,571 | (1,072,251) | 534,320 |
| Computing infrastructure | 66,929 | (49,587) | 17,342 | 32,193 | 16,651 | 1,404 | (14,352) | 115,773 | (62,535) | 53,238 |
| | 3,950,113 | (2,015,409) | 1,934,704 | 32,193 | 16,651 | 1,404 | (220,742) | 4,008,957 | (2,234,747) | 1,774,210 |
| Parks, recreation and cultural services | | | | | | | | | | |
| Site improvements | 50,889,036 | (24,761,880) | 26,127,156 | 375,154 | (237,837) | 137,679 | (2,289,572) | 51,088,383 | (26,923,773) | 24,164,610 |
| Buildings | 83,690,293 | (39,806,891) | 43,883,402 | 538,734 | - | - | (2,100,208) | 83,999,027 | (41,907,099) | 42,091,928 |
| Transportation network | 12,549,518 | (5,398,074) | 7,151,444 | - | - | - | (233,202) | 12,549,518 | (5,631,276) | 6,918,242 |
| Water network | 7,533,743 | (4,138,886) | 3,394,857 | 100,447 | - | - | (394,409) | 7,834,190 | (4,533,295) | 3,300,895 |
| Equipment | 7,814,109 | (5,251,849) | 2,562,260 | 200,999 | - | - | (761,552) | 8,015,107 | (6,013,401) | 2,001,706 |
| Computing infrastructure | 203,935 | (156,464) | 47,471 | 75,085 | 14,690 | 28,735 | (36,154) | 293,710 | (163,883) | 129,827 |
| Work in progress | 808,766 | - | 808,766 | 286,079 | - | - | - | 1,094,845 | - | 1,094,845 |
| | 163,259,400 | (79,514,044) | 83,745,356 | 1,576,497 | (223,147) | 166,414 | (5,825,097) | 164,612,750 | (85,172,727) | 79,440,023 |
| Police services | | | | | | | | | | |
| Equipment | 545,548 | (364,648) | 180,900 | 8,666 | - | - | (54,890) | 554,214 | (419,638) | 134,576 |
| Computing infrastructure | 27,725 | (20,899) | 6,826 | - | (24,741) | 19,132 | (396) | 2,984 | (2,165) | 819 |
| Work in progress | - | - | - | 225,909 | - | - | - | 225,909 | - | 225,909 |
| | 573,273 | (385,547) | 187,726 | 234,575 | (24,741) | 19,132 | (55,386) | 783,107 | (421,803) | 361,304 |
| Public Transit | | | | | | | | | | |
| Site improvements | 141,837 | (18,715) | 123,122 | 25,574 | - | - | (11,294) | 167,411 | (30,009) | 137,402 |
| Buildings | 71,667 | (7,881) | 63,786 | - | - | - | (71,653) | 71,667 | (8,318) | 63,349 |
| Transportation network | 153,700 | (36,176) | 117,524 | - | - | - | (7,933) | 153,700 | (44,109) | 109,591 |
| Work in progress | - | - | - | 2,013 | - | - | - | 2,013 | - | 2,013 |
| | 367,204 | (62,772) | 304,432 | 27,587 | - | - | (20,660) | 394,791 | (83,432) | 311,359 |
| Solid waste | | | | | | | | | | |
| Site improvements | 223,207 | (73,225) | 149,982 | - | - | - | (6,856) | 223,207 | (80,081) | 143,126 |
| Buildings | 498,626 | (106,070) | 392,556 | - | - | - | (14,880) | 498,626 | (122,960) | 375,666 |
| Equipment | - | - | - | 69,080 | - | - | (3,454) | 69,080 | (3,454) | 65,626 |
| Computing infrastructure | 13,737 | (11,099) | 2,638 | 3,603 | (261) | 483 | (2,178) | 17,079 | (12,794) | 4,285 |
| Work in progress | 314,573 | - | 314,573 | 727,798 | - | - | - | 1,042,371 | - | 1,042,371 |
| | 950,143 | (192,384) | 757,749 | 900,481 | (261) | 483 | (27,378) | 1,750,383 | (219,289) | 1,531,094 |
| Water utility | | | | | | | | | | |
| Site improvements | 728,879 | (444,867) | 284,012 | 25,033 | - | - | (44,791) | 753,912 | (489,658) | 264,254 |
| Buildings | 20,676,590 | (5,095,487) | 14,981,103 | 401,852 | - | - | (746,227) | 20,478,422 | (5,841,714) | 14,636,728 |
| Transportation network | 74,400 | (28,854) | 45,546 | - | - | - | (2,986) | 74,400 | (31,640) | 42,760 |
| Water network | 137,677,989 | (41,197,454) | 96,480,535 | 7,250,379 | (578,583) | 354,960 | (2,747,065) | 144,343,785 | (68,895,560) | 106,448,225 |
| Equipment | 607,397 | (352,679) | 254,718 | 110,215 | - | - | (66,522) | 717,612 | (418,931) | 298,681 |
| Computing infrastructure | 22,408 | (6,583) | 15,825 | 38,829 | 8,051 | (1,921) | (9,338) | 69,288 | (17,842) | 51,446 |
| Work in progress | 1,261,231 | - | 1,261,231 | 6,379,977 | - | - | - | 7,641,208 | - | 7,641,208 |
| | 160,448,894 | (47,125,724) | 113,323,170 | 14,208,265 | (570,532) | 353,039 | (3,616,660) | 174,084,647 | (50,389,345) | 123,695,302 |
| Sewer utility | | | | | | | | | | |
| Site improvements | 143,086 | (109,615) | 33,471 | - | - | - | (3,365) | 143,086 | (112,980) | 30,106 |
| Buildings | 2,652,744 | (1,238,224) | 1,414,520 | 124,119 | - | - | (67,937) | 2,772,863 | (1,306,161) | 1,470,702 |
| Sanitary network | 58,687,519 | (20,162,932) | 38,524,587 | 1,286,171 | (161,352) | 34,165 | (966,770) | 60,014,338 | (21,095,537) | 38,918,801 |
| Equipment | 1,507,957 | (12,678) | 1,520,635 | 37,449 | - | - | (15,088) | 1,540,406 | (8,656) | 1,531,750 |
| Computing infrastructure | 11,332 | (7,584) | 3,748 | 2,488 | (3,711) | 1,649 | (928) | 10,109 | (6,863) | 3,246 |
| Work in progress | 9,297,262 | - | 9,297,262 | 8,432,393 | - | - | - | 17,729,655 | - | 17,729,655 |
| | 71,099,900 | (21,531,033) | 49,568,867 | 9,884,620 | (165,063) | 35,814 | (1,052,068) | 80,819,457 | (22,547,287) | 58,272,170 |
| Kamloops Airport Authority Society | | | | | | | | | | |
| Land | 8,745,200 | - | 8,745,200 | - | - | - | - | 8,745,200 | - | 8,745,200 |
| Buildings | 20,386,340 | (3,780,842) | 16,605,498 | 117,356 | - | - | (541,373) | 20,503,69 | | |



Schedule 1b - Tangible Capital Assets (2011)

| | Original Cost as at December 31, 2010 | Accumulated Depreciation to December 31, 2010 | Net Asset Value as at December 31, 2010 | 2011 Additions | 2011 Disposals | Accumulated Depreciation on Disposals | Depreciation 2011 | Original Cost as at December 31, 2011 | Accumulated Depreciation to December 31, 2011 | Net Asset Value as at December 31, 2011 |
|--|---------------------------------------|---|---|-------------------|--------------------|---------------------------------------|---------------------|---------------------------------------|---|---|
| Cemetery | | | | | | | | | | |
| Site improvements | 1,133,898 | (450,203) | 683,695 | - | (1,304) | 988 | (84,581) | 1,132,594 | (533,796) | 598,798 |
| Buildings | 2,270,872 | (929,881) | 1,340,991 | - | - | - | (55,603) | 2,270,872 | (985,484) | 1,285,388 |
| Equipment | 96,964 | (59,496) | 37,468 | - | - | - | (9,747) | 96,964 | (69,243) | 27,721 |
| Computing infrastructure | - | - | - | - | - | - | - | - | - | - |
| Work in progress | - | - | - | - | - | - | - | - | - | - |
| | <u>3,501,734</u> | <u>(1,439,580)</u> | <u>2,062,154</u> | - | <u>(1,304)</u> | <u>988</u> | <u>(149,931)</u> | <u>3,500,430</u> | <u>(1,588,523)</u> | <u>1,911,907</u> |
| Community development | | | | | | | | | | |
| Land | 74,807,866 | - | 74,807,866 | 1,414,065 | (191,789) | - | - | 76,030,142 | - | 76,030,142 |
| Site improvements | 669,614 | (279,127) | 390,487 | 10,124 | (2,366) | 1,298 | (18,612) | 677,372 | (296,441) | 380,931 |
| Buildings | 237,211 | (143,307) | 93,904 | - | - | - | (4,082) | 237,211 | (152,389) | 85,442 |
| Transportation network | 6,941 | (2,728) | 4,213 | - | - | - | (138) | 6,941 | (2,866) | 4,075 |
| Equipment | 282,242 | (158,379) | 123,863 | 531 | - | - | (26,250) | 282,773 | (184,629) | 78,144 |
| Computing infrastructure | 194,964 | (96,091) | 98,873 | - | (1,285) | 1,028 | (33,188) | 193,679 | (128,251) | 65,428 |
| Work in progress | 27,337 | - | 27,337 | - | - | - | - | - | - | - |
| | <u>76,206,775</u> | <u>(684,632)</u> | <u>75,522,143</u> | <u>1,397,383</u> | <u>(195,440)</u> | <u>2,326</u> | <u>(82,250)</u> | <u>77,408,718</u> | <u>(784,556)</u> | <u>76,644,162</u> |
| Corporate administration | | | | | | | | | | |
| Site improvements | 47,022 | (12,930) | 34,092 | - | - | - | (2,351) | 47,022 | (15,281) | 31,741 |
| Transportation network | 372 | (202) | 170 | - | - | - | (4) | 372 | (206) | 166 |
| Equipment | 250,356 | (89,343) | 161,013 | 67,578 | - | - | (28,412) | 317,934 | (97,755) | 220,179 |
| Computing infrastructure | 4,776,467 | (3,910,890) | 865,577 | 267,473 | (150,162) | 119,894 | (319,493) | 4,893,778 | (4,110,489) | 783,289 |
| Work in progress | 1,471,673 | - | 1,471,673 | 441,479 | - | - | - | 1,913,152 | - | 1,913,152 |
| | <u>6,545,890</u> | <u>(3,993,365)</u> | <u>2,552,525</u> | <u>776,530</u> | <u>(150,162)</u> | <u>119,894</u> | <u>(350,260)</u> | <u>7,172,258</u> | <u>(4,223,731)</u> | <u>2,948,527</u> |
| Environmental services | | | | | | | | | | |
| Site improvements | 42,622 | (11,159) | 31,463 | - | - | - | (2,255) | 42,622 | (13,414) | 29,208 |
| Computing infrastructure | 14,317 | (7,254) | 7,063 | - | - | - | (2,743) | 14,317 | (9,997) | 4,320 |
| | <u>56,939</u> | <u>(18,413)</u> | <u>38,526</u> | - | - | - | <u>(4,998)</u> | <u>56,939</u> | <u>(23,411)</u> | <u>33,528</u> |
| Fire services | | | | | | | | | | |
| Site improvements | 18,828 | (17,431) | 1,395 | - | - | - | (556) | 18,828 | (18,087) | 739 |
| Buildings | 379,048 | (108,420) | 270,628 | - | - | - | (12,158) | 379,048 | (120,578) | 258,470 |
| Equipment | 1,347,679 | (837,104) | 510,575 | 127,286 | - | - | (142,324) | 1,474,965 | (979,428) | 495,537 |
| Computing infrastructure | 119,060 | (35,611) | 83,249 | - | (11,305) | 8,830 | (21,867) | 107,755 | (48,848) | 58,907 |
| Work in progress | 2,299,269 | - | 2,299,269 | 2,944,039 | - | - | - | 5,243,307 | - | 5,243,307 |
| | <u>4,163,881</u> | <u>(998,766)</u> | <u>3,165,115</u> | <u>3,071,325</u> | <u>(11,305)</u> | <u>8,830</u> | <u>(177,005)</u> | <u>7,223,901</u> | <u>(1,166,941)</u> | <u>6,056,960</u> |
| Infrastructure maintenance | | | | | | | | | | |
| Land under roads | 405,664,503 | - | 405,664,503 | 8,478,152 | (60,034) | - | - | 414,082,621 | - | 414,082,621 |
| Site improvements | 7,640,429 | (2,359,434) | 5,280,995 | 102,918 | (189,875) | 39,415 | (213,118) | 7,583,472 | (2,533,137) | 5,050,335 |
| Buildings | 29,316,410 | (11,018,915) | 18,297,495 | 124,212 | - | - | (766,256) | 29,440,622 | (11,785,171) | 17,655,451 |
| Transportation network | 203,604,236 | (85,384,761) | 118,219,475 | 6,015,962 | (1,541,354) | 708,426 | (5,195,532) | 207,974,844 | (89,871,967) | 118,102,877 |
| Drainage network | 67,944,847 | (23,252,340) | 44,692,507 | 1,482,653 | (1,142,951) | 714,828 | (1,862,428) | 68,284,549 | (24,399,940) | 43,884,609 |
| Equipment | 35,487,829 | (20,347,675) | 15,140,154 | 4,053,950 | (2,235,519) | 2,235,589 | (2,832,576) | 37,306,188 | (20,944,682) | 16,361,506 |
| Computing infrastructure | 291,011 | (195,565) | 95,446 | - | (32,288) | 25,828 | (34,941) | 258,723 | (204,678) | 54,045 |
| Communication network | 1,440,183 | (291,508) | 1,148,675 | 1,148,675 | (7,600) | 2,660 | (1,432,583) | 1,432,583 | (360,677) | 1,071,906 |
| Work in progress | 3,814,449 | - | 3,814,449 | 2,425,862 | - | - | - | 6,240,311 | - | 6,240,311 |
| | <u>755,203,897</u> | <u>(142,850,198)</u> | <u>612,353,699</u> | <u>22,683,709</u> | <u>(5,279,693)</u> | <u>3,726,746</u> | <u>(10,976,780)</u> | <u>772,607,913</u> | <u>(150,100,232)</u> | <u>622,507,681</u> |
| Legislative and enforcement | | | | | | | | | | |
| Buildings | 1,230,523 | (1,019,057) | 211,466 | 1,056,090 | - | - | (35,171) | 2,286,613 | (1,054,228) | 1,232,385 |
| Equipment | 1,606,571 | (752,646) | 853,925 | - | - | - | (158,948) | 1,606,571 | (911,594) | 694,977 |
| Computing infrastructure | 73,321 | (39,947) | 33,374 | - | (6,392) | 5,112 | (14,752) | 68,307 | (49,857) | 17,450 |
| | <u>2,910,415</u> | <u>(1,811,650)</u> | <u>1,098,765</u> | <u>1,056,090</u> | <u>(6,392)</u> | <u>5,112</u> | <u>(208,871)</u> | <u>3,960,113</u> | <u>(2,015,409)</u> | <u>1,944,704</u> |
| Parks, recreation and cultural services | | | | | | | | | | |
| Site improvements | 45,494,612 | (23,050,484) | 22,444,128 | 6,579,136 | (1,184,712) | 686,440 | (2,388,836) | 50,889,036 | (24,761,880) | 26,127,156 |
| Buildings | 82,369,849 | (37,744,751) | 44,625,098 | 1,090,444 | - | - | (2,062,140) | 83,460,293 | (39,806,891) | 43,653,402 |
| Transportation network | 11,442,725 | (5,172,526) | 6,270,199 | 1,107,754 | (961) | 361 | (225,909) | 12,540,518 | (5,388,074) | 7,152,444 |
| Water network | 6,649,837 | (3,176,361) | 3,473,476 | 2,819,629 | - | - | (362,578) | 7,533,744 | (4,138,886) | 3,394,857 |
| Equipment | 7,508,879 | (4,511,413) | 2,997,466 | 305,230 | - | - | (740,436) | 7,814,109 | (5,251,849) | 2,562,260 |
| Computing infrastructure | 235,491 | (145,158) | 90,333 | - | (31,556) | 25,240 | (36,546) | 203,935 | (156,464) | 47,471 |
| Work in progress | 8,243,144 | - | 8,243,144 | (7,434,378) | - | - | - | 808,766 | - | 808,766 |
| | <u>161,944,537</u> | <u>(74,409,640)</u> | <u>87,534,897</u> | <u>2,532,092</u> | <u>(1,217,229)</u> | <u>712,041</u> | <u>(5,816,445)</u> | <u>163,258,400</u> | <u>(79,514,044)</u> | <u>83,744,356</u> |
| Police services | | | | | | | | | | |
| Equipment | 514,206 | (311,660) | 202,546 | 31,342 | - | - | (52,988) | 545,548 | (354,648) | 190,900 |
| Computing infrastructure | 63,350 | (40,906) | 22,444 | - | (35,825) | 28,280 | (8,273) | 27,225 | (20,899) | 6,826 |
| Work in progress | - | - | - | - | - | - | - | - | - | - |
| | <u>577,556</u> | <u>(352,566)</u> | <u>224,990</u> | <u>31,342</u> | <u>(35,825)</u> | <u>28,280</u> | <u>(61,261)</u> | <u>573,273</u> | <u>(385,547)</u> | <u>187,726</u> |
| Public Transit | | | | | | | | | | |
| Site improvements | 107,483 | (8,170) | 99,293 | 34,374 | - | - | (10,545) | 141,837 | (18,715) | 123,122 |
| Buildings | 71,667 | (6,448) | 65,219 | - | - | - | (1,433) | 71,667 | (7,881) | 63,786 |
| Transportation network | 153,700 | (27,936) | 125,764 | - | - | - | (8,240) | 153,700 | (38,176) | 115,524 |
| Work in progress | - | - | - | - | - | - | - | - | - | - |
| | <u>332,830</u> | <u>(42,554)</u> | <u>290,276</u> | <u>34,374</u> | - | - | <u>(20,218)</u> | <u>367,204</u> | <u>(62,772)</u> | <u>304,432</u> |
| Solid waste | | | | | | | | | | |
| Site improvements | 223,207 | (66,369) | 156,838 | - | - | - | (6,856) | 223,207 | (73,225) | 149,982 |
| Buildings | 408,626 | (93,180) | 315,446 | - | - | - | (14,890) | 408,626 | (108,070) | 300,556 |
| Computing infrastructure | 18,988 | (12,065) | 6,923 | - | (5,151) | 4,120 | (3,164) | 13,737 | (11,096) | 2,638 |
| Work in progress | - | - | - | 314,573 | - | - | - | 314,573 | - | 314,573 |
| | <u>650,721</u> | <u>(171,604)</u> | <u>479,117</u> | <u>314,573</u> | <u>(5,151)</u> | <u>4,120</u> | <u>(24,910)</u> | <u>960,143</u> | <u>(192,394)</u> | <u>767,749</u> |
| Water utility | | | | | | | | | | |
| Site improvements | 728,879 | (381,549) | 347,330 | - | - | - | (63,318) | 728,879 | (444,867) | 284,012 |
| Buildings | 19,060,694 | (4,386,658) | 14,674,036 | 1,015,896 | - | - | (708,829) | 20,076,590 | (5,095,487) | 14,981,103 |
| Transportation network | 74,400 | (27,322) | 47,078 | - | - | - | (1,332) | 74,400 | (28,654) | 45,746 |
| Water network | 131,877,090 | (39,056,495) | 92,820,595 | 6,837,733 | (1,036,834) | 397,062 | (2,538,021) | 137,677,989 | (41,197,454) | 96,480,535 |
| Equipment | 506,479 | (297,344) | 209,135 | 100,918 | - | - | (55,335) | 607,987 | (352,679) | 254,718 |
| Computing infrastructure | 5,298 | (3,729) | 1,569 | - | - | - | (2,854) | 17,110 | (15,689) | 1,421 |
| Work in progress | 900,917 | - | 900,917 | 360,314 | - | - | - | 1,261,231 | - | 1,261,231 |
| | <u>153,153,757</u> | <u>(44,153,097)</u> | <u>109,000,660</u> | <u>8,331,971</u> | <u>(1,036,834)</u> | <u>397,062</u> | <u>(3,389,689)</u> | <u>160,448,894</u> | <u>(47,125,724)</u> | <u>113,323,170</u> |
| Sewer utility | | | | | | | | | | |
| Site improvements | 143,086 | (105,069) | 38,017 | - | - | - | (4,546) | 143,086 | (109,615) | 33,471 |
| Buildings | 2,637,589 | (1,174,576) | 1,463,013 | 15,155 | - | - | (63,648) | 2,682,744 | (1,238,224) | 1,444,520 |
| Sanitary network | 57,450,233 | (19,335,180) | 38,115,053 | 1,781,582 | (344,296) | 119,713 | (947,465) | 58,887,519 | (20,162,932) | 38,724,587 |
| Equipment | 54,197 | (4,971) | 49,226 | 63,760 | - | - | (7,707) | 107,957 | (12,876) | 95,279 |
| Computing infrastructure | 7,343 | (4,919) | 2,424 | 3,989 | - | - | (2,665) | 11,332 | (7,584) | 3,748 |
| Work in progress | 6,760,308 | - | 6,760,308 | 2,536,954 | - | - | - | 9,297,262 | - | 9,297,262 |
| | <u>67,052,756</u> | <u>(20,624,715)</u> | <u>46,428,041</u> | <u>4,391,449</u> | <u>(344,296)</u> | <u>119,713</u> | <u>(1,026,031)</u> | <u>71,099,600</u> | <u>(21,531,033)</u> | <u>49,568,567</u> |
| Kamloops Airport Authority Society | | | | | | | | | | |
| Land | 8,745,200 | - | 8,745,200 | - | - | - | - | 8,745,200 | - | 8,745, |



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BDO Canada LLP
300 - 272 Victoria Street
Kamloops BC V2C 1Z6

Independent Auditor's comment on Supplementary Information

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

We have audited the consolidated financial statements of the City of Kamloops, which comprise the consolidated statement of financial position as at December 31, 2012, consolidated statements of operations and accumulated surplus, changes in net debt, and cash flows, and a summary of significant accounting policies and other explanatory information, and have issued our report thereon dated April 23, 2013. The following supplementary financial information is presented for the purposes of additional analysis and is not a required part of the consolidated financial statements. Such supplementary information is the responsibility of management and was derived from the underlying accounting and other records used to prepare the consolidated financial statements.

The supplementary information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such supplementary information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the financial statements themselves.

BDO CANADA LLP

Chartered Accountants

Kamloops, British Columbia
April 23, 2013

**GENERAL FUND
STATEMENT OF FINANCIAL POSITION
YEAR ENDED DECEMBER 31, 2012, with comparatives for 2011**

| | <u>2012</u> | <u>2011</u> |
|----------------------------------|-----------------------|-----------------------|
| Financial assets | | |
| Cash | \$ 15,771,689 | \$ 8,837,633 |
| Short-term investments | 63,314,456 | 54,080,498 |
| Accounts receivable | 12,254,284 | 16,566,280 |
| Long-term investments | 332,989 | 320,616 |
| | <u>91,673,418</u> | <u>79,805,027</u> |
| Liabilities | | |
| Accounts payable | 20,206,031 | 17,624,861 |
| Payroll benefits payable | 3,668,706 | 3,476,526 |
| Post-employment benefits payable | 7,424,476 | 7,022,476 |
| Landfill post-closure costs | 3,802,326 | 3,533,881 |
| Deferred revenue | 24,418,887 | 20,346,361 |
| Long-term debt | 53,947,126 | 49,510,891 |
| | <u>113,467,552</u> | <u>101,514,996</u> |
| Net financial liabilities | <u>(21,794,134)</u> | <u>(21,709,969)</u> |
| Non-financial assets | | |
| Inventory | 662,996 | 800,700 |
| Prepaid expenses | 709,310 | 571,162 |
| Tangible capital assets | 801,128,979 | 797,052,731 |
| | <u>802,501,285</u> | <u>798,424,593</u> |
| Accumulated surplus | <u>\$ 780,707,151</u> | <u>\$ 776,714,624</u> |

GENERAL FUND
STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2012, with comparatives for 2011

| | 2012 Fiscal Plan | 2012 | 2011 |
|--|---------------------|----------------------------|----------------------|
| Revenue | | | |
| Taxation | \$ 90,488,277 | \$ 90,574,271 | \$ 87,489,806 |
| Development levies utilized | 2,659,759 | 1,775,627 | 1,024,048 |
| Fees, rates and sales of service | 26,814,432 | 27,097,143 | 25,607,397 |
| Government transfers | 12,865,943 | 13,290,196 | 18,476,376 |
| Investment income | 2,672,897 | 3,076,119 | 4,478,697 |
| Private contributions | 849,316 | 5,680,283 | 11,401,755 |
| Transfers from other funds | 9,968,586 | 3,856,376 | 5,165,827 |
| | <u>146,319,210</u> | <u>145,350,015</u> | <u>153,643,906</u> |
| Expenses | | | |
| Cemetery | 782,912 | 751,089 | 775,183 |
| Community development | 4,858,242 | 4,361,240 | 4,560,481 |
| Corporate administration | 11,283,789 | 9,393,025 | 9,438,548 |
| Environmental services | 784,688 | 503,599 | 510,628 |
| Fire services | 14,965,713 | 15,641,891 | 14,206,640 |
| Infrastructure maintenance | 23,258,239 | 23,971,225 | 23,485,624 |
| Legislative and enforcement | 4,845,272 | 5,010,559 | 4,660,452 |
| Parks, recreation and cultural services | 30,964,699 | 30,746,314 | 29,569,417 |
| Police services | 23,907,227 | 22,317,571 | 21,026,777 |
| Public Transit | 14,650,194 | 13,950,816 | 12,768,946 |
| Solid waste | 7,144,579 | 7,088,834 | 6,578,448 |
| Loss (Gain) on disposal of capital assets | (80,000) | 474,824 | 1,768,382 |
| Transfers to other funds | 7,675,266 | 7,146,501 | 7,610,931 |
| | <u>145,040,820</u> | <u>141,357,488</u> | <u>136,960,457</u> |
| Increase (decrease) in accumulated surplus | \$ <u>1,278,390</u> | \$ <u>3,992,527</u> | \$ <u>16,683,449</u> |

**WATER FUND
STATEMENT OF FINANCIAL POSITION
YEAR ENDED DECEMBER 31, 2012, with comparatives for 2011**

| | <u>2012</u> | <u>2011</u> |
|----------------------------------|----------------------|----------------------|
| Financial assets | | |
| Short-term investments | \$ 2,727,463 | \$ 9,956,916 |
| Accounts receivable | 1,123,339 | 1,069,846 |
| | <u>3,850,802</u> | <u>11,026,762</u> |
| Liabilities | | |
| Payroll benefits payable | 141,645 | 158,695 |
| Long-term debt | 28,405,927 | 30,655,498 |
| | <u>28,547,572</u> | <u>30,814,193</u> |
| Net financial liabilities | <u>(24,696,770)</u> | <u>(19,787,431)</u> |
| Non-financial assets | | |
| Inventory | 248,585 | 272,555 |
| Tangible capital assets | 123,695,303 | 113,323,170 |
| | <u>123,943,888</u> | <u>113,595,725</u> |
| Accumulated surplus | <u>\$ 99,247,118</u> | <u>\$ 93,808,294</u> |

WATER FUND
STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2012, with comparatives for 2011

| | 2012 Fiscal Plan | 2012 | 2011 |
|--|---------------------|----------------------------|---------------------|
| Revenue | | | |
| Development levies utilized | \$ 674,059 | \$ 153,183 | \$ 2,406,815 |
| Fees, rates and sales of service | 17,605,386 | 17,768,712 | 16,708,512 |
| Government transfers | 364,884 | 434,085 | 62,342 |
| Investment income | 786,040 | 1,014,047 | 1,273,235 |
| Private contributions | 35,275 | 686,916 | 597,159 |
| Transfers from other funds | 936,960 | 148,552 | 942,436 |
| | <u>20,402,604</u> | <u>20,205,495</u> | <u>21,990,499</u> |
| Expenses | | | |
| Water utility | 14,685,266 | 14,418,744 | 13,860,866 |
| Loss on disposal of capital assets | - | 217,493 | 639,772 |
| Transfers to other funds | 750,000 | 130,434 | 1,122,490 |
| | <u>15,435,266</u> | <u>14,766,671</u> | <u>15,623,128</u> |
| Increase (decrease) in accumulated surplus | <u>\$ 4,967,338</u> | <u>\$ 5,438,824</u> | <u>\$ 6,367,371</u> |

SEWER FUND
STATEMENT OF FINANCIAL POSITION
YEAR ENDED DECEMBER 31, 2012, with comparatives for 2011

| | <u>2012</u> | <u>2011</u> |
|-----------------------------|----------------------|----------------------|
| Financial assets | | |
| Short-term investments | \$ 3,066,121 | \$ 5,437,466 |
| Accounts receivable | 4,416,584 | 2,605,924 |
| | <u>7,482,705</u> | <u>8,043,390</u> |
| Liabilities | | |
| Payroll benefits payable | 113,316 | 126,956 |
| Long-term debt | 4,717,257 | 3,283,097 |
| | <u>4,830,573</u> | <u>3,410,053</u> |
| Net financial assets | <u>2,652,132</u> | <u>4,633,337</u> |
| Non-financial assets | | |
| Inventory | 57,189 | 69,397 |
| Tangible capital assets | 58,272,170 | 49,568,867 |
| | <u>58,329,359</u> | <u>49,638,264</u> |
| Accumulated surplus | <u>\$ 60,981,491</u> | <u>\$ 54,271,601</u> |

SEWER FUND
STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2012, with comparatives for 2011

| | 2012 Fiscal Plan | 2012 | 2011 |
|--|----------------------|---------------------|---------------------|
| Revenue | | | |
| Development levies utilized | \$ 5,384,484 | \$ 1,114,293 | \$ 327,357 |
| Fees, rates and sales of service | 8,968,084 | 9,151,631 | 8,210,324 |
| Government transfers | 12,007,628 | 2,686,190 | 1,086,451 |
| Investment income | 295,490 | 423,690 | 754,040 |
| Private contributions | - | 437,326 | 504,627 |
| Transfers from other funds | 16,875 | - | 99,719 |
| | <u>26,672,561</u> | <u>13,813,130</u> | <u>10,982,518</u> |
| Expenses | | | |
| Sewer utility | 6,993,774 | 6,805,333 | 6,750,729 |
| Loss on disposal of capital assets | - | 129,249 | 224,583 |
| Transfers to other funds | - | 168,658 | 670,645 |
| | <u>6,993,774</u> | <u>7,103,240</u> | <u>7,645,957</u> |
| Increase (decrease) in accumulated surplus | <u>\$ 19,678,787</u> | <u>\$ 6,709,890</u> | <u>\$ 3,336,561</u> |



**STATUTORY RESERVE FUNDS
STATEMENT OF FINANCIAL POSITION
YEAR ENDED DECEMBER 31, 2012, with comparatives for 2011**

| | <u>2012</u> | <u>2011</u> |
|----------------------------|----------------------|----------------------|
| Financial Assets | | |
| Short-term investments | \$ 46,804,940 | \$ 43,109,316 |
| | <u>46,804,940</u> | <u>43,109,316</u> |
| Liabilities | | |
| Deferred revenue | 14,636,968 | 13,804,597 |
| | <u>14,636,968</u> | <u>13,804,597</u> |
| Accumulated surplus | <u>\$ 32,167,972</u> | <u>\$ 29,304,719</u> |

**STATUTORY RESERVE FUNDS
STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2012, with comparatives for 2011**

| | 2012 Fiscal Plan | 2012 | 2011 |
|--|-----------------------|---------------------|---------------------|
| Revenue | | | |
| Transfer to: | | | |
| Tax sale property | \$ 198,000 | \$ 501,999 | \$ 1,495,314 |
| Local improvement | 3,100 | 119,264 | 209,760 |
| Debt retirement | 1,846,607 | 1,846,129 | 776 |
| Parking facility | 183,706 | 197,763 | 221,386 |
| Land sale | 49,000 | 37,516 | 96,026 |
| Equipment replacement | 5,344,264 | 4,641,890 | 5,384,747 |
| | <u>7,624,677</u> | <u>7,344,561</u> | <u>7,408,009</u> |
| Expenses | | | |
| Transfer from: | | | |
| Tax sale property | 1,317,762 | 26,761 | 331,513 |
| Local improvement | 165,000 | - | 231,926 |
| Debt retirement | 420,536 | 420,536 | - |
| Parking facility | 19,762 | - | 1,574 |
| Land sale | 622,435 | 130,981 | 1,128,490 |
| Equipment replacement | 8,258,498 | 3,903,030 | 3,080,621 |
| | <u>10,803,993</u> | <u>4,481,308</u> | <u>4,774,124</u> |
| Increase (decrease) in accumulated surplus | <u>\$ (3,179,316)</u> | <u>\$ 2,863,253</u> | <u>\$ 2,633,885</u> |

**KAMLOOPS AIRPORT AUTHORITY SOCIETY
STATEMENT OF FINANCIAL POSITION
YEAR ENDED DECEMBER 31, 2012, with comparatives for 2011**

| | <u>2012</u> | <u>2011</u> |
|----------------------------------|----------------------|----------------------|
| Financial assets | | |
| Cash | \$ 3,236,035 | \$ 3,276,278 |
| Accounts receivable | 1,185,370 | 269,694 |
| | <u>4,421,405</u> | <u>3,545,972</u> |
| Liabilities | | |
| Accounts payable | 475,181 | 201,228 |
| Long-term debt | 8,711,766 | 9,215,571 |
| | <u>9,186,947</u> | <u>9,416,799</u> |
| Net financial liabilities | <u>(4,765,542)</u> | <u>(5,870,827)</u> |
| Non-financial assets | | |
| Prepaid expenses | 97,000 | 97,000 |
| Tangible capital assets | 56,773,213 | 57,286,948 |
| | <u>56,870,213</u> | <u>57,383,948</u> |
| Accumulated surplus | <u>\$ 52,104,671</u> | <u>\$ 51,513,121</u> |

**KAMLOOPS AIRPORT AUTHORITY SOCIETY
STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2012, with comparatives for 2011**

| | 2012 Fiscal Plan | 2012 | 2011 |
|--|---------------------|-------------------|------------------|
| Revenue | | | |
| Fees, rates and sales of service | \$ - | \$ 1,780,314 | 1,728,025 |
| Government transfers | - | 833,547 | 275,475 |
| Investment income | - | 54,621 | 36,637 |
| | <u>-</u> | <u>2,668,482</u> | <u>2,040,137</u> |
| Expenses | | | |
| Kamloops Airport Authority Society | - | 2,073,332 | 2,008,294 |
| Transfers to other funds | - | 8,000 | 15,147 |
| Loss (Gain) on disposal of capital assets | | (4,400) | |
| | <u>-</u> | <u>2,076,932</u> | <u>2,023,441</u> |
| Increase (decrease) in accumulated surplus | <u>\$ -</u> | <u>\$ 591,550</u> | <u>\$ 16,696</u> |

**VENTURE KAMLOOPS BUSINESS DEVELOPMENT SOCIETY
STATEMENT OF FINANCIAL POSITION
YEAR ENDED DECEMBER 31, 2012, with comparatives for 2011**

| | <u>2012</u> | <u>2011</u> |
|-----------------------------|-------------------|-------------------|
| Financial assets | | |
| Cash | \$ 98,015 | \$ 106,333 |
| Short-term investments | 102,953 | 101,834 |
| Accounts receivable | 10,403 | 14,363 |
| | <u>211,371</u> | <u>222,530</u> |
| Liabilities | | |
| Accounts payable | 69,894 | 30,490 |
| Deferred revenue | 3,333 | 3,333 |
| | <u>73,227</u> | <u>33,823</u> |
| Net financial assets | <u>138,144</u> | <u>188,707</u> |
| Non-financial assets | | |
| Prepaid expenses | 2,566 | 2,289 |
| Tangible capital assets | 26,169 | 10,129 |
| | <u>28,735</u> | <u>12,418</u> |
| Accumulated surplus | <u>\$ 166,879</u> | <u>\$ 201,125</u> |

VENTURE KAMLOOPS BUSINESS DEVELOPMENT SOCIETY
STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2012, with comparatives for 2011

| | 2012 Fiscal Plan | 2012 | 2011 |
|---|---------------------|----------------|----------------|
| Revenue | | | |
| Fees, rates and sales of service | \$ 13,000 | \$ 200 | 2,426 |
| Government transfers | 5,000 | 3,185 | 15,772 |
| Investment income | 500 | 2,135 | 2,601 |
| Transfers from other funds | 551,412 | 585,412 | 577,347 |
| | <u>569,912</u> | <u>590,932</u> | <u>598,146</u> |
| Expenses | | | |
| Venture Kamloops Business Development Society | 663,914 | 625,178 | 618,997 |
| | <u>663,914</u> | <u>625,178</u> | <u>618,997</u> |
| Increase (decrease) in accumulated surplus | \$ (94,002) | \$ (34,246) | \$ (20,851) |

Statistical Reports

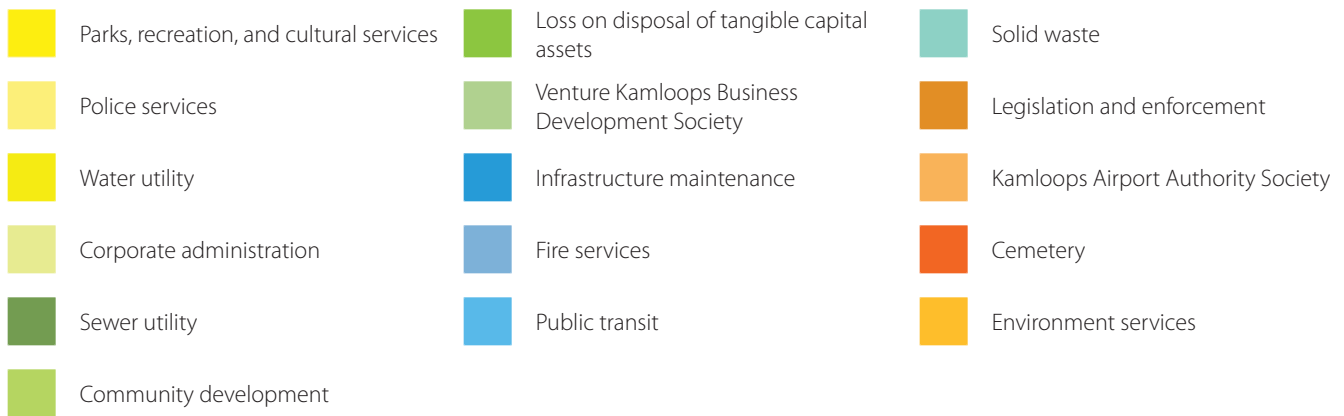
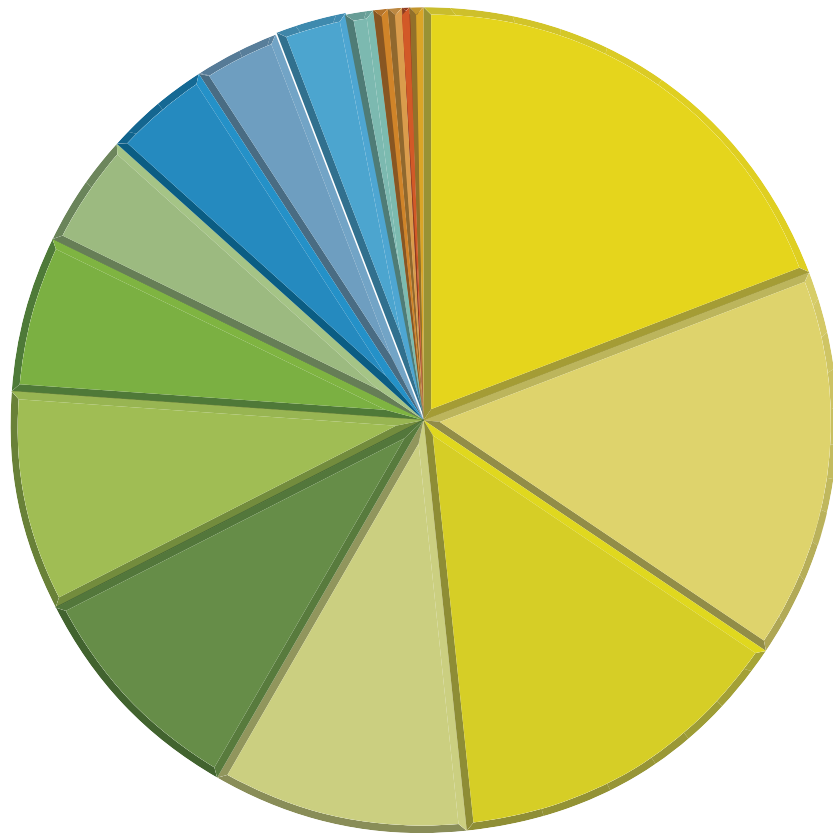
City of Kamloops 2012

This section includes:

| | |
|--|-----|
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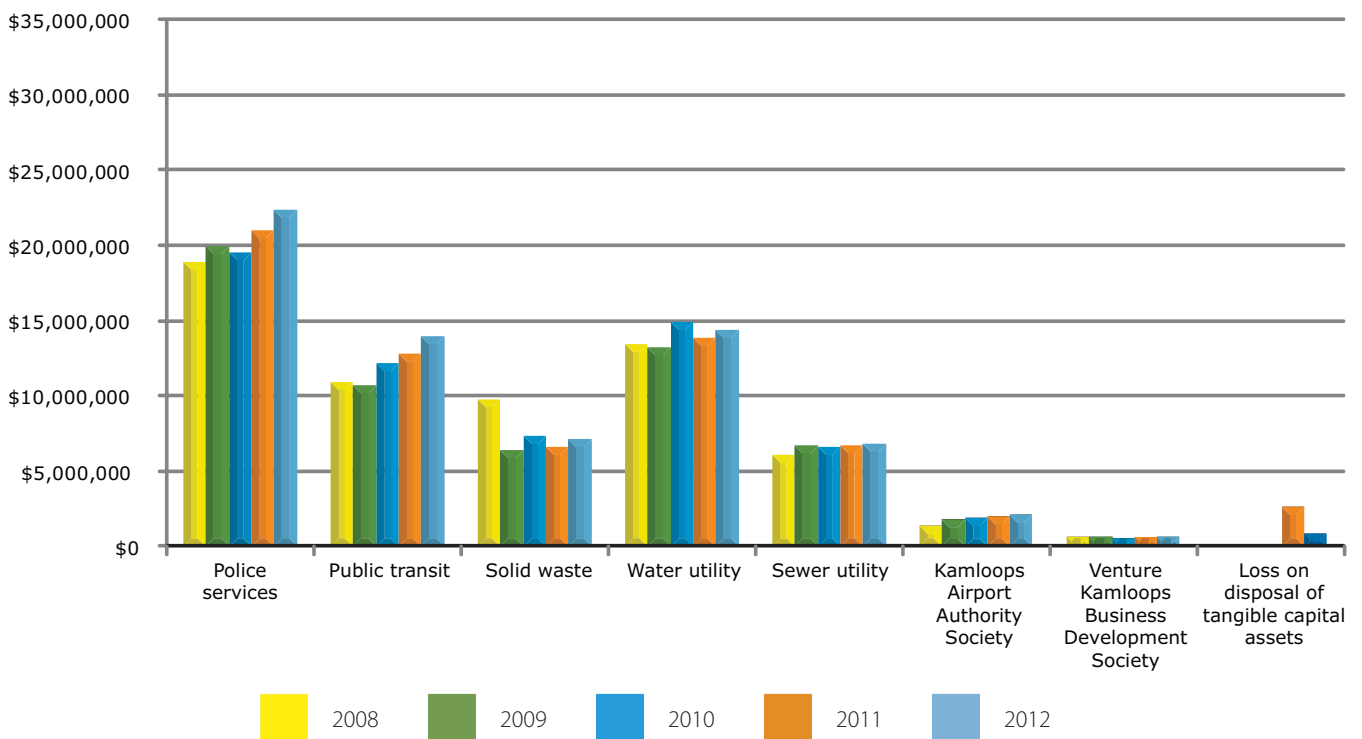
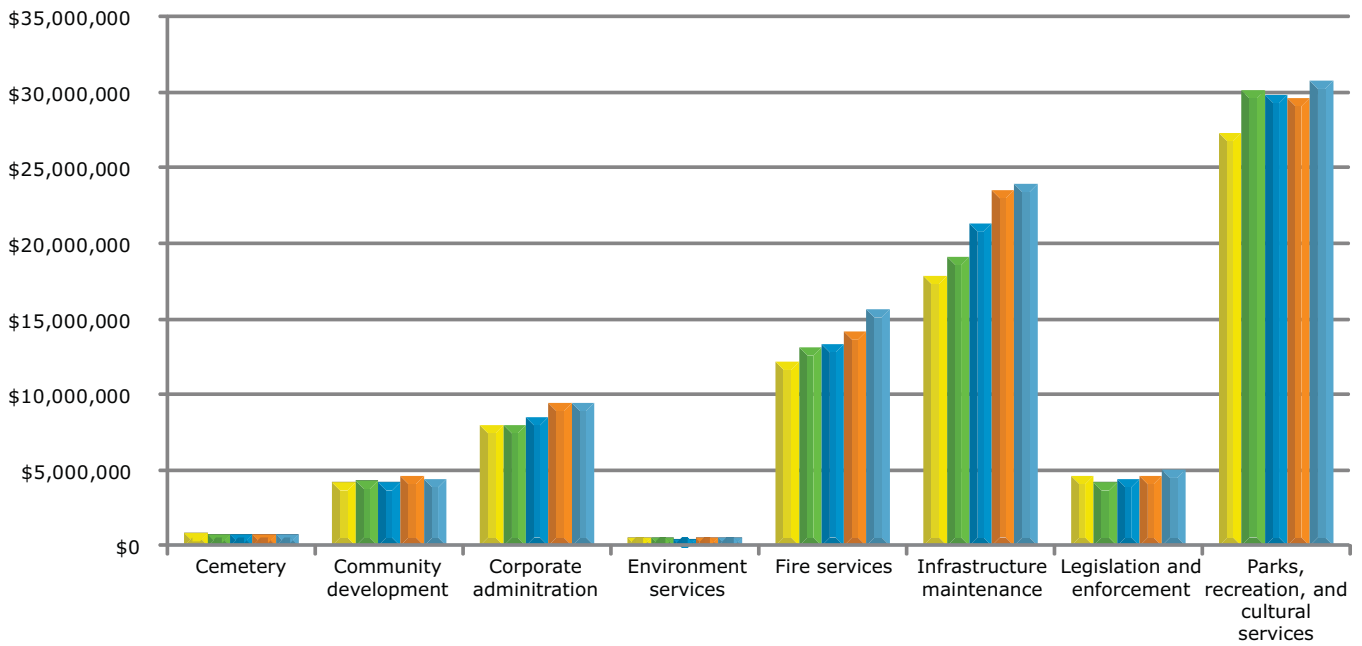


2012 Consolidated Expenses by Function

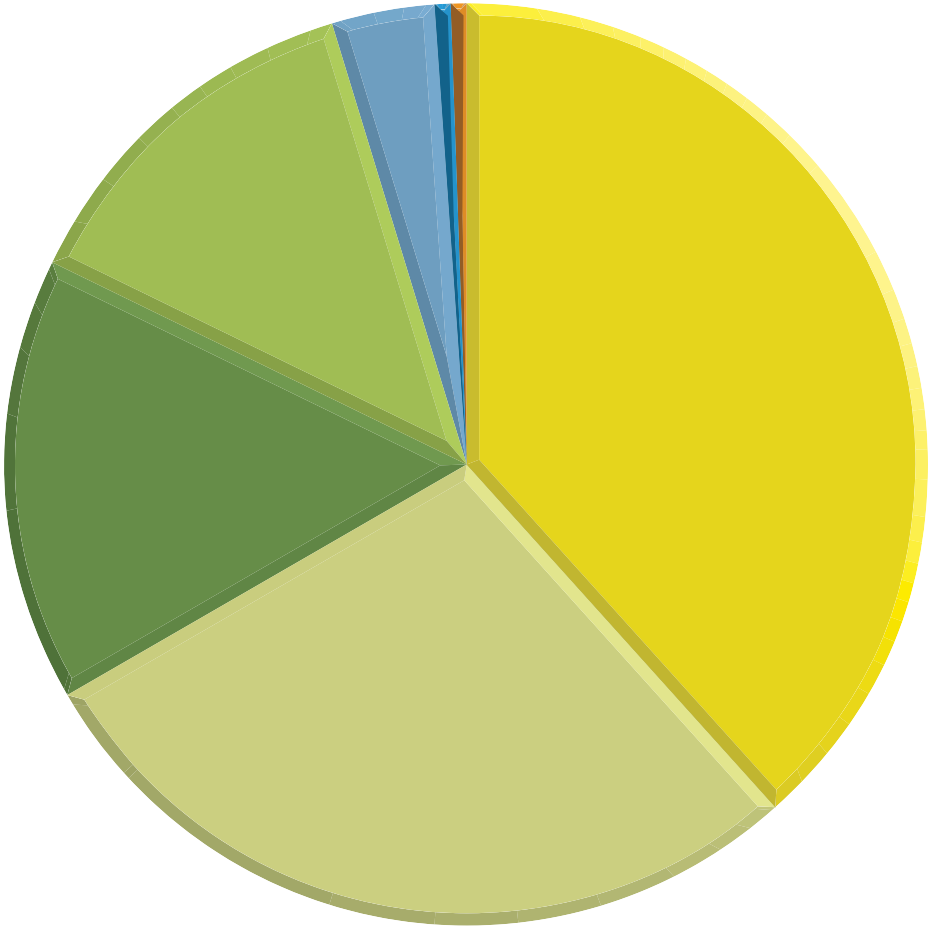


Source: City of Kamloops, Finance.

Consolidated Expenses by Function



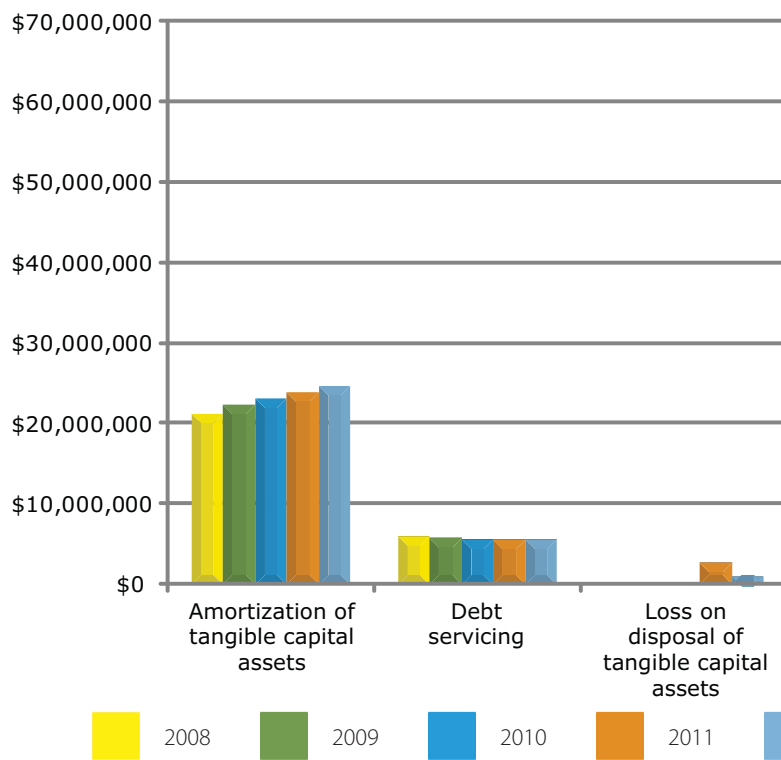
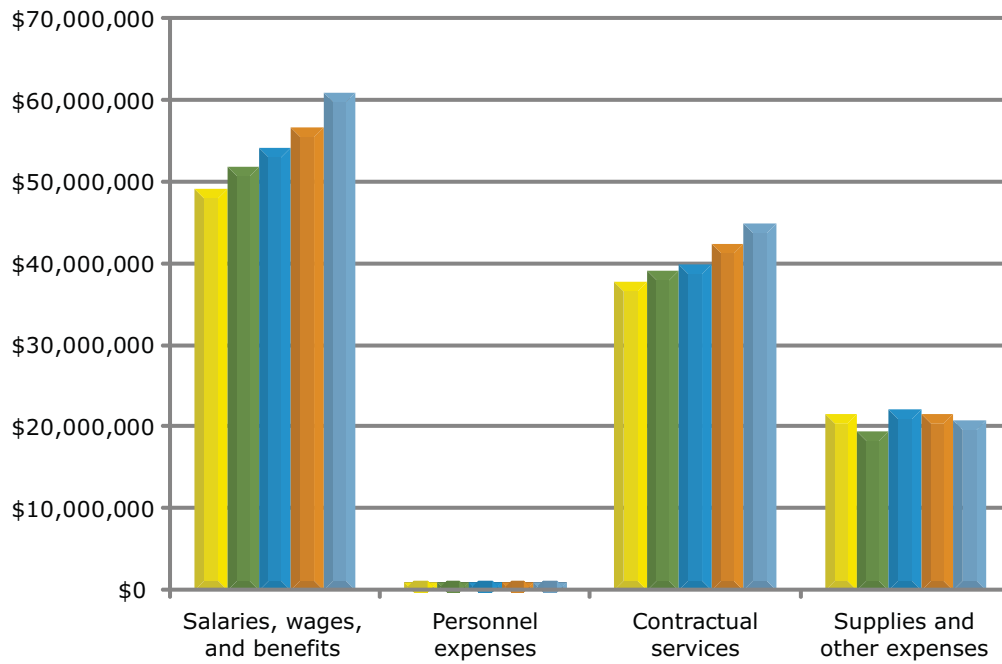
2012 Consolidated Expenses by Object



- Salaries, wages, and benefits
- Contractual services
- Amortization of tangible capital asset
- Supplies and other expenses
- Debt servicing
- Personnel expenses
- Loss on disposal of tangible capital assets

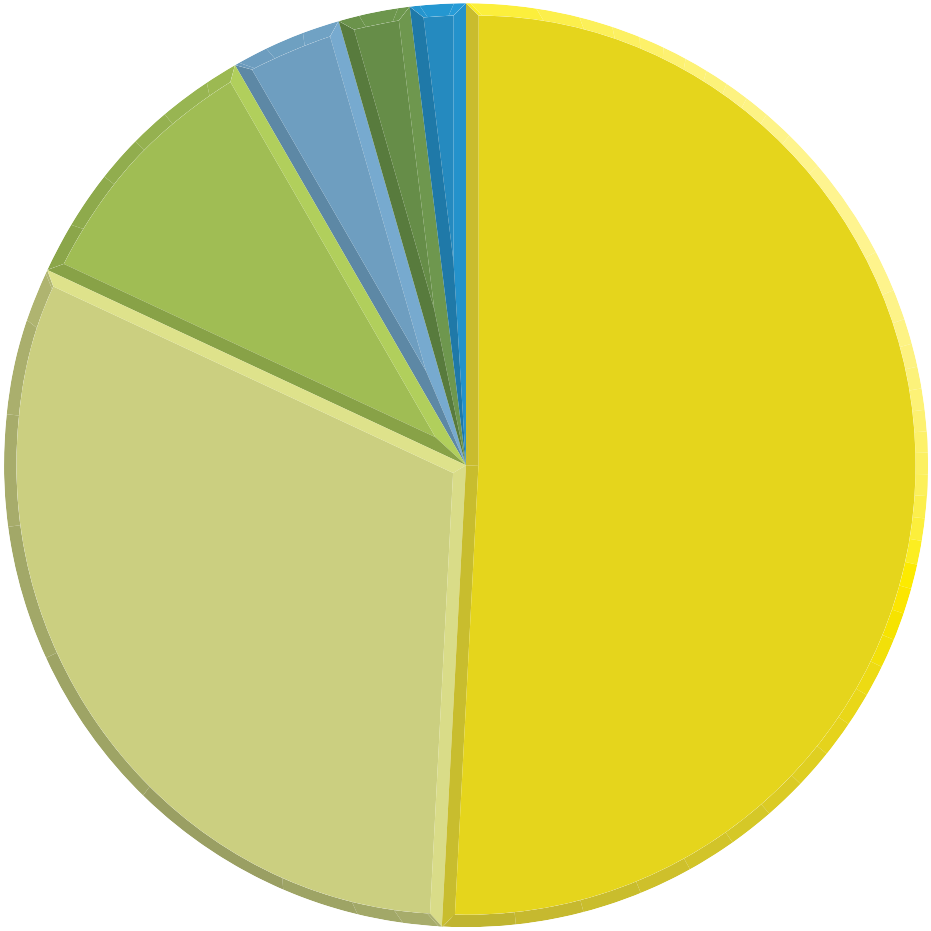
Source: City of Kamloops, Finance.

Consolidated Expenses by Object



2008
 2009
 2010
 2011
 2012

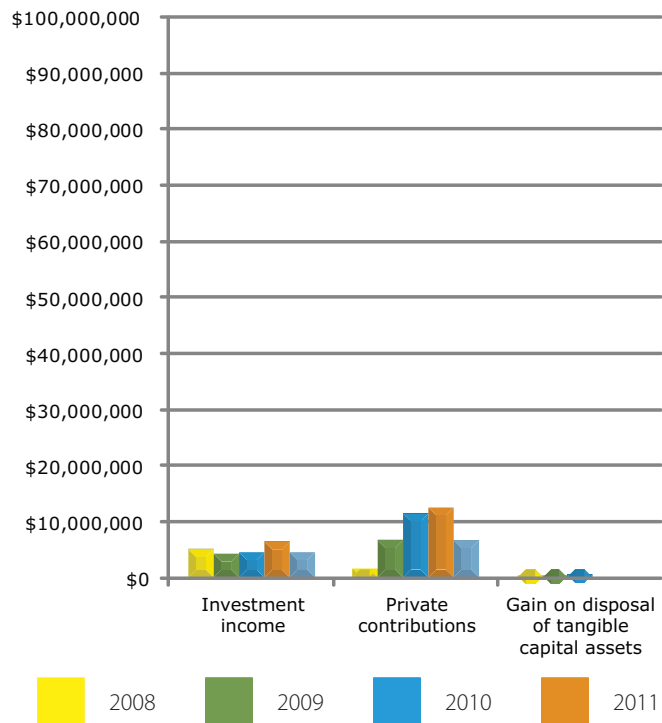
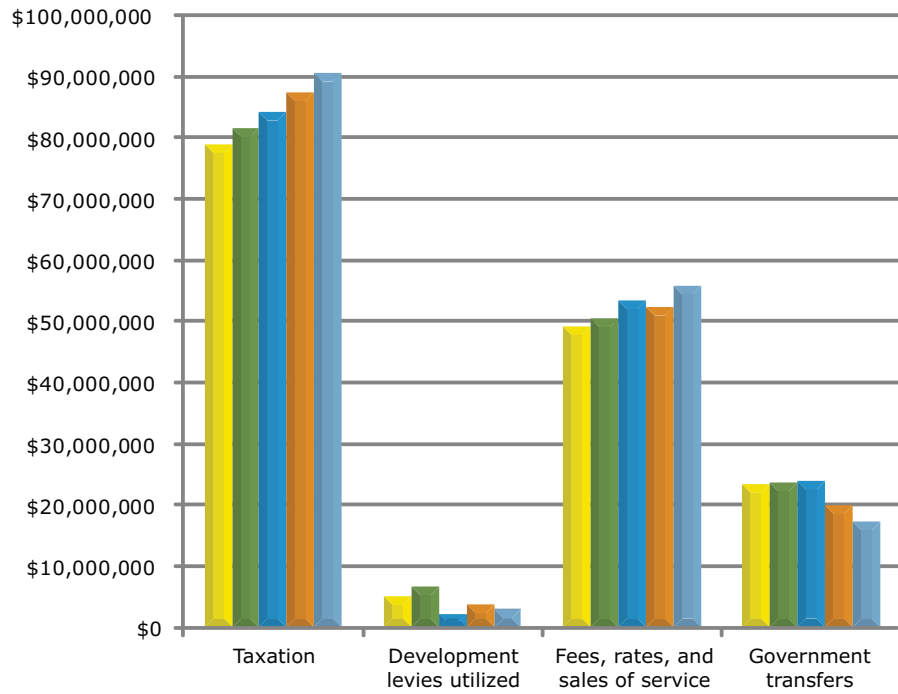
2012 Consolidated Revenue by Source



- Taxation
- Fees, rates, and sales of service
- Private contributions
- Investment income
- Government transfers
- Development levies utilized

Source: City of Kamloops, Finance.

Consolidated Revenue by Source

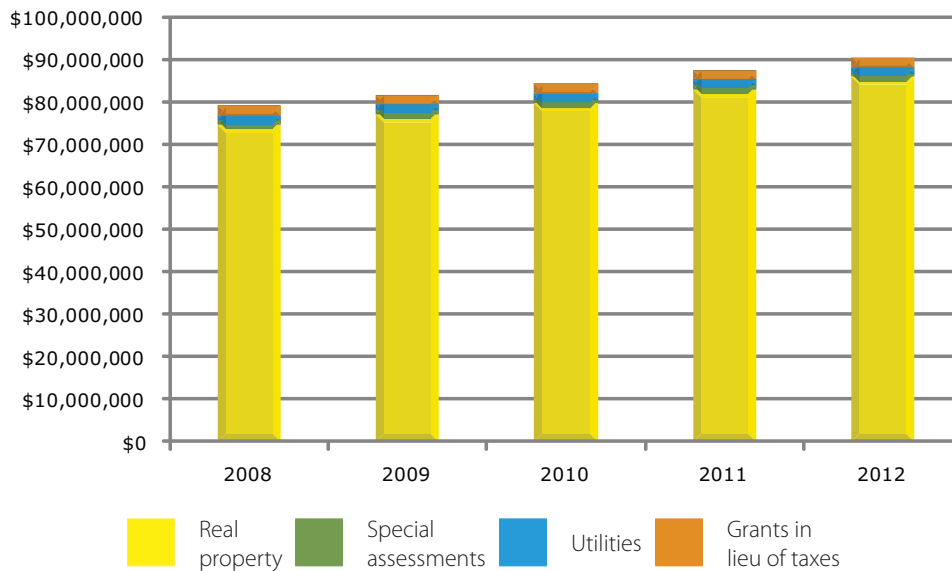


Assessed Values for General Municipal Purposes



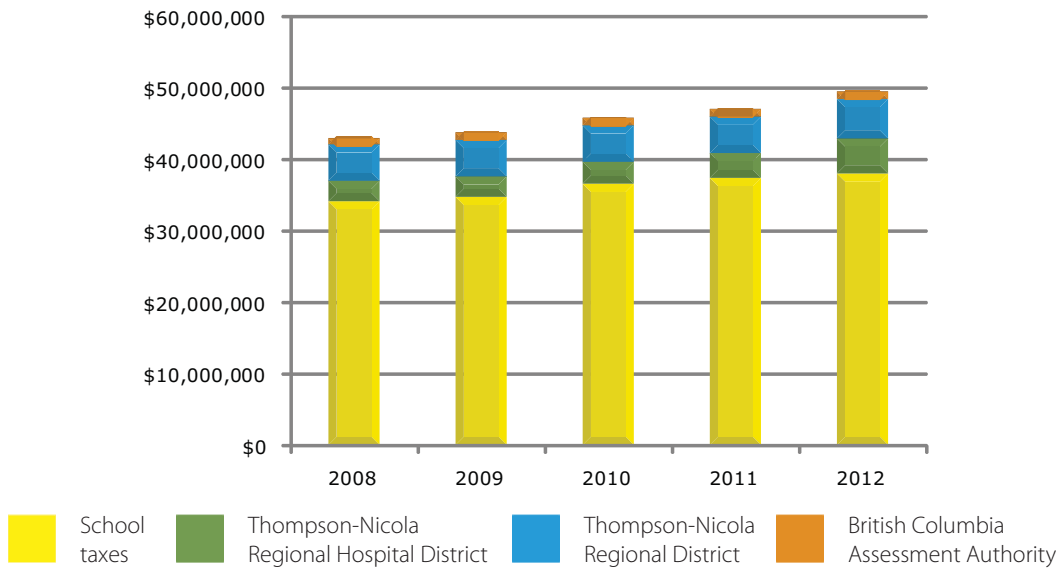
Source: City of Kamloops, Finance.

Property Tax Collections



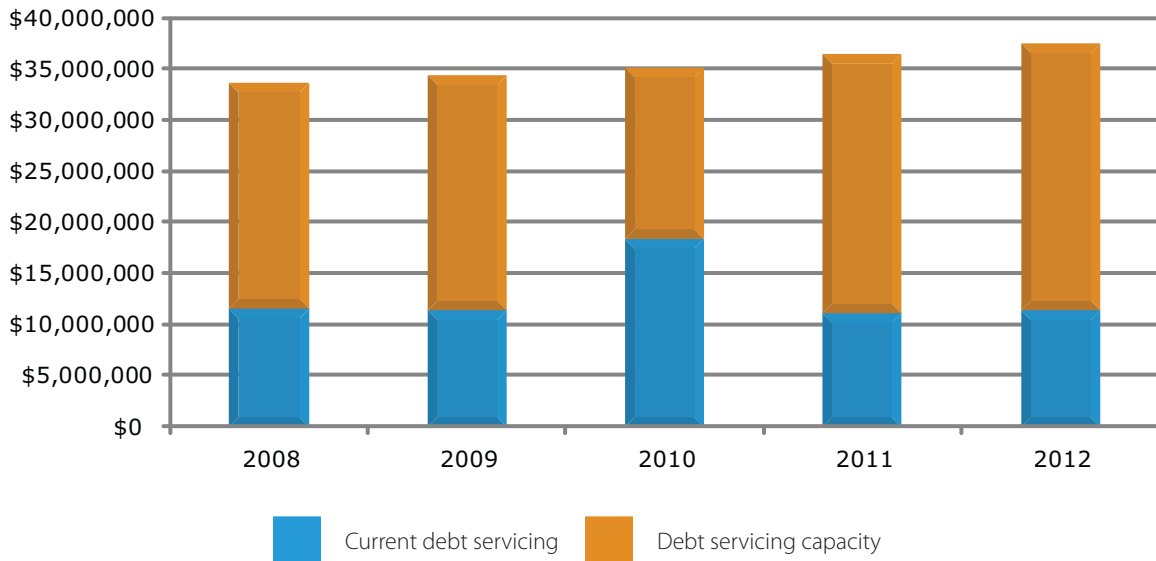
Source: City of Kamloops, Finance.

Other Major Tax Levies and Collections



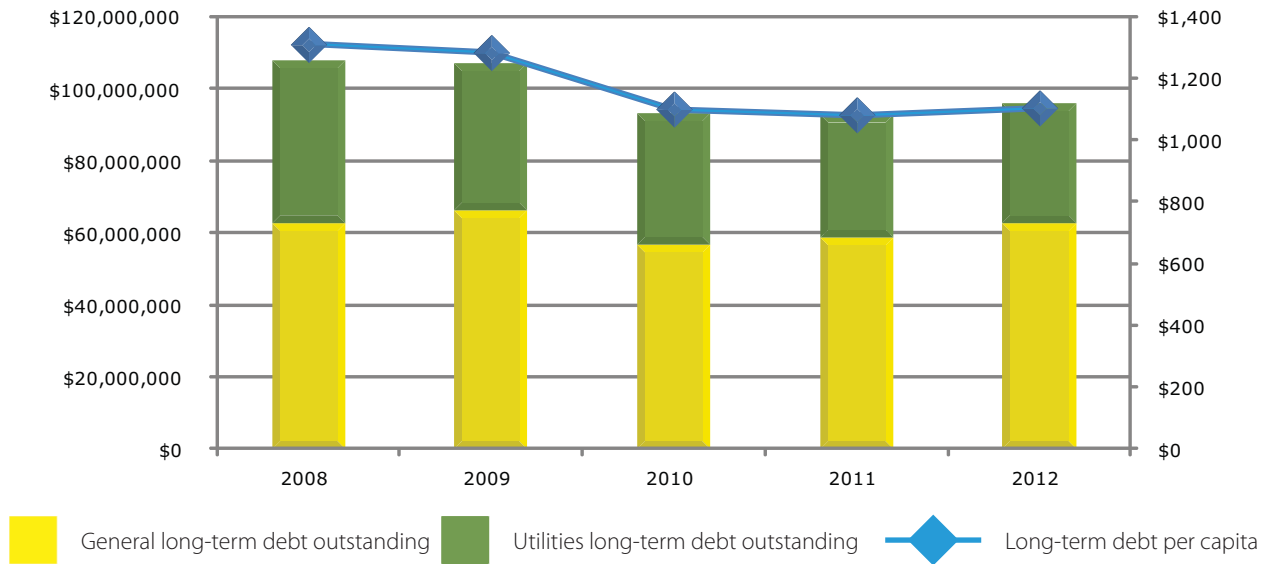
Source: City of Kamloops, Finance.

Legal Debt Servicing Limit



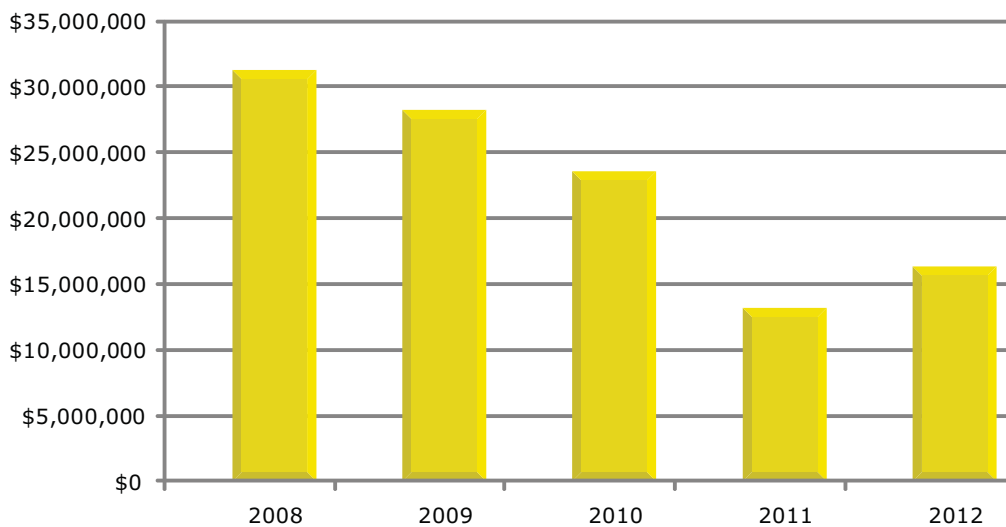
Source: City of Kamloops, Finance.

Long-term Debt Outstanding and Debt Per Capita



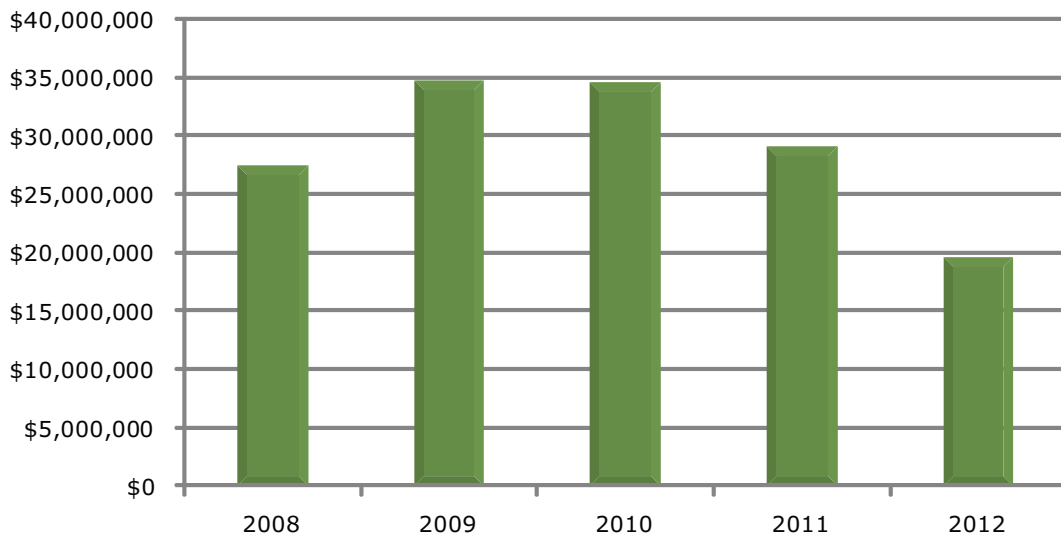
Source: City of Kamloops, Finance.

Net Debt



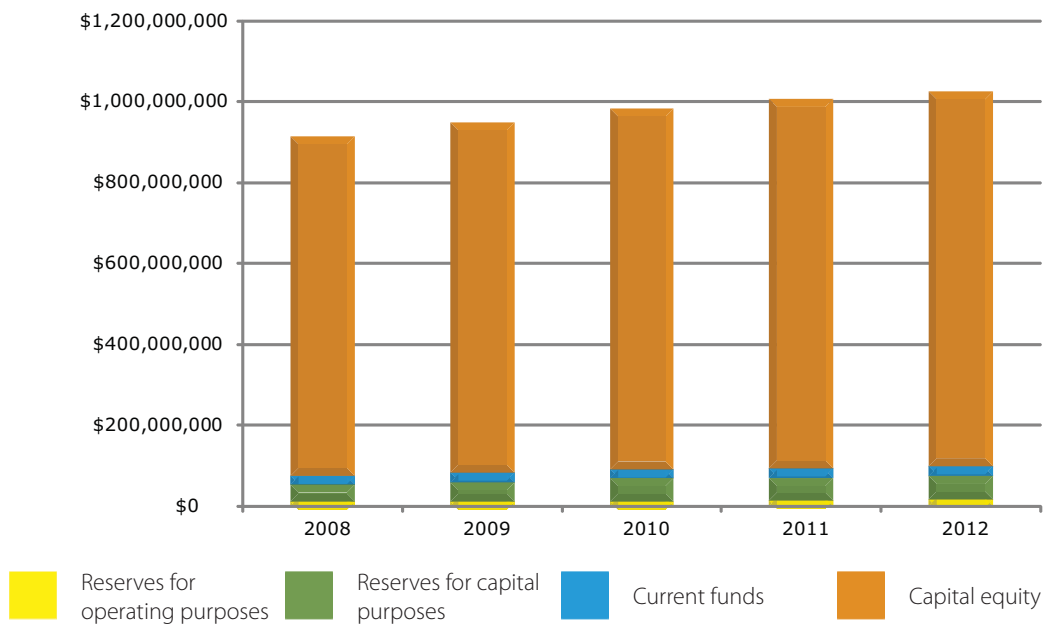
Source: City of Kamloops, Finance.

Annual Surplus



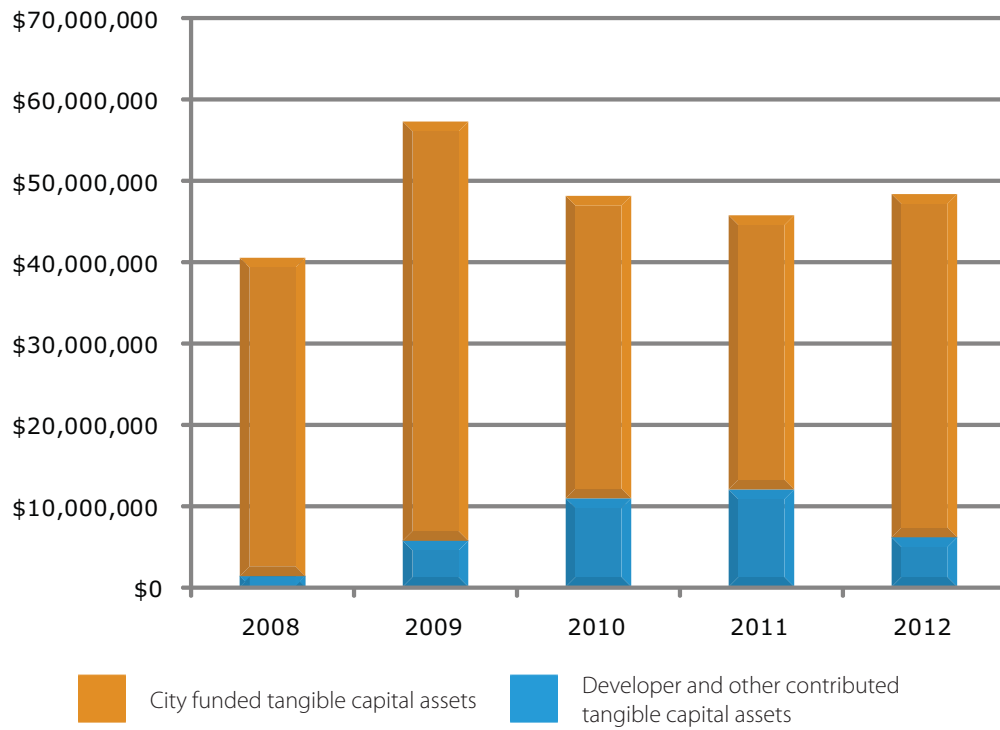
Source: City of Kamloops, Finance.

Accumulated Surplus



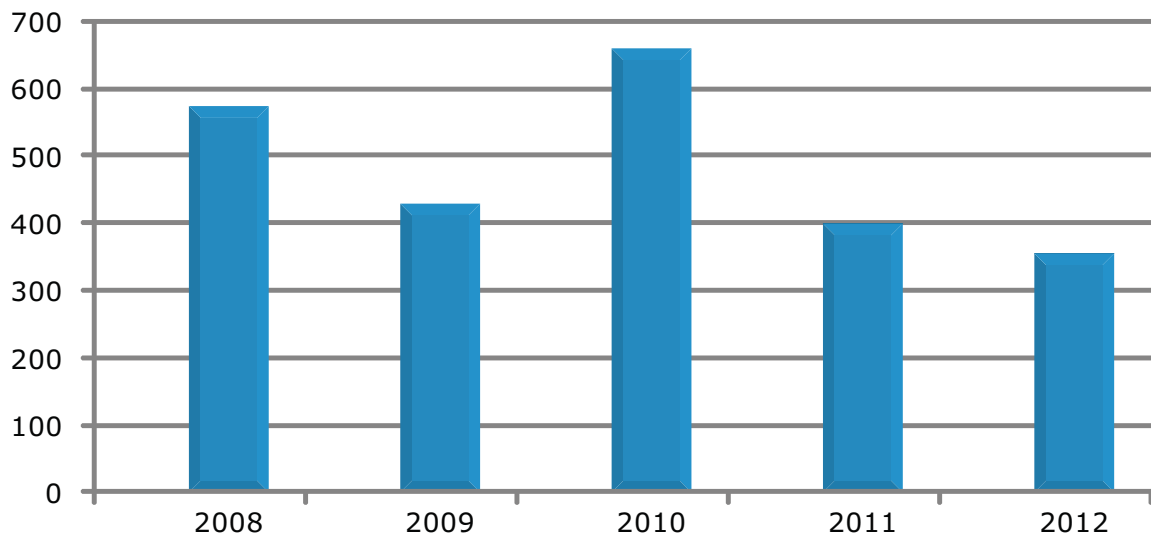
Source: City of Kamloops, Finance.

Acquisition of Tangible Capital Assets



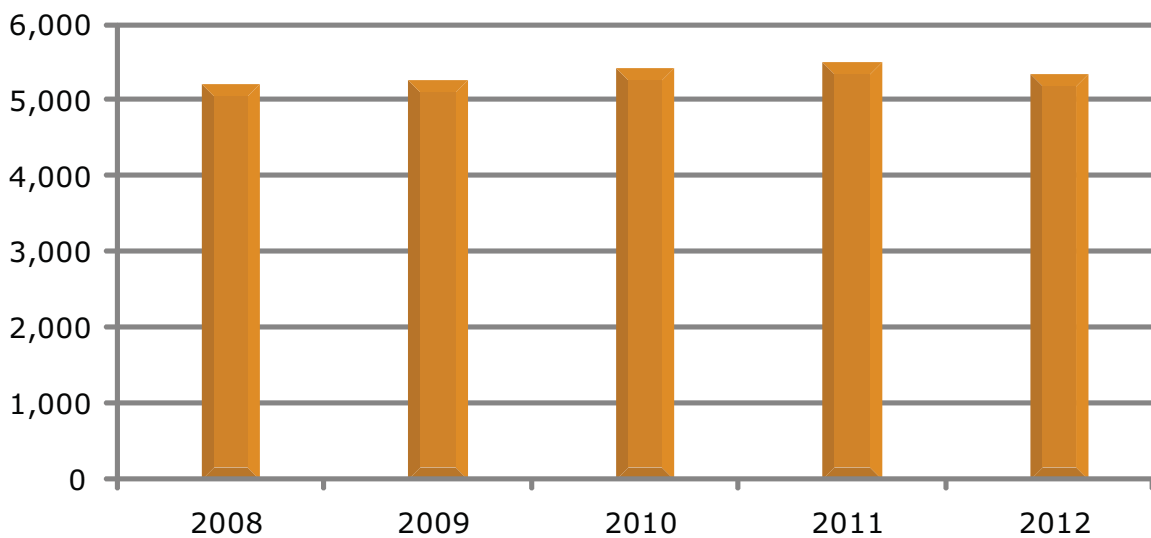
Source: City of Kamloops, Finance.

New Housing Starts



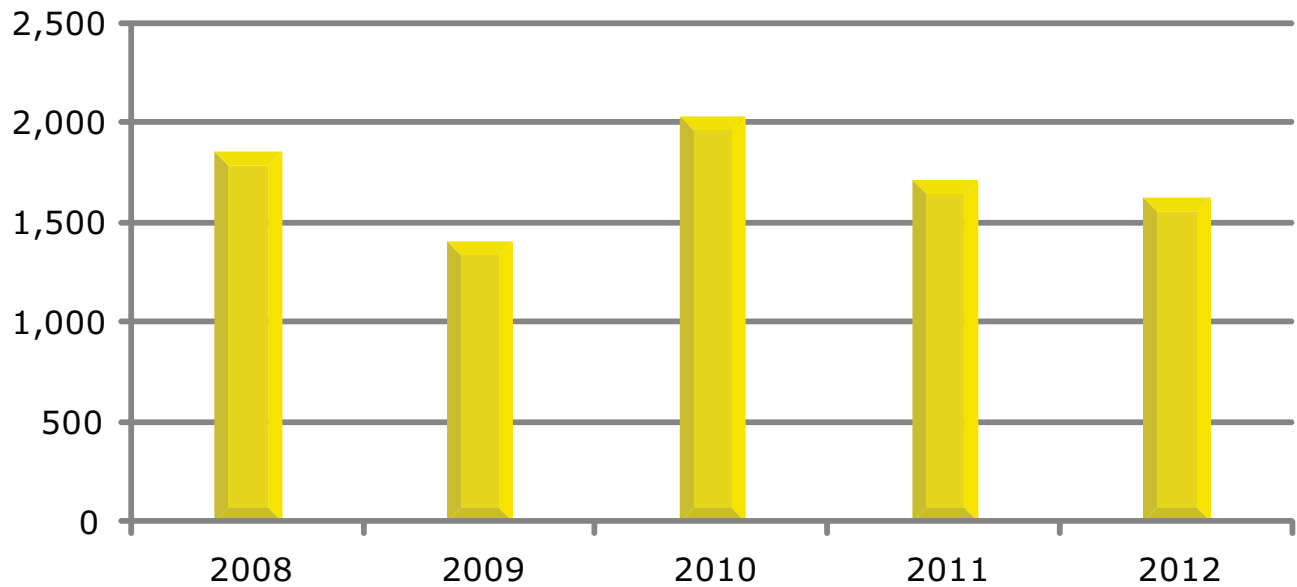
Source: City of Kamloops, Development and Engineering Services.

Number of Business Licences Issued



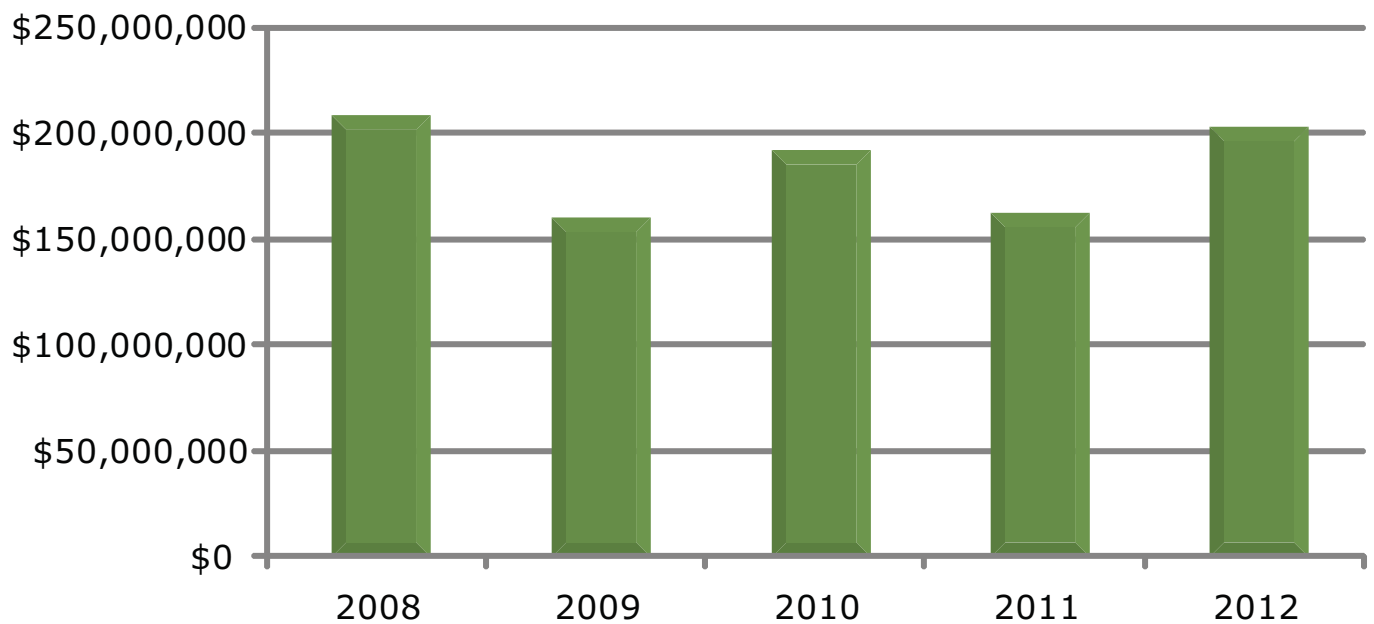
Source: City of Kamloops, Development and Engineering Services.

Number of Building Permits Issued



Source: City of Kamloops, Development and Engineering Services.

Value of Building Permits Issued

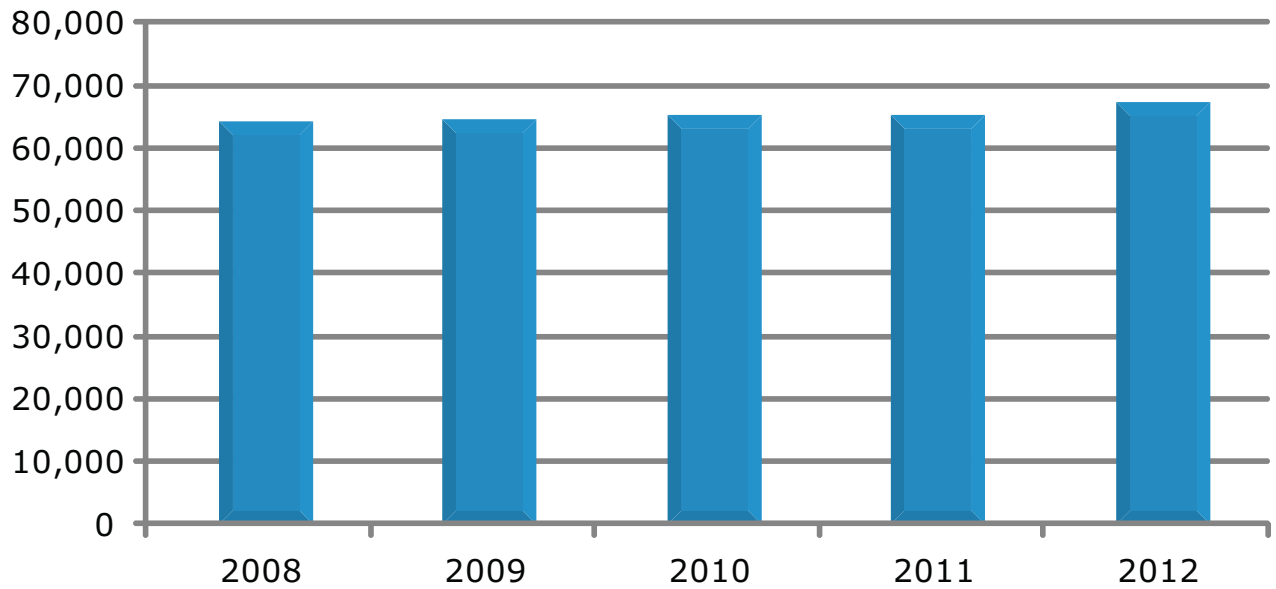


Source: City of Kamloops, Development and Engineering Services.

Development and Engineering Services Application Summary

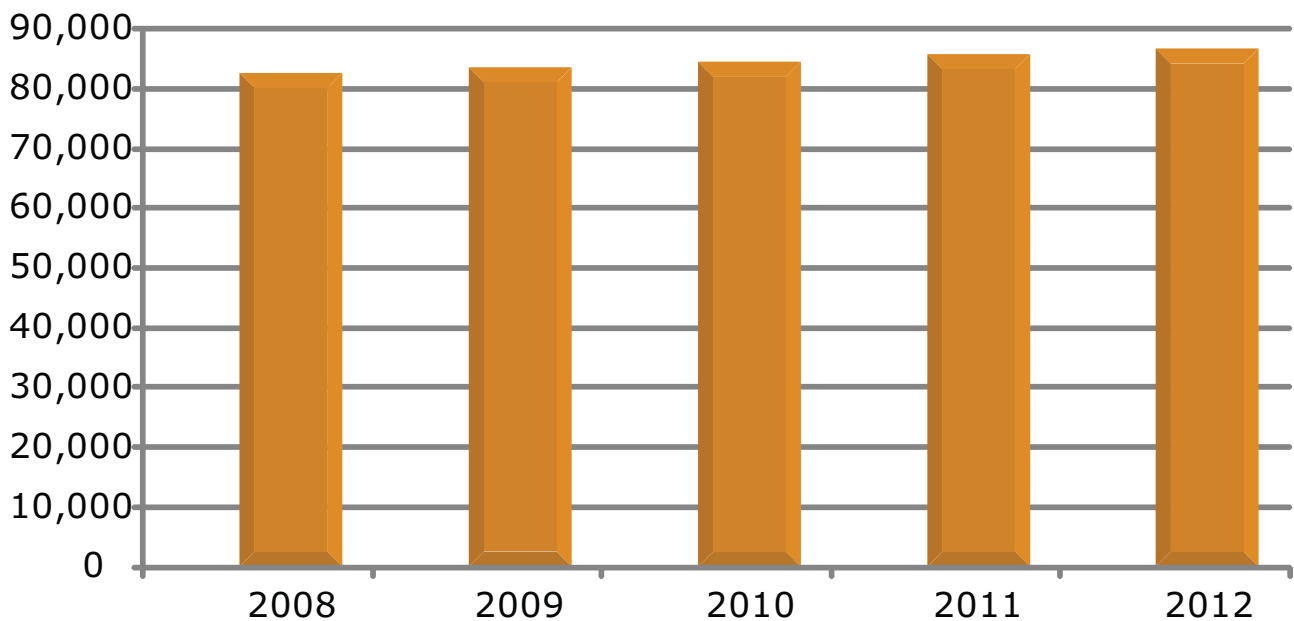
| Major Activity | 3Q 2012 | 4Q 2012 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 |
|--|------------|------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Planning and Development Division | | | | | | | | | | | | |
| Rezoning Applications | 11 | 6 | 35 | 31 | 35 | 54 | 47 | 34 | 43 | 33 | 50 | 30 |
| Development Variance Applications | 7 | 5 | 23 | 27 | 24 | 31 | 38 | 36 | 31 | 34 | 30 | 31 |
| Development Permit Applications | 13 | 8 | 41 | 48 | 31 | 38 | 48 | 50 | 37 | 27 | 24 | 19 |
| Board of Variance Applications | 1 | 1 | 2 | 5 | 4 | 21 | 18 | 24 | 14 | 24 | 20 | 31 |
| Preliminary Proposals | 2 | 0 | 5 | 1 | 1 | 8 | 6 | 21 | 12 | 16 | 13 | 14 |
| Inter government Referrals | 0 | 0 | 4 | 1 | 4 | 3 | 6 | 3 | 5 | 1 | 2 | 3 |
| Liquor Licence Applications | 4 | 1 | 9 | 12 | 12 | 6 | 8 | 8 | 4 | 12 | 22 | 5 |
| ALR Application | 0 | 0 | 0 | 3 | 1 | 1 | 3 | 3 | 4 | 3 | 4 | 2 |
| Temporary Use Permits | 0 | 0 | 2 | 10 | 5 | 3 | 6 | 1 | 5 | 2 | 1 | 3 |
| Land Use Contract Applications | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 1 | 2 | 0 |
| Sign Permit Applications | 30 | 27 | 103 | 142 | 108 | 108 | 114 | 102 | 95 | 65 | 55 | 74 |
| Zoning Information Requests | 12 | 16 | 67 | 64 | 41 | 75 | 65 | 80 | 68 | 77 | 58 | 45 |
| New Businesses | 126 | 123 | 621 | 788 | 819 | 734 | 779 | 714 | 675 | 671 | 579 | 619 |
| Total Business Licences | 5,443 | 5,347 | 5,347 | 5,512 | 5,421 | 5,263 | 5,199 | 4,886 | 4,717 | 4,612 | 4,536 | 4,432 |
| Subdivision Development Division | | | | | | | | | | | | |
| Subdivision Applications | 12 | 13 | 44 | 37 | 59 | 47 | 75 | 75 | 78 | 71 | 81 | 56 |
| Subdivision Lots Created | 30 | 76 | 119 | 193 | 185 | 64 | 364 | 328 | 293 | 409 | 257 | 162 |
| Strata Lots Created | 7 | 27 | 170 | 178 | 142 | 106 | 224 | 190 | 395 | 146 | 74 | 16 |
| Total New Lots Created | 37 | 103 | 289 | 371 | 327 | 170 | 588 | 518 | 688 | 555 | 331 | 178 |
| Building Inspection Division | | | | | | | | | | | | |
| Building Information Requests | 431 | 293 | 1,601 | 1,617 | 1,609 | 1,731 | 1,629 | 2,090 | 1,577 | 1,636 | 1,284 | 1,165 |
| Building Permits | 426 | 421 | 1,627 | 1,710 | 2,026 | 1,408 | 1,850 | 2,080 | 2,255 | 1,884 | 1,487 | 1,251 |

Number of Voters on Voters List



Source: City of Kamloops, Corporate Services and Community Safety.

Population Estimates



Source: City of Kamloops, Development and Engineering Services and 2006 and 2011 Canada Census.

Principal Corporate Taxpayers

| Registered Owner | Primary Property | Taxes Levied |
|---|------------------------|--------------|
| Domtar Inc | Industrial | 5,953,687 |
| Aberdeen Kamloops Mall Ltd. | Shopping centre | 1,250,132 |
| British Columbia Buildings Corporation | Miscellaneous | 1,086,378 |
| Trans Mountain Pipeline | Utility | 981,799 |
| BC Hydro | Utility | 927,674 |
| Kamloops Holdings Inc | Shopping centre/retail | 876,362 |
| FortisBC Energy Inc/BC Gas Inc Inland Gas/Terasen Gas Inc | Utility | 678,156 |
| First Happy Trails Developments | Shopping centre/retail | 637,954 |
| Lafarge Canada Inc | Industrial | 570,083 |
| Whiterock 350-450 Lansdowne Street Kamloops Inc | Shopping centre/retail | 535,471 |
| Includes general municipal property value taxes, 1% utility taxes, and grants in lieu of taxes; does not include special levies, utilities, or taxes levied by other taxing authorities | | |

Permissive Tax Exemptions - 2012

Every year, the City of Kamloops receives applications from non-profit organizations that own land and qualify for tax exemption under the requirements of provincial legislation. In 2012, the following non-profit organizations qualified.

| Registered Owners | Exempt Amount of City Property Taxes |
|---|--------------------------------------|
| 495862 BC & Desert Gardens Centre | \$15,287.50 |
| Barnhartvale Community Association | \$2,025.29 |
| BC SPCA | \$13,757.00 |
| Big Brothers of Kamloops | \$6,538.50 |
| Canadian Mental Health | \$6,768.05 |
| Chamber of Commerce | \$18,453.10 |
| Children's Circle Childcare Society | \$1,819.17 |
| Heffley Creek Community Assoc. | \$2,739.52 |
| Interior Community Services | \$25,950.99 |
| Interior Indian Friendship Society | \$17,651.35 |
| Kamloops Aids Society | \$6,500.72 |
| Kamloops Cadet Society | \$4,518.83 |
| Kamloops Christian Hostel | \$1,907.91 |
| Kamloops Christian School | \$45,612.55 |
| Kamloops Curling Club | \$16,753.09 |
| Kamloops and District Elizabeth Fry Society | \$5,608.58 |
| Kamloops Food Bank | \$7,082.50 |
| Kamloops Gun Club & Sugarloaf Ranch | \$2,168.91 |
| Kamloops Heritage Railway Society | \$6,603.88 |
| Kamloops Hospice Society | \$5,403.28 |
| Kamloops Kiwanis House Society | \$10,377.16 |
| Kamloops Lawn Bowling Association | \$2,753.44 |
| Kamloops Society for Alcohol & Drug Serv. | \$5,861.77 |
| Kamloops Society for Community Living | \$11,565.88 |
| Kamloops Symphony Society | \$7,202.52 |

| Registered Owners | Exempt Amount of City Property Taxes |
|--|--------------------------------------|
| New Life Mission | \$29,539.18 |
| Norkam Seniors Society | \$10,456.65 |
| Pine Tree Riding Club | \$4,724.52 |
| Rosehill Farmers Market | \$2,235.64 |
| St John Society | \$8,979.54 |
| Thompson Nicola Family Resource Centre | \$17,392.41 |
| Wildlife Park Society of BC | \$17,392.28 |
| YM-YWCA | \$61,989.80 |
| Total Non-profit Tax Exemptions | \$403,621.51 |

Council adopted Permissive Tax bylaws to exempt the following heritage properties from property taxes in 2012.

| | Exempt Amount of City Property Taxes |
|--------------------------------------|--------------------------------------|
| CN Station | \$23,364.24 |
| St. Andrews on the Square | \$15,387.27 |
| Total Heritage Tax Exemptions | \$38,751.51 |

Provincial Legislation (the *Community Charter*) statutorily exempts the building and the land on which the building stands, for places of worship, specific seniors' housing, hospitals and private schools. Council may, by by-law, permissively exempt the land surrounding the building. In 2012, Council adopted by-laws to exempt the following surrounding lands.

| | Permissive Exemption of City Property Taxes |
|---|---|
| Places of Worship | \$258,671.96 |
| Seniors' Housing | \$2,874.19 |
| Hospitals | \$36,363.00 |
| Private Schools | \$88,844.72 |
| Total Permissive Surrounding Statutory Land Tax Exemptions | \$386,753.87 |
| Total Permissive Tax Exemptions - Overall | \$829,126.89 |

Tournament Capital Grants - 2012

| | Year | Grant Amount | Month | Participants | No. Days | Partic Days | Economic Impact |
|---|------|--------------|-----------|--------------|----------|-------------|-----------------|
| Regional | | | | | | | |
| Kamloops SunRays Synchro | 2012 | \$100 | April | 50 | 2 | 100 | \$12,500 |
| Kamloops Tennis Provincial Festival | 2012 | \$110 | June | 22 | 3 | 66 | \$8,250 |
| Kamloops Tennis Club - Miele Team Ten | 2012 | \$140 | July | 70 | 3 | 210 | \$26,250 |
| Kamloops Tennis Club - Sunshine Open | 2012 | \$140 | August | 80 | 3 | 240 | \$30,000 |
| Kamloops Long Blades Nov Chill | 2012 | \$160 | November | 80 | 2 | 160 | \$20,000 |
| TOTAL REGIONAL GRANTS | | \$650 | | | | | |
| Provincial | | | | | | | |
| Provincial Wheelchair Curling | 2012 | \$500 | February | 10 | 3 | 30 | \$3,750 |
| CCAA Provincial Badminton | 2012 | \$0 | February | 200 | 3 | 600 | \$75,000 |
| Provincial Cross Country Ski | 2012 | \$500 | March | 150 | 3 | 450 | \$56,250 |
| KLB Provincial Speed Skating | 2012 | \$500 | March | 115 | 3 | 345 | \$43,125 |
| Provincial Girls Basketball | 2012 | \$500 | March | 250 | 4 | 1,000 | \$125,000 |
| Provincial Boys Basketball | 2012 | \$500 | March | 250 | 4 | 1,000 | \$125,000 |
| BC Judo Championships | 2012 | \$500 | March | 100 | 3 | 300 | \$37,500 |
| TRU Wolfpack Hockey Prov Champs | 2012 | \$0 | March | 140 | 5 | 700 | \$87,500 |
| KGTC Provincial Trampoline Championship | 2012 | \$500 | March | 160 | 3 | 480 | \$60,000 |
| Race the Ranch Provincial DownHill #1 | 2012 | \$700 | April | 350 | 3 | 1,050 | \$131,250 |
| BC High School AA Girls Soccer | 2012 | \$600 | May | 300 | 3 | 900 | \$112,500 |
| Kamloops Collegiate Baseball | 2012 | \$500 | May | 150 | 4 | 600 | \$75,000 |
| CMAF Provincial Championships - Viani's | 2012 | \$250 | May | 50 | 2 | 100 | \$12,500 |
| Kamloops Sun Rays Jean Peters Prov | 2012 | \$500 | June | 115 | 3 | 345 | \$43,125 |
| BC Target Sports Small Bore Prov | 2012 | \$150 | June | 30 | 3 | 90 | \$11,250 |
| Kamloops Canoe & Kayak Team BC Prov | 2012 | \$300 | June | 60 | 2 | 120 | \$15,000 |
| Wakeboard Provincial Championships | 2012 | \$0 | July | 150 | 2 | 300 | \$37,500 |
| KYSA Provincials "A" Soccer | 2012 | \$1,500 | July | 900 | 4 | 3,600 | \$450,000 |
| Kamloops Minor Baseball Bantam "A" | 2012 | \$500 | August | 118 | 5 | 590 | \$73,750 |
| BC Extreme Athletics Strongman | 2012 | \$500 | September | 50 | 2 | 100 | \$12,500 |
| Universal Events SPN Provincials | 2012 | \$2,446 | September | 1,350 | 4 | 5,400 | \$675,000 |

| | Year | Grant Amount | Month | Participants | No. Days | Partic Days | Economic Impact |
|--|------|-----------------|----------|--------------|----------|-------------|-----------------|
| KSC Autumn Leaves Figure Skating | 2012 | \$710 | October | 355 | 3 | 1,065 | \$133,125 |
| Cactus Cup Cycling | 2012 | \$500 | November | 80 | 2 | 160 | \$20,000 |
| Kamloops Community Football 9 Man 2011 | 2012 | \$500 | November | 160 | 2 | 320 | \$40,000 |
| TOTAL PROVINCIAL GRANTS | | \$13,156 | | | | | |
| Western Canadian | | | | | | | |
| W. Cdn Age Class Wrestling Tournament | 2012 | \$1,500 | January | 900 | 3 | 2,700 | \$337,500 |
| TOTAL WESTERN CANADIAN GRANTS | | \$1,500 | | | | | |
| National | | | | | | | |
| TRU Athletics - Badminton | 2012 | \$600 | February | 40 | 5 | 200 | \$25,000 |
| Pacific Storm U18 National Waterpolo | 2012 | \$1,500 | May | 275 | 4 | 1,100 | \$137,500 |
| Heffley Creek Gun Club National Silhouette | 2012 | \$825 | July | 55 | 6 | 330 | \$41,250 |
| Kamloops International Baseball Tour | 2012 | \$1,500 | July | 160 | 5 | 800 | \$100,000 |
| TOTAL NATIONAL GRANTS | | \$4,425 | | | | | |
| Invitational | | | | | | | |
| KMHA Midget Tier 2 | 2012 | \$280 | January | 140 | 3 | 420 | \$52,500 |
| KMHA Midget Tier 3 | 2012 | \$280 | January | 140 | 3 | 420 | \$52,500 |
| KMHA PeeWee Tier 3 | 2012 | \$320 | January | 160 | 3 | 480 | \$60,000 |
| KMHA Bantam Tier 2 | 2012 | \$360 | January | 180 | 3 | 540 | \$67,500 |
| KMHA Bantam Rec 1 | 2012 | \$360 | January | 180 | 3 | 540 | \$67,500 |
| KMHA PeeWee Rec 1 | 2012 | \$280 | January | 140 | 3 | 420 | \$52,500 |
| Kamloops Senior Hockey | 2012 | \$400 | January | 200 | 3 | 600 | \$75,000 |
| MICC Mixed Curling Bonspiel | 2012 | \$0 | January | 50 | 3 | 150 | \$18,750 |
| BC Provincial Wheelchair Basketball | 2012 | \$0 | February | 50 | 2 | 100 | \$12,500 |
| KMHA Bantam Rec 2 | 2012 | \$360 | February | 180 | 3 | 540 | \$67,500 |
| KMHA PeeWee Rec 2 | 2012 | \$280 | February | 140 | 3 | 420 | \$52,500 |
| KMHA Midget Rec 2 | 2012 | \$200 | February | 100 | 3 | 300 | \$37,500 |
| KMHA Atom Rec 1 Hockey | 2012 | \$200 | February | 100 | 3 | 300 | \$37,500 |
| Kamloops Classics Valentine Meet | 2012 | \$370 | February | 185 | 3 | 555 | \$69,375 |

| | Year | Grant Amount | Month | Participants | No. Days | Partic Days | Economic Impact |
|---|------|--------------|----------|--------------|----------|-------------|-----------------|
| KTFC Indoor Van Ryswuk Track Meet | 2012 | \$394 | February | 197 | 3 | 591 | \$73,875 |
| Kamloops 5 Pin Bowling Interior Bowling | 2012 | \$196 | February | 98 | 2 | 196 | \$24,500 |
| MICC Ladies Curling Bonspiel | 2012 | \$0 | February | 50 | 3 | 150 | \$18,750 |
| KMHA Atom Rec 2 | 2012 | \$200 | March | 100 | 3 | 300 | \$37,500 |
| KGTC Wild West Fest Gymnastics | 2012 | \$470 | March | 235 | 3 | 705 | \$88,125 |
| KLB Finale Speed Skating Championship | 2012 | \$140 | March | 70 | 3 | 210 | \$26,250 |
| Kam Rec Old Timers Hockey | 2012 | \$420 | March | 210 | 3 | 630 | \$78,750 |
| Dirt 4 Life North Face Trail Run | 2012 | \$160 | March | 80 | 2 | 160 | \$20,000 |
| Kamloops 5 Pin Bowling "A" Interior | 2012 | \$616 | March | 308 | 3 | 924 | \$115,500 |
| Kolle Development Ice Pirates Hockey #1 | 2012 | \$1,120 | March | 560 | 3 | 1,680 | \$210,000 |
| KTSA Archery | 2012 | \$300 | April | 150 | 2 | 300 | \$37,500 |
| KIBIHT | 2012 | \$0 | April | 550 | 5 | 2,750 | \$343,750 |
| KTFC Battle of the Borders | 2012 | \$308 | April | 154 | 2 | 308 | \$38,500 |
| KIB Youth Hockey | 2012 | \$240 | April | 120 | 3 | 360 | \$45,000 |
| Kolle Development Ice Pirates Hockey #2 | 2012 | \$640 | April | 320 | 3 | 960 | \$120,000 |
| Kamloops Wolves Spring Howler | 2012 | \$400 | April | 200 | 3 | 600 | \$75,000 |
| Pacific Storm Water Polo | 2012 | \$560 | April | 280 | 3 | 840 | \$105,000 |
| Kamloops Sr Mens Slo Pitch | 2012 | \$120 | April | 60 | 2 | 120 | \$15,000 |
| KYSA May Cup | 2012 | \$1,500 | May | 2,500 | 3 | 7,500 | \$937,500 |
| Sage Orienteering Club Stomp | 2012 | \$160 | May | 80 | 3 | 240 | \$30,000 |
| Kam Invit Slo Pitch Tournament FACT | 2012 | \$720 | May | 360 | 4 | 1,440 | \$180,000 |
| Kamloops Track & Field Cent May Meet | 2012 | \$416 | May | 208 | 3 | 624 | \$78,000 |
| DFO Hockey / Golf Tournament | 2012 | \$400 | May | 200 | 3 | 600 | \$75,000 |
| Derby Dolls Boot Camp and Roller Derby | 2012 | \$0 | May | 150 | 4 | 600 | \$75,000 |
| Kamloops Sr Mens Slo Pitch | 2012 | \$150 | June | 105 | 2 | 210 | \$26,250 |
| Kamloops Disc Golf Club Ultra Glide | 2012 | \$200 | June | 75 | 3 | 225 | \$28,125 |
| Dirt for Life Dirty Feet 6 Hour Mtn Bike Race | 2012 | \$1,000 | June | 100 | 2 | 200 | \$25,000 |
| Kamloops Classic June Meet | 2012 | \$0 | June | 500 | 3 | 1,500 | \$187,500 |

| | Year | Grant Amount | Month | Participants | No. Days | Partic Days | Economic Impact |
|--|------|--------------|-----------|--------------|----------|-------------|-----------------|
| Kids of Steel | 2012 | \$480 | June | 100 | 2 | 200 | \$25,000 |
| KMBaseball Sussex All Star | 2012 | \$332 | July | 240 | 3 | 720 | \$90,000 |
| KMBaseball Canada Day Classic | 2012 | \$900 | July | 166 | 3 | 498 | \$62,250 |
| Kamloops Basketball Academy | 2012 | \$0 | July | 450 | 3 | 1,350 | \$168,750 |
| Kamloops Ultimate Desert Luau | 2012 | \$650 | July | 300 | 2 | 600 | \$75,000 |
| BC Cup Downhill Race #3 | 2012 | | July | 325 | 3 | 975 | \$121,875 |
| Kamloops Marathon | 2012 | \$1,500 | July | 200 | 3 | 600 | \$75,000 |
| Punjab Sport Society Soccer Tournament | 2012 | \$1,500 | August | 1,000 | 3 | 3,000 | \$375,000 |
| Kamloops Invitational Soccer | 2012 | \$1,000 | August | 1,530 | 4 | 6,120 | \$765,000 |
| Kamloops Summer Swim Club | 2012 | \$1,500 | August | 500 | 3 | 1,500 | \$187,500 |
| Kamloops Highland Games | 2012 | \$480 | August | 120 | 2 | 240 | \$30,000 |
| 2012 Coors Senior Mens Slo Pitch | 2012 | \$300 | September | 240 | 3 | 720 | \$90,000 |
| Dirt 4 Life Trail Run #4 | 2012 | \$480 | September | 150 | 2 | 300 | \$37,500 |
| Sahali Secondary Sabres Soccer Classic | 2012 | \$120 | September | 240 | 3 | 720 | \$90,000 |
| Kamloops Walk in the Park | 2012 | \$360 | September | 60 | 2 | 120 | \$15,000 |
| KDM Oktoberfest 2012 | 2012 | \$360 | October | 180 | 3 | 540 | \$67,500 |
| Kamloops Minor Hockey Midget Tier 1 | 2012 | \$360 | October | 180 | 4 | 720 | \$90,000 |
| Kamloops Minor Hockey PeeWee Tier 1 | 2012 | \$0 | October | 180 | 3 | 540 | \$67,500 |
| TRU Baseball Thanksgiving | 2012 | \$0 | October | 100 | 3 | 300 | \$37,500 |
| Strauss Crown of Curling | 2012 | \$280 | November | 120 | 3 | 360 | \$45,000 |
| KMHA Female Bantam Tier 1 | 2012 | \$320 | November | 140 | 3 | 420 | \$52,500 |
| KMHA Bantam Tier 1 | 2012 | \$240 | November | 160 | 3 | 480 | \$60,000 |
| KMHA Bantam Tier 3 | 2012 | \$240 | November | 120 | 3 | 360 | \$45,000 |
| KMHA Atom Development 1 | 2012 | \$280 | November | 120 | 3 | 360 | \$45,000 |
| KMHA Atom Development 2 | 2012 | \$280 | November | 140 | 3 | 420 | \$52,500 |
| KMHA Female Midget Rec | 2012 | \$200 | November | 140 | 3 | 420 | \$52,500 |
| KMHA Midget AAA | 2012 | \$1,150 | November | 100 | 3 | 300 | \$37,500 |
| Kamloops Classic Swimming | 2012 | \$280 | December | 575 | 3 | 1,725 | \$215,625 |

| | Year | Grant Amount | Month | Participants | No. Days | Partic Days | Economic Impact |
|----------------------------------|------|-----------------|----------|---------------|----------|---------------|---------------------|
| KMHA Midget Rec 1 | 2012 | \$360 | December | 140 | 3 | 420 | \$52,500 |
| KMHA PeeWee Tier 2 | 2012 | \$360 | December | 180 | 3 | 540 | \$67,500 |
| TOTAL INVITATIONAL GRANTS | | \$28,472 | | | | | |
| Training Camps | | | | | | | |
| BC Lions Training Camp | 2012 | | June | 100 | 23 | 2,300 | \$287,500 |
| BC Hockey Camp | 2012 | | July | 100 | 5 | 500 | \$62,500 |
| Chinese Speed Skating Team A | 2012 | | August | 32 | 38 | 1,216 | \$152,000 |
| Chinese Speed Skating Team B | 2012 | | August | 14 | 31 | 434 | \$54,250 |
| TOTAL TRAINING CAMPS | | | | 246 | | 4,450 | \$556,250 |
| TOTALS | | \$47,413 | | 25,732 | | 86,277 | \$10,784,625 |





Annual Report photography credits

| | |
|------------------------|---|
| Cover | <i>North Shore looking south:</i> credit Peter Olsen Photography |
| Page 2 | <i>Music in the Park:</i> credit Peter Olsen Photography |
| Page 10 | <i>McDonald Park Garden:</i> credit City of Kamloops |
| Page 11 | <i>Kamloops City Council:</i> credit Sean Felker |
| Page 12 | <i>South Shore commercial view:</i> credit Peter Olsen Photography |
| Page 13 | <i>200 years of history:</i> credit Peter Olsen Photography <i>St. Andrews on the Square:</i> credit Peter Olsen Photography |
| Page 14 | <i>BC Lions training camp:</i> credit Peter Olsen Photography |
| Page 15 | <i>Kamloops Airport:</i> credit Kent Wong Photography |
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| Page 17 | <i>Goats in Kenna Cartwright Park:</i> credit Karla Hoffman |
| Page 18 | <i>Boogie the Bridge:</i> credit Peter Olsen Photography |
| Page 19 | <i>Vital Volunteers:</i> credit City of Kamloops <i>McDonald Park Garden:</i> credit City of Kamloops |
| Page 20 | <i>Airport view from South Shore:</i> credit Peter Olsen Photography |
| Page 21 | <i>High Water:</i> credit City of Kamloops |
| Page 22 | <i>Riverside Park infrastructure:</i> credit Peter Olsen Photography |
| Page 23 | <i>Firehall Number Seven:</i> credit City of Kamloops <i>Urban Cycling on the Valleyview Interchange Pathway:</i> credit City of Kamloops |
| Page 25, 26, 87 | <i>Downtown Kamloops:</i> credit Peter Olsen Photography |
| Page 111 | <i>Boogie - Runners in Red:</i> credit Peter Olsen Photography |
| Back Cover | <i>North Shore looking south:</i> credit Peter Olsen Photography |



Canada's Tournament Capital

Important Contact Information for the City of Kamloops

City of Kamloops

7 Victoria Street West, Kamloops, BC, V2C 1A2

Phone 250.828.3311

Email info@kamloops.ca

Emergencies

8am – 4pm: Call 250.828.3461

After hours: Call 250.372.1710

Winter Hours of Operation

Sept – May: 8:30 am - 4:30 pm

Summer Hours of Operation (after May long weekend)

May - Sept: 8:00 am - 4:00 pm

Mayor's Office 250.828.3494

visit kamloops.ca/council

City Department List kamloops.ca/departments

Chief Administrative Officer 250.828.3498

Business and Client Services 250.828.3572

Corporate Services & Community Safety 250.828.3455

Development and Engineering Service 250.828.3561

Finance 250.828.3413

Human Resources 250.828.3439

Parks, Recreation and Cultural Services 250.828.3400

Public Works and Utilities 250.828.3348

Bylaw Services kamloops.ca/bylaws

Landfill kamloops.ca/garbage/landfills.shtml

Tournament Capital Centre

tournamentcapital.com/tcc.htm

Bus Schedule and Fares

busonline.ca/regions/kam/default.cfm

Venture Kamloops - Economic Development

venturekamloops.com

Tourism Kamloops tourismkamloops.com

Visitor Information Centre

kamloopschamber.ca/visitor-information

Toll Free: 1.800.662.1994

Fire 911

Ambulance 911

Police Kamloops City (Bilingual)

560 Battle St., Kamloops, BC V2C 6N4

250.828.3000

Royal Inland Hospital

311 Columbia St., Kamloops, BC V2C 2T1

250.374.5111

Drive BC drivebc.ca

Weather weather.gc.ca



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