



Canada's Tournament Capital

# **CITY OF KAMLOOPS**

**Financial Statements for the Year-Ended  
2012 December 31**

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

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

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

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## Independent Auditor's Report

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

We have audited the accompanying consolidated financial statements of City of Kamloops, which comprise the consolidated statement of financial position as at December 31, 2012, and the consolidated statements of operations and accumulated surplus, changes in net debt, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the City of Kamloops as at December 31, 2012 and the results of its operations, changes in net debt, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

*BDO Canada LLP*

Chartered Accountants

Kamloops, British Columbia  
April 23, 2013

## Management's Responsibility for Financial Reporting

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

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

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

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

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

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

**\* Peter Milobar \***

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Mayor

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

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Finance and Information Technology Director

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

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

Commitments and contingencies - (note 17)

See accompanying notes and schedules to consolidated financial statements.

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

**\* Peter Milobar \***

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

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 Peter Milobar  
 Mayor

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

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

See accompanying notes and schedules to consolidated financial statements.

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

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

See accompanying notes and schedules to consolidated financial statements.

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

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

See accompanying notes and schedules to consolidated financial statements.



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

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

### 1 . Significant accounting policies:

(a) Basis of presentation:

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

(b) Basis of accounting:

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

(c) Fund accounting:

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

General Fund:

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

Water Fund:

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

Sewer Fund:

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

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

### 1 . Significant accounting policies (continued):

#### (d) Basis of consolidation:

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

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

#### (e) Revenue recognition:

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

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

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

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

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

#### (f) Government transfers:

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

#### (g) Inventory:

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

#### (h) Investments:

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

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### YEAR ENDED DECEMBER 31, 2012, with comparatives for 2011

#### 1 . Significant accounting policies (continued):

##### (i) Tangible capital assets:

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

Assets were amortized using the straight line method. There are several different amortization periods used for each major category of assets, as follows:

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

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

##### (j) Non-financial assets

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

##### (k) Long-term debt:

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

##### (l) Reserves:

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

##### (m) Use of estimates:

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



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

**1 . Significant accounting policies (continued):**

(n) Landfill post-closure costs:

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

(o) Retirement benefits and other employee benefit plans:

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

**2 . Adoption of PS 3410 Government Transfers**

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

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

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

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

### 3 . Segmented Information

The City of Kamloops is a diversified municipal government institution that provides a wide range of services to its citizens. Distinguishable functional segments have been separately disclosed. The nature of the segments and the activities they encompass are as follows; and quantitative data on these segments can be found in note 14.

#### **Cemetery:**

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

#### **Community development:**

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

#### **Corporate administration:**

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

#### **Environmental services:**

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

#### **Fire services:**

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

#### **Infrastructure maintenance:**

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

#### **Legislative and enforcement:**

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

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

### 3 . Segmented Information (continued)

#### **Parks, recreation and leisure services:**

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

#### **Police services:**

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

#### **Public transit:**

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

#### **Solid waste:**

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

#### **Water utility:**

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

#### **Sewer utility:**

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

#### **Kamloops Airport Authority Society:**

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

#### **Venture Kamloops Business Development Society:**

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

#### **Tangible capital asset acquisition:**

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

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### YEAR ENDED DECEMBER 31, 2012, with comparatives for 2011

#### 4 . Cash and short-term investments:

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

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

#### 5 . Accounts Receivable:

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

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### YEAR ENDED DECEMBER 31, 2012, with comparatives for 2011

#### 6 . Long-term investments:

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

#### 7 . Accounts payable:

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

#### 8 . Post-employment benefits payable:

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

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

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



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

### 8 . Post-employment benefits payable (continued):

Actuarial valuations for accounting purposes are performed using the projected benefit method prorated on services. The most recent actuarial report was prepared on February 4, 2013 using data as of December 31, 2012. The accrued benefit obligation shown for 2012 is based on amounts included in the 2012 valuation. There is a net unamortized actuarial loss to be amortized on a straight-line basis over the expected average remaining service life of the related employee group (11 years (2011 - 11 years)).

The actuarial valuation was based on a number of assumptions about future events, such as inflation rates, interest rates, wage and salary increases, and employee turnover and mortality. The assumptions used reflect the City's best estimates. The expected inflation rate is 3.25% (2011 - 3.25%). The discount rate used to determine the accrued benefit obligation is 3.5% (2011 - 3.5%).

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

### 9 . Landfill post-closure costs:

The City of Kamloops operates two solid waste landfill sites in the Kamloops area and assumes certain obligations for the landfill sites including closure and post closure liabilities. The reported liabilities are based on estimates and assumptions with respect to events extending over the remaining life of each of the landfills. The estimates and assumptions are provided through an independent assessment conducted in 2009 with the results included in 2010. The liability and annual expense is calculated based on the ratio of current usage to total capacity of the site and the estimated future cash flows associated with closure and post-closure activities stated in current (2012) dollars. The aggregate liability for closure and post-closure costs for the two landfills is \$3,802,326 (2011 = \$3,533,881).

The main landfill at the Mission Flats site is expected to serve until 2068 with 25 years needed for post-closure care based on the independent assessment. The remaining capacity of the landfill site is estimated at 3.65 million cubic meters, which is 85% of the site's total capacity. Approximately 60% of landfill closure will be completed while the landfill is still in operation with costs associated with the closure being charged to expenses when they are incurred.

Since a final design for the Barnhartvale site has not been completed the independent assessment was not able to provide a lifespan analysis. The City anticipates that the Barnhartvale site will serve until 2021 with 25 years needed for post-closure care. The remaining capacity of the landfill site is estimated at 163,114 cubic meters, which is approximately 29% of the site's total capacity.

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

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2012, with comparatives for 2011**
**10 . Deferred revenue:**

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

**11 . Long-term debt:**

( a ) Long-term debt outstanding:

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

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

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### YEAR ENDED DECEMBER 31, 2012, with comparatives for 2011

#### 11 . Long-term debt (continued):

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

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

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

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

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

#### ( c ) Un-issued debt:

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

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

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

**12 . Tangible capital assets:**

*See schedules 1a and 1b for details*

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

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

**12 . Tangible capital assets (continued):**

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

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

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2012, with comparatives for 2011**
**13 . Accumulated Surplus:**

( a ) Reserves for operating purposes

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

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

**13 . Accumulated Surplus (continued):**

( b ) Reserves for capital purposes

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

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

**13 . Accumulated Surplus (continued):**

( c ) Current funds

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



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

**13 . Accumulated Surplus (continued):**

( d ) Capital Equity

	<u>2012</u>	<u>2011</u>
General fund:		
Balance, beginning of year	\$ 740,571,228	\$ 728,818,321
Net capital equity addition for the year	<u>5,852,455</u>	<u>11,752,907</u>
	<u>746,423,683</u>	<u>740,571,228</u>
Water fund:		
Balance, beginning of year	78,793,956	72,809,447
Net capital equity addition for the year	<u>3,365,352</u>	<u>5,984,509</u>
	<u>82,159,308</u>	<u>78,793,956</u>
Sewer fund:		
Balance, beginning of year	44,761,491	42,415,900
Net capital equity addition for the year	<u>4,915,526</u>	<u>2,345,591</u>
	<u>49,677,017</u>	<u>44,761,491</u>
Kamloops Airport Authority Society:		
Balance, beginning of year	48,071,377	47,996,997
Net capital equity addition for the year	<u>502,400</u>	<u>74,380</u>
	<u>48,573,777</u>	<u>48,071,377</u>
Venture Kamloops Business Development Society:		
Balance, beginning of year	10,129	13,022
Net capital equity addition for the year	<u>16,041</u>	<u>(2,893)</u>
	<u>26,170</u>	<u>10,129</u>
	<u>\$ 926,859,955</u>	<u>\$ 912,208,181</u>

**Total Accumulated Surplus**

	<u>2012</u>	<u>2011</u>
General fund	\$ 780,707,150	\$ 776,714,623
Water fund	99,247,118	93,808,294
Sewer fund	60,981,491	54,271,601
Statutory reserves	32,167,972	29,304,719
Kamloops Airport Authority Society	52,104,671	51,513,121
Venture Kamloops Business Development Society	166,879	201,125
	<u>\$ 1,025,375,281</u>	<u>\$ 1,005,813,483</u>

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

**14 . Operating activities by segment:**

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

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

**14 . Operating activities by segment (continued):**

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2012, with comparatives for 2011**
**14 . Operating activities by segment (continued):**

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

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

**14 . Operating activities by segment (continued):**

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2012, with comparatives for 2011**
**14 . Operating activities by segment (continued):**

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

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

**14 . Operating activities by segment (continued):**

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

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

**14 . Operating activities by segment (continued):**

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



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

**14 . Operating activities by segment (continued):**

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

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

**14 . Operating activities by segment (continued):**

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

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

**14 . Operating activities by segment (continued):**

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2012, with comparatives for 2011**
**14 . Operating activities by segment (continued):**

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

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

**14 . Operating activities by segment (continued):**

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

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

**14 . Operating activities by segment (continued):**

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2012, with comparatives for 2011**
**14 . Operating activities by segment (continued):**

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

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

**14 . Operating activities by segment (continued):**

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



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### YEAR ENDED DECEMBER 31, 2012, with comparatives for 2011

#### 14 . Operating activities by segment (continued):

##### Total revenue by segment:

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

##### Total expenses by segment:

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

##### Total transfers of equity by segment:

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

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

**15 . Taxation:**

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

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

**16 . Government transfers:**

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

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

### 17 . Commitments and contingencies:

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

- (d)

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

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

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

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

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### YEAR ENDED DECEMBER 31, 2012, with comparatives for 2011

#### 17 . Commitments and contingencies (continued):

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

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

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

- (g) The Kamloops Airport Authority Society has entered into a lease agreement with Kamloops Airport Ltd. for a forty-five year term ending August 27, 2042. The lease provides for the option to extend the term for a further 20 years.

#### 18 . Trust funds:

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

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

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### YEAR ENDED DECEMBER 31, 2012, with comparatives for 2011

#### 19 . Fiscal plan:

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

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

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



Schedule 1a - Tangible Capital Assets (2012)

	Original Cost as at December 31, 2011	Accumulated Depreciation to December 31, 2011	Net Asset Value as at December 31, 2011	2012 Additions	2012 Disposals	Accumulated Depreciation on Disposals	2012 Depreciation	Original Cost as at December 31, 2012	Accumulated Depreciation to December 31, 2012	Net Asset Value as at December 31, 2012
<b>Cemetery</b>										
Site improvements	1,132,594	(533,796)	598,798	-	-	-	(67,097)	1,132,594	(600,893)	531,701
Buildings	2,270,872	(985,484)	1,285,388	-	-	-	(55,603)	2,270,872	(1,041,087)	1,229,785
Equipment	96,964	(69,243)	27,721	6,614	-	-	(10,027)	103,578	(79,270)	24,308
Computing infrastructure	-	-	-	1,201	5,615	(2,843)	(1,036)	6,816	(3,879)	2,937
Work in progress	-	-	-	8,382	-	-	-	8,382	-	8,382
	<b>3,500,430</b>	<b>(1,588,523)</b>	<b>1,911,907</b>	<b>16,197</b>	<b>5,615</b>	<b>(2,843)</b>	<b>(133,763)</b>	<b>3,522,242</b>	<b>(1,725,129)</b>	<b>1,797,113</b>
<b>Community development</b>										
Land	76,030,142	-	76,030,142	498,613	(27,641)	-	-	76,501,114	-	76,501,114
Site improvements	677,372	(296,451)	380,921	4,468	-	-	(18,478)	691,840	(314,919)	386,921
Buildings	237,811	(152,369)	85,442	71,641	-	-	(6,322)	309,452	(158,691)	150,761
Transportation network	6,941	(2,866)	4,075	-	-	-	(138)	6,941	(3,004)	3,937
Equipment	262,773	(184,529)	78,144	2,448	-	-	(26,399)	265,221	(211,028)	54,193
Computing infrastructure	183,679	(138,251)	45,428	54,119	27,969	43,447	(45,548)	275,767	(130,352)	145,415
Work in progress	-	-	-	-	-	-	-	-	-	-
	<b>77,408,718</b>	<b>(764,556)</b>	<b>76,644,162</b>	<b>631,289</b>	<b>328</b>	<b>43,447</b>	<b>(96,885)</b>	<b>78,040,335</b>	<b>(817,994)</b>	<b>77,222,341</b>
<b>Corporate administration</b>										
Site improvements	47,022	(15,281)	31,741	-	-	-	(2,351)	47,022	(17,632)	29,390
Transportation network	372	(206)	166	-	-	-	(4)	372	(210)	162
Equipment	317,934	(97,755)	220,179	16,692	-	-	(32,629)	334,626	(130,384)	204,242
Computing infrastructure	4,893,778	(4,110,489)	783,289	706,115	(345,412)	50,430	(276,849)	5,254,481	(4,336,908)	917,573
Work in progress	1,913,152	-	1,913,152	153,316	-	-	-	2,066,468	-	2,066,468
	<b>7,172,258</b>	<b>(4,223,731)</b>	<b>2,948,527</b>	<b>876,123</b>	<b>(345,412)</b>	<b>50,430</b>	<b>(311,833)</b>	<b>7,705,959</b>	<b>(4,485,134)</b>	<b>3,217,825</b>
<b>Environmental services</b>										
Site improvements	42,622	(13,414)	29,208	-	-	-	(2,255)	42,622	(15,669)	26,953
Computing infrastructure	14,317	(9,997)	4,320	11,067	17,074	(10,575)	(5,228)	42,458	(25,800)	16,658
	<b>56,939</b>	<b>(23,411)</b>	<b>33,528</b>	<b>11,067</b>	<b>17,074</b>	<b>(10,575)</b>	<b>(7,483)</b>	<b>85,080</b>	<b>(41,469)</b>	<b>43,611</b>
<b>Fire services</b>										
Site improvements	18,826	(18,087)	739	42,390	-	-	(1,446)	61,216	(19,533)	41,683
Buildings	379,048	(120,578)	258,470	-	-	-	(12,158)	379,048	(132,796)	246,312
Transportation network	-	-	-	177,563	-	-	(3,314)	177,563	(3,314)	174,249
Equipment	1,474,965	(979,428)	495,537	160,560	-	-	(157,913)	1,635,525	(1,137,341)	498,184
Computing infrastructure	107,755	(48,848)	58,907	21,342	38,774	(9,487)	(27,214)	167,871	(85,549)	82,322
Work in progress	5,243,307	-	5,243,307	(2,955,365)	-	-	-	1,947,942	-	1,947,942
	<b>7,223,901</b>	<b>(1,166,941)</b>	<b>6,056,960</b>	<b>(2,893,510)</b>	<b>38,774</b>	<b>(9,487)</b>	<b>(202,045)</b>	<b>4,369,165</b>	<b>(1,378,473)</b>	<b>2,990,692</b>
<b>Infrastructure maintenance</b>										
Land under roads	414,082,621	-	414,082,621	2,939,860	(143)	-	-	417,022,338	-	417,022,338
Site improvements	7,583,472	(2,533,137)	5,050,335	1,287,464	(10,476)	-	(247,926)	8,860,460	(2,779,383)	6,081,077
Buildings	29,440,622	(11,785,171)	17,655,451	4,461,948	-	-	(838,319)	33,902,570	(12,623,490)	21,279,080
Transportation network	207,979,844	(68,671,967)	139,307,877	12,781,468	(1,014,256)	582,671	(6,335,304)	219,746,075	(84,624,688)	135,121,387
Drainage network	68,284,549	(24,399,940)	43,884,609	1,710,681	(173,716)	73,659	(1,843,402)	69,821,514	(26,169,323)	43,652,191
Equipment	37,306,198	(20,944,662)	16,361,526	1,772,003	(1,961,150)	1,954,582	(924,636)	37,117,041	(21,307,716)	15,779,325
Computing infrastructure	258,723	(204,878)	54,045	84,897	(14,429)	45,220	(38,815)	329,191	(198,273)	130,918
Communication network	1,432,583	(360,677)	1,071,906	288,472	(15,202)	4,560	(78,470)	1,705,853	(434,587)	1,271,266
Work in progress	6,240,311	-	6,240,311	(3,548,476)	-	-	-	2,691,835	-	2,691,835
	<b>772,607,913</b>	<b>(150,100,232)</b>	<b>622,507,681</b>	<b>21,778,337</b>	<b>(3,189,372)</b>	<b>2,662,372</b>	<b>(11,329,600)</b>	<b>791,196,878</b>	<b>(158,767,480)</b>	<b>632,429,418</b>
<b>Legislative and enforcement</b>										
Buildings	2,286,613	(1,054,228)	1,232,385	-	-	-	(45,733)	2,286,613	(1,099,961)	1,186,652
Equipment	1,606,571	(911,594)	694,977	-	-	-	(160,557)	1,606,571	(1,072,251)	534,320
Computing infrastructure	66,929	(49,587)	17,342	32,193	16,651	1,404	(14,352)	115,773	(62,535)	53,238
	<b>3,960,113</b>	<b>(2,015,409)</b>	<b>1,944,704</b>	<b>32,193</b>	<b>16,651</b>	<b>1,404</b>	<b>(220,742)</b>	<b>4,008,957</b>	<b>(2,234,747)</b>	<b>1,774,210</b>
<b>Parks, recreation and cultural services</b>										
Site improvements	50,989,036	(24,761,880)	26,127,156	375,154	(237,837)	137,679	(2,299,572)	51,026,353	(26,923,773)	24,102,580
Buildings	83,460,233	(39,806,891)	43,653,402	538,734	-	-	(2,100,268)	83,999,027	(41,907,099)	42,091,928
Transportation network	12,549,518	(5,398,074)	7,151,444	-	-	-	(233,202)	12,549,518	(5,631,276)	6,918,242
Water network	7,533,743	(4,138,886)	3,394,857	100,447	-	-	(394,409)	7,634,190	(4,533,295)	3,100,895
Equipment	7,814,109	(5,251,849)	2,562,260	200,998	-	-	(761,552)	8,015,107	(6,013,401)	2,001,706
Computing infrastructure	203,935	(156,464)	47,471	84,897	14,890	28,735	(38,154)	209,710	(163,883)	139,827
Work in progress	808,766	-	808,766	286,079	-	-	-	1,094,845	-	1,094,845
	<b>163,259,400</b>	<b>(79,514,044)</b>	<b>83,745,356</b>	<b>1,576,487</b>	<b>(223,147)</b>	<b>166,414</b>	<b>(5,825,087)</b>	<b>164,612,750</b>	<b>(85,172,727)</b>	<b>79,440,023</b>
<b>Police services</b>										
Equipment	545,548	(364,648)	180,900	8,666	-	-	(54,990)	554,214	(419,638)	134,576
Computing infrastructure	27,325	(20,899)	6,426	225,909	(24,741)	19,132	(380)	238,4	(2,165)	919
Work in progress	-	-	-	-	-	-	-	225,909	-	225,909
	<b>573,273</b>	<b>(385,547)</b>	<b>187,726</b>	<b>234,575</b>	<b>(24,741)</b>	<b>19,132</b>	<b>(55,368)</b>	<b>783,107</b>	<b>(421,803)</b>	<b>361,304</b>
<b>Public Transit</b>										
Site improvements	141,837	(18,715)	123,122	25,574	-	-	(11,294)	167,411	(30,009)	137,402
Buildings	71,667	(7,881)	63,786	-	-	-	(1,433)	71,667	(9,314)	62,353
Transportation network	153,700	(86,176)	67,524	-	-	-	(7,933)	153,700	(44,109)	109,591
Work in progress	-	-	-	2,013	-	-	-	2,013	-	2,013
	<b>367,204</b>	<b>(62,772)</b>	<b>304,432</b>	<b>27,587</b>	<b>-</b>	<b>-</b>	<b>(20,660)</b>	<b>394,791</b>	<b>(83,432)</b>	<b>311,359</b>
<b>Solid waste</b>										
Site improvements	223,207	(73,225)	149,982	-	-	-	(6,856)	223,207	(80,081)	143,126
Buildings	408,626	(108,070)	300,556	-	-	-	(14,890)	408,626	(122,960)	285,666
Equipment	-	-	-	69,080	-	-	(3,454)	69,080	(3,454)	65,626
Computing infrastructure	13,737	(11,099)	2,638	3,603	(261)	483	(2,178)	17,079	(12,794)	4,285
Work in progress	314,573	-	314,573	727,798	-	-	-	1,042,371	-	1,042,371
	<b>960,143</b>	<b>(192,394)</b>	<b>767,749</b>	<b>800,481</b>	<b>(261)</b>	<b>483</b>	<b>(27,379)</b>	<b>1,760,363</b>	<b>(219,289)</b>	<b>1,541,074</b>
<b>Water utility</b>										
Site improvements	728,979	(444,867)	284,112	25,033	-	-	(44,791)	753,912	(489,658)	264,254
Buildings	20,076,590	(5,095,487)	14,981,103	401,852	-	-	(746,227)	20,478,442	(5,841,714)	14,636,728
Transportation network	74,400	(28,654)	45,746	-	-	-	(2,986)	74,400	(31,640)	42,760
Water network	137,677,989	(41,197,454)	96,480,535	7,260,379	(578,583)	354,960	(2,747,066)	144,349,785	(43,589,560)	100,760,225
Equipment	607,307	(352,478)	254,829	110,215	-	-	(66,252)	717,811	(418,211)	299,600
Computing infrastructure	22,408	(6,583)	15,825	38,829	8,051	(1,921)	(9,338)	69,288	(17,842)	51,446
Work in progress	1,261,231	-	1,261,231	6,379,977	-	-	-	7,641,208	-	7,641,208
	<b>160,448,684</b>	<b>(47,125,724)</b>	<b>113,322,960</b>	<b>14,208,285</b>	<b>(570,532)</b>	<b>353,039</b>	<b>(3,616,660)</b>	<b>174,084,647</b>	<b>(50,389,345)</b>	<b>123,695,302</b>
<b>Sewer utility</b>										
Site improvements	143,086	(109,615)	33,471	-	-	-	(3,365)	143,086	(112,980)	30,106
Buildings	2,652,744	(1,238,224)	1,414,520	124,119	-	-	(67,937)	2,776,863	(1,306,161)	1,470,702
Sanitary network	58,887,519	(20,162,932)	38,724,587	1,288,171	(161,352)	34,165	(966,770)	60,014,338	(21,095,537)	38,918,801
Equipment	107,957	(12,678)	95,279	37,449	-	-	(1,068)	145,406	(25,746)	119,660
Computing infrastructure	11,332	(7,584)	3,748	2,468	(3,711)	1,649	(928)	10,109	(6,863)	3,246
Work in progress	9,297,262	-	9,297,262	8,432,39						



Schedule 1b - Tangible Capital Assets (2011)

	Original Cost as at December 31, 2010	Accumulated Depreciation to December 31, 2010	Net Asset Value as at December 31, 2010	2011 Additions	2011 Disposals	Accumulated Depreciation on Disposals	2011 Depreciation	Original Cost as at December 31, 2011	Accumulated Depreciation to December 31, 2011	Net Asset Value as at December 31, 2011
<b>Cemetery</b>										
Site improvements	1,133,898	(450,203)	683,695	-	(1,304)	988	(84,581)	1,132,594	(533,796)	598,798
Buildings	2,270,872	(929,881)	1,340,991	-	-	-	(55,603)	2,270,872	(985,484)	1,285,388
Equipment	96,964	(59,496)	37,468	-	-	-	(9,747)	96,964	(69,243)	27,721
Computing infrastructure	-	-	-	-	-	-	-	-	-	-
Work in progress	-	-	-	-	-	-	-	-	-	-
	<b>3,501,734</b>	<b>(1,439,580)</b>	<b>2,062,154</b>	<b>-</b>	<b>(1,304)</b>	<b>988</b>	<b>(149,931)</b>	<b>3,500,430</b>	<b>(1,588,523)</b>	<b>1,911,907</b>
<b>Community development</b>										
Land	74,807,866	-	74,807,866	1,414,065	(191,789)	-	-	76,030,142	-	76,030,142
Site improvements	669,614	(279,127)	390,487	10,124	(2,366)	1,298	(18,612)	677,372	(296,441)	380,931
Buildings	237,811	(148,307)	89,504	-	-	-	(4,062)	237,811	(152,369)	85,442
Transportation network	6,941	(2,228)	4,713	-	-	-	(136)	6,941	(2,364)	4,577
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	-	-	-	-	-	-	-
	<b>76,206,775</b>	<b>(684,632)</b>	<b>75,522,143</b>	<b>1,397,383</b>	<b>(195,440)</b>	<b>3,226</b>	<b>(82,250)</b>	<b>77,408,718</b>	<b>(764,556)</b>	<b>76,644,162</b>
<b>Corporate administration</b>										
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)	4,893,776	(4,110,489)	783,287
Work in progress	1,471,673	-	1,471,673	441,479	-	-	-	1,913,152	-	1,913,152
	<b>6,545,890</b>	<b>(3,993,365)</b>	<b>2,552,525</b>	<b>776,530</b>	<b>(150,162)</b>	<b>119,894</b>	<b>(350,260)</b>	<b>7,172,258</b>	<b>(4,223,731)</b>	<b>2,948,527</b>
<b>Environmental services</b>										
Site improvements	42,622	(11,159)	31,463	-	-	-	(2,255)	42,622	(13,414)	29,208
Computing infrastructure	14,317	(7,254)	7,063	-	-	-	(2,743)	14,317	(9,997)	4,320
	<b>56,939</b>	<b>(18,413)</b>	<b>38,526</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(4,998)</b>	<b>56,939</b>	<b>(23,411)</b>	<b>33,528</b>
<b>Fire services</b>										
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	127,286	-	-	(142,244)	1,474,965	(979,428)	495,537
Computing infrastructure	119,060	(35,811)	83,249	-	(11,305)	8,830	(21,867)	107,765	(48,848)	58,917
Work in progress	2,299,289	-	2,299,289	2,944,039	-	-	-	5,243,328	-	5,243,328
	<b>4,163,981</b>	<b>(998,766)</b>	<b>3,165,215</b>	<b>3,071,325</b>	<b>(11,305)</b>	<b>8,830</b>	<b>(177,005)</b>	<b>7,223,801</b>	<b>(1,166,941)</b>	<b>6,056,860</b>
<b>Infrastructure maintenance</b>										
Land under roads	405,664,503	-	405,664,503	8,478,152	(60,034)	-	-	414,082,621	-	414,082,621
Site improvements	7,640,429	(2,359,434)	5,280,995	102,918	(159,875)	39,415	(213,118)	7,583,472	(2,533,137)	5,050,335
Buildings	29,316,410	(11,018,915)	18,297,495	124,212	-	-	(766,256)	29,440,622	(11,785,171)	17,655,451
Transportation network	203,604,236	(85,384,761)	118,219,475	6,015,962	(1,641,354)	708,426	(5,195,632)	207,978,844	(89,871,967)	118,106,877
Drainage network	87,944,847	(23,252,340)	64,692,507	1,462,653	(1,142,951)	714,828	(1,862,428)	88,294,549	(24,399,949)	63,894,600
Equipment	35,487,829	(20,347,675)	15,140,154	4,053,950	(2,235,591)	2,235,589	(2,832,576)	37,306,188	(20,944,662)	16,361,526
Computing infrastructure	291,011	(195,565)	95,446	-	(32,288)	25,828	(34,941)	258,723	(204,678)	54,045
Communication network	1,440,183	(291,508)	1,148,675	1,148,675	(7,600)	2,660	(71,829)	1,432,583	(360,677)	1,071,906
Work in progress	3,814,449	-	3,814,449	2,425,862	-	-	-	6,240,311	-	6,240,311
	<b>755,203,897</b>	<b>(142,850,198)</b>	<b>612,353,699</b>	<b>22,683,709</b>	<b>(5,279,693)</b>	<b>3,726,746</b>	<b>(10,976,780)</b>	<b>772,607,913</b>	<b>(150,100,232)</b>	<b>622,507,681</b>
<b>Legislative and enforcement</b>										
Buildings	1,230,523	(1,019,057)	211,466	1,056,090	-	-	(35,171)	2,286,613	(1,054,228)	1,232,385
Equipment	1,606,571	(752,646)	853,925	-	-	-	(158,948)	1,606,571	(911,594)	694,977
Computing infrastructure	73,321	(39,947)	33,374	-	-	-	(6,392)	73,321	(49,587)	23,734
	<b>2,910,415</b>	<b>(1,811,650)</b>	<b>1,098,765</b>	<b>1,056,090</b>	<b>-</b>	<b>-</b>	<b>(5,112)</b>	<b>3,866,505</b>	<b>(2,015,409)</b>	<b>1,841,096</b>
<b>Parks, recreation and cultural services</b>										
Site improvements	45,944,612	(23,059,484)	22,885,128	6,579,136	(1,184,712)	686,440	(2,388,836)	50,899,036	(24,761,880)	26,137,156
Buildings	82,369,849	(37,744,751)	44,625,098	1,090,444	-	-	(2,062,140)	83,460,293	(39,806,891)	43,653,402
Transportation network	11,442,725	(5,172,528)	6,270,197	1,107,754	(961)	361	(225,909)	12,549,518	(5,398,074)	7,151,444
Water network	6,649,837	(3,776,308)	2,873,529	883,906	-	-	(362,578)	7,533,743	(4,138,886)	3,394,857
Equipment	7,508,978	(4,511,413)	2,997,466	305,230	-	-	(740,436)	7,814,109	(5,251,949)	2,562,160
Computing infrastructure	235,491	(145,158)	90,333	-	(31,556)	25,240	(36,546)	203,935	(156,464)	47,471
Work in progress	8,243,144	-	8,243,144	(7,434,378)	-	-	-	808,766	-	808,766
	<b>161,944,537</b>	<b>(74,409,640)</b>	<b>87,534,897</b>	<b>2,532,092</b>	<b>(1,217,229)</b>	<b>712,041</b>	<b>(5,616,445)</b>	<b>163,259,400</b>	<b>(79,514,044)</b>	<b>83,745,356</b>
<b>Police services</b>										
Equipment	514,206	(311,660)	202,546	31,342	-	-	(52,988)	545,548	(364,648)	180,900
Computing infrastructure	63,300	(40,936)	22,444	-	(35,625)	28,280	(8,273)	27,725	(20,898)	6,827
Work in progress	577,556	(352,566)	224,990	31,342	(35,625)	28,280	(61,261)	573,273	(385,547)	187,726
<b>Public Transit</b>										
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	153,700	(27,936)	125,764	-	-	-	(8,248)	153,700	(36,176)	117,524
Work in progress	332,830	(42,554)	290,276	34,374	-	-	(20,218)	367,204	(62,772)	304,432
<b>Solid waste</b>										
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	(5,164)	13,737	(11,099)	2,638
Work in progress	650,721	(171,604)	479,117	314,573	(5,151)	4,120	(24,910)	960,143	(192,384)	767,759
<b>Water utility</b>										
Site improvements	728,879	(381,549)	347,330	-	-	-	(63,318)	728,879	(444,867)	284,012
Buildings	19,060,694	(4,386,658)	14,674,036	1,015,896	-	-	(708,829)	20,076,590	(5,095,487)	14,981,103
Transportation network	74,400	(27,322)	47,078	-	-	-	(1,332)	74,400	(28,654)	45,746
Water network	131,877,090	(39,056,495)	92,820,595	6,837,733	(1,036,834)	397,062	(2,538,021)	137,677,989	(41,197,454)	96,480,535
Equipment	506,479	(297,344)	209,135	100,918	-	-	(55,335)	607,397	(352,679)	254,718
Computing infrastructure	5,298	(3,729)	1,569	17,110	-	-	(2,854)	22,408	(6,583)	15,825
Work in progress	900,917	-	900,917	360,314	-	-	-	1,261,231	-	1,261,231
	<b>153,153,757</b>	<b>(44,153,097)</b>	<b>109,000,660</b>	<b>8,331,971</b>	<b>(1,036,834)</b>	<b>397,062</b>	<b>(3,369,689)</b>	<b>160,448,894</b>	<b>(47,125,724)</b>	<b>113,323,170</b>
<b>Sewer utility</b>										
Site improvements	143,086	(105,069)	38,017	-	-	-	(4,546)	143,086	(109,615)	33,471
Buildings	2,637,589	(1,174,576)	1,463,013	15,155	-	-	(63,648)	2,652,744	(1,238,224)	1,414,520
Sanitary network	57,450,233	(19,335,190)	38,115,053	1,781,582	(344,296)	119,713	(947,465)	58,887,519	(20,162,332)	38,724,587
Equipment	54,197	(4,937)	49,226	53,760	-	-	(7,070)	107,857	(12,878)	94,979
Computing infrastructure	7,343	(4,919)	2,424	3,989	-	-	(2,665)	11,332	(7,584)	3,748
Work in progress	6,760,308	-	6,760,308	2,536,954	-	-	-	9,297,262	-	9,297,262
	<b>67,052,756</b>	<b>(20,624,715)</b>	<b>46,428,041</b>	<b>4,391,440</b>	<b>(344,296)</b>	<b>119,713</b>	<b>(1,026,031)</b>	<b>71,099,900</b>	<b>(21,531,033)</b>	<b>49,568,867</b>
<b>Kamloops Airport Authority Society</b>										
Land	8,745,200	-	8,745,200	-	-	-	-	8,745,200	-	8,745,200
Buildings	19,946,803	(3,233,350)	16,713,453	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
Drain										





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

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

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## Independent Auditor's comment on Supplementary Information

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

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

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

*BDO Canada LLP*

Chartered Accountants

Kamloops, British Columbia  
April 23, 2013

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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