CITY OF KAMLOOPS

Financial Statements for the Year-Ended 2008 December 31

City of Kamloops

Canada's Tournament Capital

CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008, with comparatives for 2007

TABLE OF CONTENTS

	1
Auditors' Report	2
Statement of Management's Responsibility	3
Financial Statements:	
Consolidated Statement of Financial Position	4
Consolidated Statement of Financial Activities	5
Consolidated Statement of Equity	6
Consolidated Statement of Cash Flows	7
Notes to Consolidated Financial Statements	8 - 37
Supporting Schedules:	
Auditors' Comments on Supplementary Financial Information	38
General Fund - Statement of Financial Position	39
General Fund - Statement of Financial Activities	40
Water Fund - Statement of Financial Position	41
Water Fund - Statement of Financial Activities	42
Sewer Fund - Statement of Financial Position	43
Sewer Fund - Statement of Financial Activities	44
Cemetery Care Trust Fund - Statement of Financial Position	45
Statutory Reserve Funds - Statement of Financial Position	46
Statutory Reserve Funds - Statement of Financial Activities	47
Kamloops Airport Authority Society - Statement of Financial Position	48
Kamloops Airport Authority Society - Statement of Financial Activities	49
Venture Kamloops Business Development Society - Statement of Financial Position	50
Venture Kamloops Business Development Society - Statement of Financial Activities	51

BDO Dunwoody LLP
Chartered Accountants
and Advisors

300 – 272 Victoria Street
Kamloops BC Canada V2C 1Z6
Telephone: 250-372-9505
Fax: 250-374-6323

Auditors' Report

To the Mayor and Council of the City of Kamloops

We have audited the consolidated statement of financial position of the City of Kamloops as at December 31, 2008 and the consolidated statements of financial activities, equity and cash flows for the year then ended. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the City as at December 31, 2008 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

**** BDO Dunwoody LLP ****

BDO Dunwoody LLP
Chartered Accountants

Kamloops, British Columbia
April 6, 2009

BDO Dunwoody LLP is a Limited Liability Partnership registered in British Columbia

Management's Responsibility for Financial Reporting

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

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

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

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

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

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

Peter Milobar

Mayor

Sally Edwards, BBA, CMA

Finance and Information Technology Director

City of Kamloops

Kamloops
Canada's Tournament Capital

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2008, with comparatives for 2007

	2008	2007
Financial assets		
Cash and short-term investments (note 3)	**$ 107,090,309**	$ 97,873,088
Accounts receivable (note 4)	**26,398,058**	13,093,907
Long-term investments	**283,687**	271,321
	133,772,054	111,238,316
Liabilities		
Accounts payable (note 5)	**16,253,481**	13,897,180
Payroll benefits payable	**3,203,095**	3,074,398
Post-employment benefits payable (note 6)	**6,130,476**	5,905,476
Landfill post-closure costs (note 7)	**2,061,741**	1,809,806
Deferred revenue (note 8)	**29,437,023**	26,766,672
Long-term debt (note 9)	**107,960,663**	98,691,983
Obligations under capital lease (note 10)	**11,974**	23,812
	165,058,453	150,169,327
Net financial liabilities	**(31,286,399)**	(38,931,011)
Non-financial assets		
Inventory	**1,384,449**	1,078,877
Prepaid expenses	**994,147**	973,435
Capital assets (note 11)	**803,299,018**	760,661,385
	805,677,614	762,713,697
Net Position	**774,391,215**	723,782,686
Reserves, Surplus and Equity		
Reserves for operating purposes (note 12)	**11,167,320**	11,799,385
Reserves for capital purposes (note 13)	**41,911,090**	40,551,960
Surplus from operations (note 14)	**27,014,498**	21,527,213
Total financial equity	**80,092,908**	73,878,558
Total capital equity	**694,298,307**	649,904,128
	774,391,215	723,782,686
	$ -	$ -

Commitments and contingencies - Note 18

See accompanying notes to consolidated financial statements.

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

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

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED DECEMBER 31, 2008, with comparatives for 2007

	2008 Budget (unaudited)	**2008**	2007
Revenue (note 15)			
Taxation (note 16)	$ 78,902,537	$ **79,030,115**	$ 75,951,548
Development levies utilized	11,195,029	**5,143,616**	1,211,655
Fees, rates and sales of service	44,824,808	**49,074,175**	45,266,215
Grants (note 17)	14,772,573	**23,532,457**	12,948,189
Investment income	4,165,521	**5,160,210**	7,855,057
Private contributions	863,374	**381,384**	1,756,842
Sale of capital assets	89,000	**339,652**	2,091,295
	154,812,842	**162,661,609**	147,080,801
Expenditures (note 15)			
Cemetery	584,531	**563,827**	562,304
Community development	4,322,430	**4,167,558**	3,993,279
Corporate administration	9,693,120	**7,260,620**	6,827,299
Environmental services	927,478	**488,117**	271,021
Fire services	10,862,736	**11,610,393**	10,583,664
Infrastructure maintenance	8,861,203	**9,009,788**	8,210,733
Legislative and enforcement	3,790,208	**3,576,839**	3,249,326
Parks, recreation and cultural services	20,211,516	**19,959,545**	18,286,346
Police services	19,811,550	**18,758,490**	16,209,803
Public Transit	9,977,351	**10,846,138**	9,695,245
Solid waste	5,486,111	**5,674,073**	5,163,261
Water utility	6,376,849	**6,753,765**	6,480,003
Sewer utility	4,419,951	**4,777,148**	4,134,547
Kamloops Airport Authority Society	-	**143,951**	181,600
Venture Kamloops Business Development Society	-	**588,997**	554,700
Debt servicing costs	6,310,800	**5,979,329**	5,906,867
Capital expenditures	61,742,111	**44,532,137**	30,762,878
	173,377,945	**154,690,715**	131,072,876
Net operating activity	(18,565,103)	**7,970,894**	16,007,925
Reduction of long-term debt	(9,039,644)	**(6,674,215)**	(6,827,036)
Repayment of obligations under capital lease	-	**(11,838)**	(366,382)
Capital assets acquired pending debenture issue	7,576,337	**4,929,508**	7,221,653
Increase (decrease) in financial equity	$ (20,028,410)	$ **6,214,349**	$ 16,036,160

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENT OF EQUITY
YEAR ENDED DECEMBER 31, 2008, with comparatives for 2007

	2008	2007
Opening Balance	**$ 723,782,686**	$ 679,784,931
Financial Equity:		
Change in reserves for operating purposes	**(632,065)**	3,910,501
Change in reserves for capital purposes	**1,359,130**	7,130,778
Operating surplus (deficit) for the year	**5,487,285**	4,994,881
Net change in financial equity	**6,214,350**	16,036,160
Capital Equity:		
Capital expenditures	**44,532,137**	30,762,878
Cost of assets disposed	**(1,894,503)**	(2,773,049)
Principal payments on long-term debt	**5,491,108**	5,146,549
Actuarial adjustments on long-term debt	**1,183,107**	1,680,488
Repayment of obligation under capital lease	**11,838**	366,382
Debenture debt pending	**(4,929,508)**	(7,221,653)
Net change in capital equity	**44,394,179**	27,961,595
Ending balance	**$ 774,391,215**	$ 723,782,686

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2008, with comparatives for 2007

	2008	2007
Cash provided by (used for):		
Operating		
Net operating activity	**$ 7,970,894**	$ 16,007,925
Changes in non-cash operating items:		
Decrease (increase) in accounts receivable	**(13,304,151)**	(208,080)
Decrease (increase) in inventory	**(305,572)**	(31,417)
Decrease (increase) in prepaid expenses	**(20,712)**	(375,287)
Decrease (increase) in investments	**(12,366)**	(12,293)
Increase (decrease) in accounts payable	**2,356,301**	(2,657,680)
Increase (decrease) in payroll benefits payable	**128,697**	117,676
Increase (decrease) in post-employment benefits payable	**225,000**	262,000
Increase (decrease) in landfill post-closure costs	**251,935**	443,376
Increase (decrease) in deferred revenue	**2,670,351**	3,611,482
	(39,623)	17,157,702
Financing:		
Proceeds from issuance of long-term debt	**15,942,897**	18,717,961
Principal repayments on long-term debt	**(6,674,215)**	(6,827,036)
Repayment of obligations under capital lease	**(11,838)**	(366,382)
	9,256,844	11,524,543
Increase (decrease) in cash for the year	**9,217,221**	28,682,245
Cash, beginning of the year	**97,873,088**	69,190,843
Cash, end of the year	**$ 107,090,309**	$ 97,873,088

See accompanying notes to consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008

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

1 . Significant accounting policies:

(a) Basis of presentation:

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

(b) Fund accounting:

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

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

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

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

(c) Basis of consolidation:

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008

1 . Significant accounting policies (continued):

(d) Revenue recognition:

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

(e) Inventory:

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

(f) Investments:

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

(g) Capital assets:

Buildings, machinery and equipment, and engineered structures that have been acquired or constructed are recorded at cost. Amortization is not provided. Expenditures for repairs and upgrading that do not significantly add to the value or life of an asset are expensed as incurred.

Infrastructure provided by developers and assumed by the City is not reflected in the capital assets of the City of Kamloops.

(h) Long-term debt:

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

(i) Reserves:

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008

1 . Significant accounting policies (continued):

(j) Use of estimates:

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

(j) Financial instruments:

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

(k) Landfill post-closure costs:

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

(l) Pension plan:

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008

2 . Segmented Information

The City of Kamloops is a diversified municipal government institution that provides a wide range of services to its citizens. Distinguishable functional segments have been separately disclosed. The nature of the segments and the activities they encompass are as follows:

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 Licences, 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008

2 . Segmented Information (cont.)

Legislative and enforcement:

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

Parks, recreation and leisure services:

All operating activities of the Parks, Recreation and Cultural Services department are included in this segment. This includes the revenue expenses to provide recreation and cultural programs throughout the City a 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008

2 . Segmented Information (cont.)

Kamloops Airport Authority Society:

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

Venture Kamloops Business Development Society:

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

Debt servicing costs:

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

3 . Cash and short-term investments:

	2008	2007
Restricted cash and short-term investments:		
Statutory reserves	**$ 20,868,242**	$ 20,964,657
Development cost charges	**16,519,778**	15,240,455
Cemetery Perpetual Care Trust Fund	**1,300,288**	1,209,533
Kamloops Airport Authority Society	**1,686,911**	1,013,165
Venture Kamloops Business Development Society	**150,609**	102,828
	40,525,828	38,530,638
Unrestricted cash and short-term investments	**66,564,481**	59,342,450
	$ 107,090,309	$ 97,873,088

As at December 31, 2008, the City held $96,551,380 in short term investments. The maturity dates of these investments range from January 7, 2009 to November 15, 2018. The interest rates earned on these investments range from 3.20% to 6.375%.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008

4 . Accounts Receivable:

	2008	2007
General fund:		
Taxes	**$ 2,664,579**	$ 2,350,496
Utilities	**1,297,379**	1,060,124
Trade	**5,428,210**	3,921,962
Accrued interest	**1,699,455**	1,242,685
Province of British Columbia	**4,768,551**	2,932,924
Government of Canada	**446,793**	383,896
	16,304,967	11,892,087
Water Fund:		
Trade	**1,090,493**	709,062
	1,090,493	709,062
Sewer Fund:		
Province of British Columbia	**325,974**	325,974
	325,974	325,974
Cemetery Trust:		
Accrued interest	**11,894**	9,523
Kamloops Airport Authority Society:		
Trade	**769,368**	128,868
Government of Canada	**7,875,449**	-
	8,644,817	128,868
Venture Kamloops Business Development Society:		
Trade	**19,913**	28,393
	$ 26,398,058	$ 13,093,907

5 . Accounts payable:

	2008	2007
General fund:		
Trade	**$ 8,808,001**	$ 8,419,342
Payroll and benefits	**404,568**	381,864
Province of British Columbia	**1,420,986**	1,442,146
Government of Canada	**3,821,267**	3,554,908
	14,454,822	13,798,260
Kamloops Airport Authority Society:		
Trade	**1,774,219**	72,758
Venture Kamloops Business Development Society:		
Trade	**24,440**	26,162
	$ 16,253,481	$ 13,897,180

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008

6 . Post-employment benefits payable:

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

Total benefit payments paid during the year were $700,000 (2007 - $335,000). The plan is unfunded and requires no contribution from employees. The retirement benefit liability at December, 31, 2008 includes the following components:

	2008	2007
Accrued benefit obligation - opening balance	$ 5,558,000	$ 5,440,000
Current service cost	345,000	335,000
Interest cost	254,000	249,000
Benefits paid	(700,000)	(335,000)
Past service cost	325,000	-
Actuarial gain/(loss) - current	(6,000)	(131,000)
Accrued benefit obligation - ending balance	5,776,000	5,558,000
Unamortized prior year net accrual gain/(loss)	78,000	71,000
Funding excess	276,476	276,476
Post-employment benefit payable	$ 6,130,476	$ 5,905,476

Actuarial valuations for accounting purposes are performed using the projected benefit method prorated on services. The most recent actuarial report was prepared on February 27, 2009. The accrued benefit obligation shown for 2008 is based on amounts included in the 2008 valuation. There is a net unamortized actuarial loss to be amortized on a straight-line basis over the expected average remaining service life of the related employee group (11 years).

The actuarial valuation was based on a number of assumptions about future events, such as inflation rates, interest rates, wage and salary increases, and employee turnover and mortality. The assumptions used reflect the City's best estimates. The expected inflation rate is 3.25%. The discount rate used to determine the accrued benefit obligation is 5%.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008

7 . Landfill post-closure costs:

The City of Kamloops operates two solid waste landfill sites in the Kamloops area and assumes certain obligations for the landfill sites including closure and post closure liabilities. The reported liabilities are based on estimates and assumptions with respect to events extending over the remaining life of each of the landfills. This liability and annual expenditure is calculated based on the ratio of current usage to total capacity of the site and the estimated future cash flows associated with closure and post-closure activities stated in current (2008) dollars. The aggregate liability for closure and post-closure costs for the two landfills is $2,061,741 (2007 = $1,809,806).

The main landfill at the Mission Flats site is expected to serve until 2053 with 25 years needed for post-closure care based on an independent assessment conducted in 2007. The remaining capacity of the landfill site is estimated at 5.28 million cubic meters, which is 92% of the site's total capacity. Approximately 60% of landfill closure will be completed while the landfill is still in operation with costs associated with the closure being charged to expenditures when they are incurred.

Since a final design for the Barnhartvale site has not been completed the independent assessment was not able to provide a lifespan analysis. The City anticipates that the Barnhartvale site will serve until 2017 with 25 years needed for post-closure care. The remaining capacity of the landfill site is estimated at 152,381 cubic meters, which is approximately 31% of the site's total capacity.

The estimated total expenditures for closure and post-closure care of the two landfills is $17,345,680 with $15,283,939 remaining to be recognized as a liability.

The City has not provided a reserve to fund future landfill capital expenditures as at December 31, 2008. The funding required is provided through current operations.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008

8 . Deferred revenue:

	Balance at December 31, 2007	Collected	Interest	Recognized	**Balance at December 31, 2008**
General fund:					
Taxes	$ 9,810,218	$ 17,589,381	$ 203,253	**$** (16,604,888)	**$ 10,997,964**
Leases	95,530			(12,215)	**83,315**
Business licenses	955,422	949,257	-	(955,422)	**949,257**
Other	665,047	866,542		(665,047)	**866,542**
	11,526,217	19,405,180	203,253	(18,237,572)	**12,897,078**
Development cost charges	15,240,455	5,713,207	709,731	(5,143,615)	**16,519,778**
	$ 26,766,672	$ 25,118,387	$ 912,984	**$** (23,381,187)	$ **29,416,856**
Venture Kamloops Business Development Society:					
Other	-	20,167	-	-	**20,167**
	$ 26,766,672	$ 25,138,554	$ 912,984	**$** (23,381,187)	**$ 29,437,023**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008

9 . Long-term debt:

(a) Long-term debt outstanding:

	General fund	Water fund	Sewer fund	Total
Balance at December 31, 2007	$ 49,068,613	$ 43,051,083	$ 6,572,287	$ 98,691,983
Principal repayments	(1,933,101)	(2,938,013)	(619,995)	(5,491,109)
Actuarial adjustments	(325,540)	(520,474)	(337,090)	(1,183,104)
Debt acquired	4,942,893	-	-	4,942,893
Balance at December 31, 2008	$ 51,752,865	$ 39,592,596	$ 5,615,202	96,960,663
Kamloops Airport Authority Society MFA Demand Note				11,000,000
Total Consolidated debt				$ 107,960,663

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

	General fund	Water fund	Sewer fund	Total
2009	$ 2,120,940	$ 2,894,630	$ 540,286	$ 5,555,856
2010	2,071,053	2,836,471	512,481	5,420,005
2011	2,012,801	2,760,007	418,160	5,190,968
2012	1,989,630	2,704,751	353,281	5,047,662
2013	1,957,190	2,696,143	323,007	4,976,340
Thereafter	23,003,409	17,503,819	1,226,327	41,733,555

The weighted average interest rate on long-term debt in 2008 was 4.68%. (2007 - 4.69%).

(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, 2007	Capital assets purchased pending debt	Debt acquired	Adjustments	**Balance at December 31, 2008**
General fund	$ 8,463,129	$ 694,713	$ (4,942,893)	$ (2,094,469)	**$ 2,120,480**
Water fund	22,079	270,978	-	42,863	**335,920**
Sewer Fund	269,567	2,039	-	(269,567)	**2,039**
	$ 8,754,775	$ 967,730	$ (4,942,893)	$ (2,321,173)	$ **2,458,439**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008

10 . Obligations under capital lease:

Kamloops Airport Authority Society:

The Society has financed certain equipment by entering into capital leasing arrangements. Capital lease repayments are due as follows:

	2008	2007
2008	$ -	$ 11,930
2009	12,000	12,000
Net minimum lease payments	12,000	23,930
Less amount representing interest at approximately 0.5%	(26)	(118)
Present value of capital lease payments	11,974	23,812
Less current portion	11,974	11,838
	$ -	$ 11,974

11 . Capital Assets:

	2008	2007
General fund:		
Engineered structures	$ 240,917,317	$ 222,563,343
Buildings	138,101,876	134,868,864
Machinery and equipment	73,488,222	71,062,275
Land	18,023,857	17,594,265
	470,531,272	446,088,747
Water Fund:		
Engineered structures	167,690,226	162,804,193
Buildings	1,116,787	1,116,787
Machinery and equipment	4,502,804	4,479,693
Land	152,785	152,785
	173,462,602	168,553,458
Sewer Fund:		
Engineered structures	91,608,891	90,638,081
Buildings	753,241	753,241
Machinery and equipment	3,891,376	3,869,464
Land	250,790	250,790
	96,504,298	95,511,576
Kamloops Airport Authority Society:		
Capital assets	62,766,027	50,471,822
Venture Kamloops Business Development Society:		
Capital assets	34,819	35,782
	$ 803,299,018	$ 760,661,385

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008

12 . Reserves for operating purposes:

	Balance at December 31, 2007	Interest income and contributions	Transfers to operations and capital	**Balance at December 31, 2008**
General fund:				
Affordable Housing	$ 152,700	$ 50,000	$	$ **202,700**
Art Gallery	464,069	19,027	(19,027)	**464,069**
Arts Legacy	226,779	1,910		**228,689**
Bi-centennial Legacy	271,321	12,366		**283,687**
Canada Games Legacy	568,011	289		**568,300**
Community Arts	7,999			**7,999**
Deferred Operating	1,971,001	1,016,757	(1,319,622)	**1,668,136**
Environmental Grant	16,719			**16,719**
General Building	56,323	12,215		**68,538**
Heritage Foundation	90,000	20,000		**110,000**
Insurance	1,222,098	-		**1,222,098**
Oak Hills Dyke	12,932			**12,932**
Police Contract	3,309,098	703,000	(1,872,338)	**2,139,760**
Return to Work	260,220		(23,074)	**237,146**
Solid Waste	137,602	189,396		**326,998**
Sports Legacy	186,407	1,910		**188,317**
Working Capital	1,602,719	482,000		**2,084,719**
Youth Legacy	4,331			**4,331**
	10,560,329	2,508,870	(3,234,061)	**9,835,138**
Water fund:				
Deferred Operating	$ 10,000	$	$	$ **10,000**
	10,000	-	-	**10,000**
Sewer fund:				
Deferred Operating	$ 10,000	$	$	$ **10,000**
	10,000	-	-	**10,000**
Cemetery:				
Cemetery Care Trust Fund	1,219,056	162,556	(69,430)	**1,312,182**
	$ 11,799,385	$ 2,671,426	$ (3,303,491)	$ **11,167,320**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008

13 . Reserves for capital purposes:

	Balance at December 31, 2007	Interest income and contributions	Transfers to operations and capital	**Balance at December 31, 2008**
Statutory reserves:				
Tax sale property fund	$ 8,363,576	$ 533,722	$ (50,624)	**$ 8,846,674**
Local improvement fund	154,480	201,863	-	**356,343**
Debt retirement fund	19,403	796	-	**20,199**
Parking facility reserve	400,062	199,177	(22,753)	**576,486**
Land sale reserve fund	1,942,681	77,878	(1,978,800)	**41,759**
Equipment replacement fund	10,084,455	4,546,939	(3,604,613)	**11,026,781**
	20,964,657	5,560,375	(5,656,790)	**20,868,242**
Non-statutory reserves:				
General fund	$ 10,769,111	$ 7,108,366	$ (6,314,456)	**$ 11,563,021**
Water fund	6,093,098	1,119,052	(1,327,345)	**5,884,805**
Sewer fund	1,725,083	877,183	(455,166)	**2,147,100**
	18,587,292	9,104,601	(8,096,967)	**19,594,926**
Airport capital fund	1,000,011	916,726	(468,815)	**1,447,922**
	$ 40,551,960	$ 15,581,702	$ (14,222,572)	**$ 41,911,090**

Federal Gas Tax (Community Works Fund):

Included in the general fund non-statutory reserves above is the Community Works Fund (Gas tax) balance at December 31, 2008. Gas Tax funding is provided by the Government of Canada. The use of the funding is established by a funding agreement between the Municipality and the Union of British Columbia Municipalities. Gas Tax funding may be used towards designated public transit, community energy, water, wastewater, solid waste and capacity building projects, as specified in the funding agreements. A schedule of the receipts and disbursements of these funds is as follows:

	2008	2007
Opening balance of unused funds	**$ 2,268,752**	$ 914,412
Amounts received during the year	**1,615,630**	1,289,761
Interest earned during the year *	**78,114**	78,386
Amounts spent during the year	**(1,048,744)**	(13,807)
Closing balance of unused funds	**$ 2,913,752**	$ 2,268,752

* Interest revenue was not posted to the account during 2006. In 2007 $35,053 was added to the reserve as well as interest earned throughout 2007.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008

14 . Surplus from operations:

	2008	2007
General fund:		
Balance, beginning of year	$ **8,171,882**	$ 4,613,761
Operating Deficit for the year	**3,139,735**	3,558,121
	11,311,617	8,171,882
Water fund:		
Balance, beginning of year	**6,315,255**	6,863,250
Operating Surplus for the year	**1,072,759**	(547,995)
	7,388,014	6,315,255
Sewer fund:		
Balance, beginning of year	**6,858,243**	4,888,160
Operating Surplus for the year	**1,254,291**	1,970,083
	8,112,534	6,858,243
Kamloops Airport Authority Society:		
Balance, beginning of year	**69,264**	72,114
Operating Surplus for the year	**2,100**	(2,850)
	71,364	69,264
Venture Kamloops Business Development Society:		
Balance, beginning of year	**112,569**	95,047
Operating Surplus for the year	**18,400**	17,522
	130,969	112,569
	$ **27,014,498**	$ 21,527,213

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008

15 . Operating activities by segment:

	2008 Budget (unaudited)	**2008**	2007
Cemetery:			
Revenue			
Property tax requirement (contribution)	$ 209,621	**$ 129,020**	$ 147,481
Fees, rates and sales of service	407,500	**458,504**	427,503
Investment income	47,210	**69,430**	66,077
Total operating revenue	$ 664,331	**$ 656,954**	$ 641,061
Expenses			
Salaries, wages and benefits	$ 362,628	**$ 360,518**	$ 354,478
Personnel expenses	2,000	**2,774**	2,647
Contractual services	15,250	**14,509**	15,459
Supplies and other expenses	77,407	**76,464**	72,802
Transfers from other functions	127,246	**109,562**	116,918
Total operating expenses	$ 584,531	**$ 563,827**	$ 562,304
Transfers			
Transfer to trusts	79,800	**93,127**	78,757
Total transfers	$ 79,800	**$ 93,127**	$ 78,757
Community development:			
Revenue			
Property tax requirement (contribution)	$ 1,605,522	**$ 860,315**	$ 1,122,185
Fees, rates and sales of service	2,602,615	**3,174,026**	2,849,297
Sale of capital assets	-	**95,234**	1,803,514
Total operating revenue	$ 4,208,137	**$ 4,129,575**	$ 5,774,996
Expenses			
Salaries, wages and benefits	$ 4,552,791	**$ 4,455,499**	$ 4,268,411
Personnel expenses	109,120	**93,483**	85,452
Contractual services	203,041	**154,571**	149,483
Supplies and other expenses	238,119	**389,845**	198,061
Transfers from other functions	359,009	**321,241**	321,226
Transfers to other functions	(427,650)	**(427,650)**	(427,650)
Cost allocated to capital	(712,000)	**(819,431)**	(601,704)
Total operating expenses	$ 4,322,430	**$ 4,167,558**	$ 3,993,279
Transfers			
Transfer from reserves	$ (126,508)	**$ (84,600)**	$ (93,286)
Transfer to reserves	12,215	**183,601**	138,723
Transfer from other funds	-	**(136,984)**	-
Transfer to other funds	-	**-**	1,736,280
Total transfers	$ (114,293)	**$ (37,983)**	$ 1,781,717

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008

15 . Operating activities by segment (cont.):

	2008 Budget (unaudited)	**2008**	2007
Corporate administration:			
Revenue			
Property tax requirement (contribution)	$ 5,522,493	**$ 7,033,365**	$ 7,402,112
Fees, rates and sales of service	2,093,250	**2,111,853**	2,212,581
Grants	3,968,190	**4,248,040**	3,975,028
Investment income	2,309,000	**2,910,233**	2,970,158
Sale of capital assets	9,000	**5,786**	14
Total operating revenue	$ 13,901,933	**$ 16,309,277**	$ 16,559,893
Expenses			
Salaries, wages and benefits	$ 6,118,457	**$ 5,925,012**	$ 5,834,691
Personnel expenses	380,813	**267,517**	314,304
Contractual services	2,390,947	**2,222,333**	2,218,934
Supplies and other expenses	3,290,385	**1,121,301**	865,055
Transfers from other functions	570,580	**504,250**	524,846
Transfers to other functions	(3,058,062)	**(2,779,793)**	(2,930,531)
Total operating expenses	$ 9,693,120	**$ 7,260,620**	$ 6,827,299
Transfers			
Transfer from reserves	(2,007,203)	**(1,208,439)**	(339,369)
Transfer to reserves	5,197,968	**8,341,160**	8,382,621
Transfer from other funds	-	**(91,851)**	-
Transfer to other funds	1,018,048	**2,007,787**	1,689,342
Total transfers	$ 4,208,813	**$ 9,048,657**	$ 9,732,594
Environmental services:			
Revenue			
Property tax requirement (contribution)	$ 262,478	**$ 296,243**	$ 247,721
Grants	665,000	**191,874**	18,300
Total operating revenue	$ 927,478	**$ 488,117**	$ 266,021
Expenses			
Salaries, wages and benefits	$ 285,834	**$ 306,117**	$ 202,111
Personnel expenses	3,000	**2,915**	4,974
Contractual services	49,000	**60,891**	53,052
Supplies and other expenses	666,000	**192,737**	88,665
Transfers from other functions	18,962	**20,776**	17,537
Transfers to other functions	(95,318)	**(95,319)**	(95,318)
Total operating expenses	$ 927,478	**$ 488,117**	$ 271,021
Transfers			
Transfer from reserves	$ -	**$ -**	$ (5,000)
Total transfers	$ -	**$ -**	$ (5,000)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008

15 . Operating activities by segment (cont.):

	2008 Budget (unaudited)	**2008**	2007
Fire services:			
Revenue			
Property tax requirement (contribution)	$ 11,053,536	**$ 11,856,230**	$ 10,797,643
Fees, rates and sales of service	507,228	**452,191**	484,049
Sale of capital assets	-	**-**	261,000
Total operating revenue	$ 11,560,764	**$ 12,308,421**	$ 11,542,692
Expenses			
Salaries, wages and benefits	$ 9,867,464	**$ 10,578,458**	$ 9,580,968
Personnel expenses	76,835	**79,664**	77,225
Contractual services	198,876	**202,021**	205,519
Supplies and other expenses	514,166	**549,253**	522,433
Transfers from other functions	205,395	**279,287**	212,634
Transfers to other functions	-	**(78,290)**	(15,115)
Total operating expenses	$ 10,862,736	**$ 11,610,393**	$ 10,583,664
Transfers			
Transfer to other funds	698,028	**698,028**	959,028
Total transfers	$ 698,028	**$ 698,028**	$ 959,028
Infrastructure maintenance:			
Revenue			
Property tax requirement (contribution)	$ 10,594,058	**$ 10,810,236**	$ 10,208,999
Fees, rates and sales of service	6,400	**37,152**	40,935
Grants	650	**835**	835
Sale of capital assets	80,000	**238,632**	26,767
Total operating revenue	$ 10,681,108	**$ 11,086,855**	$ 10,277,536
Expenses			
Salaries, wages and benefits	$ 7,480,141	**$ 7,352,987**	$ 7,081,235
Personnel expenses	130,965	**118,917**	80,455
Contractual services	1,597,321	**1,546,022**	1,540,089
Supplies and other expenses	4,520,948	**5,181,635**	4,403,192
Transfers from other functions	3,013,323	**3,529,877**	3,465,147
Transfers to other functions	(6,875,520)	**(8,437,099)**	(7,936,599)
Cost allocated to capital	(1,005,975)	**(282,551)**	(422,786)
Total operating expenses	$ 8,861,203	**$ 9,009,788**	$ 8,210,733
Transfers			
Transfer from reserves	$ (284,275)	**$ (200,375)**	$ (29,825)
Transfer to reserves	-	**30,000**	284,275
Transfer to other funds	2,104,180	**2,247,442**	1,812,353
Total transfers	$ 1,819,905	**$ 2,077,067**	$ 2,066,803

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008

15 . Operating activities by segment (cont.):	2008 Budget (unaudited)	**2008**	2007
Legislative and enforcement:			
Revenue			
Property tax requirement (contribution)	$ 2,618,529	**$ 2,313,519**	$ 2,042,942
Fees, rates and sales of service	1,297,407	**1,437,047**	1,362,614
Investment income	32,000	**21,757**	21,048
Total operating revenue	$ 3,947,936	**$ 3,772,323**	$ 3,426,604
Expenses			
Salaries, wages and benefits	$ 2,289,638	**$ 2,276,342**	$ 2,082,212
Personnel expenses	117,731	**51,934**	63,097
Contractual services	146,746	**157,224**	138,158
Supplies and other expenses	935,044	**794,481**	683,330
Transfers from other functions	331,049	**326,858**	312,529
Transfers to other functions	(30,000)	**(30,000)**	(30,000)
Total operating expenses	$ 3,790,208	**$ 3,576,839**	$ 3,249,326
Transfers			
Transfer to reserves	$ 11,000	**$ 12,366**	$ 12,294
Transfer to other funds	146,728	**183,118**	164,984
Total transfers	$ 157,728	**$ 195,484**	$ 177,278
Parks, recreation and cultural services:			
Revenue			
Property tax requirement (contribution)	$ 13,800,562	**$ 12,941,162**	$ 13,969,505
Fees, rates and sales of service	5,392,269	**6,432,127**	5,054,722
Grants	20,000	**38,979**	42,122
Investment income	30,000	**23,289**	21,309
Private contributions	121,374	**17,440**	139,553
Total operating revenue	$ 19,364,205	**$ 19,452,997**	$ 19,227,211
Expenses			
Salaries, wages and benefits	$ 9,383,950	**$ 9,267,987**	$ 8,650,345
Personnel expenses	172,250	**113,772**	135,722
Contractual services	2,816,788	**3,380,342**	2,818,840
Supplies and other expenses	5,718,961	**5,077,887**	4,553,009
Transfers from other functions	2,453,956	**2,406,736**	2,401,154
Transfers to other functions	(287,179)	**(287,179)**	(272,724)
Cost allocated to capital	(47,210)	**-**	-
Total operating expenses	$ 20,211,516	**$ 19,959,545**	$ 18,286,346
Transfers			
Transfer from reserves	$ (1,022,311)	**$ (653,924)**	$ (178,311)
Transfer to reserves	170,000	**127,292**	1,114,176
Transfer to other funds	5,000	**20,084**	5,000
Total transfers	$ (847,311)	**$ (506,548)**	$ 940,865

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008

15 . Operating activities by segment (cont.):

	2008 Budget (unaudited)	**2008**	2007
Police services:			
Revenue			
Property tax requirement (contribution)	$ 15,774,460	**$ 15,392,692**	$ 15,081,242
Fees, rates and sales of service	339,200	**226,046**	218,051
Grants	2,949,510	**3,075,598**	2,751,095
Total operating revenue	$ 19,063,170	**$ 18,694,336**	$ 18,050,388
Expenses			
Salaries, wages and benefits	$ 3,505,053	**$ 3,298,242**	$ 2,922,348
Personnel expenses	89,810	**84,930**	49,893
Contractual services	16,025,067	**15,188,475**	13,063,755
Supplies and other expenses	74,849	**56,359**	59,144
Transfers from other functions	116,771	**130,484**	114,663
Total operating expenses	$ 19,811,550	**$ 18,758,490**	$ 16,209,803
Transfers			
Transfer from reserves	$ (748,380)	**$ (767,154)**	$ -
Transfer to reserves	-	**703,000**	1,840,585
Total transfers	$ (748,380)	**$ (64,154)**	$ 1,840,585
Public transit:			
Revenue			
Property tax requirement (contribution)	$ 2,296,793	**$ 2,262,407**	$ 2,018,078
Fees, rates and sales of service	3,580,185	**3,931,773**	3,754,481
Grants	4,100,373	**4,651,958**	3,922,686
Total operating revenue	$ 9,977,351	**$ 10,846,138**	$ 9,695,245
Expenses			
Salaries, wages and benefits	$ 73,436	**$ 70,848**	$ 12,406
Personnel expenses	500	**298**	142
Contractual services	9,886,804	**10,752,371**	9,671,094
Supplies and other expenses	-	**-**	12
Transfers from other functions	16,611	**22,621**	11,591
Total operating expenses	$ 9,977,351	**$ 10,846,138**	$ 9,695,245

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008

15 . Operating activities by segment (cont.):

	2008 Budget (unaudited)	**2008**	2007
Solid waste:			
Revenue			
Property tax requirement (contribution)	$ 1,445,551	**$ 1,371,276**	$ 1,440,284
Fees, rates and sales of service	4,565,134	**4,522,613**	3,758,745
Total operating revenue	$ 6,010,685	**$ 5,893,889**	$ 5,199,029
Expenses			
Salaries, wages and benefits	$ 1,419,174	**$ 1,579,246**	$ 1,321,335
Personnel expenses	14,145	**6,705**	9,664
Contractual services	2,593,883	**2,451,623**	1,997,395
Supplies and other expenses	170,686	**333,633**	576,546
Transfers from other functions	2,261,130	**2,275,773**	2,313,588
Transfers to other functions	(972,907)	**(972,907)**	(1,055,267)
Total operating expenses	$ 5,486,111	**$ 5,674,073**	$ 5,163,261
Transfers			
Transfer from reserves	$ -	**$ -**	$ (25,000)
Transfer to reserves	524,574	**219,816**	60,768
Total transfers	$ 524,574	**$ 219,816**	$ 35,768
Water utility:			
Revenue			
Fees, rates and sales of service	$ 6,861,767	**$ 8,327,259**	$ 8,978,241
Investment income	191,000	**443,400**	1,623,689
Total operating revenue	$ 7,052,767	**$ 8,770,659**	$ 10,601,930
Expenses			
Salaries, wages and benefits	$ 2,496,755	**$ 2,431,382**	$ 2,362,108
Personnel expenses	29,450	**27,092**	22,935
Contractual services	424,301	**506,355**	517,787
Supplies and other expenses	2,260,723	**2,401,117**	2,306,976
Transfers from other functions	1,536,465	**1,674,358**	1,556,736
Transfers to other functions	(286,539)	**(286,539)**	(286,539)
Cost allocated to capital	(84,306)	**-**	-
Total operating expenses	$ 6,376,849	**$ 6,753,765**	$ 6,480,003
Transfers			
Transfer from reserves	$ (41,954)	**$ -**	$ (41,125)
Transfer to reserves	-	**1,119,052**	2,055,694
Transfer from other funds	(32,128)	**-**	-
Transfer to other funds	750,000	**897,842**	2,107,358
Total transfers	$ 675,918	**$ 2,016,894**	$ 4,121,927

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008

15 . Operating activities by segment (cont.):

	2008 Budget (unaudited)	**2008**	2007
Sewer utility:			
Revenue			
Fees, rates and sales of service	$ 4,281,175	**$ 5,259,907**	$ 4,338,201
Investment income	128,000	**461,182**	1,430,125
Total operating revenue	$ 4,409,175	**$ 5,721,089**	$ 5,768,326
Expenses			
Salaries, wages and benefits	$ 1,510,073	**$ 1,256,478**	$ 1,135,729
Personnel expenses	25,250	**21,712**	19,619
Contractual services	704,695	**998,981**	727,362
Supplies and other expenses	1,223,559	**1,346,032**	1,179,908
Transfers from other functions	1,062,318	**1,193,585**	1,111,569
Transfers to other functions	(39,640)	**(39,640)**	(39,640)
Cost allocated to capital	(66,304)	**-**	-
Total operating expenses	$ 4,419,951	**$ 4,777,148**	$ 4,134,547
Transfers			
Transfer from reserves	$ (10,000)	**$ -**	$ -
Transfer to reserves	-	**877,184**	1,042,076
Transfer from other funds	(776)	**(20,451)**	(509,968)
Transfer to other funds	-	**87,208**	1,101,671
Total transfers	$ (10,776)	**$ 943,941**	$ 1,633,779
Kamloops Airport Authority Society:			
Revenue			
Fees, rates and sales of service	$ -	**$ 1,116,837**	$ 636,921
Investment income	-	**41,853**	34,474
Total operating revenue	$ -	**$ 1,158,690**	$ 671,395
Expenses			
Contractual services	$ -	**$ 133,375**	$ 172,545
Supplies and other expenses	-	**10,576**	9,055
Total operating expenses	$ -	**$ 143,951**	$ 181,600
Transfers			
Transfer to reserves	$ -	**$ 904,888**	$ 489,795
Transfer to funds	-	**109,851**	-
Total transfers	$ -	**$ 1,014,739**	$ 489,795

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008

15 . Operating activities by segment (cont.):

	2008 Budget (unaudited)	**2008**	2007
Venture Kamloops Business Development Society:			
Revenue			
Fees, rates and sales of service	$ -	**$ 75,903**	$ 83,009
Grants	-	**25,134**	-
Investment income	-	**5,960**	7,690
Total operating revenue	$ -	**$ 106,997**	$ 90,699
Expenses			
Supplies and other expenses	$ -	**$ 588,997**	$ 554,699
Total operating expenses	$ -	**$ 588,997**	$ 554,699
Transfers			
Transfer from other funds	$	**$ (482,000)**	$ (464,000)
Total transfers	$ -	**$ (482,000)**	$ (464,000)
Debt servicing costs:			
Revenue sources:			
Property tax requirement (contribution)	$ 3,094,938	**$ 2,609,314**	$ 2,700,195
Fees, rates and sales of service	3,215,862	3,050,447	3,206,672
	$ 6,310,800	**$ 5,659,761**	$ 5,906,867
Expenses by fund:			
General fund	$ 3,094,938	**$ 2,928,882**	$ 2,700,195
Water fund	2,475,512	**2,369,879**	2,426,935
Sewer fund	740,350	**617,216**	779,586
Kamloops Airport Authority Society	-	**63,352**	151
	$ 6,310,800	**$ 5,979,329**	$ 5,906,867
Transfers			
Transfer from reserves	$ -	**$ (319,568)**	$ -
Total transfers	$ -	**$ (319,568)**	$ -

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008

15 . Operating activities by segment (cont.):

	2008 Budget (unaudited)	**2008**	2007
Capital expenditures:			
Revenue sources:			
Property tax requirement (contribution)	$ 8,655,320	**$ 6,081,500**	$ 3,549,014
Development levies utilized	11,195,029	**5,143,616**	1,211,655
Fees, rates and sales of service	4,220,259	**2,543,094**	2,884,688
Grants	3,068,850	**11,300,039**	2,238,123
Private contributions	742,000	**363,944**	1,617,289
Acquired pending debenture issue	7,576,337	**4,929,508**	6,913,493
	$ 35,457,795	**$ 30,361,701**	$ 18,414,262
Expenses by function:			
Cemetery	$ 122,000	**$ 117,443**	$ 22,705
Community development	111,525	**9,878**	312,260
Corporate administration	2,035,886	**1,000,706**	738,920
Fire services	2,548,900	**854,265**	1,452,252
Infrastructure maintenance	27,192,945	**14,037,773**	10,022,062
Legislative and enforcement	2,150,159	**841,789**	499,824
Parks, recreation and culture	6,992,306	**5,222,756**	8,230,152
Police services	57,310	**54,739**	160,100
Public transit	955,090	**101,807**	27,901
Solid waste	4,663,541	**4,119,925**	1,621,514
Water utlity	10,526,329	**4,896,589**	4,562,826
Sewer utility	4,386,120	**980,167**	2,927,782
Kamloops Airport Authority Society	-	**12,294,204**	183,063
Venture Kamloops Business Development Society	-	**96**	1,518
	$ 61,742,111	**$ 44,532,137**	$ 30,762,879
Transfers			
Transfer from reserves	$ (14,718,148)	**$ (8,553,944)**	$ (9,403,555)
Transfer from other funds	(11,566,168)	**(5,616,492)**	(2,945,062)
Total transfers	$ (26,284,316)	**$ (14,170,436)**	$ (12,348,617)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008

15 . Operating activities by segment (cont.):

	2008 Budget (unaudited)	**2008**	2007
Reduction of long-term debt:			
Revenue sources:			
Property tax requirement (contribution)	$ 4,053,324	**$ 1,933,101**	$ 1,619,689
Fees, rates and sales of service	3,558,009	**3,558,008**	3,526,860
Investment income	1,428,311	**1,183,106**	1,680,487
	$ 9,039,644	**$ 6,674,215**	$ 6,827,036
Expenses by fund:			
General fund	$ 4,426,798	**$ 2,258,642**	$ 2,146,992
Water fund	3,522,716	**3,458,488**	3,370,824
Sewer fund	1,090,130	**957,085**	1,309,220
	$ 9,039,644	**$ 6,674,215**	$ 6,827,036
Repayment of obligation under capital lease:			
Revenue sources:			
Property tax requirement (contribution)	$ -	**$ -**	$ 46,337
Fees, rates and sales of service	-	**11,838**	11,885
Acquired pending debenture issue			308,160
	$ -	**$ 11,838**	$ 366,382
Expenses by fund:			
General fund	$ -	**$ -**	$ 354,497
Kamloops Airport Authority Society	-	**11,838**	11,885
	$ -	**$ 11,838**	$ 366,382
Surplus (deficit) from operations:			
Revenue sources:			
Property tax requirement (contribution)	$ (2,084,648)	$ 3,139,735	$ 3,558,121
Fees, rates and sales of service	1,896,548	2,347,550	1,436,760
	$ (188,100)	$ 5,487,285	$ 4,994,881
Surplus (deficit) by fund:			
General fund	$ (2,084,648)	**$ 3,139,735**	$ 3,558,121
Water fund	456,755	**1,072,759**	(547,995)
Sewer fund	1,439,793	**1,254,291**	1,970,083
Kamloops Airport Authority Society	-	**2,100**	(2,850)
Venture Kamloops Business Dev. Society	-	**18,400**	17,522
	$ (188,100)	**$ 5,487,285**	$ 4,994,881

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008

16 . Taxation:

	2008 Budget (unaudited)	**2008**	2007
General fund:			
Real property	$ 74,594,412	**$ 74,572,054**	$ 71,530,456
Special assessments	798,075	**967,178**	1,012,443
Utilities	1,263,000	**1,263,238**	1,203,743
Grants in lieu of taxes	2,247,050	**2,227,645**	2,204,906
	$ 78,902,537	**$ 79,030,115**	$ 75,951,548

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

	2008	2007
Province of British Columbia - school taxes	**$ 34,253,258**	$ 33,000,738
Thompson-Nicola Regional Hospital District	**2,813,550**	2,685,900
Thompson-Nicola Regional District	**5,061,501**	4,776,882
British Columbia Assessment Authority	**911,395**	831,118
	$ 43,039,704	$ 41,294,638

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008

17 . Grants:

	2008 Budget (unaudited)	**2008**	2007
General fund:			
Federal Government:			
Policing	$ 1,564,220	**$ 1,476,427**	$ 1,259,851
Community Works Fund	1,617,190	**1,615,630**	1,289,761
Provincial Government:			
Transit	4,100,373	**4,651,958**	3,922,686
Gaming revenue	2,300,000	**2,632,409**	2,648,182
Victims assistance	60,000	**84,272**	62,920
Traffic Fines	1,145,290	**1,234,034**	1,241,323
Capital infrastructure	3,068,850	**3,404,591**	1,597,149
Other	916,650	**512,553**	285,343
	14,772,573	**15,611,874**	12,307,215
Water fund:			
Provincial Government:			
Other	-	**-**	10,000
Sewer fund:			
Provincial Government:			
Capital infrastructure	-	**-**	630,974
Other	-	**20,000**	-
	-	**20,000**	630,974
Kamloops Airport Authority Society:			
Federal Government:			
Capital infrastructure	-	**7,875,449**	-
Venture Kamloops Business Development Society:			
Provincial Government:			
Other	-	**25,134**	-
	$ 14,772,573	**$ 23,532,457**	$ 12,948,189

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008

18 . Commitments and contingencies:

(a) The City of Kamloops has entered into various agreements and contracts for services and construction for periods ranging from one to five years.

(b) The City of Kamloops, as a member of the Thompson Nicola Regional District, is liable for its proportion of any operating deficits or long-term debt related to functions in which it participates.

(c) The City of Kamloops is a participant in the Municipal Insurance Association of British Columbia. Should the Association pay out claims in excess of premiums received, it is possible the City, along with other participants, would be required to contribute towards the deficit.

(d) The City of Kamloops and its employees contribute to the Municipal Pension Plan ("the plan"), a jointly trusteed pension plan. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the pension plan, including investment of the assets and administration of benefits. The pension plan is a multi-employer contributory pension plan. Basic pension benefits provided are defined. The plan has about 150,000 active members and approximately 54,000 retired members. Active members include approximately 32,000 contributors from local governments.

Every three years an actuarial valuation is performed to assess the financial position of the plan and the adequacy of plan funding. The most recent valuation as at December 31, 2006 indicated a surplus of $438 million for basic pension benefits. The next valuation will be as at December 31, 2009 with results available in 2010. The actuary does not attribute portions of the surplus to individual employers. The City of Kamloops paid $3,456,142 (2007 - $3,332,125) for employer contributions to the plan in fiscal 2008.

(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, 2008

18 . Commitments and contingencies (cont.):

(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 installment 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	**2008 Total**	2007 Total
General fund	$ 707,446	$ 1,951,239	**$ 2,658,685**	$ 2,483,888
Water utility fund	705,496	2,140,361	**2,845,857**	2,912,200
Sewer utility fund	199,043	526,884	**725,927**	856,331
	$ 1,611,985	$ 4,618,484	**$ 6,230,469**	$ 6,252,419

(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.

The Society has entered into a management services contract for the runway expansion project with YVR Airport Services Ltd. Ending August 31, 2009. The Society is to pay YVR a total of $575,000 for managing the expansion of the airport runway. The amount is to be paid in 24 monthly installments of $23,958 which commenced in October of 2007. The total budget for the expansion project is approximately $20 million.

19 . Budget figures:

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

20 . Trust funds:

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008

21 . Tangible Capital Assets:

For the year ended December 31, 2009 the City will be required to comply with Section 3150, Tangible Capital Assets of the Public Sector Accounting Board Handbook. Section 3150 requires the capitalization and amortization of tangible capital assets in the financial statements. As a transitional provision, Public Sector Guideline - 7, Tangible Capital Assets of Local Governments, requires disclosure of information for each major class of tangible capital asset for which all relevant information can be provided for the complete stock of tangible capital assets of that category. This work is underway, but as no one class of assets has been completed, values cannot be disclosed at this time.

22 . Local Government Reporting Model :

The CICA has issued Section PS 1200 which is currently applicable to federal, provincial and territorial governments. Effective for year ends beginning on or after January 1, 2009, with comparative presentation for 2008, the revised Section will apply to all levels of government. As a result, local governments will be required to prepare a statement of financial position which presents both net debt/net financial assets and accumulated surplus/deficit calculated on a full accrual basis of accounting. When reporting the accumulated surplus/deficit, it will be presented as a single line item. Funds and reserves are not permitted to be presented on the face of the financial statements. If the government chooses, they may be disclosed in the notes or schedules to the financial statements. Since these new standards specifically cover the presentation and disclosures to be provided, they will not affect the City's results of operations or financial position.

BDO Dunwoody LLP
Chartered Accountants
and Advisors

300 – 272 Victoria Street
Kamloops BC Canada V2C 1Z6
Telephone: 250-372-9505
Fax: 250-374-6323

Auditors' Comments on Supplementary Financial Information

To the Mayor and Council of the City of Kamloops

We have audited and reported separately herein on the financial statements of the City of Kamloops as at and for the year ended December 31, 2008 in accordance with Canadian generally accepted auditing standards.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole in accordance with Canadian generally accepted accounting principles. The current year's supplementary information included in the following schedules for the year ended December 31, 2008 is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

**** BDO Dunwoody LLP ****

BDO Dunwoody LLP
Chartered Accountants

Kamloops, British Columbia
April 6, 2009

BDO Dunwoody LLP is a Limited Liability Partnership registered in British Columbia

GENERAL FUND
STATEMENT OF FINANCIAL POSITION - unaudited
YEAR ENDED DECEMBER 31, 2008, with comparatives for 2007

	2008	2007
Financial assets		
Cash and short-term investments	**$ 47,787,191**	$ 42,362,730
Accounts receivable (note 4)	**16,304,967**	11,892,087
Long-term investments	**283,687**	271,321
	64,375,845	54,526,138
Liabilities		
Accounts payable (note 5)	**14,454,822**	13,798,260
Payroll benefits payable	**2,918,958**	2,806,644
Post-employment benefits payable (note 6)	**6,130,476**	5,905,476
Landfill post-closure costs (note 7)	**2,061,741**	1,809,806
Deferred revenue (note 8)	**12,897,078**	11,526,217
Long-term debt (note 9)	**51,752,865**	49,068,613
	90,215,940	84,915,016
Net financial liabilities	**(25,840,095)**	(30,388,878)
Non-financial assets		
Inventory	**871,848**	742,989
Prepaid expenses	**989,093**	965,925
Capital assets (note 11)	**470,531,272**	446,088,747
	472,392,213	447,797,661
Net position	**446,552,118**	417,408,783
Reserves, Surplus and Equity		
Reserves for operating purposes (note 12)	**9,835,138**	10,560,329
Reserves for capital purposes (note 13)	**11,563,021**	10,769,111
Surplus from operations (note 14)	**11,311,617**	8,171,882
Total financial equity	**32,709,776**	29,501,322
Total capital equity	**413,842,342**	387,907,461
	446,552,118	417,408,783
	$ -	$ -

GENERAL FUND
STATEMENT OF FINANCIAL ACTIVITIES - unaudited
YEAR ENDED DECEMBER 31, 2008, with comparatives for 2007

	2008 Budget (unaudited)	**2008**	2007
Revenue (note 15)			
Taxation (note 16)	$ 78,902,537	**$ 79,030,115**	$ 75,951,548
Development levies utilized	8,307,292	**3,904,822**	449,105
Fees, rates and sales of service	20,791,188	**22,783,332**	20,162,978
Grants (note 17)	14,772,573	**15,611,874**	12,307,215
Investment income	2,744,474	**3,280,820**	3,539,818
Private contributions	843,374	**361,948**	1,459,952
Sale of capital assets	89,000	**339,652**	2,091,295
Transfers from other funds	11,523,378	**5,914,756**	2,393,418
	137,973,816	**131,227,319**	118,355,329
Expenditures (note 15)			
Cemetery	584,531	**563,827**	562,304
Community development	4,322,430	**4,167,558**	3,993,279
Corporate administration	9,693,120	**7,260,620**	6,827,299
Environmental services	927,478	**488,117**	271,021
Fire services	10,862,736	**11,610,393**	10,583,664
Infrastructure maintenance	8,861,203	**9,009,788**	8,210,733
Legislative and enforcement	3,790,208	**3,576,839**	3,249,326
Parks, recreation and cultural services	20,211,516	**19,959,545**	18,286,346
Police services	19,811,550	**18,758,490**	16,209,803
Public Transit	9,977,351	**10,846,138**	9,695,245
Solid waste	5,486,111	**5,674,073**	5,163,261
Debt servicing costs	3,094,938	**2,928,882**	2,700,195
Capital expenditures	46,829,662	**26,361,081**	23,087,690
Transfers to other funds	4,051,784	**5,249,585**	6,753,983
	148,504,618	**126,454,936**	115,594,149
Net operating activity	(10,530,802)	**4,772,383**	2,761,180
Reduction of long-term debt	(4,426,798)	**(2,258,642)**	(2,146,992)
Repayment of obligations under capital lease	-	**-**	(354,497)
Capital assets acquired pending debenture issue	3,314,005	**694,713**	7,017,042
Increase (decrease) in financial equity	$ (11,643,595)	**$ 3,208,454**	$ 7,276,733

WATER FUND
STATEMENT OF FINANCIAL POSITION - unaudited
YEAR ENDED DECEMBER 31, 2008, with comparatives for 2007

	2008	2007
Financial assets		
Cash and short-term investments	**$ 10,700,913**	$ 10,585,489
Accounts receivable (note 4)	**1,090,493**	709,062
	11,791,406	11,294,551
Liabilities		
Payroll benefits payable	**157,854**	148,752
Long-term debt (note 9)	**39,592,596**	43,051,083
	39,750,450	43,199,835
Net financial liabilities	**(27,959,044)**	(31,905,284)
Non-financial assets		
Inventory	**442,549**	265,871
Capital assets (note 11)	**173,462,602**	168,553,458
	173,905,151	168,819,329
Net Position	**145,946,107**	136,914,045
Reserves, Surplus and Equity		
Reserves for operating purposes (note 12)	**10,000**	10,000
Reserves for capital purposes (note 13)	**5,884,805**	6,093,098
Surplus from operations (note 14)	**7,388,014**	6,315,255
Total financial equity	**13,282,819**	12,418,353
Total capital equity	**132,663,288**	124,495,692
	145,946,107	136,914,045
	$ -	$ -

WATER FUND
STATEMENT OF FINANCIAL ACTIVITIES - unaudited
YEAR ENDED DECEMBER 31, 2008, with comparatives for 2007

	2008 Budget (unaudited)	**2008**	2007
Revenue (note 15)			
Development levies utilized	$ 2,490,943	**$ 1,082,142**	$ 138,988
Fees, rates and sales of service	16,118,620	**16,924,035**	16,167,023
Grants (note 17)	-	**-**	10,000
Investment income	775,702	**963,874**	2,157,161
Private contributions	20,000	**-**	171,890
Transfers from other funds	72,128	**-**	1,529
	19,477,393	**18,970,051**	18,646,591
Expenditures (note 15)			
Water utility	6,376,849	**6,753,765**	6,480,003
Debt servicing costs	2,475,512	**2,369,879**	2,426,935
Capital expenditures	10,526,329	**4,896,589**	4,562,826
Transfers to other funds	750,000	**897,842**	2,562,043
	20,128,690	**14,918,075**	16,031,807
Net operating activity	(651,297)	**4,051,976**	2,614,784
Reduction of long-term debt	(3,522,716)	**(3,458,488)**	(3,370,824)
Capital assets acquired pending debenture issue	1,640,152	**270,978**	174,841
Increase (decrease) in financial equity	$ (2,533,861)	**$ 864,466**	$ (581,199)

SEWER FUND
STATEMENT OF FINANCIAL POSITION - unaudited
YEAR ENDED DECEMBER 31, 2008, with comparatives for 2007

	2008	2007
Financial assets		
Cash and short-term investments	**$ 8,076,377**	$ 6,394,231
Accounts receivable (note 4)	**325,974**	325,974
	8,402,351	6,720,205
Liabilities		
Payroll benefits payable	**126,283**	119,002
Long-term debt (note 9)	**5,615,202**	6,572,287
	5,741,485	6,691,289
Net financial assets	**2,660,866**	28,916
Non-financial assets		
Inventory	**70,052**	70,017
Capital assets (note 11)	**96,504,298**	95,511,576
	96,574,350	95,581,593
Net Position	**99,235,216**	95,610,509
Reserves, Surplus and Equity		
Reserves for operating purposes (note 12)	**10,000**	10,000
Reserves for capital purposes (note 13)	**2,147,100**	1,725,083
Surplus from operations (note 14)	**8,112,534**	6,858,243
Total financial equity	**10,269,634**	8,593,326
Total capital equity	**88,965,582**	87,017,183
	99,235,216	95,610,509
	$ -	$ -

SEWER FUND
STATEMENT OF FINANCIAL ACTIVITIES - unaudited
YEAR ENDED DECEMBER 31, 2008, with comparatives for 2007

	2008 Budget (unaudited)	**2008**	2007
Revenue (note 15)			
Development levies utilized	$ 396,794	**$ 156,652**	$ 623,562
Fees, rates and sales of service	7,915,000	**8,078,282**	8,004,995
Grants (note 17)	-	**20,000**	630,974
Investment income	598,135	**798,273**	2,049,837
Private contributions	-	**19,436**	125,000
Transfers from other funds	50,776	**20,451**	619,443
	8,960,705	**9,093,094**	12,053,811
Expenditures (note 15)			
Sewer utility	4,419,951	**4,777,148**	4,134,547
Debt servicing costs	740,350	**617,216**	779,586
Capital expenditures	4,386,120	**980,167**	2,927,782
Transfers to other funds	-	**87,208**	1,565,679
	9,546,421	**6,461,739**	9,407,594
Net operating activity	(585,716)	**2,631,355**	2,646,217
Reduction of long-term debt	(1,090,130)	**(957,085)**	(1,309,220)
Capital assets acquired pending debenture issue	2,622,180	**2,039**	29,770
Increase (decrease) in financial equity	$ 946,334	**$ 1,676,309**	$ 1,366,767

CEMETERY CARE TRUST FUND
STATEMENT OF FINANCIAL POSITION - unaudited
YEAR ENDED DECEMBER 31, 2008, with comparatives for 2007

	2008	2007
Financial Assets		
Cash and short-term investments (note 3)	**$ 1,300,288**	$ 1,209,533
Accounts receivable (note 4)	**11,894**	9,523
	1,312,182	1,219,056
Reserves, Surplus and Equity		
Reserves for operating purposes (note 12)		
Balance, beginning of the year	**1,219,056**	1,140,300
Add:		
Transfer from General Revenue Fund	**93,126**	78,756
Interest Earned	**69,430**	66,077
	162,556	144,833
Less:		
Transfer to General Revenue Fund	**(69,430)**	(66,077)
Balance, end of the year	**1,312,182**	1,219,056
	$ -	$ -

STATUTORY RESERVE FUNDS
STATEMENT OF FINANCIAL POSITION - unaudited
YEAR ENDED DECEMBER 31, 2008, with comparatives for 2007

	2008	2007
Financial Assets		
Cash and short-term investments (note 3)	**$ 37,388,020**	$ 36,205,112
	37,388,020	36,205,112
Liabilities		
Deferred revenue (note 8)	**16,519,778**	15,240,455
	16,519,778	15,240,455
Net financial assets	**20,868,242**	20,964,657
Reserves, Surplus and Equity		
Reserves for capital purposes (note 13)		
Tax sale property fund	**8,846,674**	8,363,576
Local improvement fund	**356,343**	154,480
Debt retirement fund	**20,199**	19,403
Parking facility reserve	**576,486**	400,062
Land sale reserve fund	**41,759**	1,942,681
Equipment replacement fund	**11,026,781**	10,084,455
Total financial equity	**20,868,242**	20,964,657
	$ -	$ -

STATUTORY RESERVE FUNDS
STATEMENT OF FINANCIAL ACTIVITIES - unaudited
YEAR ENDED DECEMBER 31, 2008, with comparatives for 2007

	2008 Budget (unaudited)	**2008**	2007
Revenue			
Transfer to:			
Tax sale property	$ 216,000	**$ 533,722**	$ 3,057,452
Local improvement	6,000	**201,863**	33,522
Debt retirement	-	**795**	700
Parking facility	159,728	**199,176**	177,280
Land sale	4,000	**77,878**	1,847,656
Equipment replacement	4,303,352	**4,546,939**	4,291,070
Cemetery trust	79,800	**93,127**	78,756
	4,768,880	**5,653,500**	9,486,436
Expenditures			
Transfer from:			
Tax sale property	262,584	**50,625**	81,309
Local improvement	165,000	**-**	617,721
Parking facility	80,413	**22,753**	117,926
Land sale	3,422,391	**1,978,799**	2,443
Equipment replacement	7,635,780	**3,604,613**	1,197,645
	11,566,168	**5,656,790**	2,017,044
Increase (decrease) in financial equity	$ (6,797,288)	**$ (3,290)**	$ 7,469,392

KAMLOOPS AIRPORT AUTHORITY SOCIETY
STATEMENT OF FINANCIAL POSITION - unaudited
YEAR ENDED DECEMBER 31, 2008, with comparatives for 2007

	2008	2007
Financial assets		
Cash and short-term investments (note 3)	**$ 1,686,911**	$ 1,013,165
Accounts receivable (note 4)	**8,644,817**	128,868
	10,331,728	1,142,033
Liabilities		
Accounts payable (note 5)	**1,774,219**	72,758
Long-term debt (note 9)	**11,000,000**	-
Obligations under capital lease (note 10)	**11,974**	23,812
	12,786,193	96,570
Net financial liabilities	**(2,454,465)**	1,045,463
Non-financial assets		
Capital assets (note 11)	**62,766,027**	50,471,822
	62,766,027	50,471,822
Net Position	**60,311,562**	51,517,285
Reserves, Surplus and Equity		
Reserves for capital purposes (note 13)	**1,447,922**	1,000,011
Surplus from operations (note 14)	**71,364**	69,264
Total financial equity	**1,519,286**	1,069,275
Total capital equity	**58,792,276**	50,448,010
	60,311,562	51,517,285
	$ -	$ -

KAMLOOPS AIRPORT AUTHORITY SOCIETY
STATEMENT OF FINANCIAL ACTIVITIES - unaudited
YEAR ENDED DECEMBER 31, 2008, with comparatives for 2007

	2008 Budget (unaudited)	**2008**	2007
Revenue (note 15)			
Fees, rates and sales of service	$ -	**$ 1,194,127**	829,170
Grants (note 17)	-	**7,875,449**	-
Investment income	-	**41,853**	34,474
	-	**9,111,429**	863,644
Expenditures (note 15)			
Kamloops Airport Authority Society	-	**143,951**	181,600
Debt servicing costs	-	**63,352**	151
Capital expenditures	-	**12,294,204**	183,063
Transfers to other funds	-	**109,851**	-
	-	**12,611,358**	364,814
Net operating activity	-	**(3,499,929)**	498,830
Repayment of obligations under capital lease	-	**(11,838)**	(11,885)
Capital assets acquired pending debenture issue	-	**3,961,778**	-
Increase (decrease) in financial equity	$ -	**$ 450,011**	$ 486,945

VENTURE KAMLOOPS BUSINESS DEVELOPMENT SOCIETY
STATEMENT OF FINANCIAL POSITION - unaudited
YEAR ENDED DECEMBER 31, 2008, with comparatives for 2007

	2008	2007
Financial assets		
Cash and short-term investments (note 3)	**$ 150,609**	$ 102,828
Accounts receivable (note 4)	**19,913**	28,393
	170,522	131,221
Liabilities		
Accounts payable (note 5)	**24,440**	26,162
Deferred revenue (note 8)	**20,167**	-
	44,607	26,162
Net financial assets	**125,915**	105,059
Non-financial assets		
Prepaid expenses	**5,054**	7,510
Capital assets (note 11)	**34,819**	35,782
	39,873	43,292
Net Position	**165,788**	148,351
Reserves, Surplus and Equity		
Surplus from operations (note 14)	**130,969**	112,569
Total financial equity	**130,969**	112,569
Total capital equity	**34,819**	35,782
	165,788	148,351
	$ -	$ -

VENTURE KAMLOOPS BUSINESS DEVELOPMENT SOCIETY
STATEMENT OF FINANCIAL ACTIVITIES - unaudited
YEAR ENDED DECEMBER 31, 2008, with comparatives for 2007

	2008 Budget (unaudited)	**2008**	2007
Revenue (note 15)			
Fees, rates and sales of service	$ -	**$ 94,399**	102,049
Grants (note 17)	-	**25,134**	-
Investment income	-	**5,960**	7,690
Transfers from other funds		**482,000**	464,000
	-	**607,493**	573,739
Expenditures (note 15)			
Venture Kamloops Business Development Society	-	**588,997**	554,700
Capital expenditures	-	**96**	1,517
	-	**589,093**	556,217
Net operating activity	-	**18,400**	17,522
Increase (decrease) in financial equity	$ -	**$ 18,400**	17,522