



Canada's Tournament Capital

CITY OF KAMLOOPS

**Financial Statements for the Year-Ended
2011 December 31**

**CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011, with comparatives for 2010**

TABLE OF CONTENTS	1
Independent Auditor's Report	2
Statement of Management's Responsibility	3
Financial Statements:	
Consolidated Statement of Financial Position	4
Consolidated Statement of Operations and Accumulated Surplus	5
Consolidated Statement of Changes in Net Debt	6
Consolidated Statement of Cash Flows	7
Notes to Consolidated Financial Statements	8 - 48
Schedule 1 - Tangible Capital Assets	49 - 54
Supporting Schedules:	
Independent Auditor's Comments on Supplementary Financial Information	55
General Fund - Statement of Financial Position	56
General Fund - Statement of Operations	57
Water Fund - Statement of Financial Position	58
Water Fund - Statement of Operations	59
Sewer Fund - Statement of Financial Position	60
Sewer Fund - Statement of Operations	61
Statutory Reserve Funds - Statement of Financial Position	62
Statutory Reserve Funds - Statement of Operations	63
Kamloops Airport Authority Society - Statement of Financial Position	64
Kamloops Airport Authority Society - Statement of Operations	65
Venture Kamloops Business Development Society - Statement of Financial Position	66
Venture Kamloops Business Development Society - Statement of Operations	67



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, 2011, and the consolidated statements of operations and accumulated surplus, 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, 2011 and the results of its operations 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
May 1, 2012



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 auditor's 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 appoint 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, 2011, with comparatives for 2010

	<u>2011</u>	<u>2010</u> (Restated) (note 2)
Financial assets		
Cash (note 4)	\$ 12,119,037	\$ 4,673,613
Short-term investments (note 4)	112,715,177	106,078,756
Accounts receivable (note 5)	20,623,107	21,790,736
Long-term investments (note 6)	320,616	309,158
	<u>145,777,937</u>	<u>132,852,263</u>
Liabilities		
Accounts payable (note 7)	17,856,579	15,524,040
Payroll benefits payable	3,762,177	3,579,944
Post-employment benefits payable (note 8)	7,022,476	6,518,476
Landfill post-closure costs (note 9)	3,533,881	3,273,566
Deferred revenue (note 10)	28,473,848	28,480,361
Long-term debt (note 11)	92,665,057	93,044,566
	<u>153,314,018</u>	<u>150,420,953</u>
Net debt	<u>(7,536,081)</u>	<u>(17,568,690)</u>
Non-financial assets		
Inventory	1,142,652	1,220,271
Prepaid expenses	573,450	544,811
Tangible capital assets (note 12 & Schedule 1)	1,017,241,845	998,459,628
	<u>1,018,957,947</u>	<u>1,000,224,710</u>
Accumulated surplus (note 13)	<u>\$ 1,011,421,866</u>	<u>\$ 982,656,020</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, 2011, with comparatives for 2010

	2011 Fiscal Plan	2011	2010
	(note 19)		(Restated) (note 2)
Revenue (note 14)			
Taxation (note 15)	\$ 87,551,473	\$ 87,489,806	\$ 84,132,935
Development levies utilized	9,171,861	3,758,220	2,118,515
Fees, rates and sales of service	51,703,771	52,256,684	53,365,069
Government transfers (note 16)	22,901,666	19,514,645	23,979,804
Investment income	3,712,933	6,695,717	4,614,140
Private contributions	696,443	12,503,541	11,462,067
Gain on disposal of capital assets	85,958	-	685,169
	<u>175,824,105</u>	<u>182,218,613</u>	<u>180,357,699</u>
Expenses (note 14)			
Cemetery	772,446	775,183	755,023
Community development	4,725,746	4,560,481	4,155,271
Corporate administration	11,302,412	9,438,548	8,517,221
Environmental services	739,878	510,628	411,153
Fire services	14,683,608	14,206,640	13,355,335
Infrastructure maintenance	23,591,523	23,485,624	21,282,334
Legislative and enforcement	4,707,192	4,660,452	4,404,158
Parks, recreation and cultural services	30,403,866	29,569,417	29,852,262
Police services	22,836,981	21,026,777	19,567,088
Public Transit	13,056,437	12,768,946	12,164,445
Solid waste	6,419,279	6,578,448	7,371,621
Water utility	13,810,907	13,860,866	14,923,722
Sewer utility	6,855,175	6,750,729	6,611,923
Kamloops Airport Authority Society	-	2,008,294	1,889,535
Venture Kamloops Business Development Society	630,115	618,997	492,403
Loss on disposal of capital assets	-	2,632,737	-
	<u>154,535,565</u>	<u>153,452,767</u>	<u>145,753,494</u>
Annual surplus	<u>21,288,540</u>	<u>28,765,846</u>	<u>34,604,205</u>
Accumulated surplus, beginning of year, as previously stated		977,414,818	949,432,400
Prior period adjustment (note 2)		5,241,202	(1,380,585)
Accumulated surplus, beginning of year, as restated		<u>982,656,020</u>	<u>948,051,815</u>
Accumulated surplus, end of year		<u>1,011,421,866</u>	<u>982,656,020</u>

See accompanying notes and schedules to consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN NET DEBT
YEAR ENDED DECEMBER 31, 2011, with comparatives for 2010

	2011 Fiscal Plan (note 19)	2011	2010 (Restated) (note 2)
Annual surplus	\$ 21,288,540	\$ 28,765,846	\$ 34,604,205
Acquisition of tangible capital assets	(75,316,355)	(45,809,390)	(48,136,558)
Amortization of tangible capital assets	22,267,351	23,868,854	23,112,565
Net book value of tangible capital assets disposed	-	3,158,320	2,096,345
Decrease (increase) in prepaid expenses	-	(28,640)	296,792
Decrease (increase) in inventory	-	77,619	102,724
Change in net debt	<u>(31,760,464)</u>	<u>10,032,609</u>	<u>12,076,073</u>
Net debt, beginning of the year	(17,568,690)	(17,568,690)	(29,644,763)
Net debt, end of the year	<u>\$ (49,329,154)</u>	<u>\$ (7,536,081)</u>	<u>\$ (17,568,690)</u>

See accompanying notes and schedules to consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2011, with comparatives for 2010

	<u>2011</u>	<u>2010</u>
		(Restated)
		(note 2)
Cash provided by (used for):		
Operating transactions:		
Annual surplus	\$ 28,765,846	\$ 34,604,205
Items not involving cash:		
Amortization of tangible capital assets	23,868,854	23,112,565
Increase (decrease) in post-employment benefits payable	504,000	271,000
Increase (decrease) in landfill post-closure costs	260,315	995,002
Loss (gain) on disposal of tangible capital assets	(2,632,737)	685,169
Private contributions	(12,503,541)	(11,462,067)
Changes in non-cash operating items:		
Decrease (increase) in accounts receivable	1,167,629	1,322,921
Decrease (increase) in inventory	77,619	102,724
Decrease (increase) in prepaid expenses	(28,639)	296,792
Increase (decrease) in accounts payable	2,332,539	(4,862,009)
Increase (decrease) in payroll benefits payable	182,233	235,850
Increase (decrease) in deferred revenue	(6,513)	2,386,098
	<u>41,987,605</u>	<u>47,688,250</u>
Capital transactions:		
Tangible capital asset additions	(33,305,849)	(36,674,491)
Proceeds from sale of tangible capital assets	5,791,056	2,781,519
	<u>(27,514,793)</u>	<u>(33,892,972)</u>
Investing transactions:		
Decrease (increase) in short-term investments	(6,636,421)	(14,070,838)
Decrease (increase) in long-term investments	(11,458)	(12,488)
	<u>(6,647,879)</u>	<u>(14,083,326)</u>
Financing transactions:		
Proceeds from issuance of long-term debt	6,700,000	-
Principal repayments on long-term debt	(7,079,509)	(14,104,814)
	<u>(379,509)</u>	<u>(14,104,814)</u>
Increase (decrease) in cash and short-term investments for the year	7,445,424	(14,392,862)
Cash, beginning of the year	4,673,613	19,066,475
Cash, end of the year	<u>\$ 12,119,037</u>	<u>\$ 4,673,613</u>

See accompanying notes and schedules to consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2011, with comparatives for 2010

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2011, with comparatives for 2010

1 . Significant accounting policies (continued):

(d) 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.

(e) 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 create a liability in which case the transfers are recognized as revenue over the period that the liability is extinguished.

(f) Inventory:

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

(g) Investments:

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2011, with comparatives for 2010

1 . Significant accounting policies (continued):

(h) 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.

(i) 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.

(j) 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.

(k) 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, 2011, with comparatives for 2010

1 . Significant accounting policies (continued):

(k) 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.

(l) 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.

(m) Pension plan:

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2011, with comparatives for 2010

2 . Prior period adjustment

During the year, a number of errors were discovered with respect to accounting for tangible capital assets in the prior year. During 2010, four developments were completed and transferred to the City of Kamloops. All tangible capital asset additions for the developments were included in the financial statements except for land under roads which resulted in understated tangible capital asset additions and understated private contributions in the amount of \$6,510,150.

Also during 2010, another development was completed and transferred to the City of Kamloops but not reflected in the financial statements in the prior year. This resulted in understated tangible capital asset additions and understated private contributions in the amount of \$366,750. It also resulted in understated annual depreciation in the amount of \$3,979.

Also during 2010, an incomplete capital project in the amount of \$6,479,274 was transferred out of work in progress, set up as an active tangible capital asset, and annual depreciation was charged against those tangible capital assets of the incomplete project. This resulted in overstated annual depreciation in the amount of \$64,793.

Also during 2010, two completed capital projects totalling \$787,409 were carried forward as work in progress and no depreciation was charged on the assets. This resulted in understated annual depreciation in the amount of \$45,424.

Also during 2010, many of the tangible capital asset disposals were based on estimates and/or assumptions. In these financial statements, the prior year disposals have been restated to reflect actual disposals for the year. This resulted in gain on disposal being overstated by \$64,936 and net book value of tangible capital assets disposed being understated by \$64,936.

There are seven tangible capital asset groups that are subject to annual depreciation: site improvements, buildings, transportation network, drainage network, sanitary network, water network, equipment, computer infrastructure, and communication network. Within these groups, there are several asset types. Within these asset types are assets with varying useful lives. Annual depreciation is calculated at the individual asset level and totals are rolled up to the asset type and then totals from the asset types are rolled up to the asset group for presentation in these financial statements. In the prior year, depreciation expense was calculated at the asset group level using an average useful life for each asset group. This less accurate calculation of annual depreciation resulted in the amount being understated by \$124,638. The changes to the 2010 amounts as reported in these statements to the amounts reported in 2010 consolidated financial statements are:

Net book value of tangible capital assets increased	\$	6,701,846
Accumulated surplus increased		6,701,846
Private contributions increased		6,876,029
Gain on disposal of tangible capital assets decreased		64,936
Capital additions increased		6,876,029
Annual depreciation increased		109,250
Net book value of tangible capital assets disposed increased		64,936

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2011, with comparatives for 2010

2 . Prior period adjustment (continued)

The City has elected to change how it reports the Cemetery Perpetual Care Trust fund in the consolidated financial statements. In previous years the Trust fund was included in the consolidated statement of financial position, the consolidated statement of operations and accumulated surplus and all associated notes and schedules. The City no longer includes any revenue, expenses or accumulated surplus amounts related to the Cemetery Perpetual Care Trust Fund in the consolidated financial statements. The balance of the Trust fund is included in Note 18 for reference. The changes to the 2010 amounts as reported in these statements to the amounts reported in 2010 consolidated financial statements are:

Accumulated surplus, beginning of year decreased	1,380,585
Accumulated surplus, end of year decreased	1,460,642
Cash & short-term investments decreased	1,449,467
Accounts receivable decreased	11,175
Fees, rates and sales of service decreased	80,058
Annual surplus decreased	80,058

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 corporations, either private or public.

3 . Segmented information (continued)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2011, with comparatives for 2010

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

Legislative and enforcement:

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

Parks, recreation and leisure services:

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2011, with comparatives for 2010

3 . Segmented information (continued)

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.

Debt servicing costs:

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2011, with comparatives for 2010

4 . Cash and short-term investments:

	<u>2011</u>	<u>2010</u>
Consolidated cash	\$ 12,119,037	\$ 4,673,613
Consolidated short-term investments	112,715,177	106,078,756
	<u>\$ 124,834,214</u>	<u>\$ 110,752,369</u>
Restricted cash and short-term investments:		
Statutory reserves	\$ 29,304,719	\$ 26,670,834
Development cost charges	13,804,597	13,891,513
Kamloops Airport Authority Society	3,276,278	2,538,882
Venture Kamloops Business Development Society	208,167	267,934
Unrestricted cash and short-term investments	78,240,453	67,383,206
	<u>\$ 124,834,214</u>	<u>\$ 110,752,369</u>

The maturity dates of the short-term investments held directly by the City range from January 6, 2012 to June 6, 2023. The interest rates earned on these investments range from 1.5% to 6%.

5 . Accounts receivable:

	<u>2011</u>	<u>2010</u>
General fund:		
Taxes	\$ 3,860,902	\$ 3,398,945
Utilities	1,308,786	1,672,800
Trade	7,633,187	4,427,841
Accrued interest	1,056,517	715,486
Province of British Columbia	1,669,879	5,209,407
Government of Canada	1,037,009	1,798,255
	<u>16,566,280</u>	<u>17,222,734</u>
Water Fund:		
Trade	1,069,846	1,162,413
Province of British Columbia	-	390,630
	<u>1,069,846</u>	<u>1,553,043</u>
Sewer Fund:		
Province of British Columbia	2,605,924	1,936,155
	<u>2,605,924</u>	<u>1,936,155</u>
Kamloops Airport Authority Society:		
Trade	366,694	305,356
Government of Canada	-	767,728
	<u>366,694</u>	<u>1,073,084</u>
Venture Kamloops Business Development Society:		
Trade	14,363	5,720
	<u>\$ 20,623,107</u>	<u>\$ 21,790,736</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2011, with comparatives for 2010

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>2011</u>	<u>2010</u>
General fund:		
Trade	\$ 10,183,518	\$ 8,611,688
Payroll and benefits	2,038,910	1,933,908
Province of British Columbia	238,825	498,161
Government of Canada	5,163,608	4,299,049
	<u>17,624,861</u>	<u>15,342,806</u>
Kamloops Airport Authority Society:		
Trade	<u>201,228</u>	<u>112,538</u>
Venture Kamloops Business Development Society:		
Trade	<u>30,490</u>	<u>68,696</u>
	<u>\$ 17,856,579</u>	<u>\$ 15,524,040</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 \$592,000 (2010 - \$428,000). The plan does not require any contribution from employees. The retirement benefit liability at December, 31, 2011 includes the following components:

	<u>2011</u>	<u>2010</u>
Accrued benefit obligation - opening balance	\$ 6,254,000	\$ 5,971,000
Current service cost	462,000	403,000
Interest cost	287,000	288,000
Benefits paid	(592,000)	(428,000)
Plan amendment	337,000	-
Actuarial gain/(loss) - current	676,000	20,000
Accrued benefit obligation - ending balance	<u>7,424,000</u>	<u>6,254,000</u>
Unamortized net actuarial (loss)/gain	(678,000)	(12,000)
Funding excess	276,476	276,476
Post-employment benefit payable	<u>\$ 7,022,476</u>	<u>\$ 6,518,476</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2011, with comparatives for 2010

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 March 8, 2012 using data as of December 31, 2011. The accrued benefit obligation shown for 2011 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 (2010 - 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% (2010 - 3.25%). The discount rate used to determine the accrued benefit obligation is 3.5% (2010 - 4.25%).

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 (2011) dollars. The aggregate liability for closure and post-closure costs for the two landfills is \$3,533,881 (2010 = \$3,273,566).

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 180,095 cubic meters, which is approximately 32% of the site's total capacity.

The estimated total expenses for closure and post-closure care of the two landfills in current (2011) dollars is \$18,907,217 (2010 estimate = \$18,733,086) with \$15,373,336 (2010 = \$15,459,520) remaining to be recognized as a liability.

The City has not provided a reserve to fund future landfill capital expenses as at December 31, 2011. The funding required is provided through current operations.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2011, with comparatives for 2010

10 . Deferred revenue:

	Balance at December 31, 2010	Collected	Interest	Recognized	Balance at December 31, 2011
General fund:					
Taxes	\$ 12,228,196	\$ 21,212,419	\$ -	\$ (21,055,020)	\$ 12,385,595
Leases	64,947			(5,144)	59,803
Business licenses	992,897	1,007,461	-	(992,897)	1,007,461
Other	1,302,808	1,213,059	-	(1,302,808)	1,213,059
	<u>14,588,848</u>	<u>23,432,939</u>	<u>-</u>	<u>(23,355,869)</u>	<u>14,665,918</u>
Development cost charges:					
	<u>13,891,513</u>	<u>3,181,078</u>	<u>490,226</u>	<u>(3,758,220)</u>	<u>13,804,597</u>
Venture Kamloops Business Development Society:					
	<u>-</u>	<u>3,333</u>	<u>-</u>	<u>-</u>	<u>3,333</u>
	<u>\$ 28,480,361</u>	<u>\$ 26,617,350</u>	<u>\$ 490,226</u>	<u>\$ (27,114,089)</u>	<u>\$ 28,473,848</u>

11 . Long-term debt:

(a) Long-term debt outstanding:

	General fund *	Water fund	Sewer fund	Total
Balance at December 31, 2010	\$ 56,483,654	\$ 32,609,241	\$ 3,951,671	\$ 93,044,566
Principal repayments	(2,499,932)	(2,768,875)	(426,229)	(5,695,036)
Actuarial adjustments	(457,260)	(684,868)	(242,345)	(1,384,473)
Debt acquired	5,200,000	1,500,000	-	6,700,000
Balance at December 31, 2011	<u>\$ 58,726,462</u>	<u>\$ 30,655,498</u>	<u>\$ 3,283,097</u>	<u>\$ 92,665,057</u>

* Kamloops Airport Authority Society debt included in General Fund balance

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2011, with comparatives for 2010

11 . Long-term debt (continued):

(b) Future principal repayments 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:				
2012	\$ 2,736,455	\$ 2,788,531	\$ 361,350	\$ 5,886,336
2013	2,704,015	2,779,923	331,076	5,815,014
2014	2,704,015	2,792,480	331,076	5,827,571
2015	2,694,054	2,770,742	303,682	5,768,478
2016	2,665,165	1,749,066	215,087	4,629,318
Thereafter	21,537,113	10,470,236	390,714	32,398,063
	35,040,817	23,350,978	1,932,985	60,324,780
Sinking fund earnings	23,685,645	7,304,520	1,350,112	32,340,277
	\$ 58,726,462	\$ 30,655,498	\$ 3,283,097	\$ 92,665,057

* Kamloops Airport Authority Society debt included in General Fund

The weighted average interest rate on long-term debt in 2011 was 4.34%. (2010 - 4.44%).

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, 2010	Capital assets purchased pending debt	Debt acquired	Adjustments	Balance at December 31, 2011
General fund	\$ 7,738,188	\$ 4,174,834	\$ (5,200,000)	\$ 0	\$ 6,713,022
Water fund	3,581,974	68,590	(1,500,000)	0	2,150,564
Sewer Fund	60,470	1,463,809	0	0	1,524,279
	\$ 11,380,632	\$ 5,707,233	\$ (6,700,000)	\$ 0	\$ 10,387,865

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2011, with comparatives for 2010

12. Tangible capital assets:

See schedules 1a and 1b for details

			2011	2010
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
General fund:				
Land	\$ 75,884,097	\$ -	\$ 75,884,097	\$ 74,807,866
Land under roads	414,228,666	-	414,228,666	405,664,503
Site improvements	61,995,580	(28,299,462)	33,696,118	30,316,194
Buildings	118,555,552	(54,020,672)	64,534,880	65,215,847
Transportation network	220,368,393	(95,329,352)	125,039,041	124,278,776
Drainage network	67,407,537	(24,381,822)	43,025,715	43,833,613
Water network	7,533,743	(4,138,889)	3,394,854	2,873,526
Equipment	49,341,906	(28,748,139)	20,593,767	20,020,991
Computing infrastructure	5,822,124	(4,758,541)	1,063,583	1,305,051
Communication network	1,432,583	(360,683)	1,071,900	1,148,669
Work in progress	14,520,110	-	14,520,110	15,855,872
	<u>1,037,090,291</u>	<u>(240,037,560)</u>	<u>797,052,731</u>	<u>785,320,908</u>
Water fund:				
Site improvements	687,761	(441,121)	246,640	309,958
Buildings	20,219,094	(5,096,912)	15,122,182	14,815,115
Transportation network	41,316	(27,828)	13,488	14,820
Water network	137,609,688	(41,200,601)	96,409,087	92,749,147
Equipment	603,797	(349,439)	254,358	208,775
Computing infrastructure	26,008	(9,823)	16,185	1,929
Work in progress	1,261,230	-	1,261,230	900,916
	<u>160,448,894</u>	<u>(47,125,724)</u>	<u>113,323,170</u>	<u>109,000,660</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2011, with comparatives for 2010

12 . Tangible capital assets (continued):

	2011			2010
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Sewer fund:				
Site improvements	146,163	(112,618)	33,545	38,091
Buildings	2,652,744	(1,238,224)	1,414,520	1,463,013
Sanitary network	58,884,444	(20,159,929)	38,724,515	38,114,981
Equipment	103,967	(12,279)	91,688	45,635
Computing infrastructure	15,322	(7,983)	7,339	6,015
Work in progress	9,297,260	-	9,297,260	6,760,306
	<u>71,099,900</u>	<u>(21,531,033)</u>	<u>49,568,867</u>	<u>46,428,041</u>
Kamloops Airport Authority Society:				
Land	8,745,200	-	8,745,200	8,745,200
Buildings	20,386,340	(3,780,842)	16,605,498	16,712,453
Transportation network	37,386,592	(11,147,046)	26,239,546	26,457,071
Drainage network	1,981,915	(177,597)	1,804,318	1,860,122
Sanitary network	543,400	(199,291)	344,109	354,751
Water network	4,890,600	(1,793,622)	3,096,978	3,192,761
Equipment	1,190,064	(754,696)	435,368	370,679
Computing infrastructure	92,402	(76,471)	15,931	3,960
	<u>75,216,513</u>	<u>(17,929,565)</u>	<u>57,286,948</u>	<u>57,696,997</u>
Venture Kamloops Business Development Society:				
Equipment	25,784	(18,884)	6,900	8,652
Computing infrastructure	18,709	(15,480)	3,229	4,370
	<u>44,493</u>	<u>(34,364)</u>	<u>10,129</u>	<u>13,022</u>
	<u>\$ 1,343,900,091</u>	<u>\$ (326,658,246)</u>	<u>\$ 1,017,241,845</u>	<u>\$ 998,459,628</u>

During the year, the City received \$11,967,709 (2010 - \$10,920,142) in land and infrastructure from developers.

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, 2011, with comparatives for 2010

13 . Accumulated surplus:

(a) Reserves for operating purposes

	Balance at December 31, 2010	Interest income and contributions	Transfers to operations and capital	Balance at December 31, 2011
General fund:				
Affordable Housing	\$ 519,547	\$ 191,125	\$ (100,000)	\$ 610,672
Art Gallery	464,069	17,185	(17,185)	464,069
Arts Legacy	229,044			229,044
Bi-centennial Legacy	309,158	11,458		320,616
Canada Games Legacy	568,300			568,300
Climate Action	116,060	119,496		235,556
Community Arts	7,999			7,999
Deferred Operating	2,508,251	1,350,918	(872,567)	2,986,602
Environmental Grant	30,000			30,000
General Building	86,907	5,144		92,051
Heritage Foundation	150,000	20,000		170,000
Insurance	1,016,884	14,679	(207,431)	824,132
Oak Hills Dyke	12,932			12,932
Police Contract	2,007,813	1,416,634	(1,124,423)	2,300,024
Return to Work	237,146			237,146
Solid Waste	1,381,942	498,133	(336,612)	1,543,463
Sports Legacy	192,019			192,019
Working Capital	1,759,197	144,000	(5,097)	1,898,100
Youth Legacy	4,331			4,331
2006 BC Summer Games	91,787	3,399		95,186
	<u>11,693,386</u>	<u>3,792,171</u>	<u>(2,663,315)</u>	<u>12,822,242</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	53,000	1,060	0	54,060
	<u>53,000</u>	<u>1,060</u>	<u>0</u>	<u>54,060</u>
	<u>\$ 11,796,386</u>	<u>\$ 3,793,231</u>	<u>\$ (2,663,315)</u>	<u>\$ 12,926,302</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2011, with comparatives for 2010

13 . Accumulated surplus (continued):

(b) Reserves for capital purposes

	Balance at December 31, 2010	Interest income and contributions	Transfers to operations and capital	Balance at December 31, 2011
Statutory reserves:				
Tax sale property fund	\$ 8,880,701	\$ 1,495,314	\$ (331,513)	10,044,502
Local improvement fund	521,347	209,761	(231,926)	499,182
Debt retirement fund	20,956	776		21,732
Parking facility reserve	901,957	221,385	(1,574)	1,121,768
Land sale reserve fund	2,596,610	96,026	(1,128,490)	1,564,146
Equipment replacement fund	13,749,263	5,384,747	(3,080,621)	16,053,389
	<u>26,670,834</u>	<u>7,408,009</u>	<u>(4,774,124)</u>	<u>29,304,719</u>
Non-statutory reserves:				
General fund	15,461,826	10,368,985	(8,696,835)	17,133,976
Water fund	8,026,310	2,506,026	(1,622,540)	8,909,796
Sewer fund	4,438,807	786,620	(642,360)	4,583,067
	<u>27,926,943</u>	<u>13,661,631</u>	<u>(10,961,735)</u>	<u>30,626,839</u>
Airport capital fund	<u>3,106,443</u>	<u>1,345,162</u>	<u>(1,407,470)</u>	<u>3,044,135</u>
	<u>\$ 57,704,220</u>	<u>\$ 22,414,802</u>	<u>\$ (17,143,329)</u>	<u>\$ 62,975,693</u>

Included in the general fund non-statutory reserves above is \$5,680,443 (2010 = \$5,859,647) of Community Works Funds (Gas Tax). Gas Tax funding is provided by the Government of Canada. The use of the funding is established by a funding agreement between the Municipality and the Union of British Columbia Municipalities. Gas Tax funding may be used towards designated public transit, community energy, water, wastewater, solid waste and capacity building projects, as specified in the funding agreements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2011, with comparatives for 2010

13 . Accumulated surplus (continued):

(c) Current funds

	<u>2011</u>	<u>2010</u>
General fund:		
Balance, beginning of year	\$ 9,917,289	\$ 9,305,456
Operating surplus (deficit) for the year	<u>1,878,271</u>	<u>611,833</u>
	<u>11,795,560</u>	<u>9,917,289</u>
Water fund:		
Balance, beginning of year	6,605,166	6,621,347
Operating surplus (deficit) for the year	<u>(500,624)</u>	<u>(16,181)</u>
	<u>6,104,542</u>	<u>6,605,166</u>
Sewer fund:		
Balance, beginning of year	4,030,333	7,505,932
Operating surplus (deficit) for the year	<u>846,710</u>	<u>(3,475,599)</u>
	<u>4,877,043</u>	<u>4,030,333</u>
Kamloops Airport Authority Society:		
Balance, beginning of year	392,985	390,930
Operating surplus (deficit) for the year	<u>4,624</u>	<u>2,055</u>
	<u>397,609</u>	<u>392,985</u>
Venture Kamloops Business Development Society:		
Balance, beginning of year	155,954	119,411
Operating surplus (deficit) for the year	<u>(19,018)</u>	<u>36,543</u>
	<u>136,936</u>	<u>155,954</u>
	<u>\$ 23,311,690</u>	<u>\$ 21,101,727</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2011, with comparatives for 2010

13 . Accumulated surplus (continued):

(d) Capital equity

	<u>2011</u>	<u>2010</u>
General fund:		
Balance, beginning of year	\$ 728,818,321	\$ 711,819,998
Net capital equity addition for the year	<u>11,752,907</u>	<u>16,998,323</u>
	<u>740,571,228</u>	<u>728,818,321</u>
Water fund:		
Balance, beginning of year	72,809,447	70,684,381
Net capital equity addition for the year	<u>5,984,509</u>	<u>2,125,066</u>
	<u>78,793,956</u>	<u>72,809,447</u>
Sewer fund:		
Balance, beginning of year	42,415,900	36,067,662
Net capital equity addition for the year	<u>2,345,591</u>	<u>6,348,238</u>
	<u>44,761,491</u>	<u>42,415,900</u>
Kamloops Airport Authority Society:		
Balance, beginning of year	47,996,997	42,084,525
Net capital equity addition for the year	<u>74,380</u>	<u>5,912,472</u>
	<u>48,071,377</u>	<u>47,996,997</u>
Venture Kamloops Business Development Society:		
Balance, beginning of year	13,022	15,700
Net capital equity addition for the year	<u>(2,893)</u>	<u>(2,678)</u>
	<u>10,129</u>	<u>13,022</u>
	<u>\$ 912,208,181</u>	<u>\$ 892,053,687</u>
Total accumulated surplus		
	<u>2011</u>	<u>2010</u>
General fund	\$ 782,323,006	\$ 765,890,822
Water fund	93,808,294	87,440,923
Sewer fund	54,271,601	50,935,040
Statutory reserves	29,304,719	26,670,834
Kamloops Airport Authority Society	51,513,121	51,496,425
Venture Kamloops Business Development Society	201,125	221,976
	<u>\$ 1,011,421,866</u>	<u>\$ 982,656,020</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2011, with comparatives for 2010

14 . Operating activities by segment:

	2011 Fiscal Plan	2011	2010
Cemetery:			
Revenue			
Property tax requirement (contribution)	\$ 182,235	\$ 207,194	\$ 174,897
Fees, rates and sales of service	393,070	345,999	374,051
Investment income	47,210	72,059	67,469
Total operating revenue	<u>\$ 622,515</u>	<u>\$ 625,252</u>	<u>\$ 616,417</u>
Expenses			
Salaries, wages and benefits	\$ 377,828	\$ 386,424	\$ 388,694
Personnel expenses	3,250	627	896
Supplies and other expenses	93,797	90,646	74,380
Contractual services	15,250	17,620	18,538
Transfers from other functions	132,390	129,935	133,909
Amortization of tangible capital assets	149,931	149,931	138,606
Total operating expenses	<u>\$ 772,446</u>	<u>\$ 775,183</u>	<u>\$ 755,023</u>
Transfers of equity			
Transfer from capital equity	(149,931)	(149,931)	(138,606)
Total transfers of equity	<u>\$ (149,931)</u>	<u>\$ (149,931)</u>	<u>\$ (138,606)</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2011, with comparatives for 2010

14 . Operating activities by segment (continued):

	2011 Fiscal Plan	2011	2010
Community development:			
Revenue			
Property tax requirement (contribution)	\$ 1,876,227	\$ 1,305,229	\$ 827,925
Fees, rates and sales of service	2,440,915	2,868,029	3,170,751
Government transfers	85,000	62,851	-
Gain on disposal of capital assets	-	225,300	2,734,776
Total operating revenue	<u>\$ 4,402,142</u>	<u>\$ 4,461,409</u>	<u>\$ 6,733,452</u>
Expenses			
Salaries, wages and benefits	\$ 5,283,105	\$ 4,871,782	\$ 4,549,921
Personnel expenses	114,135	81,012	83,522
Supplies and other expenses	328,085	505,179	529,851
Contractual services	342,256	313,280	170,854
Transfers from other functions	371,707	402,799	350,556
Transfers to other functions	(427,650)	(427,650)	(427,650)
Cost allocated to capital	(1,368,142)	(1,268,171)	(1,183,025)
Amortization of tangible capital assets	82,250	82,250	81,242
Total operating expenses	<u>\$ 4,725,746</u>	<u>\$ 4,560,481</u>	<u>\$ 4,155,271</u>
Transfers of equity			
Transfer from reserves	\$ (353,569)	\$ (213,091)	\$ (89,000)
Transfer to reserves	112,215	196,269	323,001
Transfer to other funds	-	-	2,425,422
Transfer from capital equity	(82,250)	(82,250)	(81,242)
Total transfers of equity	<u>\$ (323,604)</u>	<u>\$ (99,072)</u>	<u>\$ 2,578,181</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2011, with comparatives for 2010

14 . Operating activities by segment (continued):

	2011 Fiscal Plan	2011	2010
Corporate administration:			
Revenue			
Property tax requirement (contribution)	\$ 7,563,114	\$ 10,058,239	\$ 10,268,746
Fees, rates and sales of service	2,226,540	1,583,047	2,416,590
Government transfers	5,705,094	5,804,841	5,757,263
Investment income	2,083,000	4,130,920	2,461,853
Private contributions	-	-	90,881
Gain on disposal of capital assets	5,958	-	5,041
Total operating revenue	<u>\$ 17,583,706</u>	<u>\$ 21,577,047</u>	<u>\$ 21,000,374</u>
Expenses			
Salaries, wages and benefits	\$ 6,841,985	\$ 6,744,371	\$ 6,386,893
Personnel expenses	393,874	258,435	296,061
Supplies and other expenses	3,294,074	1,741,768	1,567,509
Contractual services	2,529,969	2,554,714	2,362,890
Transfers from other functions	883,096	854,869	876,145
Transfers to other functions	(3,093,021)	(3,085,953)	(3,230,825)
Cost allocated to capital	(82,223)	-	(99,262)
Debt servicing costs	184,398	20,084	19,107
Amortization of tangible capital assets	350,260	350,260	338,703
Total operating expenses	<u>\$ 11,302,412</u>	<u>\$ 9,438,548</u>	<u>\$ 8,517,221</u>
Transfers of equity			
Transfer from reserves	\$ (300,588)	\$ (379,945)	\$ (217,294)
Transfer to reserves	5,877,094	10,760,731	10,802,022
Transfer from other funds	-	-	495,000
Transfer to other funds	1,055,048	2,107,973	1,742,128
Transfer from capital equity	(350,260)	(350,260)	(338,703)
Total transfers of equity	<u>\$ 6,281,294</u>	<u>\$ 12,138,499</u>	<u>\$ 12,483,153</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2011, with comparatives for 2010

14 . Operating activities by segment (continued):

	2011 Fiscal Plan	2011	2010
Environmental services:			
Revenue			
Property tax requirement (contribution)	\$ 313,305	\$ 340,478	\$ 253,395
Government transfers	372,873	115,683	153,935
Total operating revenue	<u>\$ 686,178</u>	<u>\$ 456,161</u>	<u>\$ 407,330</u>
Expenses			
Salaries, wages and benefits	\$ 437,415	\$ 422,361	\$ 293,089
Personnel expenses	10,605	10,460	3,441
Supplies and other expenses	321,000	107,240	153,644
Contractual services	45,000	39,949	25,398
Transfers from other functions	28,940	33,700	30,184
Transfers to other functions	(106,782)	(106,782)	(98,426)
Amortization of tangible capital assets	3,700	3,700	3,823
Total operating expenses	<u>\$ 739,878</u>	<u>\$ 510,628</u>	<u>\$ 411,153</u>
Transfers of equity			
Transfer from reserves	\$ (50,000)	\$ (50,767)	\$ -
Transfer from capital equity	(3,700)	(3,700)	(3,823)
Total transfers of equity	<u>\$ (53,700)</u>	<u>\$ (54,467)</u>	<u>\$ (3,823)</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2011, with comparatives for 2010

14 . Operating activities by segment (continued):

	2011 Fiscal Plan	2011	2010
Fire services:			
Revenue			
Property tax requirement (contribution)	\$ 13,788,240	\$ 13,290,513	\$ 13,080,224
Fees, rates and sales of service	1,164,439	1,190,448	978,466
Private contributions	15,000	15,000	15,000
Gain on disposal of capital assets	-	74,572	-
Total operating revenue	<u>\$ 14,967,679</u>	<u>\$ 14,570,533</u>	<u>\$ 14,073,690</u>
Expenses			
Salaries, wages and benefits	\$ 13,221,112	\$ 12,738,073	\$ 12,049,575
Personnel expenses	100,455	101,743	99,571
Supplies and other expenses	690,846	722,254	574,515
Contractual services	226,223	199,930	203,315
Transfers from other functions	190,826	260,001	288,369
Transfers to other functions	-	(69,507)	(99,591)
Debt servicing costs	77,141	77,141	77,141
Amortization of tangible capital assets	177,005	177,005	162,440
Total operating expenses	<u>\$ 14,683,608</u>	<u>\$ 14,206,640</u>	<u>\$ 13,355,335</u>
Transfers of equity			
Transfer from reserves	\$ (431,108)	\$ (431,108)	\$ -
Transfer to reserves	-	-	93,811
Transfer to other funds	892,184	972,006	786,984
Transfer from capital equity	(177,005)	(177,005)	(162,440)
Total transfers of equity	<u>\$ 284,071</u>	<u>\$ 363,893</u>	<u>\$ 718,355</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2011, with comparatives for 2010

14 . Operating activities by segment (continued):

	2011 Fiscal Plan	2011	2010
Infrastructure maintenance:			
Revenue			
Property tax requirement (contribution)	\$ 14,664,673	\$ 14,740,080	\$ 13,029,560
Fees, rates and sales of service	9,100	9,967	10,828
Government transfers	650	945	869
Private contributions	-	86,754	-
Gain on disposal of capital assets	80,000	225,710	41,698
Total operating revenue	<u>\$ 14,754,423</u>	<u>\$ 15,063,456</u>	<u>\$ 13,082,955</u>
Expenses			
Salaries, wages and benefits	\$ 9,160,984	\$ 8,659,134	\$ 8,127,761
Personnel expenses	97,070	78,327	68,611
Supplies and other expenses	7,461,106	7,816,814	6,646,213
Contractual services	2,048,156	1,939,654	1,733,032
Transfers from other functions	3,242,944	3,178,579	3,116,797
Transfers to other functions	(8,505,220)	(9,210,576)	(9,382,887)
Cost allocated to capital	(1,639,248)	(703,834)	(633,405)
Debt servicing costs	748,951	750,746	819,495
Amortization of tangible capital assets	10,976,780	10,976,780	10,786,717
Total operating expenses	<u>\$ 23,591,523</u>	<u>\$ 23,485,624</u>	<u>\$ 21,282,334</u>
Transfers of equity			
Transfer from reserves	\$ (214,500)	\$ (88,729)	\$ (14,000)
Transfer to reserves	-	145,000	60,400
Transfer to other funds	2,354,180	2,498,341	2,540,938
Transfer from capital equity	(10,976,780)	(10,976,780)	(10,786,717)
Total transfers of equity	<u>\$ (8,837,100)</u>	<u>\$ (8,422,168)</u>	<u>\$ (8,199,379)</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2011, with comparatives for 2010

14 . Operating activities by segment (continued):

	2011 Fiscal Plan	2011	2010
Legislative and enforcement:			
Revenue			
Property tax requirement (contribution)	\$ 3,133,473	\$ 3,031,413	\$ 2,881,492
Fees, rates and sales of service	1,500,665	1,509,639	1,501,235
Investment income	32,000	19,979	17,568
Total operating revenue	<u>\$ 4,666,138</u>	<u>\$ 4,561,031</u>	<u>\$ 4,400,295</u>
Expenses			
Salaries, wages and benefits	\$ 2,894,971	\$ 2,870,725	\$ 2,700,515
Personnel expenses	150,870	114,270	81,639
Supplies and other expenses	1,024,991	1,028,050	880,864
Contractual services	212,546	205,411	215,904
Transfers from other functions	365,943	384,125	355,885
Transfers to other functions	(151,000)	(151,000)	(30,000)
Amortization of tangible capital assets	208,871	208,871	199,351
Total operating expenses	<u>\$ 4,707,192</u>	<u>\$ 4,660,452</u>	<u>\$ 4,404,158</u>
Transfers of equity			
Transfer from reserves	\$ (8,833)	\$ (90,015)	\$ (11,167)
Transfer to reserves	11,000	11,458	12,489
Transfer to other funds	165,650	188,007	194,166
Transfer from capital equity	(208,871)	(208,871)	(199,351)
Total transfers of equity	<u>\$ (41,054)</u>	<u>\$ (99,421)</u>	<u>\$ (3,863)</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2011, with comparatives for 2010

14 . Operating activities by segment (continued):

	2011 Fiscal Plan	2011	2010
Parks, recreation and cultural services:			
Revenue			
Property tax requirement (contribution)	\$ 17,694,879	\$ 17,300,229	\$ 17,837,757
Fees, rates and sales of service	6,639,845	6,560,172	6,465,172
Government transfers	25,000	32,811	19,845
Investment income	30,000	21,045	10,461
Private contributions	62,316	92,988	79,273
Total operating revenue	<u>\$ 24,452,040</u>	<u>\$ 24,007,245</u>	<u>\$ 24,412,508</u>
Expenses			
Salaries, wages and benefits	\$ 10,976,982	\$ 10,646,357	\$ 10,515,272
Personnel expenses	162,985	133,879	150,199
Supplies and other expenses	6,371,415	5,804,572	5,947,886
Contractual services	2,931,075	2,867,947	3,105,539
Transfers from other functions	2,713,424	2,728,619	3,006,271
Transfers to other functions	(298,127)	(298,127)	(287,179)
Cost allocated to capital	(140,058)	-	-
Debt servicing costs	1,869,725	1,869,725	1,835,440
Amortization of tangible capital assets	5,816,445	5,816,445	5,578,834
Total operating expenses	<u>\$ 30,403,866</u>	<u>\$ 29,569,417</u>	<u>\$ 29,852,262</u>
Transfers of equity			
Transfer from reserves	\$ (425,381)	\$ (26,727)	\$ (142,739)
Transfer to reserves	185,000	176,000	176,819
Transfer to other funds	105,000	105,000	105,000
Transfer from capital equity	(5,816,445)	(5,816,445)	(5,578,834)
Total transfers of equity	<u>\$ (5,951,826)</u>	<u>\$ (5,562,172)</u>	<u>\$ (5,439,754)</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2011, with comparatives for 2010

14 . Operating activities by segment (continued):

	2011 Fiscal Plan	2011	2010
Police services:			
Revenue			
Property tax requirement (contribution)	\$ 18,287,608	\$ 18,033,034	\$ 16,865,464
Fees, rates and sales of service	209,800	201,423	222,958
Government transfers	3,153,889	3,514,575	2,292,210
Private contributions	0	5,015	0
Total operating revenue	<u>\$ 21,651,297</u>	<u>\$ 21,754,047</u>	<u>\$ 19,380,632</u>
Expenses			
Salaries, wages and benefits	\$ 3,585,446	\$ 3,401,589	\$ 3,287,516
Personnel expenses	57,085	29,168	26,624
Supplies and other expenses	63,770	56,500	62,350
Contractual services	18,970,361	17,368,709	16,004,634
Transfers from other functions	99,058	109,550	123,165
Amortization of tangible capital assets	61,261	61,261	62,799
Total operating expenses	<u>\$ 22,836,981</u>	<u>\$ 21,026,777</u>	<u>\$ 19,567,088</u>
Transfers of equity			
Transfer from reserves	\$ (1,124,423)	\$ (1,124,423)	\$ (1,044,570)
Transfer to reserves	-	1,912,954	920,913
Transfer from capital equity	(61,261)	(61,261)	(62,799)
Total transfers of equity	<u>\$ (1,185,684)</u>	<u>\$ 727,270</u>	<u>\$ (186,456)</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011, with comparatives for 2010

14 . Operating activities by segment (continued):

	2011 Fiscal Plan	2011	2010
Public transit:			
Revenue			
Property tax requirement (contribution)	\$ 3,200,745	\$ 2,961,761	\$ 2,842,304
Fees, rates and sales of service	4,414,840	4,308,274	4,026,468
Government transfers	5,420,634	5,478,693	5,283,326
Total operating revenue	<u>\$ 13,036,219</u>	<u>\$ 12,748,728</u>	<u>\$ 12,152,098</u>
Expenses			
Salaries, wages and benefits	\$ 114,686	\$ 116,901	\$ 107,638
Personnel expenses	1,175	3,790	1,111
Supplies and other expenses	-	-	81
Contractual services	12,755,427	12,464,434	11,999,052
Transfers from other functions	164,931	163,603	44,216
Amortization of tangible capital assets	20,218	20,218	12,347
Total operating expenses	<u>\$ 13,056,437</u>	<u>\$ 12,768,946</u>	<u>\$ 12,164,445</u>
Transfers of equity			
Transfer from capital equity	(20,218)	(20,218)	(12,347)
Total transfers of equity	<u>\$ (20,218)</u>	<u>\$ (20,218)</u>	<u>\$ (12,347)</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2011, with comparatives for 2010

14 . Operating activities by segment (continued):

	2011 Fiscal Plan	2011	2010
Solid waste:			
Revenue			
Property tax requirement (contribution)	\$ 789,318	\$ 787,629	\$ 1,396,616
Fees, rates and sales of service	6,427,292	6,468,198	6,590,625
Total operating revenue	<u>\$ 7,216,610</u>	<u>\$ 7,255,827</u>	<u>\$ 7,987,241</u>
Expenses			
Salaries, wages and benefits	\$ 1,758,959	\$ 1,833,862	\$ 1,734,952
Personnel expenses	7,410	10,045	7,904
Supplies and other expenses	284,390	448,516	1,244,544
Contractual services	2,906,395	2,818,579	2,818,766
Transfers from other functions	3,127,989	3,088,954	2,857,558
Transfers to other functions	(1,690,774)	(1,646,418)	(1,316,673)
Amortization of tangible capital assets	24,910	24,910	24,570
Total operating expenses	<u>\$ 6,419,279</u>	<u>\$ 6,578,448</u>	<u>\$ 7,371,621</u>
Transfers of equity			
Transfer to reserves	\$ 691,985	\$ 572,033	\$ 640,190
Transfer to other funds	130,256	130,256	-
Transfer from capital equity	(24,910)	(24,910)	(24,570)
Total transfers of equity	<u>\$ 797,331</u>	<u>\$ 677,379</u>	<u>\$ 615,620</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2011, with comparatives for 2010

14 . Operating activities by segment (continued):

	2011 Fiscal Plan	2011	2010
Water utility:			
Revenue			
Fees, rates and sales of service	\$ 11,114,090	\$ 13,507,323	\$ 14,394,176
Investment income	45,000	588,369	305,716
Total operating revenue	<u>\$ 11,159,090</u>	<u>\$ 14,095,692</u>	<u>\$ 14,699,892</u>
Expenses			
Salaries, wages and benefits	\$ 2,770,034	\$ 2,542,729	\$ 2,590,122
Personnel expenses	40,686	39,265	44,720
Supplies and other expenses	3,338,593	3,537,594	4,917,157
Contractual services	615,070	700,137	476,977
Transfers from other functions	1,960,826	1,954,422	1,963,183
Transfers to other functions	(286,539)	(286,539)	(286,539)
Cost allocated to capital	(34,306)	-	-
Debt servicing costs	2,036,854	2,003,569	2,111,305
Amortization of tangible capital assets	3,369,689	3,369,689	3,106,797
Total operating expenses	<u>\$ 13,810,907</u>	<u>\$ 13,860,866</u>	<u>\$ 14,923,722</u>
Transfers of equity			
Transfer from reserves	\$ -	\$ (24,000)	\$ -
Transfer to reserves	-	2,506,025	1,991,465
Transfer from other funds	(32,128)	-	-
Transfer to other funds	750,000	1,122,490	891,502
Transfer from capital equity	(3,369,689)	(3,369,689)	(3,106,797)
Total transfers of equity	<u>\$ (2,651,817)</u>	<u>\$ 234,826</u>	<u>\$ (223,830)</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2011, with comparatives for 2010

14 . Operating activities by segment (continued):

	2011 Fiscal Plan	2011	2010
Sewer utility:			
Revenue			
Fees, rates and sales of service	\$ 5,687,368	\$ 6,670,269	\$ 8,309,476
Investment income	91,000	511,696	356,675
Total operating revenue	<u>\$ 5,778,368</u>	<u>\$ 7,181,965</u>	<u>\$ 8,666,151</u>
Expenses			
Salaries, wages and benefits	\$ 1,531,080	\$ 1,460,432	\$ 1,401,705
Personnel expenses	40,701	25,860	33,318
Supplies and other expenses	2,058,618	1,982,855	1,741,399
Contractual services	579,512	769,462	768,332
Transfers from other functions	1,316,679	1,167,419	1,255,012
Transfers to other functions	(39,640)	(39,640)	(39,640)
Cost allocated to capital	(34,304)	-	-
Debt servicing costs	376,498	358,310	448,350
Amortization of tangible capital assets	1,026,031	1,026,031	1,003,447
Total operating expenses	<u>\$ 6,855,175</u>	<u>\$ 6,750,729</u>	<u>\$ 6,611,923</u>
Transfers of equity			
Transfer from reserves	\$ (50,000)	\$ -	\$ -
Transfer to reserves	-	1,173,331	2,915,099
Transfer from other funds	(776)	-	-
Transfer to other funds	-	283,936	142,576
Transfer from capital equity	(1,026,031)	(1,026,031)	(1,003,447)
Total transfers of equity	<u>\$ (1,076,807)</u>	<u>\$ 431,236</u>	<u>\$ 2,054,228</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2011, with comparatives for 2010

14 . Operating activities by segment (continued):

	2011 Fiscal Plan	2011	2010
Kamloops Airport Authority Society:			
Revenue			
Fees, rates and sales of service	\$ -	\$ 2,085,661	\$ 1,592,505
Government transfers		275,475	111,731
Investment income	-	36,637	28,280
Total operating revenue	<u>\$ -</u>	<u>\$ 2,397,773</u>	<u>\$ 1,732,516</u>
Expenses			
Supplies and other expenses	\$ -	\$ -	\$ 43,611
Contractual services	-	54,545	19,588
Debt servicing costs	-	357,636	218,331
Amortization of tangible capital assets	-	1,596,113	1,608,005
Total operating expenses	<u>\$ -</u>	<u>\$ 2,008,294</u>	<u>\$ 1,889,535</u>
Transfers of equity			
Transfer to reserves	\$ -	\$ 1,970,445	\$ 1,397,986
Transfer to funds	-	15,147	53,000
Transfer from capital equity	-	(1,596,113)	(1,608,005)
Total transfers of equity	<u>\$ -</u>	<u>\$ 389,479</u>	<u>\$ (157,019)</u>
Venture Kamloops Business Development Society:			
Revenue			
Fees, rates and sales of service	\$ 1,500	\$ 2,426	\$ 20,751
Government transfers	5,000	15,772	9,566
Investment income	250	2,601	951
Total operating revenue	<u>\$ 6,750</u>	<u>\$ 20,799</u>	<u>\$ 31,268</u>
Expenses			
Supplies and other expenses	\$ 630,115	\$ 613,608	\$ 487,519
Amortization of tangible capital assets	-	5,389	4,884
Total operating expenses	<u>\$ 630,115</u>	<u>\$ 618,997</u>	<u>\$ 492,403</u>
Transfers of equity			
Transfer to reserves	\$ -	\$ 1,060	\$ 112,865
Transfer from other funds	(623,365)	(593,869)	(574,000)
Transfer from capital equity	-	(5,389)	-
Total transfers of equity	<u>\$ (623,365)</u>	<u>\$ (598,198)</u>	<u>\$ (461,135)</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011, with comparatives for 2010

14 . Operating activities by segment (continued):

	<u>2011 Fiscal Plan</u>	<u>2011</u>	<u>2010</u>
Total operating expenses by segment:			
Salaries, wages and benefits	\$ 58,954,587	\$ 56,694,740	\$ 54,133,653
Personnel expenses	1,180,301	886,881	897,617
Supplies and other expenses	25,960,800	24,455,596	24,871,523
Contractual services	44,177,240	42,314,371	39,922,819
Transfers from other functions	14,598,753	14,456,575	14,401,250
Transfers to other functions	(14,598,753)	(15,322,192)	(15,199,410)
Cost allocated to capital	(3,298,281)	(1,972,005)	(1,915,692)
Amortization of tangible capital assets	22,267,351	23,868,853	23,112,565
Debt servicing costs	5,293,567	5,437,211	5,529,169
Net loss on disposal of capital assets	-	2,632,737	-
Total operating expenses	<u>\$ 154,535,565</u>	<u>\$ 153,452,767</u>	<u>\$ 145,753,494</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011, with comparatives for 2010

15 . Taxation:

	2011 Fiscal Plan	2011	2010
General fund:			
Real property	\$ 83,077,900	\$ 82,910,327	\$ 79,590,191
Special assessments	722,945	857,289	917,672
Utilities	1,395,811	1,395,812	1,337,812
Government transfers in lieu of taxes	2,354,817	2,326,378	2,287,260
	<u>87,551,473</u>	<u>87,489,806</u>	<u>84,132,935</u>
Collections for other taxing authorities:			
Province of British Columbia - school taxes	36,691,648	37,432,191	36,689,470
Thompson-Nicola Regional Hospital District	3,050,291	3,485,891	3,050,210
Thompson-Nicola Regional District	5,119,101	5,210,618	5,118,965
British Columbia Assessment Authority	1,054,384	1,054,536	1,054,405
	45,915,424	47,183,236	45,913,050
Payments to other taxing authorities	(45,915,424)	(47,183,236)	(45,913,050)
	<u>\$ 87,551,473</u>	<u>\$ 87,489,806</u>	<u>\$ 84,132,935</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2011, with comparatives for 2010

16 . Government transfers:

	2011 Fiscal Plan	2011	2010
General fund:			
Federal Government:			
Policing	\$ 1,859,639	\$ 1,668,776	\$ 1,580,626
Community Works Fund	3,290,094	3,290,095	3,290,473
Provincial Government:			
Transit	5,420,634	5,478,693	5,283,326
Gaming revenue	2,400,000	2,385,250	2,386,808
Victims assistance	60,000	71,280	70,960
Traffic fines	1,064,250	1,617,495	461,456
Capital infrastructure	3,568,838	3,064,207	7,466,964
Other	668,523	498,809	433,798
	<u>18,331,978</u>	<u>18,074,605</u>	<u>20,974,411</u>
Water fund:			
Provincial Government:			
Capital infrastructure	<u>831,276</u>	<u>62,342</u>	<u>778,175</u>
Sewer fund:			
Provincial Government:			
Capital infrastructure	<u>3,733,412</u>	<u>1,086,451</u>	<u>2,105,921</u>
Kamloops Airport Authority Society:			
Federal Government:			
Capital infrastructure	<u>-</u>	<u>275,475</u>	<u>111,731</u>
Venture Kamloops Business Development Society:			
Provincial Government:			
Other	<u>5,000</u>	<u>15,772</u>	<u>9,566</u>
	<u>\$ 22,901,666</u>	<u>\$ 19,514,645</u>	<u>\$ 23,979,804</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2011, with comparatives for 2010

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 City of Kamloops 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 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 173,000 active members and approximately 63,000 retired members. Active members include approximately 35,000 contributors from local governments.

The latest valuation as at December 31, 2009 indicated an unfunded liability of \$1,024 million for basic pension benefits. The next valuation will be as at December 31, 2012 with results available in 2013. 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 \$4,247,519 (2010 - \$3,971,285) for employer contributions to the plan in fiscal 2011.

- (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, 2011, with comparatives for 2010

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	2011 Total	2010 Total
General fund	\$ 753,683	\$ 1,942,816	\$ 2,696,499	\$ 2,509,634
Water utility fund	662,053	1,906,041	2,568,094	2,605,575
Sewer utility fund	116,440	309,051	425,491	523,966
Kamloops Airport Authority	98,099	326,119	424,218	424,218
	<u>\$ 1,630,275</u>	<u>\$ 4,484,027</u>	<u>\$ 6,114,302</u>	<u>\$ 6,063,393</u>

- (g) The Kamloops Airport Authority Society has entered into a lease agreement with Kamloops Airport Ltd. for a forty-five year term ending August 27, 2042. The lease provides for the option to extend the term for a further 20 years.
- (h) The City of Kamloops has provided an irrevocable standby letter of credit for \$92,000 to Fisheries and Oceans Canada. The letter of credit can be drawn upon to meet the City's obligations in connection with compensation and monitoring conditions of Fisheries Act Subsection 35(2). The letter of credit expires on July 20, 2012.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2011, with comparatives for 2010

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 Care Trust Fund is excluded from the City's consolidated financial statements.

	<u>2011</u>	<u>2010</u>
Financial assets		
Cash and short-term investments	\$ 1,517,429	\$ 1,449,467
Accounts receivable	<u>11,175</u>	<u>11,175</u>
	<u>\$ 1,528,604</u>	<u>\$ 1,460,642</u>
Accumulated surplus		
Balance, beginning of the year	\$ 1,460,642	\$ 1,380,584
Care fund contributions	67,962	80,058
Interest earned	72,059	67,469
Contribution to cemetery operations	<u>(72,059)</u>	<u>(67,469)</u>
Balance, end of the year	<u>\$ 1,528,604</u>	<u>\$ 1,460,642</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2011, with comparatives for 2010

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 consolidated financial statements as follows:

	Financial Plan By-law	Amortization expense and expenses not capitalized	Venture Kamloops Business Development Society	Fiscal Plan
Revenue				
Taxation	\$ 87,551,473	\$	\$	\$ 87,551,473
Development levies utilized	9,171,861			9,171,861
Fees, rates and sales of service	51,793,461		(89,690)	51,703,771
Government transfers	22,896,666		5,000	22,901,666
Investment income	3,712,683		250	3,712,933
Private contributions	696,443			696,443
Gain on disposal of capital assets	85,958			85,958
	<u>175,908,545</u>	<u>-</u>	<u>(84,440)</u>	<u>175,824,105</u>
Expenses				
Cemetery	611,225	161,221		772,446
Community development	4,618,730	107,016		4,725,746
Corporate administration	10,835,081	467,331		11,302,412
Environmental services	736,178	3,700		739,878
Fire services	14,499,315	184,293		14,683,608
Infrastructure maintenance	10,022,962	13,568,561		23,591,523
Legislative and enforcement	4,489,697	217,495		4,707,192
Parks, recreation and culture	23,439,847	6,964,019		30,403,866
Police services	22,770,080	66,901		22,836,981
Public transit	13,036,219	20,218		13,056,437
Solid waste	6,392,680	26,599		6,419,279
Water utility	9,408,588	4,402,319		13,810,907
Sewer utility	5,280,958	1,574,217		6,855,175
Kamloops Airport Authority	-			-
Venture Kamloops	-		630,115	630,115
	<u>126,141,560</u>	<u>27,763,890</u>	<u>630,115</u>	<u>154,535,565</u>
Operating activity	49,766,985	(27,763,890)	(714,555)	21,288,540
Debt principle repayment	(6,595,081)			(6,595,081)
Debt acquired	13,248,308			13,248,308

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011, with comparatives for 2010**

19 . Fiscal plan (continued):

Transfer (to) / from reserves	(43,340,056)			(43,340,056)
Transfer (to) / from current funds	(101,612)		49,765	(51,847)
Transfer (to) / from capital equity	(12,978,544)	27,763,890	664,790	15,450,136
	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -

Schedule 1a - 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	2011 Depreciation	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	96,464	(59,146)	37,318	-	-	-	(9,647)	96,464	(68,793)	27,671
Computing infrastructure	500	(350)	150	-	-	-	(100)	500	(450)	50
	<u>3,501,734</u>	<u>(1,439,580)</u>	<u>2,062,154</u>	<u>-</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	1,268,020	(191,789)	-	-	75,884,097	-	75,884,097
Site improvements	669,614	(279,127)	390,487	10,124	(2,366)	1,298	(18,612)	677,372	(296,441)	380,931
Buildings	237,811	(148,307)	89,504	-	-	-	(4,062)	237,811	(152,369)	85,442
Transportation network	6,941	(2,728)	4,213	-	-	-	(138)	6,941	(2,866)	4,075
Equipment	262,242	(158,379)	103,863	531	-	-	(26,250)	262,773	(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	(27,337)	-	-	-	-	-	-
	<u>76,206,775</u>	<u>(684,632)</u>	<u>75,522,143</u>	<u>1,251,338</u>	<u>(195,440)</u>	<u>2,326</u>	<u>(82,250)</u>	<u>77,262,673</u>	<u>(764,556)</u>	<u>76,498,117</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	(69,343)	181,013	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	23,149	(10,512)	12,637	-	-	-	(957)	23,149	(11,469)	11,680
Computing infrastructure	14,317	(7,254)	7,063	-	-	-	(2,743)	14,317	(9,997)	4,320
	<u>37,466</u>	<u>(17,766)</u>	<u>19,700</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,700)</u>	<u>37,466</u>	<u>(21,466)</u>	<u>16,000</u>
Fire services										
Site improvements	18,826	(17,431)	1,395	-	-	-	(656)	18,826	(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	103,334	-	-	(139,930)	1,451,013	(977,034)	473,979
Computing infrastructure	119,060	(35,811)	83,249	23,952	(11,305)	8,830	(24,261)	131,707	(51,242)	80,465
Work in progress	2,299,270	-	2,299,270	2,944,039	-	-	-	5,243,309	-	5,243,309
	<u>4,163,883</u>	<u>(998,766)</u>	<u>3,165,117</u>	<u>3,071,325</u>	<u>(11,305)</u>	<u>8,830</u>	<u>(177,005)</u>	<u>7,223,903</u>	<u>(1,166,941)</u>	<u>6,056,962</u>
Infrastructure maintenance										
Land under roads	405,664,503	-	405,664,503	8,624,197	(60,034)	-	-	414,228,666	-	414,228,666
Site improvements	8,924,343	(2,400,170)	6,524,173	102,918	(159,875)	39,415	(213,118)	8,867,386	(2,573,873)	6,293,513
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	203,277,115	(85,338,340)	117,938,775	6,015,962	(1,641,354)	708,426	(5,195,632)	207,651,723	(89,825,546)	117,826,177
Drainage network	67,067,835	(23,234,222)	43,833,613	1,482,653	(1,142,951)	714,828	(1,862,428)	67,407,537	(24,381,822)	43,025,715
Equipment	35,485,829	(20,345,875)	15,139,954	4,053,950	(2,235,591)	2,235,589	(2,832,576)	37,304,188	(20,942,862)	16,361,326
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	(291,514)	1,148,669	-	(7,600)	2,660	(71,829)	1,432,583	(360,683)	1,071,900
Work in progress	3,814,449	-	3,814,449	2,425,862	-	-	-	6,240,311	-	6,240,311
	<u>755,281,678</u>	<u>(142,824,601)</u>	<u>612,457,077</u>	<u>22,829,754</u>	<u>(5,279,693)</u>	<u>3,726,746</u>	<u>(10,976,780)</u>	<u>772,831,739</u>	<u>(150,074,635)</u>	<u>622,757,104</u>

Schedule 1a - 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	2011 Depreciation	Original Cost as at December 31, 2011	Accumulated Depreciation to December 31, 2011	Net Asset Value as at December 31, 2011
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	1,589,477	(737,261)	852,216	-	-	-	(158,948)	1,589,477	(896,209)	693,268
Computing infrastructure	90,415	(55,332)	35,083	-	(6,392)	5,112	(14,752)	84,023	(64,972)	19,051
	<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	45,469,763	(23,056,179)	22,413,584	6,579,136	(1,184,712)	686,440	(2,388,836)	50,864,187	(24,758,575)	26,105,612
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	(5,238,550)	6,204,175	1,107,754	(961)	361	(225,909)	12,549,518	(5,464,098)	7,085,420
Water network	6,649,837	(3,776,311)	2,873,526	883,906	-	-	(362,578)	7,533,743	(4,138,889)	3,394,854
Equipment	7,469,279	(4,475,773)	2,993,506	305,230	-	-	(740,436)	7,774,509	(5,216,209)	2,558,300
Computing infrastructure	235,491	(145,158)	90,333	-	(31,556)	25,240	(36,546)	203,935	(156,464)	47,471
Work in progress	8,243,143	-	8,243,143	(7,434,378)	-	-	-	808,765	-	808,765
	<u>161,880,087</u>	<u>(74,436,722)</u>	<u>87,443,365</u>	<u>2,532,092</u>	<u>(1,217,229)</u>	<u>712,041</u>	<u>(5,816,445)</u>	<u>163,194,950</u>	<u>(79,541,126)</u>	<u>83,653,824</u>
Police services										
Equipment	514,206	(311,660)	202,546	31,342	-	-	(52,988)	545,548	(364,648)	180,900
Computing infrastructure	63,350	(40,906)	22,444	-	(35,625)	28,280	(8,273)	27,725	(20,899)	6,826
	<u>577,556</u>	<u>(352,566)</u>	<u>224,990</u>	<u>31,342</u>	<u>(35,625)</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	107,463	(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	159,839	(28,396)	131,443	-	-	-	(8,240)	159,839	(36,636)	123,203
	<u>338,969</u>	<u>(43,014)</u>	<u>295,955</u>	<u>34,374</u>	<u>-</u>	<u>-</u>	<u>(20,218)</u>	<u>373,343</u>	<u>(63,232)</u>	<u>310,111</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	18,888	(12,055)	6,833	-	(5,151)	4,120	(3,164)	13,737	(11,099)	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	687,761	(377,803)	309,958	-	-	-	(63,318)	687,761	(441,121)	246,640
Buildings	19,203,198	(4,388,083)	14,815,115	1,015,896	-	-	(708,829)	20,219,094	(5,096,912)	15,122,182
Transportation network	41,316	(26,496)	14,820	-	-	-	(1,332)	41,316	(27,828)	13,488
Water network	131,808,789	(39,059,642)	92,749,147	6,837,733	(1,036,834)	397,062	(2,538,021)	137,609,688	(41,200,601)	96,409,087
Equipment	502,879	(294,104)	208,775	100,918	-	-	(55,335)	603,797	(349,439)	254,358
Computing infrastructure	8,898	(6,969)	1,929	17,110	-	-	(2,854)	26,008	(9,823)	16,185
Work in progress	900,916	-	900,916	360,314	-	-	-	1,261,230	-	1,261,230
	<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>(3,369,689)</u>	<u>160,448,894</u>	<u>(47,125,724)</u>	<u>113,323,170</u>
Sewer utility										
Site improvements	146,163	(108,072)	38,091	-	-	-	(4,546)	146,163	(112,618)	33,545
Buildings	2,637,589	(1,174,576)	1,463,013	15,155	-	-	(63,648)	2,652,744	(1,238,224)	1,414,520
Sanitary network	57,447,158	(19,332,177)	38,114,981	1,781,582	(344,296)	119,713	(947,465)	58,884,444	(20,159,929)	38,724,515
Equipment	50,207	(4,572)	45,635	53,760	-	-	(7,707)	103,967	(12,279)	91,688
Computing infrastructure	11,333	(5,318)	6,015	3,989	-	-	(2,665)	15,322	(7,983)	7,339
Work in progress	6,760,306	-	6,760,306	2,536,954	-	-	-	9,297,260	-	9,297,260
	<u>67,052,756</u>	<u>(20,624,715)</u>	<u>46,428,041</u>	<u>4,391,440</u>	<u>(344,296)</u>	<u>119,713</u>	<u>(1,026,031)</u>	<u>71,099,900</u>	<u>(21,531,033)</u>	<u>49,568,867</u>

Schedule 1a - 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	2011 Depreciation	Original Cost as at December 31, 2011	Accumulated Depreciation to December 31, 2011	Net Asset Value as at December 31, 2011
Kamloops Airport Authority Society										
Land	8,745,200	-	8,745,200	-	-	-	-	8,745,200	-	8,745,200
Buildings	19,945,803	(3,233,350)	16,712,453	440,537	-	-	(547,492)	20,386,340	(3,780,842)	16,605,498
Transportation network	36,771,236	(10,314,165)	26,457,071	615,356	-	-	(832,881)	37,386,592	(11,147,046)	26,239,546
Drainage network	1,981,915	(121,793)	1,860,122	-	-	-	(55,804)	1,981,915	(177,597)	1,804,318
Sanitary network	543,400	(188,649)	354,751	-	-	-	(10,642)	543,400	(199,291)	344,109
Water network	4,890,600	(1,697,839)	3,192,761	-	-	-	(95,783)	4,890,600	(1,793,622)	3,096,978
Equipment	1,075,838	(705,159)	370,679	114,226	-	-	(49,537)	1,190,064	(754,696)	435,368
Computing infrastructure	76,457	(72,497)	3,960	15,945	-	-	(3,974)	92,402	(76,471)	15,931
	<u>74,030,449</u>	<u>(16,333,452)</u>	<u>57,696,997</u>	<u>1,186,064</u>	<u>-</u>	<u>-</u>	<u>(1,596,113)</u>	<u>75,216,513</u>	<u>(17,929,565)</u>	<u>57,286,948</u>
Venture Kamloops Business Development Society										
Equipment	24,975	(16,323)	8,652	809	-	-	(2,561)	25,784	(18,884)	6,900
Computing infrastructure	17,021	(12,651)	4,370	1,688	-	-	(2,829)	18,709	(15,480)	3,229
	<u>41,996</u>	<u>(28,974)</u>	<u>13,022</u>	<u>2,497</u>	<u>-</u>	<u>-</u>	<u>(5,390)</u>	<u>44,493</u>	<u>(34,364)</u>	<u>10,129</u>
Total tangible capital assets	1,306,374,132	(307,914,504)	998,459,628	45,809,390	(8,283,431)	5,125,112	(23,868,854)	1,343,900,091	(326,658,246)	1,017,241,845
Summary by asset group:										
Land	83,553,066	-	83,553,066	1,268,020	(191,789)	-	-	84,629,297	-	84,629,297
Land under roads	405,664,503	-	405,664,503	8,624,197	(60,034)	-	-	414,228,666	-	414,228,666
Site improvements	57,451,209	(26,786,966)	30,664,243	6,726,552	(1,348,257)	728,141	(2,794,376)	62,829,504	(28,853,201)	33,976,303
Buildings	158,071,396	(59,864,968)	98,206,428	3,742,334	-	-	(4,271,682)	161,813,730	(64,136,650)	97,677,080
Transportation network	251,699,544	(100,948,877)	150,750,667	7,739,072	(1,642,315)	708,787	(6,264,136)	257,796,301	(106,504,226)	151,292,075
Drainage network	69,049,750	(23,356,015)	45,693,735	1,482,653	(1,142,951)	714,828	(1,918,232)	69,389,452	(24,559,419)	44,830,033
Sanitary network	57,990,558	(19,520,826)	38,469,732	1,781,582	(344,296)	119,713	(958,107)	59,427,844	(20,359,220)	39,068,624
Water network	143,349,226	(44,533,792)	98,815,434	7,721,639	(1,036,834)	397,062	(2,996,382)	150,034,031	(47,133,112)	102,900,919
Equipment	48,669,431	(28,014,699)	20,654,732	4,831,678	(2,235,591)	2,235,589	(4,104,327)	51,265,518	(29,883,437)	21,382,081
Computing infrastructure	5,918,172	(4,596,847)	1,321,325	330,157	(273,764)	218,332	(489,783)	5,974,565	(4,868,298)	1,106,267
Communication network	1,440,183	(291,514)	1,148,669	-	(7,600)	2,660	(71,829)	1,432,583	(360,683)	1,071,900
Work in progress	23,517,094	-	23,517,094	1,561,506	-	-	-	25,078,600	-	25,078,600
	<u>1,306,374,132</u>	<u>(307,914,504)</u>	<u>998,459,628</u>	<u>45,809,390</u>	<u>(8,283,431)</u>	<u>5,125,112</u>	<u>(23,868,854)</u>	<u>1,343,900,091</u>	<u>(326,658,246)</u>	<u>1,017,241,845</u>

Schedule 1b - Tangible Capital Assets (2010) - Restated

	Original Cost as at December 31, 2009	Accumulated Depreciation to December 31, 2009	Net Asset Value as at December 31, 2009	2010 Additions	2010 Disposals	Accumulated Depreciation on Disposals	2010 Depreciation	Original Cost as at December 31, 2010	Accumulated Depreciation to December 31, 2010	Net Asset Value as at December 31, 2010
Cemetery										
Site improvements	968,639	(377,557)	591,082	165,259	-	-	(72,646)	1,133,898	(450,203)	683,695
Buildings	2,270,872	(873,668)	1,397,204	-	-	-	(56,213)	2,270,872	(929,881)	1,340,991
Equipment	96,464	(49,499)	46,965	-	-	-	(9,647)	96,464	(59,146)	37,318
Computing infrastructure	500	(250)	250	-	-	-	(100)	500	(350)	150
Work in progress	15,223	-	15,223	(15,223)	-	-	-	-	-	-
	<u>3,351,698</u>	<u>(1,300,974)</u>	<u>2,050,724</u>	<u>150,036</u>	<u>-</u>	<u>-</u>	<u>(138,606)</u>	<u>3,501,734</u>	<u>(1,439,580)</u>	<u>2,062,154</u>
Community development										
Land	74,451,123	-	74,451,123	2,388,152	(2,031,409)	-	-	74,807,866	-	74,807,866
Site improvements	624,497	(260,648)	363,849	45,117	-	-	(18,479)	669,614	(279,127)	390,487
Buildings	237,811	(144,245)	93,566	-	-	-	(4,062)	237,811	(148,307)	89,504
Transportation network	6,941	(2,590)	4,351	-	-	-	(138)	6,941	(2,728)	4,213
Equipment	262,242	(132,155)	130,087	-	-	-	(26,224)	262,242	(158,379)	103,863
Computing infrastructure	167,535	(106,582)	60,953	74,829	(47,400)	42,830	(32,339)	194,964	(96,091)	98,873
Work in progress	12,227	-	12,227	15,110	-	-	-	27,337	-	27,337
	<u>75,762,376</u>	<u>(646,220)</u>	<u>75,116,156</u>	<u>2,523,208</u>	<u>(2,078,809)</u>	<u>42,830</u>	<u>(81,242)</u>	<u>76,206,775</u>	<u>(684,632)</u>	<u>75,522,143</u>
Corporate administration										
Site improvements	47,022	(10,579)	36,443	-	-	-	(2,351)	47,022	(12,930)	34,092
Transportation network	372	(197)	175	-	-	-	(5)	372	(202)	170
Equipment	250,356	(44,307)	206,049	-	-	-	(25,036)	250,356	(69,343)	181,013
Computing infrastructure	4,848,985	(4,017,688)	831,297	376,028	(448,546)	418,109	(311,311)	4,776,467	(3,910,890)	865,577
Work in progress	939,977	-	939,977	531,696	-	-	-	1,471,673	-	1,471,673
	<u>6,086,712</u>	<u>(4,072,771)</u>	<u>2,013,941</u>	<u>907,724</u>	<u>(448,546)</u>	<u>418,109</u>	<u>(338,703)</u>	<u>6,545,890</u>	<u>(3,993,365)</u>	<u>2,552,525</u>
Environmental services										
Site improvements	23,149	(9,555)	13,594	-	-	-	(957)	23,149	(10,512)	12,637
Computing infrastructure	14,317	(4,388)	9,929	-	-	-	(2,866)	14,317	(7,254)	7,063
	<u>37,466</u>	<u>(13,943)</u>	<u>23,523</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,823)</u>	<u>37,466</u>	<u>(17,766)</u>	<u>19,700</u>
Fire services										
Site improvements	18,826	(16,775)	2,051	-	-	-	(656)	18,826	(17,431)	1,395
Buildings	219,429	(98,257)	121,172	159,619	-	-	(10,163)	379,048	(108,420)	270,628
Equipment	1,333,393	(703,053)	630,340	14,286	-	-	(134,051)	1,347,679	(837,104)	510,575
Computing infrastructure	70,768	(46,515)	24,253	78,746	(30,454)	28,274	(17,570)	119,060	(35,811)	83,249
Work in progress	195,099	-	195,099	2,104,171	-	-	-	2,299,270	-	2,299,270
	<u>1,837,515</u>	<u>(864,600)</u>	<u>972,915</u>	<u>2,356,822</u>	<u>(30,454)</u>	<u>28,274</u>	<u>(162,440)</u>	<u>4,163,883</u>	<u>(998,766)</u>	<u>3,165,117</u>
Infrastructure maintenance										
Land under roads	399,069,947	-	399,069,947	6,594,556	-	-	-	405,664,503	-	405,664,503
Site improvements	6,934,416	(2,178,473)	4,755,943	1,989,927	-	-	(221,697)	8,924,343	(2,400,170)	6,524,173
Buildings	27,505,428	(10,288,206)	17,217,222	1,810,982	-	-	(730,709)	29,316,410	(11,018,915)	18,297,495
Transportation network	196,352,202	(80,188,068)	116,164,134	6,924,913	-	-	(5,150,272)	203,277,115	(85,338,340)	117,938,775
Drainage network	64,982,939	(21,348,954)	43,633,985	2,084,896	-	-	(1,885,268)	67,067,835	(23,234,222)	43,833,613
Equipment	32,893,534	(18,097,745)	14,795,789	3,034,495	(442,200)	441,310	(2,689,440)	35,485,829	(20,345,875)	15,139,954
Computing infrastructure	269,667	(183,767)	85,900	55,139	(33,795)	30,494	(42,292)	291,011	(195,565)	95,446
Communication network	1,241,354	(224,475)	1,016,879	198,829	-	-	(67,039)	1,440,183	(291,514)	1,148,669
Work in progress	4,824,785	-	4,824,785	(1,010,336)	-	-	-	3,814,449	-	3,814,449
	<u>734,074,272</u>	<u>(132,509,688)</u>	<u>601,564,584</u>	<u>21,683,401</u>	<u>(475,995)</u>	<u>471,804</u>	<u>(10,786,717)</u>	<u>755,281,678</u>	<u>(142,824,601)</u>	<u>612,457,077</u>

Schedule 1b - Tangible Capital Assets (2010) - Restated

	Original Cost as at December 31, 2009	Accumulated Depreciation to December 31, 2009	Net Asset Value as at December 31, 2009	2010 Additions	2010 Disposals	Accumulated Depreciation on Disposals	2010 Depreciation	Original Cost as at December 31, 2010	Accumulated Depreciation to December 31, 2010	Net Asset Value as at December 31, 2010
Legislative and enforcement										
Buildings	1,219,646	(994,555)	225,091	10,877	-	-	(24,502)	1,230,523	(1,019,057)	211,466
Equipment	1,589,477	(578,313)	1,011,164	-	-	-	(158,948)	1,589,477	(737,261)	852,216
Computing infrastructure	88,879	(54,263)	34,616	19,741	(18,205)	14,832	(15,901)	90,415	(55,332)	35,083
	2,898,002	(1,627,131)	1,270,871	30,618	(18,205)	14,832	(199,351)	2,910,415	(1,811,650)	1,098,765
Parks, recreation and cultural services										
Site improvements	44,850,667	(20,802,583)	24,048,084	646,191	(27,095)	15,456	(2,269,052)	45,469,763	(23,056,179)	22,413,584
Buildings	80,616,476	(35,754,746)	44,861,730	1,753,373	-	-	(1,990,005)	82,369,849	(37,744,751)	44,625,098
Transportation network	10,995,806	(5,019,879)	5,975,927	446,919	-	-	(218,671)	11,442,725	(5,238,550)	6,204,175
Water network	6,585,048	(3,444,476)	3,140,572	64,789	-	-	(331,835)	6,649,837	(3,776,311)	2,873,526
Equipment	7,297,909	(3,747,734)	3,550,175	171,370	-	-	(728,039)	7,469,279	(4,475,773)	2,993,506
Computing infrastructure	238,252	(145,444)	92,808	45,075	(47,836)	41,518	(41,232)	235,491	(145,158)	90,333
Work in progress	979,523	-	979,523	7,263,620	-	-	-	8,243,143	-	8,243,143
	151,563,681	(68,914,862)	82,648,819	10,391,337	(74,931)	56,974	(5,578,834)	161,880,087	(74,436,722)	87,443,365
Police services										
Equipment	498,175	(261,041)	237,134	16,031	-	-	(50,619)	514,206	(311,660)	202,546
Computing infrastructure	64,779	(34,494)	30,285	5,784	(7,213)	5,768	(12,180)	63,350	(40,906)	22,444
Work in progress	3,346	-	3,346	(3,346)	-	-	-	-	-	-
	566,300	(295,535)	270,765	18,469	(7,213)	5,768	(62,799)	577,556	(352,566)	224,990
Public transit										
Site improvements	5,187	(2,857)	2,330	102,276	-	-	(5,313)	107,463	(8,170)	99,293
Buildings	71,667	(5,015)	66,652	-	-	-	(1,433)	71,667	(6,448)	65,219
Transportation network	59,378	(22,795)	36,583	100,461	-	-	(5,601)	159,839	(28,396)	131,443
Work in progress	213,048	-	213,048	(213,048)	-	-	-	-	-	-
	349,280	(30,667)	318,613	(10,311)	-	-	(12,347)	338,969	(43,014)	295,955
Solid waste										
Site improvements	117,816	(60,831)	56,985	105,391	-	-	(5,538)	223,207	(66,369)	156,838
Buildings	408,626	(78,129)	330,497	-	-	-	(15,051)	408,626	(93,180)	315,446
Computing infrastructure	20,927	(9,914)	11,013	-	(2,039)	1,840	(3,981)	18,888	(12,055)	6,833
Work in progress	66,902	-	66,902	(66,902)	-	-	-	-	-	-
	614,271	(148,874)	465,397	38,489	(2,039)	1,840	(24,570)	650,721	(171,604)	479,117
Water utility										
Site improvements	687,761	(313,106)	374,655	-	-	-	(64,697)	687,761	(377,803)	309,958
Buildings	16,531,721	(3,781,513)	12,750,208	2,671,477	-	-	(606,570)	19,203,198	(4,388,083)	14,815,115
Transportation network	41,316	(25,164)	16,152	-	-	-	(1,332)	41,316	(26,496)	14,820
Water network	124,277,579	(36,677,085)	87,600,494	7,533,020	(1,810)	1,407	(2,383,964)	131,808,789	(39,059,642)	92,749,147
Equipment	472,491	(245,332)	227,159	30,388	-	-	(48,772)	502,879	(294,104)	208,775
Computing infrastructure	8,898	(5,507)	3,391	-	-	-	(1,462)	8,898	(6,969)	1,929
Work in progress	7,838,929	-	7,838,929	(6,938,013)	-	-	-	900,916	-	900,916
	149,858,695	(41,047,707)	108,810,988	3,296,872	(1,810)	1,407	(3,106,797)	153,153,757	(44,153,097)	109,000,660

Schedule 1b - Tangible Capital Assets (2010) - Restated

	Original Cost as at December 31, 2009	Accumulated Depreciation to December 31, 2009	Net Asset Value as at December 31, 2009	2010 Additions	2010 Disposals	Accumulated Depreciation on Disposals	2010 Depreciation	Original Cost as at December 31, 2010	Accumulated Depreciation to December 31, 2010	Net Asset Value as at December 31, 2010
Sewer utility										
Site improvements	146,163	(103,354)	42,809	-	-	-	(4,718)	146,163	(108,072)	38,091
Buildings	2,637,589	(1,110,289)	1,527,300	-	-	-	(64,287)	2,637,589	(1,174,576)	1,463,013
Sanitary network	56,443,676	(18,405,107)	38,038,569	1,005,627	(2,145)	1,964	(929,034)	57,447,158	(19,332,177)	38,114,981
Equipment	20,635	(1,031)	19,604	29,572	-	-	(3,541)	50,207	(4,572)	45,635
Computing infrastructure	7,333	(3,451)	3,882	4,000	-	-	(1,867)	11,333	(5,318)	6,015
Work in progress	1,272,295	-	1,272,295	5,488,011	-	-	-	6,760,306	-	6,760,306
	<u>60,527,691</u>	<u>(19,623,232)</u>	<u>40,904,459</u>	<u>6,527,210</u>	<u>(2,145)</u>	<u>1,964</u>	<u>(1,003,447)</u>	<u>67,052,756</u>	<u>(20,624,715)</u>	<u>46,428,041</u>
Kamloops Airport Authority Society										
Land	8,745,200	-	8,745,200	-	-	-	-	8,745,200	-	8,745,200
Buildings	19,787,999	(2,680,305)	17,107,694	157,804	-	-	(553,045)	19,945,803	(3,233,350)	16,712,453
Transportation network	36,733,708	(9,470,983)	27,262,725	37,528	-	-	(843,182)	36,771,236	(10,314,165)	26,457,071
Drainage network	1,981,915	(64,264)	1,917,651	-	-	-	(57,529)	1,981,915	(121,793)	1,860,122
Sanitary network	543,400	(177,677)	365,723	-	-	-	(10,972)	543,400	(188,649)	354,751
Water network	4,890,600	(1,599,094)	3,291,506	-	-	-	(98,745)	4,890,600	(1,697,839)	3,192,761
Equipment	1,054,779	(661,583)	393,196	21,059	-	-	(43,576)	1,075,838	(705,159)	370,679
Computing infrastructure	72,371	(71,541)	830	4,086	-	-	(956)	76,457	(72,497)	3,960
	<u>73,809,972</u>	<u>(14,725,447)</u>	<u>59,084,525</u>	<u>220,477</u>	<u>-</u>	<u>-</u>	<u>(1,608,005)</u>	<u>74,030,449</u>	<u>(16,333,452)</u>	<u>57,696,997</u>
Venture Kamloops Business Development Society										
Equipment	25,125	(13,851)	11,274	-	(150)	150	(2,622)	24,975	(16,323)	8,652
Computing infrastructure	25,439	(21,013)	4,426	2,206	(10,624)	10,624	(2,262)	17,021	(12,651)	4,370
	<u>50,564</u>	<u>(34,864)</u>	<u>15,700</u>	<u>2,206</u>	<u>(10,774)</u>	<u>10,774</u>	<u>(4,884)</u>	<u>41,996</u>	<u>(28,974)</u>	<u>13,022</u>
Total tangible capital assets	1,261,388,495	(285,856,515)	975,531,980	48,136,558	(3,150,921)	1,054,576	(23,112,565)	1,306,374,132	(307,914,504)	998,459,628
Summary by asset group:										
Land	83,196,323	-	83,196,323	2,388,152	(2,031,409)	-	-	83,553,066	-	83,553,066
Land under roads	399,069,947	-	399,069,947	6,594,556	-	-	-	405,664,503	-	405,664,503
Site improvements	54,424,143	(24,136,318)	30,287,825	3,054,161	(27,095)	15,456	(2,666,104)	57,451,209	(26,786,966)	30,664,243
Buildings	151,507,264	(55,808,928)	95,698,336	6,564,132	-	-	(4,056,040)	158,071,396	(59,864,968)	98,206,428
Transportation network	244,189,723	(94,729,676)	149,460,047	7,509,821	-	-	(6,219,201)	251,699,544	(100,948,877)	150,750,667
Drainage network	66,964,854	(21,413,218)	45,551,636	2,084,896	-	-	(1,942,797)	69,049,750	(23,356,015)	45,693,735
Sanitary network	56,987,076	(18,582,784)	38,404,292	1,005,627	(2,145)	1,964	(940,006)	57,990,558	(19,520,826)	38,469,732
Water network	135,753,227	(41,720,655)	94,032,572	7,597,809	(1,810)	1,407	(2,814,544)	143,349,226	(44,533,792)	98,815,434
Equipment	45,794,580	(24,535,644)	21,258,936	3,317,201	(442,350)	441,460	(3,920,515)	48,669,431	(28,014,699)	20,654,732
Computing infrastructure	5,898,650	(4,704,817)	1,193,833	665,634	(646,112)	594,289	(486,319)	5,918,172	(4,596,847)	1,321,325
Communication network	1,241,354	(224,475)	1,016,879	198,829	-	-	(67,039)	1,440,183	(291,514)	1,148,669
Work in progress	16,361,354	-	16,361,354	7,155,740	-	-	-	23,517,094	-	23,517,094
	<u>1,261,388,495</u>	<u>(285,856,515)</u>	<u>975,531,980</u>	<u>48,136,558</u>	<u>(3,150,921)</u>	<u>1,054,576</u>	<u>(23,112,565)</u>	<u>1,306,374,132</u>	<u>(307,914,504)</u>	<u>998,459,628</u>



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 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, 2011, consolidated statements of operations and accumulated surplus, and cash flows, and a summary of significant accounting policies and other explanatory information, and have issued our report thereon dated May 1, 2012. 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.

A handwritten signature in black ink that reads "BDO Canada LLP". The signature is written in a cursive, slightly slanted style.

Chartered Accountants

Kamloops, British Columbia
May 1, 2012

GENERAL FUND
STATEMENT OF FINANCIAL POSITION
YEAR ENDED DECEMBER 31, 2011, with comparatives for 2010

	<u>2011</u>	<u>2010</u>
Financial assets		
Cash	\$ 8,837,633	\$ 2,067,748
Short-term investments	54,008,438	49,381,234
Accounts receivable	16,566,280	17,222,734
Long-term investments	320,616	309,158
	<u>79,732,967</u>	<u>68,980,874</u>
Liabilities		
Accounts payable	17,624,861	15,342,806
Payroll benefits payable	3,476,526	3,293,137
Post-employment benefits payable	7,022,476	6,518,476
Landfill post-closure costs	3,533,881	3,273,566
Deferred revenue	14,665,918	14,588,848
Long-term debt	49,510,891	46,783,655
	<u>95,834,553</u>	<u>89,800,488</u>
Net financial liabilities	<u>(16,101,586)</u>	<u>(20,819,614)</u>
Non-financial assets		
Inventory	800,700	848,713
Prepaid expenses	571,162	540,815
Tangible capital assets	797,052,731	785,320,908
	<u>798,424,593</u>	<u>786,710,436</u>
Accumulated surplus	<u>\$ 782,323,007</u>	<u>\$ 765,890,822</u>

GENERAL FUND
STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2011, with comparatives for 2010

	2011 Fiscal Plan	2011	2010
Revenue			
Taxation	\$ 87,551,473	\$ 87,489,806	\$ 84,132,935
Development levies utilized	2,175,253	1,024,048	906,018
Fees, rates and sales of service	25,426,506	25,607,397	25,757,144
Government transfers	18,331,978	18,074,605	20,974,411
Investment income	2,602,261	4,629,204	2,970,510
Private contributions	610,850	11,401,755	10,530,315
Gain on disposal of capital assets	85,958	-	685,753
Transfers from other funds	10,082,179	5,165,827	3,843,922
	<u>146,866,458</u>	<u>153,392,642</u>	<u>149,801,008</u>
Expenses			
Cemetery	772,446	775,183	755,023
Community development	4,725,746	4,560,481	4,155,271
Corporate administration	11,302,412	9,438,548	8,517,221
Environmental services	739,878	510,628	411,153
Fire services	14,683,608	14,206,640	13,355,335
Infrastructure maintenance	23,591,523	23,485,624	21,282,334
Legislative and enforcement	4,707,192	4,660,452	4,404,158
Parks, recreation and cultural services	30,403,866	29,569,417	29,852,262
Police services	22,836,981	21,026,777	19,567,088
Public transit	13,056,437	12,768,946	12,164,445
Solid waste	6,419,279	6,578,448	7,371,621
Loss on disposal of capital assets		1,768,382	
Transfers to other funds	4,702,318	7,610,931	7,296,855
	<u>137,941,686</u>	<u>136,960,457</u>	<u>129,132,766</u>
Increase (decrease) in accumulated surplus	\$ <u>8,924,772</u>	\$ <u>16,432,185</u>	\$ <u>20,668,242</u>

WATER FUND
STATEMENT OF FINANCIAL POSITION
YEAR ENDED DECEMBER 31, 2011, with comparatives for 2010

	<u>2011</u>	<u>2010</u>
Financial assets		
Short-term investments	\$ 9,956,916	\$ 9,363,803
Accounts receivable	1,069,846	1,553,043
	<u>11,026,762</u>	<u>10,916,846</u>
Liabilities		
Payroll benefits payable	158,695	159,337
Long-term debt	30,655,498	32,609,240
	<u>30,814,193</u>	<u>32,768,577</u>
Net financial liabilities	<u>(19,787,431)</u>	<u>(21,851,731)</u>
Non-financial assets		
Inventory	272,555	291,994
Tangible capital assets	113,323,170	109,000,660
	<u>113,595,725</u>	<u>109,292,654</u>
Accumulated surplus	<u>\$ 93,808,294</u>	<u>\$ 87,440,923</u>

WATER FUND
STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2011, with comparatives for 2010

	2011 Fiscal Plan	2011	2010
Revenue			
Development levies utilized	\$ 3,801,599	\$ 2,406,815	\$ 800,685
Fees, rates and sales of service	18,251,315	16,708,512	17,232,400
Government transfers	831,276	62,342	778,175
Investment income	729,867	1,273,235	953,618
Private contributions	31,393	597,159	734,061
Transfers from other funds	214,479	942,436	1,446
	<u>23,859,929</u>	<u>21,990,499</u>	<u>20,500,385</u>
Expenses			
Water utility	13,810,907	13,860,866	14,923,722
Loss on disposal of capital assets	-	639,772	403
Transfers to other funds	750,000	1,122,490	891,502
	<u>14,560,907</u>	<u>15,623,128</u>	<u>15,815,627</u>
Increase (decrease) in accumulated surplus	\$ <u>9,299,022</u>	\$ <u>6,367,371</u>	\$ <u>4,684,758</u>

**SEWER FUND
STATEMENT OF FINANCIAL POSITION
YEAR ENDED DECEMBER 31, 2011, with comparatives for 2010**

	<u>2011</u>	<u>2010</u>
Financial assets		
Short-term investments	\$ 5,437,466	\$ 6,570,421
Accounts receivable	2,605,924	1,936,155
	<u>8,043,390</u>	<u>8,506,576</u>
Liabilities		
Payroll benefits payable	126,956	127,470
Long-term debt	3,283,097	3,951,671
	<u>3,410,053</u>	<u>4,079,141</u>
Net financial assets	<u>4,633,337</u>	<u>4,427,435</u>
Non-financial assets		
Inventory	69,397	79,564
Tangible capital assets	49,568,867	46,428,041
	<u>49,638,264</u>	<u>46,507,605</u>
Accumulated surplus	<u>\$ 54,271,601</u>	<u>\$ 50,935,040</u>

SEWER FUND
STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2011, with comparatives for 2010

	2011 Fiscal Plan	2011	2010
Revenue			
Development levies utilized	\$ 3,195,009	\$ 327,357	\$ 411,812
Fees, rates and sales of service	8,024,450	8,210,324	8,648,483
Government transfers	3,733,412	1,086,451	2,105,921
Investment income	333,345	754,040	660,781
Private contributions	54,200	504,627	197,691
Transfers from other funds	148,281	99,719	2,495
	<u>15,488,697</u>	<u>10,982,518</u>	<u>12,027,183</u>
Expenses			
Sewer utility	6,855,175	6,750,729	6,611,923
Loss on disposal of capital assets	-	224,583	181
Transfers to other funds	-	670,645	142,576
	<u>6,855,175</u>	<u>7,645,957</u>	<u>6,754,680</u>
Increase (decrease) in accumulated surplus	<u>\$ 8,633,522</u>	<u>\$ 3,336,561</u>	<u>\$ 5,272,503</u>

**STATUTORY RESERVE FUNDS
STATEMENT OF FINANCIAL POSITION
YEAR ENDED DECEMBER 31, 2011, with comparatives for 2010**

	<u>2011</u>	<u>2010</u>
Financial Assets		
Short-term investments	\$ 43,109,316	\$ 40,562,347
	<u>43,109,316</u>	<u>40,562,347</u>
Liabilities		
Deferred revenue	13,804,597	13,891,513
	<u>13,804,597</u>	<u>13,891,513</u>
Accumulated surplus	<u>\$ 29,304,719</u>	<u>\$ 26,670,834</u>

**STATUTORY RESERVE FUNDS
STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2011, with comparatives for 2010**

	2011 Fiscal Plan	2011	2010
Revenue			
Transfer to:			
Tax sale property	\$ -	\$ 1,495,314	\$ 579,936
Local improvement	3,000	209,760	154,765
Debt retirement	1,000	776	379
Parking facility	190,650	221,386	208,336
Land sale	47,000	96,026	2,458,959
Equipment replacement	4,919,308	5,384,747	4,861,089
	<u>5,160,958</u>	<u>7,408,009</u>	<u>8,263,464</u>
Expenses			
Transfer from:			
Tax sale property	1,648,276	331,513	454,518
Local improvement	208,797	231,926	-
Parking facility	29,552	1,574	60,240
Land sale	564,559	1,128,490	766,265
Equipment replacement	7,531,515	3,080,621	3,061,839
	<u>9,982,699</u>	<u>4,774,124</u>	<u>4,342,862</u>
Increase (decrease) in accumulated surplus	<u>\$ (4,821,741)</u>	<u>\$ 2,633,885</u>	<u>\$ 3,920,602</u>

**KAMLOOPS AIRPORT AUTHORITY SOCIETY
STATEMENT OF FINANCIAL POSITION
YEAR ENDED DECEMBER 31, 2011, with comparatives for 2010**

	<u>2011</u>	<u>2010</u>
Financial assets		
Cash	\$ 3,276,278	\$ 2,538,882
Accounts receivable	366,694	1,073,084
	<u>3,642,972</u>	<u>3,611,966</u>
Liabilities		
Accounts payable	201,228	112,538
Long-term debt	9,215,571	9,700,000
	<u>9,416,799</u>	<u>9,812,538</u>
Net financial liabilities	<u>(5,773,827)</u>	<u>(6,200,572)</u>
Non-financial assets		
Tangible capital assets	57,286,948	57,696,997
	<u>57,286,948</u>	<u>57,696,997</u>
Accumulated surplus	<u>\$ 51,513,121</u>	<u>\$ 51,496,425</u>

KAMLOOPS AIRPORT AUTHORITY SOCIETY
STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2011, with comparatives for 2010

	2011 Fiscal Plan	2011	2010
Revenue			
Fees, rates and sales of service	\$ -	\$ 1,728,025	1,706,291
Government transfers	-	275,475	111,731
Investment income	-	36,637	28,280
	<u>-</u>	<u>2,040,137</u>	<u>1,846,302</u>
Expenses			
Kamloops Airport Authority Society	-	2,008,294	1,889,535
Transfers to other funds	-	15,147	53,000
	<u>-</u>	<u>2,023,441</u>	<u>1,942,535</u>
Increase (decrease) in accumulated surplus	\$ -	\$ 16,696	\$ (96,233)

**VENTURE KAMLOOPS BUSINESS DEVELOPMENT SOCIETY
STATEMENT OF FINANCIAL POSITION
YEAR ENDED DECEMBER 31, 2011, with comparatives for 2010**

	<u>2011</u>	<u>2010</u>
Financial assets		
Cash	\$ 5,126	\$ 66,983
Short-term investments	203,041	200,951
Accounts receivable	14,363	5,720
	<u>222,530</u>	<u>273,654</u>
Liabilities		
Accounts payable	30,490	68,696
Deferred revenue	3,333	-
	<u>33,823</u>	<u>68,696</u>
Net financial assets	<u>188,707</u>	<u>204,958</u>
Non-financial assets		
Prepaid expenses	2,289	3,996
Tangible capital assets	10,129	13,022
	<u>12,418</u>	<u>17,018</u>
Accumulated surplus	<u>\$ 201,125</u>	<u>\$ 221,976</u>

VENTURE KAMLOOPS BUSINESS DEVELOPMENT SOCIETY
STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2011, with comparatives for 2010

	<u>2011 Fiscal Plan</u>	<u>2011</u>	<u>2010</u>
Revenue			
Fees, rates and sales of service	\$ 1,500	\$ 2,426	20,751
Government transfers	5,000	15,772	9,566
Investment income	250	2,601	951
Transfers from other funds	573,600	577,347	574,000
	<u>580,350</u>	<u>598,146</u>	<u>605,268</u>
Expenses			
Venture Kamloops Business Development Society	630,115	618,997	492,403
	<u>630,115</u>	<u>618,997</u>	<u>492,403</u>
Increase (decrease) in accumulated surplus	\$ <u>(49,765)</u>	\$ <u>(20,851)</u>	\$ <u>112,865</u>