



Canada's Tournament Capital

# **CITY OF KAMLOOPS**

**Financial Statements for the Year-Ended  
2014 December 31**

## CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2014, with comparatives for 2013

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BDO Canada LLP  
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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 the City of Kamloops

We have audited the accompanying consolidated financial statements of the City of Kamloops, which comprise the consolidated statement of financial position as at December 31, 2014, 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.



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## 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, 2014 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  
May 5, 2015



## Management's Responsibility for Financial Reporting

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

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

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

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

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

**\* Doug Stewart, CPA, CGA \***

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Acting Finance Director

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**YEAR ENDED DECEMBER 31, 2014, with comparatives for 2013**

	<u>2014</u>	<u>2013</u>
<b>Financial assets</b>		
Cash (note 3)	\$ 16,388,853	\$ 16,105,546
Short-term investments (note 3)	110,400,192	115,912,980
Accounts receivable (note 4)	17,646,669	21,397,596
Long-term investments (note 5)	1,911,938	346,728
	<u>146,347,652</u>	<u>153,762,850</u>
<b>Liabilities</b>		
Accounts payable (note 6)	20,558,447	25,115,220
Payroll benefits payable	4,087,246	3,751,022
Post-employment benefits payable (note 7)	7,661,000	7,605,000
Landfill post-closure costs (note 8)	2,388,073	2,378,272
Deferred revenue (note 9)	27,615,654	30,363,916
Long-term debt (note 10)	96,768,498	96,834,236
	<u>159,078,918</u>	<u>166,047,666</u>
<b>Net debt</b>	<u>(12,731,266)</u>	<u>(12,284,816)</u>
<b>Non-financial assets</b>		
Inventory	1,218,656	1,176,232
Prepaid expenses	1,592,367	893,511
Tangible capital assets (note 11 & Schedule 1)	1,101,188,358	1,072,115,218
	<u>1,103,999,381</u>	<u>1,074,184,961</u>
<b>Accumulated surplus (note 12)</b>	<u>\$ 1,091,268,115</u>	<u>\$ 1,061,900,145</u>

Commitments and contingencies - (note 16)

See accompanying notes and schedules to consolidated financial statements.

**\* Doug Stewart, CPA, CGA \***

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 Doug Stewart, CPA, CGA  
 Acting Finance Director

**\* Peter Milobar \***

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 Peter Milobar  
 Mayor

**CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS  
YEAR ENDED DECEMBER 31, 2014, with comparatives for 2013**

	2014 Fiscal Plan (note 18)	2014	2013
<b>Revenue (note 13)</b>			
Taxation (note 14)	\$ 97,392,791	\$ 97,394,963	\$ 95,216,313
Development levies utilized	9,163,067	4,290,421	8,508,939
Fees, rates and sales of service	57,343,250	56,343,806	55,618,535
Government transfers (note 15)	20,020,699	19,020,044	22,925,297
2013 community works deferred revenue (note 15)	-	3,347,676	-
Investment income	4,439,076	4,524,962	4,557,052
Private contributions	1,568,371	17,819,210	6,033,633
	<u>189,927,254</u>	<u>202,741,082</u>	<u>192,859,769</u>
<b>Expenses (note 13)</b>			
Cemetery	732,379	764,424	601,585
Community development	6,211,039	5,906,696	4,081,439
Corporate administration	12,645,572	9,943,429	10,072,952
Environmental services	295,041	259,390	220,129
Fire services	17,507,303	17,259,224	15,507,316
Infrastructure maintenance	21,245,330	22,556,170	23,717,603
Legislative and enforcement	5,542,814	5,240,498	4,731,887
Parks, recreation and cultural services	37,386,311	37,769,086	33,850,676
Police services	25,455,000	23,475,807	22,128,355
Public transit	16,028,345	15,893,214	15,181,411
Solid waste	7,725,433	7,465,658	6,909,046
Water utility	16,159,367	16,622,902	16,702,811
Sewer utility	8,745,007	7,550,884	6,849,982
Kamloops Airport Authority Society	2,091,094	2,036,668	2,386,459
Venture Kamloops Business Development Society	636,645	629,062	719,327
	<u>178,406,680</u>	<u>173,373,112</u>	<u>163,660,978</u>
Annual surplus	<u>11,520,574</u>	<u>29,367,970</u>	<u>29,198,791</u>
Accumulated surplus, beginning of year		<u>1,061,900,145</u>	<u>1,032,701,354</u>
Accumulated surplus, end of year		<u>\$ 1,091,268,115</u>	<u>\$ 1,061,900,145</u>

See accompanying notes and schedules to consolidated financial statements.

**CONSOLIDATED STATEMENT OF CHANGES IN NET DEBT**  
**YEAR ENDED DECEMBER 31, 2014, with comparatives for 2013**

	2014 Fiscal Plan (note 18)	<b>2014</b>	2013
Annual surplus	\$ 11,520,574	<b>\$ 29,367,970</b>	\$ 29,198,791
Acquisition of tangible capital assets (schedule 1)	(98,872,345)	<b>(59,808,937)</b>	(56,686,675)
Amortization of tangible capital assets (schedule 1)	26,761,379	<b>26,761,379</b>	25,466,555
Net book value of tangible capital assets disposed (schedule 1)	-	<b>3,974,418</b>	1,614,434
Increase in prepaid expenses	-	<b>(698,856)</b>	(84,636)
Decrease (increase) in inventory	-	<b>(42,424)</b>	(207,462)
Change in net financial assets (debt)	(60,590,392)	<b>(446,450)</b>	(698,993)
Net debt, beginning of the year	(12,284,816)	<b>(12,284,816)</b>	(11,585,823)
Net debt, end of the year	<u>\$ (72,875,208)</u>	<u><b>\$ (12,731,266)</b></u>	<u>\$ (12,284,816)</u>

See accompanying notes and schedules to consolidated financial statements.



**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**YEAR ENDED DECEMBER 31, 2014, with comparatives for 2013**

	<u>2014</u>	<u>2013</u>
<b>Cash provided by (used for):</b>		
<b>Operating transactions:</b>		
Annual surplus	\$ 29,367,970	\$ 29,198,791
Items not involving cash:		
Amortization of tangible capital assets	26,761,379	25,466,555
Increase (decrease) in post-employment benefits payable	56,000	180,524
Increase (decrease) in landfill post-closure costs	9,801	(1,424,054)
Loss (gain) on disposal of tangible capital assets	1,674,524	268,213
Private contributions	(16,641,540)	(6,033,633)
Changes in non-cash operating items:		
Decrease (increase) in accounts receivable	3,750,927	(2,407,616)
Decrease (increase) in inventory	(42,424)	(207,462)
Decrease (increase) in prepaid expenses	(698,856)	(84,636)
Increase (decrease) in accounts payable	(4,556,773)	4,364,114
Increase (decrease) in payroll benefits payable	336,224	(172,645)
Increase (decrease) in deferred revenue	(2,748,262)	(3,982,897)
	<u>37,268,970</u>	<u>45,165,254</u>
<b>Capital transactions:</b>		
Tangible capital asset additions	(43,167,397)	(50,653,042)
Proceeds from sale of tangible capital assets	2,299,894	1,346,220
	<u>(40,867,503)</u>	<u>(49,306,822)</u>
<b>Investing transactions:</b>		
Decrease (increase) in short-term investments	5,512,788	102,953
Decrease (increase) in long-term investments	(1,565,210)	(13,739)
	<u>3,947,578</u>	<u>89,214</u>
<b>Financing transactions:</b>		
Proceeds from issuance of long-term debt	8,211,200	9,000,000
Principal repayments on long-term debt	(8,276,938)	(7,947,839)
	<u>(65,738)</u>	<u>1,052,161</u>
Increase (decrease) in cash for the year	283,307	(3,000,193)
Cash, beginning of the year	16,105,546	19,105,739
Cash, end of the year	<u>\$ 16,388,853</u>	<u>\$ 16,105,546</u>

See accompanying notes and schedules to consolidated financial statements.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2014, with comparatives for 2013

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) Basis of consolidation:

The consolidated financial statements include the accounts of 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.

#### (d) Revenue recognition:

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

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

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

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

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

#### (e) Government transfers:

Government transfers are recognized as revenue in the financial statements when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014, with comparatives for 2013**

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

(f) Inventory:

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

(g) Investments:

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

(h) Tangible capital assets:

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

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

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

Amortization is not taken on tangible capital assets until they are ready for use. The City holds several works of art and historic treasures that have not been included in the tangible capital assets, including displays at the museum, statues located throughout the City and various works of art and decorations in the facilities.

(i) Non-financial assets:

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

(j) Long-term debt:

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

(k) Reserves:

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

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2014, with comparatives for 2013

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

(l) 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.

(m) 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.

(n) 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 . 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 13.

**Cemetery:**

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

**Community development:**

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

**Corporate administration:**

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

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2014, with comparatives for 2013

### 2 . Segmented Information (continued)

#### **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.

#### **Parks, recreation and cultural 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.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### YEAR ENDED DECEMBER 31, 2014, with comparatives for 2013

#### 2 . Segmented Information (continued)

##### 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 assets and increase the capital equity.

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

	<u>2014</u>	<u>2013</u>
Consolidated cash	\$ 16,388,853	\$ 16,105,546
Consolidated short-term investments	110,400,192	115,912,980
	<u>126,789,045</u>	<u>132,018,526</u>
Restricted cash and short-term investments:		
Statutory reserves	36,807,656	34,711,878
Development cost charges	9,486,632	9,734,766
Kamloops Airport Authority Society	4,357,351	3,647,140
Venture Kamloops Business Development Society	115,637	50,488
Unrestricted cash and short-term investments	76,021,769	83,874,254
	<u>\$ 126,789,045</u>	<u>\$ 132,018,526</u>

The maturity dates of the short-term investments held directly by the City range from January 21, 2015 to June 1, 2025. The interest rates earned on these investments range from 1.70% to 6.17%. The market value of cash and short term investments is \$129,029,625 (2013 - \$133,390,772).

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### YEAR ENDED DECEMBER 31, 2014, with comparatives for 2013

#### 4. Accounts Receivable:

	<u>2014</u>	<u>2013</u>
<b>General fund:</b>		
Taxes	\$ 4,052,375	\$ 4,249,970
Utilities	1,558,775	1,363,050
Trade	4,779,437	3,903,975
Accrued interest	1,424,357	935,860
Province of British Columbia	5,317	5,317
Government of Canada	541,346	729,955
	<u>12,361,607</u>	<u>11,188,127</u>
<b>Water Fund:</b>		
Trade	2,779,700	2,030,249
	<u>2,779,700</u>	<u>2,030,249</u>
<b>Sewer Fund:</b>		
Trade	1,737,867	1,138,122
Province of British Columbia	463,918	6,139,241
	<u>2,201,785</u>	<u>7,277,363</u>
<b>Kamloops Airport Authority Society:</b>		
Trade	299,473	364,866
Government of Canada	-	532,778
	<u>299,473</u>	<u>897,644</u>
<b>Venture Kamloops Business Development Society:</b>		
Trade	4,104	4,213
	<u>\$ 17,646,669</u>	<u>\$ 21,397,596</u>

#### 5. Long-term investments:

The City's long-term investments are held by the British Columbia Community Foundation in seven endowment funds; the City of Kamloops Centennial Fund "A", the City of Kamloops Centennial Fund "B", the 1979 Winter Games Legacy Fund, the 1993 Canada Summer Games Fund, the 2006 BC Summer Games Legacy Fund, the Art Gallery Reserve Fund and the Arts Legacy Fund. All of the income earned in the City of Kamloops Centennial Fund "A" is re-invested in the fund. 90% of the income earned in the City of Kamloops Centennial Fund "B" is returned to the City to support the grant-in-aid program and the remaining 10% is re-invested in the fund. 75% of the income earned in the 1979 Winter Games Sports Legacy Fund is distributed to the City and the remaining 25% is re-invested in the fund. All of the income earned in the 1993 Canada Summer Games Legacy Fund is re-invested in the fund. 75% of the income earned in the 2006 BC Summer Games Legacy Fund is distributed back to the City and the remaining 25% is re-invested in the fund. All of the income earned in the Art Gallery Reserve Fund is distributed to the City. 75% of the income earned in the Arts Legacy Fund is distributed back to the City and the remaining 25% is re-invested in the fund.

#### 6. Accounts payable:

	<u>2014</u>	<u>2013</u>
<b>General fund:</b>		
Trade	\$ 12,710,960	\$ 17,932,488
Payroll and benefits	2,683,323	2,573,333
Province of British Columbia	318,926	(114,927)
Government of Canada	4,697,589	4,427,583
	<u>20,410,798</u>	<u>24,818,477</u>
<b>Kamloops Airport Authority Society:</b>		
Trade	103,480	248,438
<b>Venture Kamloops Business Development Society:</b>		
Trade	44,169	48,305
	<u>\$ 20,558,447</u>	<u>\$ 25,115,220</u>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### YEAR ENDED DECEMBER 31, 2014, with comparatives for 2013

#### 7 . 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 \$507,000 (2013 - \$525,000). The plan does not require any contribution from employees. The retirement benefit liability at December, 31, 2014 includes the following components:

	<u>2014</u>	<u>2013</u>
Accrued benefit obligation - opening balance	\$ 7,605,000	\$ 7,691,000
Current service cost	601,000	615,000
Interest cost	314,000	279,000
Benefits paid	(507,000)	(525,000)
Actuarial gain/(loss) - current	(352,000)	(455,000)
Accrued benefit obligation - ending balance	<u>7,661,000</u>	<u>7,605,000</u>
Unamortized net actuarial (loss)/gain	-	-
Funding excess	-	-
Post-employment benefit payable	<u>\$ 7,661,000</u>	<u>\$ 7,605,000</u>

Actuarial valuations for accounting purposes are performed using the projected benefit method prorated on services. The most recent actuarial report was prepared on February 16, 2015 using data as of December 31, 2014. The accrued benefit obligation shown for 2013 is based on amounts included in the 2012 valuation.

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% (2013 - 3.25%). The discount rate used to determine the accrued benefit obligation is 3.1% (2013 - 4.0%).

The retirement benefit expense is included in the statement of operations and accumulated surplus 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.

#### 8 . 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 2014 with the results available in 2015. 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 (2014) dollars. The aggregate liability for closure and post-closure costs for the two landfills is \$2,388,073 (2013 = \$2,378,272).

The main landfill at the Mission Flats site is expected to serve until 2044 with 25 years needed for post-closure care based on the independent assessment. The remaining capacity of the landfill site is estimated at 3.54 million cubic meters, which is 82% 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. To date \$1,953,022 has been spent on progressive closure costs.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### YEAR ENDED DECEMBER 31, 2014, with comparatives for 2013

#### 8 . Landfill post-closure costs (continued):

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 128,487 cubic meters, which is approximately 23% of the site's total capacity.

The estimated total expenses for closure and post-closure care of the two landfills in current (2014) dollars is \$20,148,022 (2013 estimate = \$19,260,720) with \$15,806,927 (2013 = \$15,184,976) remaining to be recognized as a liability.

The City has not provided a reserve to fund future landfill capital expenses as at December 31, 2014. The funding required is provided through current operations.

#### 9 . Deferred revenue:

	Balance at December 31, 2013	Collected	Interest	Recognized	Balance at December 31, 2014
<b>General fund:</b>					
Taxes	\$ 15,797,236	\$ 29,306,999	\$ -	\$ (28,630,873)	\$ 16,473,362
Leases	49,515			(5,144)	44,371
Business licenses	990,827	993,642	-	(990,827)	993,642
Other	443,895	558,147	-	(443,895)	558,147
	<u>17,281,473</u>	<u>30,858,788</u>	<u>-</u>	<u>(30,070,739)</u>	<u>18,069,522</u>
<b>Community works fund (gas tax):</b>					
Unapplied funds	<u>3,347,676</u>	<u>-</u>	<u>-</u>	<u>(3,347,676)</u>	<u>-</u>
<b>Development cost charges:</b>					
	<u>9,734,767</u>	<u>3,792,199</u>	<u>250,088</u>	<u>(4,290,422)</u>	<u>9,486,632</u>
<b>Venture Kamloops Business Development Society:</b>					
	<u>-</u>	<u>59,500</u>	<u>-</u>	<u>-</u>	<u>59,500</u>
	<u>\$ 30,363,916</u>	<u>\$ 34,710,487</u>	<u>\$ 250,088</u>	<u>\$ (37,708,837)</u>	<u>\$ 27,615,654</u>

Gas tax revenue is provided by the Government of Canada. The use of the funding is established by a funding agreement between the City and the Province of British Columbia. Gas tax funding may be used towards designated community energy, water, wastewater, solid waste and capacity building projects as specified in the funding agreements.

During the current year, the Government of Canada modified the funding agreement by expanding the listing of eligible projects, as well as removing the repayment provision for when purchased assets are disposed of or no longer in use. As the stipulations have been greatly reduced, they no longer create a liability, and accordingly the unspent funds have been recognized as revenue in the year. The unspent gas tax funds have been transferred to a reserve fund until such time that they are used for a project. Total amount transferred from prior year unspent Gas Tax funds was \$3,347,676.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### YEAR ENDED DECEMBER 31, 2014, with comparatives for 2013

#### 10 . Long-term debt:

( a ) Long-term debt outstanding:

	General fund *	Water fund	Sewer fund	Total
Balance at December 31, 2013	\$ 58,933,585	\$ 24,713,250	\$ 13,187,401	\$ 96,834,236
Principal repayments	(3,064,893)	(2,856,405)	(331,076)	(6,252,374)
Actuarial adjustments	(815,558)	(985,130)	(223,876)	(2,024,564)
Debt acquired	-	-	8,211,200	8,211,200
Balance at December 31, 2014	\$ 55,053,134	\$ 20,871,715	\$ 20,843,649	\$ 96,768,498

\* Kamloops Airport Authority Society debt included in General Fund balance. Amount outstanding on Dec 31, 2014 was \$7,642,891 (2013 = \$8,187,807)

( 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:				
2015	\$ 3,054,931	\$ 2,834,667	\$ 962,905	\$ 6,852,503
2016	3,026,043	1,812,991	874,309	5,713,343
2017	2,944,481	1,751,459	843,909	5,539,849
2018	2,895,463	1,612,292	799,536	5,307,291
2019	2,663,001	1,377,182	692,080	4,732,263
Thereafter	19,600,760	7,739,774	6,625,083	33,965,617
	34,184,679	17,128,365	10,797,822	62,110,866
Sinking fund earnings	20,868,455	3,743,350	10,045,827	34,657,632
	\$ 55,053,134	\$ 20,871,715	\$ 20,843,649	\$ 96,768,498

\* 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 2014 was 3.74% (2013 - 3.99%). Consolidated interest expense on long-term debt was \$5,054,811 (2013 - \$5,431,487).

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 principal 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, 2013	Capital assets purchased pending debt	Debt acquired	Balance at December 31, 2014
General fund	\$ 4,910,752	\$ 7,607,948	\$ -	\$ 12,518,700
Water fund	3,074,937	341,766	-	3,416,703
Sewer Fund	12,001,409	3,738,977	(13,200,000)	2,540,386
	\$ 19,987,098	\$ 11,688,691	\$ (13,200,000)	\$ 18,475,789

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### YEAR ENDED DECEMBER 31, 2014, with comparatives for 2013

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

##### ( d ) Unused credit facility:

Pursuant to Bylaw No. 16-306, the City was authorized to apply for a credit facility of \$6,000,000. The City has an unused demand overdraft facility agreement with TD Commercial Banking. When drawn upon, interest rates will be equal to the bank's prime rate.

#### 11 . Tangible capital assets:

See schedules 1a and 1b for details

	2014			2013
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
<b>General fund:</b>				
Land	\$ 83,729,285	\$ -	\$ 83,729,285	\$ 77,049,849
Land under roads	427,483,372	-	427,483,372	419,482,990
Site improvements	64,682,316	(36,138,849)	28,543,467	29,896,694
Buildings	127,866,060	(63,118,311)	64,747,749	64,595,470
Transportation network	249,401,387	(111,027,759)	138,373,628	132,365,788
Drainage network	76,108,710	(30,781,562)	45,327,148	43,521,703
Water network	8,098,282	(5,351,099)	2,747,183	2,915,482
Equipment	55,280,596	(35,085,760)	20,194,836	19,234,487
Computing infrastructure	6,929,941	(5,710,304)	1,219,637	1,468,861
Communication network	1,990,787	(641,802)	1,348,985	1,244,135
Work in progress	15,539,035	-	15,539,035	15,562,023
	<u>1,117,109,771</u>	<u>(287,855,446)</u>	<u>829,254,325</u>	<u>807,337,482</u>
<b>Water fund:</b>				
Site improvements	953,282	(555,779)	397,503	246,642
Buildings	28,018,412	(8,090,854)	19,927,558	20,981,673
Transportation network	343,996	(40,114)	303,882	47,130
Water network	153,863,566	(49,937,756)	103,925,810	102,924,936
Equipment	837,894	(556,042)	281,852	327,870
Computing infrastructure	107,534	(53,271)	54,263	67,302
Work in progress	350,735	-	350,735	2,779,461
	<u>184,475,419</u>	<u>(59,233,816)</u>	<u>125,241,603</u>	<u>127,375,014</u>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2014, with comparatives for 2013**

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

	2014		2013
	Cost	Accumulated Amortization	Net Book Value
<b>Sewer fund:</b>			Net Book Value
Site improvements	146,146	(118,323)	27,823
Buildings	3,595,810	(1,510,196)	2,085,614
Sanitary network	65,275,084	(23,247,735)	42,027,349
Equipment	194,511	(61,878)	132,633
Computing infrastructure	12,568	(10,318)	2,250
Work in progress	46,903,546	-	46,903,546
	116,127,665	(24,948,450)	91,179,215
<b>Kamloops Airport Authority Society:</b>			
Land	8,745,200	-	8,745,200
Buildings	21,655,361	(5,392,073)	16,263,288
Transportation network	37,878,941	(13,555,707)	24,323,234
Drainage network	1,981,914	(335,163)	1,646,751
Sanitary network	543,400	(229,342)	314,058
Water network	4,987,814	(2,066,990)	2,920,824
Equipment	2,423,561	(1,161,343)	1,262,218
Computing infrastructure	116,984	(94,900)	22,084
	78,333,175	(22,835,518)	55,497,657
<b>Venture Kamloops Business Development Society:</b>			
Equipment	42,287	(33,945)	8,342
Computing infrastructure	36,691	(29,477)	7,214
	78,978	(63,422)	15,556
	\$ 1,496,125,008	\$ (394,936,652)	\$ 1,101,188,356
			\$ 1,072,115,216

During the year the City received \$16,461,540 (2013 - \$5,077,025) 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, 2014, with comparatives for 2013**

**12 . Accumulated Surplus:**

( a ) Reserves for operating purposes

	Balance at December 31, 2013	Interest income and contributions	Transfers to operations and capital	Balance at December 31, 2014
<b>General fund:</b>				
Affordable Housing	\$ 955,775	\$ 79,700	\$ (121,500)	\$ 913,975
Art Gallery	464,069	-	-	464,069
Arts Legacy	229,044	-	-	229,044
Bi-centennial Legacy	346,728	14,304	-	361,032
Canada Games Legacy	568,300	-	-	568,300
Climate Action	606,088	223,540	-	829,628
Community Arts	7,999	-	-	7,999
Downtown Parking Reserve	51,166	86,065	-	137,231
Deferred Operating	5,184,895	524,018	(1,779,198)	3,929,715
Environmental Grant	30,000	-	-	30,000
General Building	102,339	5,143	-	107,482
Heritage Foundation	210,000	20,000	-	230,000
Insurance	567,830	104,346	-	672,176
Oak Hills Dyke	12,932	-	-	12,932
Police Contract	3,627,448	900,426	-	4,527,874
Return to Work	237,146	-	-	237,146
Health Benefit Premiums	167,000	350,000	-	517,000
Solid Waste	2,573,070	904,668	(541,679)	2,936,059
Sports Legacy	192,019	-	-	192,019
Working Capital	1,811,407	-	(173,496)	1,637,911
Youth Legacy	4,331	-	-	4,331
2006 BC Summer Games	99,357	-	-	99,357
	<u>18,048,943</u>	<u>3,212,210</u>	<u>(2,615,873)</u>	<u>18,645,280</u>
<b>Water fund:</b>				
Deferred Operating	600,652	-	(295,915)	304,737
	<u>600,652</u>	<u>-</u>	<u>(295,915)</u>	<u>304,737</u>
<b>Sewer fund:</b>				
Deferred Operating	50,000	-	(50,000)	-
	<u>50,000</u>	<u>-</u>	<u>(50,000)</u>	<u>-</u>
<b>Venture Kamloops Business Development Society:</b>				
Reserve fund	23,792	-	(2,230)	21,562
	<u>23,792</u>	<u>-</u>	<u>(2,230)</u>	<u>21,562</u>
	<u>\$ 18,723,387</u>	<u>\$ 3,212,210</u>	<u>\$ (2,964,018)</u>	<u>\$ 18,971,579</u>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2014, with comparatives for 2013**

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

( b ) Reserves for capital purposes

	Balance at December 31, 2013	Interest income and contributions	Transfers to operations and capital	Balance at December 31, 2014
Statutory reserves:				
Tax sale property fund	\$ 10,733,336	\$ 224,657	\$ (1,495,774)	\$ <b>9,462,219</b>
Local improvement fund	951,034	120,357	-	<b>1,071,391</b>
Debt retirement fund	1,120,124	21,601	(355,167)	<b>786,558</b>
Parking facility reserve	1,531,960	233,795	(129,637)	<b>1,636,118</b>
Land sale reserve fund	2,378,785	2,186,359	(1,180,660)	<b>3,384,484</b>
Equipment replacement fund	17,996,638	5,144,151	(2,673,903)	<b>20,466,886</b>
	<u>34,711,877</u>	<u>7,930,920</u>	<u>(5,835,141)</u>	<u><b>36,807,656</b></u>
Non-statutory reserves:				
General fund	12,727,805	8,274,899	(11,229,719)	<b>9,772,985</b>
Community Works Fund	-	4,550,135	-	<b>4,550,135</b>
Water fund	11,364,040	1,986,864	(1,785,791)	<b>11,565,113</b>
Sewer fund	5,465,381	1,896,453	(1,257,941)	<b>6,103,893</b>
	<u>29,557,226</u>	<u>16,708,351</u>	<u>(14,273,451)</u>	<u><b>31,992,126</b></u>
Airport capital fund	<u>3,451,350</u>	<u>2,239,516</u>	<u>(1,471,796)</u>	<u><b>4,219,070</b></u>
	<u>\$ 67,720,453</u>	<u>\$ 26,878,787</u>	<u>\$ (21,580,388)</u>	<u><b>\$ 73,018,852</b></u>

( c ) Current funds

	2014	2013
General fund:		
Balance, beginning of year	\$ 8,386,135	\$ 10,955,772
Operating surplus (deficit) for the year	<u>248,201</u>	<u>(2,569,637)</u>
	<u><b>8,634,336</b></u>	<u>8,386,135</u>
Water fund:		
Balance, beginning of year	4,008,268	6,631,303
Operating surplus (deficit) for the year	<u>(1,486,609)</u>	<u>(2,623,035)</u>
	<u><b>2,521,659</b></u>	<u>4,008,268</u>
Sewer fund:		
Balance, beginning of year	6,328,782	6,057,997
Operating surplus (deficit) for the year	<u>828,641</u>	<u>270,785</u>
	<u><b>7,157,423</b></u>	<u>6,328,782</u>
Kamloops Airport Authority Society:		
Balance, beginning of year	405,445	401,577
Operating surplus (deficit) for the year	<u>4,434</u>	<u>3,868</u>
	<u><b>409,879</b></u>	<u>405,445</u>
Venture Kamloops Business Development Society:		
Balance, beginning of year	-	85,568
Operating surplus (deficit) for the year	<u>-</u>	<u>(85,568)</u>
	<u>-</u>	<u>-</u>
	<u><b>\$ 18,723,297</b></u>	<u>\$ 19,128,630</u>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2014, with comparatives for 2013**

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

( d ) Capital Equity

	<u>2014</u>	<u>2013</u>
General fund:		
Balance, beginning of year	\$ 757,825,548	\$ 752,582,806
Net capital equity addition for the year	16,727,314	5,242,742
	<u>774,552,862</u>	<u>757,825,548</u>
Water fund:		
Balance, beginning of year	84,938,269	82,864,903
Net capital equity addition for the year	1,357,538	2,073,366
	<u>86,295,807</u>	<u>84,938,269</u>
Sewer fund:		
Balance, beginning of year	65,145,285	50,138,371
Net capital equity addition for the year	6,668,714	15,006,914
	<u>71,813,999</u>	<u>65,145,285</u>
Kamloops Airport Authority Society:		
Balance, beginning of year	48,392,675	48,573,777
Net capital equity addition for the year	(516,514)	(181,102)
	<u>47,876,161</u>	<u>48,392,675</u>
Venture Kamloops Business Development Society:		
Balance, beginning of year	25,898	26,170
Net capital equity addition for the year	(10,340)	(272)
	<u>15,558</u>	<u>25,898</u>
	<u>\$ 980,554,387</u>	<u>\$ 956,327,675</u>

**Total Accumulated Surplus**

	<u>2014</u>	<u>2013</u>
General fund	\$ 816,155,598	\$ 796,988,431
Water fund	100,687,316	100,911,229
Sewer fund	85,075,315	76,989,448
Statutory reserves	36,807,656	34,711,877
Kamloops Airport Authority Society	52,505,110	52,249,470
Venture Kamloops Business Development Society	37,120	49,690
	<u>\$ 1,091,268,115</u>	<u>\$ 1,061,900,145</u>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2014, with comparatives for 2013**

**13 . Operating activities by segment:**

	2014 Fiscal Plan	2014	2013
<b>Cemetery:</b>			
Revenue			
Property tax requirement (contribution)	\$ 49,204	\$ 40,071	\$ -
Fees, rates and sales of service	443,550	422,173	459,241
Investment income	69,000	39,132	61,157
Total operating revenue	<u>561,754</u>	<u>501,376</u>	<u>520,398</u>
Expenses			
Salaries, wages and benefits	262,799	290,963	289,640
Personnel expenses	750	-	229
Supplies and other expenses	157,103	151,044	76,018
Contractual services	17,750	18,088	19,833
Transfers from other functions	125,930	117,859	106,517
Amortization of tangible capital assets	168,047	168,047	109,348
Total operating expenses	<u>732,379</u>	<u>746,001</u>	<u>601,585</u>
Loss (gain) on disposal of tangible capital assets	<u>0</u>	<u>18,423</u>	<u>0</u>
Transfers of equity			
Transfer to (from) reserves	-	-	-
Transfer to (from) other funds	74,000	-	-
Transfer to (from) capital equity	(244,625)	(263,048)	(109,348)
Total transfers of equity	<u>\$ (170,625)</u>	<u>\$ (263,048)</u>	<u>\$ (109,348)</u>



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2014, with comparatives for 2013**

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

	2014 Fiscal Plan	2014	2013
<b>Community development:</b>			
Revenue			
Property tax requirement (contribution)	\$ 1,988,898	\$ 1,338,307	\$ 1,340,501
Fees, rates and sales of service	2,917,844	3,129,086	2,881,598
Government transfers	-	636	12,500
Total operating revenue	<u>4,906,742</u>	<u>4,468,029</u>	<u>4,234,599</u>
Expenses			
Salaries, wages and benefits	5,562,955	5,235,669	5,069,619
Personnel expenses	112,545	95,548	89,859
Supplies and other expenses	1,488,802	1,602,117	256,680
Contractual services	284,106	225,371	155,233
Transfers from other functions	362,538	347,718	358,932
Transfers to other functions	(375,500)	(375,500)	(375,500)
Cost allocated to capital	(1,329,000)	(1,255,130)	(1,297,726)
Amortization of tangible capital assets	104,593	104,593	98,091
Total operating expenses	<u>6,211,039</u>	<u>5,980,386</u>	<u>4,355,188</u>
Loss (gain) on disposal of tangible capital assets	<u>0</u>	<u>(73,690)</u>	<u>(273,749)</u>
Transfers of equity			
Transfer to (from) reserves	82,144	(51,656)	88,943
Transfer to (from) other funds	-	2,139,920	1,019,134
Transfer to (from) capital equity	(1,386,441)	(3,526,931)	(954,917)
Total transfers of equity	<u>\$ (1,304,297)</u>	<u>\$ (1,438,667)</u>	<u>\$ 153,160</u>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2014, with comparatives for 2013**

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

	2014 Fiscal Plan	2014	2013
<b>Corporate administration:</b>			
Revenue			
Property tax requirement (contribution)	\$ 6,563,576	\$ <b>9,765,014</b>	\$ 13,077,910
Fees, rates and sales of service	2,216,473	<b>2,366,396</b>	2,378,295
Government transfers	5,928,240	<b>6,132,870</b>	2,758,655
2013 community works deferred revenue	-	<b>3,347,676</b>	-
Investment income	2,109,000	<b>2,522,653</b>	2,352,034
Total operating revenue	<u>16,817,289</u>	<u><b>24,134,609</b></u>	<u>20,566,894</u>
Expenses			
Salaries, wages and benefits	7,599,080	<b>8,024,108</b>	7,620,427
Personnel expenses	394,816	<b>371,017</b>	313,916
Supplies and other expenses	4,064,416	<b>1,250,736</b>	1,476,012
Contractual services	2,633,292	<b>2,334,733</b>	2,451,967
Transfers from other functions	517,819	<b>526,207</b>	508,379
Transfers to other functions	(2,961,805)	<b>(2,975,203)</b>	(2,637,499)
Cost allocated to capital	(59,969)	<b>(59,969)</b>	(59,969)
Debt servicing costs	20,098	<b>18,458</b>	24,629
Amortization of tangible capital assets	437,825	<b>437,825</b>	372,281
Total operating expenses	<u>12,645,572</u>	<u><b>9,927,912</b></u>	<u>10,070,143</u>
Loss (gain) on disposal of tangible capital assets	<u>-</u>	<u><b>15,517</b></u>	<u>2,809</u>
Transfers of equity			
Transfer to (from) reserves	3,893,919	<b>13,535,067</b>	9,151,454
Transfer to (from) other funds	1,134,570	<b>1,528,402</b>	1,717,578
Transfer to (from) capital equity	(856,772)	<b>(872,289)</b>	(375,090)
Total transfers of equity	<u>\$ 4,171,717</u>	<u><b>\$ 14,191,180</b></u>	<u>\$ 10,493,942</u>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2014, with comparatives for 2013**

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

	2014 Fiscal Plan	<b>2014</b>	2013
<b>Environmental services:</b>			
Revenue			
Property tax requirement (contribution)	\$ 206,320	\$ <b>209,552</b>	\$ 232,427
Government transfers	-	-	0
Total operating revenue	<u>206,320</u>	<u><b>209,552</b></u>	<u>232,427</u>
Expenses			
Salaries, wages and benefits	176,487	<b>178,723</b>	189,621
Personnel expenses	7,855	<b>3,806</b>	12,586
Supplies and other expenses	48,550	<b>1,775</b>	4,265
Contractual services	33,000	<b>36,389</b>	34,312
Transfers from other functions	22,428	<b>24,359</b>	26,043
Transfers to other functions	(34,000)	<b>(34,000)</b>	(54,400)
Amortization of tangible capital assets	40,721	<b>40,721</b>	7,702
Total operating expenses	<u>295,041</u>	<u><b>251,773</b></u>	<u>220,129</u>
Loss (gain) on disposal of tangible capital assets	-	<b>7,617</b>	-
Transfers of equity			
Transfer to (from) reserves	(48,000)	<b>(1,500)</b>	20,000
Transfer to (from) capital equity	(40,721)	<b>(48,338)</b>	(7,702)
Total transfers of equity	<u>\$ (88,721)</u>	<u><b>\$ (49,838)</b></u>	<u>\$ 12,298</u>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2014, with comparatives for 2013**

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

	2014 Fiscal Plan	2014	2013
<b>Fire services:</b>			
Revenue			
Property tax requirement (contribution)	\$ 16,073,836	\$ 15,798,201	\$ 14,820,705
Fees, rates and sales of service	1,298,300	1,338,308	1,346,763
Private contributions	15,000	15,000	12,400
Total operating revenue	<u>17,387,136</u>	<u>17,151,509</u>	<u>16,179,868</u>
Expenses			
Salaries, wages and benefits	15,763,757	15,515,921	13,744,223
Personnel expenses	149,055	131,954	102,188
Supplies and other expenses	673,267	704,555	687,731
Contractual services	309,008	288,821	296,908
Transfers from other functions	199,788	338,771	299,779
Transfers to other functions	(8,000)	(128,660)	(93,989)
Debt servicing costs	253,347	253,233	250,844
Amortization of tangible capital assets	167,081	167,081	219,632
Total operating expenses	<u>17,507,303</u>	<u>17,271,676</u>	<u>15,507,316</u>
Loss (gain) on disposal of tangible capital assets	<u>-</u>	<u>(12,452)</u>	<u>-</u>
Transfers of equity			
Transfer to (from) reserves	(770,000)	(770,000)	-
Transfer to (from) other funds	792,184	812,317	892,184
Transfer to (from) capital equity	(142,351)	(150,032)	(219,632)
Total transfers of equity	<u>\$ (120,167)</u>	<u>\$ (107,715)</u>	<u>\$ 672,552</u>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2014, with comparatives for 2013**

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

	2014 Fiscal Plan	2014	2013
<b>Infrastructure maintenance:</b>			
Revenue			
Property tax requirement (contribution)	\$ 10,786,420	\$ 11,401,998	\$ 13,844,451
Fees, rates and sales of service	13,100	7,957	10,236
Government transfers	650	-	196
Private contributions	-	-	(104,283)
Total operating revenue	<u>10,800,170</u>	<u>11,409,955</u>	<u>13,750,600</u>
Expenses			
Salaries, wages and benefits	9,412,190	8,659,500	8,301,664
Personnel expenses	112,055	64,596	73,929
Supplies and other expenses	6,237,836	6,471,027	7,958,486
Contractual services	2,112,511	2,573,147	2,353,707
Transfers from other functions	2,953,810	2,695,679	3,269,198
Transfers to other functions	(9,809,480)	(10,277,531)	(10,128,581)
Cost allocated to capital	(2,187,752)	(759,791)	(872,701)
Debt servicing costs	688,784	598,878	685,097
Amortization of tangible capital assets	11,850,376	11,850,376	11,754,132
Total operating expenses	<u>21,370,330</u>	<u>21,875,881</u>	<u>23,394,931</u>
Loss (gain) on disposal of tangible capital assets	<u>(125,000)</u>	<u>680,289</u>	<u>322,672</u>
Transfers of equity			
Transfer to (from) reserves	-	106,234	(38,381)
Transfer to (from) other funds	2,367,830	2,303,411	2,363,830
Transfer to (from) capital equity	(12,812,990)	(13,555,860)	(12,292,452)
Total transfers of equity	<u>\$ (10,445,160)</u>	<u>\$ (11,146,215)</u>	<u>\$ (9,967,003)</u>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2014, with comparatives for 2013**

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

	2014 Fiscal Plan	2014	2013
<b>Legislative and enforcement:</b>			
Revenue			
Property tax requirement (contribution)	\$ 3,425,409	\$ <b>3,279,406</b>	\$ 3,094,160
Fees, rates and sales of service	2,446,132	<b>2,025,124</b>	1,646,741
Investment income	5,000	<b>15,874</b>	19,206
Total operating revenue	<u>5,876,541</u>	<u><b>5,320,404</b></u>	<u>4,760,107</u>
Expenses			
Salaries, wages and benefits	3,159,798	<b>3,139,294</b>	3,137,414
Personnel expenses	159,495	<b>99,043</b>	115,914
Supplies and other expenses	1,189,062	<b>1,052,885</b>	902,276
Contractual services	392,409	<b>322,045</b>	226,317
Transfers from other functions	602,848	<b>580,739</b>	307,131
Transfers to other functions	(229,050)	<b>(229,050)</b>	(229,050)
Debt servicing costs	48,750	<b>48,728</b>	48,268
Amortization of tangible capital assets	219,502	<b>219,502</b>	222,459
Total operating expenses	<u>5,542,814</u>	<u><b>5,233,186</b></u>	<u>4,730,729</u>
Loss (gain) on disposal of tangible capital assets	<u>-</u>	<u><b>7,312</b></u>	<u>1,158</u>
Transfers of equity			
Transfer to (from) reserves	414,784	<b>100,370</b>	64,905
Transfer to (from) other funds	205,299	<b>273,204</b>	186,932
Transfer to (from) capital equity	(286,356)	<b>(293,668)</b>	(223,617)
Total transfers of equity	<u>\$ 333,727</u>	<u><b>\$ 79,906</b></u>	<u>\$ 28,220</u>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2014, with comparatives for 2013**

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

	2014 Fiscal Plan	2014	2013
<b>Parks, recreation and cultural services:</b>			
Revenue			
Property tax requirement (contribution)	\$ 20,498,742	\$ <b>20,287,412</b>	\$ 21,187,566
Fees, rates and sales of service	6,588,704	<b>6,896,933</b>	6,811,177
Government transfers	933,827	<b>685,889</b>	89,090
Investment income	20,000	-	10,981
Private contributions	73,254	<b>80,650</b>	124,183
Total operating revenue	<u>28,114,527</u>	<u><b>27,950,884</b></u>	<u>28,222,997</u>
Expenses			
Salaries, wages and benefits	13,198,000	<b>13,083,325</b>	12,932,345
Personnel expenses	164,205	<b>118,049</b>	127,270
Supplies and other expenses	9,589,361	<b>9,393,003</b>	7,094,039
Contractual services	3,505,857	<b>3,502,793</b>	3,595,328
Transfers from other functions	3,629,631	<b>3,716,701</b>	3,314,064
Transfers to other functions	(728,532)	<b>(715,899)</b>	(721,398)
Cost allocated to capital	(140,058)	<b>(140,058)</b>	(130,200)
Debt servicing costs	1,940,935	<b>1,907,209</b>	1,921,758
Amortization of tangible capital assets	6,226,912	<b>6,226,912</b>	5,706,442
Total operating expenses	<u>37,386,311</u>	<u><b>37,092,035</b></u>	<u>33,839,648</u>
Loss (gain) on disposal of tangible capital assets	<u>-</u>	<u><b>677,051</b></u>	<u>11,028</u>
Transfers of equity			
Transfer to (from) reserves	(87,383)	<b>43,250</b>	(110,209)
Transfer to (from) other funds	200,000	<b>200,000</b>	200,000
Transfer to (from) capital equity	(9,384,401)	<b>(10,061,452)</b>	(5,717,470)
Total transfers of equity	<u>\$ (9,271,784)</u>	<u><b>\$ (9,818,202)</b></u>	<u>\$ (5,627,679)</u>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2014, with comparatives for 2013**

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

	2014 Fiscal Plan	2014	2013
<b>Police services:</b>			
Revenue			
Property tax requirement (contribution)	\$ 21,127,040	\$ <b>20,675,813</b>	\$ 19,787,320
Fees, rates and sales of service	145,000	<b>169,150</b>	142,699
Government transfers	3,076,743	<b>2,964,439</b>	2,892,043
Total operating revenue	<u>24,348,783</u>	<u><b>23,809,402</b></u>	<u>22,822,062</u>
Expenses			
Salaries, wages and benefits	3,971,119	<b>3,649,715</b>	3,606,587
Personnel expenses	76,750	<b>66,010</b>	45,139
Supplies and other expenses	93,327	<b>84,005</b>	54,921
Contractual services	21,147,569	<b>19,517,400</b>	18,254,104
Transfers from other functions	103,611	<b>95,639</b>	101,556
Amortization of tangible capital assets	62,624	<b>62,624</b>	66,048
Total operating expenses	<u>25,455,000</u>	<u><b>23,475,393</b></u>	<u>22,128,355</u>
Loss (gain) on disposal of tangible capital assets	<u>-</u>	<u><b>414</b></u>	<u>0</u>
Transfers of equity			
Transfer to (from) reserves	(1,079,864)	<b>360,362</b>	699,755
Transfer to (from) other funds	60,000	<b>60,000</b>	60,000
Transfer to (from) capital equity	(86,353)	<b>(86,767)</b>	(66,048)
Total transfers of equity	<u>\$ (1,106,217)</u>	<u><b>\$ 333,595</b></u>	<u>\$ 693,707</u>



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2014, with comparatives for 2013**

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

	2014 Fiscal Plan	2014	2013
<b>Public transit:</b>			
Revenue			
Property tax requirement (contribution)	\$ 4,818,604	\$ <b>4,788,543</b>	\$ 4,492,830
Fees, rates and sales of service	4,519,019	<b>4,390,407</b>	4,390,212
Government transfers	6,683,833	<b>6,707,375</b>	6,277,390
Total operating revenue	<u>16,021,456</u>	<u><b>15,886,325</b></u>	<u>15,160,432</u>
Expenses			
Salaries, wages and benefits	126,475	<b>65,695</b>	111,336
Personnel expenses	3,000	<b>1,334</b>	1,666
Supplies and other expenses	14,580	<b>11,969</b>	2,021
Contractual services	15,692,199	<b>15,629,621</b>	14,834,932
Transfers from other functions	196,782	<b>189,286</b>	210,477
Amortization of tangible capital assets	(4,691)	<b>(4,691)</b>	20,979
Total operating expenses	<u>16,028,345</u>	<u><b>15,893,214</b></u>	<u>15,181,411</u>
Loss (gain) on disposal of tangible capital assets	<u>-</u>	<u><b>0</b></u>	<u>0</u>
Transfers of equity			
Transfer to (from) capital equity	(6,889)	<b>(6,889)</b>	(20,979)
Total transfers of equity	<u>\$ (6,889)</u>	<u><b>\$ (6,889)</b></u>	<u>\$ (20,979)</u>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2014, with comparatives for 2013**

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

	2014 Fiscal Plan	2014	2013
<b>Solid waste:</b>			
Revenue			
Property tax requirement (contribution)	\$ 884,235	\$ <b>884,863</b>	\$ 839,349
Fees, rates and sales of service	<u>7,114,500</u>	<u><b>6,933,460</b></u>	<u>6,738,454</u>
Total operating revenue	<u><u>7,998,735</u></u>	<u><u><b>7,818,323</b></u></u>	<u><u>7,577,803</u></u>
Expenses			
Salaries, wages and benefits	2,035,971	<b>1,951,949</b>	1,909,563
Personnel expenses	9,960	<b>7,888</b>	2,535
Supplies and other expenses	616,606	<b>428,215</b>	462,504
Contractual services	2,705,000	<b>2,743,391</b>	2,624,618
Transfers from other functions	4,479,518	<b>4,349,985</b>	3,808,233
Transfers to other functions	(2,146,161)	<b>(2,040,599)</b>	(1,930,274)
Amortization of tangible capital assets	24,539	<b>24,539</b>	31,867
Total operating expenses	<u><u>7,725,433</u></u>	<u><u><b>7,465,368</b></u></u>	<u><u>6,909,046</u></u>
Loss (gain) on disposal of tangible capital assets	<u>-</u>	<u><b>290</b></u>	<u>0</u>
Transfers of equity			
Transfer to (from) reserves	304,116	<b>383,769</b>	700,624
Transfer to (from) other funds	-	-	-
Transfer to (from) capital equity	<u>(30,814)</u>	<u><b>(31,104)</b></u>	<u>(31,867)</u>
Total transfers of equity	<u><u>\$ 273,302</u></u>	<u><u><b>\$ 352,665</b></u></u>	<u><u>\$ 668,757</u></u>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2014, with comparatives for 2013**

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

	2014 Fiscal Plan	2014	2013
<b>Water utility:</b>			
Revenue			
Fees, rates and sales of service	\$ 10,857,627	\$ 13,418,183	\$ 15,611,844
Investment income	99,000	23,515	244,585
Total operating revenue	<u>10,956,627</u>	<u>13,441,698</u>	<u>15,856,429</u>
Expenses			
Salaries, wages and benefits	3,372,577	3,348,325	3,402,277
Personnel expenses	51,501	37,643	53,134
Supplies and other expenses	3,579,393	3,757,542	4,464,253
Contractual services	1,054,852	1,063,632	916,800
Transfers from other functions	2,143,541	2,257,927	2,113,507
Transfers to other functions	(344,859)	(344,859)	(313,507)
Cost allocated to capital	(34,306)	-	-
Debt servicing costs	1,825,103	1,679,376	1,826,163
Amortization of tangible capital assets	4,511,565	4,511,565	4,098,824
Total operating expenses	<u>16,159,367</u>	<u>16,311,151</u>	<u>16,561,451</u>
Loss (gain) on disposal of tangible capital assets	<u>-</u>	<u>311,751</u>	<u>141,360</u>
Transfers of equity			
Transfer to (from) reserves	(600,652)	1,690,949	2,375,253
Transfer to (from) other funds	817,872	859,558	1,018,549
Transfer to (from) capital equity	(5,419,960)	(5,731,711)	(4,240,184)
Total transfers of equity	<u>\$ (5,202,740)</u>	<u>\$ (3,181,204)</u>	<u>\$ (846,382)</u>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2014, with comparatives for 2013**

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

	2014 Fiscal Plan	2014	2013
<b>Sewer utility:</b>			
Revenue			
Fees, rates and sales of service	\$ 6,843,229	\$ 7,698,150	\$ 8,163,085
Investment income	105,000	(146,925)	123,012
Total operating revenue	<u>6,948,229</u>	<u>7,551,225</u>	<u>8,286,097</u>
Expenses			
Salaries, wages and benefits	2,413,754	1,754,427	1,565,837
Personnel expenses	49,051	39,088	51,139
Supplies and other expenses	2,632,061	2,237,241	2,030,228
Contractual services	829,180	555,812	552,119
Transfers from other functions	1,363,657	1,418,913	1,303,030
Transfers to other functions	(64,514)	(64,514)	(58,648)
Cost allocated to capital	(34,304)	-	-
Debt servicing costs	245,465	257,258	240,699
Amortization of tangible capital assets	1,310,657	1,310,657	1,102,643
Total operating expenses	<u>8,745,007</u>	<u>7,508,882</u>	<u>6,787,047</u>
Loss (gain) on disposal of tangible capital assets	<u>-</u>	<u>42,002</u>	<u>62,935</u>
Transfers of equity			
Transfer to (from) reserves	(50,000)	1,780,781	2,414,255
Transfer to (from) other funds	(776)	7,564	187,438
Transfer to (from) capital equity	(1,746,002)	(1,788,004)	(1,165,578)
Total transfers of equity	<u>\$ (1,796,778)</u>	<u>\$ 341</u>	<u>\$ 1,436,115</u>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2014, with comparatives for 2013**

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

	2014 Fiscal Plan	2014	2013
<b>Kamloops Airport Authority Society:</b>			
Revenue			
Fees, rates and sales of service	\$ 2,074,316	\$ 2,176,253	\$ 1,823,998
Government transfers	72,000	5,000	530,507
Investment income	65,000	106,622	75,237
Private contributions	-	-	97,648
Total operating revenue	<u>2,211,316</u>	<u>2,287,875</u>	<u>2,527,390</u>
Expenses			
Contractual services	75,500	48,359	385,586
Debt servicing costs	361,811	357,021	358,096
Amortization of tangible capital assets	1,653,783	1,631,288	1,642,777
Total operating expenses	<u>2,091,094</u>	<u>2,036,668</u>	<u>2,386,459</u>
Loss (gain) on disposal of tangible capital assets	<u>-</u>	<u>-</u>	<u>-</u>
Transfers of equity			
Transfer to (from) reserves	120,222	767,721	322,033
Transfer to (from) other funds	-	-	-
Transfer to (from) capital equity	-	(516,514)	(181,102)
Total transfers of equity	<u>\$ 120,222</u>	<u>\$ 251,207</u>	<u>\$ 140,931</u>
<b>Venture Kamloops Business Development Society:</b>			
Revenue			
Fees, rates and sales of service	\$ -	\$ 3,395	\$ 1,400
Government transfers	5,000	8,893	6,618
Investment income	3,000	15	2,347
Total operating revenue	<u>8,000</u>	<u>12,303</u>	<u>10,365</u>
Expenses			
Supplies and other expenses	626,305	618,722	705,997
Amortization of tangible capital assets	10,340	10,340	13,330
Total operating expenses	<u>636,645</u>	<u>629,062</u>	<u>719,327</u>
Transfers of equity			
Transfer to (from) reserves	(14,113)	(2,230)	(103,859)
Transfer to (from) other funds	(604,192)	(604,189)	(591,773)
Transfer to (from) capital equity	(10,340)	(10,340)	(13,330)
Total transfers of equity	<u>\$ (628,645)</u>	<u>\$ (616,759)</u>	<u>\$ (708,962)</u>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2014, with comparatives for 2013**

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

	2014 Fiscal Plan	2014	2013
<b>Non-operating activities:</b>			
Revenue			
Property tax requirement (contribution)	\$ 10,970,508	\$ <b>8,925,783</b>	\$ 2,499,094
Development levies utilized	9,163,067	<b>4,290,421</b>	8,508,939
Fees, rates and sales of service	9,865,456	<b>5,368,831</b>	3,212,792
Government transfers	3,320,406	<b>2,514,942</b>	10,358,298
Investment income	1,964,076	<b>1,964,076</b>	1,668,493
Private contributions	1,480,118	<b>17,723,560</b>	5,903,685
Total operating revenue	<u>36,763,631</u>	<u><b>40,787,613</b></u>	<u>32,151,301</u>
Transfers of equity			
Transfer to (from) reserves	(33,033,315)	<b>(23,515,405)</b>	(10,545,464)
Transfer to (from) current funds	(10,421,079)	<b>(469,864)</b>	(5,036,039)
Transfer to capital equity	80,218,023	<b>64,772,882</b>	47,760,965
Total transfers of equity	<u>\$ 36,763,629</u>	<u><b>\$ 40,787,613</b></u>	<u>\$ 32,179,462</u>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2014, with comparatives for 2013**

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

	2014 Fiscal Plan	2014	2013
<b>Total revenue by segment:</b>			
Property tax requirement (contribution)	\$ 97,392,792	\$ <b>97,394,963</b>	\$ 95,216,313
Development levies utilized	9,163,067	<b>4,290,421</b>	8,508,939
Fees, rates and sales of service	57,343,250	<b>56,343,806</b>	55,618,535
Government transfers	20,020,699	<b>19,020,044</b>	22,925,297
2013 community works deferred revenue	-	<b>3,347,676</b>	-
Investment income	4,439,076	<b>4,524,962</b>	4,557,052
Private contributions	1,568,372	<b>17,819,210</b>	6,033,633
Total revenue	<u>189,927,256</u>	<u><b>202,741,082</b></u>	<u>192,859,769</u>
<b>Total expenses by segment:</b>			
Salaries, wages and benefits	67,054,962	<b>64,897,614</b>	61,880,553
Personnel expenses	1,291,038	<b>1,035,976</b>	989,504
Supplies and other expenses	31,010,669	<b>27,764,836</b>	26,175,431
Contractual services	50,792,233	<b>48,859,602</b>	46,701,764
Transfers from other functions	16,701,901	<b>16,659,783</b>	15,726,846
Transfers to other functions	(16,701,901)	<b>(17,185,815)</b>	(16,542,846)
Cost allocated to capital	(3,785,389)	<b>(2,214,948)</b>	(2,360,596)
Debt servicing costs	5,384,293	<b>5,120,161</b>	5,355,554
Amortization of tangible capital assets	26,783,874	<b>26,761,379</b>	25,466,555
Loss (gain) on disposal of tangible capital assets	(125,000)	<b>1,674,524</b>	268,213
Total operating expenses	<u>178,406,680</u>	<u><b>173,373,112</b></u>	<u>163,660,978</u>
<b>Total transfers of equity by segment:</b>			
Transfer to (from) reserves	(25,821,355)	<b>2,007,899</b>	12,093,181
Transfer to (from) current funds	(10,421,079)	<b>(469,864)</b>	(5,036,039)
Transfer to (from) capital equity	47,763,008	<b>27,829,935</b>	22,141,649
	<u>\$ 11,520,574</u>	<u><b>\$ 29,367,970</b></u>	<u>\$ 29,198,791</u>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2014, with comparatives for 2013**

**14 . Taxation:**

	2014 Fiscal Plan	2014	2013
<b>General fund:</b>			
Real property	\$ 93,041,860	\$ <b>92,950,908</b>	\$ 89,943,289
Special assessments	739,088	<b>785,438</b>	1,000,699
Utilities	1,404,351	<b>1,404,351</b>	1,432,029
Government transfers in lieu of taxes	<u>2,207,492</u>	<b><u>2,254,266</u></b>	<u>2,840,296</u>
	<u>97,392,791</u>	<b><u>97,394,963</u></b>	<u>95,216,313</u>
<b>Collections for other taxing authorities:</b>			
Province of British Columbia - school taxes	38,948,726	<b>39,438,697</b>	38,906,792
Thompson-Nicola Regional Hospital District	6,130,003	<b>7,518,214</b>	6,123,075
Thompson-Nicola Regional District	5,863,016	<b>5,988,543</b>	5,856,389
British Columbia Assessment Authority	<u>1,068,887</u>	<b><u>1,083,293</u></b>	<u>1,067,511</u>
	52,010,632	<b>54,028,747</b>	51,953,767
Payments to other taxing authorities	<u>(52,010,632)</u>	<b><u>(54,028,747)</u></b>	<u>(51,953,767)</u>
	<u>\$ 97,392,791</u>	<b><u>\$ 97,394,963</u></b>	<u>\$ 95,216,313</u>



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2014, with comparatives for 2013**

**15 . Government transfers:**

	2014 Fiscal Plan	2014	2013
<b>General fund:</b>			
Federal Government:			
Policing	\$ 2,081,562	\$ 1,948,005	\$ 1,849,947
Community Works Fund	3,290,094	3,547,334	3,849,248
2013 Community Works Fund	-	3,347,676	-
Provincial Government:			
Transit	6,683,833	6,707,375	6,277,390
Gaming revenue	2,400,000	2,346,996	2,479,461
Victims assistance	71,280	76,563	141,162
Traffic Fines	753,901	753,278	750,427
Capital infrastructure	442,000	381,395	131,066
Other	1,342,623	1,111,658	466,440
	<u>17,065,293</u>	<u>20,220,280</u>	<u>15,945,141</u>
<b>Water fund:</b>			
Federal Government:			
Community Works Fund	-	-	-
<b>Sewer fund:</b>			
Provincial Government:			
Capital infrastructure	<u>2,878,406</u>	<u>2,133,547</u>	<u>6,443,031</u>
<b>Kamloops Airport Authority Society:</b>			
Federal Government:			
Capital infrastructure	<u>72,000</u>	<u>5,000</u>	<u>530,507</u>
<b>Venture Kamloops Business Development Society:</b>			
Provincial Government:			
Other	<u>5,000</u>	<u>8,893</u>	<u>6,618</u>
	<u>\$ 20,020,699</u>	<u>\$ 22,367,720</u>	<u>\$ 22,925,297</u>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2014, with comparatives for 2013

### 16 . 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 182,000 active members and approximately 75,000 retired members. Active members include approximately 36,000 contributors from local governments.

The most recent actuarial valuation as at December 31, 2012 indicated a \$1,370 million funding deficit for basic pension benefits. The next valuation will be as at December 31, 2015 with results available in 2016.

Employers participating in the Plan record their pension expense as the amount of employer contributions made during the year (defined contribution pension plan accounting). This is because the Plan records accrued liabilities and accrued assets for the Plan in aggregate with the result that there is no consistent and reliable basis for allocating the obligation, assets and cost to the individual employers participating in the Plan.

The City of Kamloops paid \$5,161,057 (2013 - \$4,738,442) for employer contributions while employees contributed \$4,444,330 (2013 - \$4,069,425) to the plan in fiscal 2014.

- (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, 2014, with comparatives for 2013

#### 16 . 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	2014 Total	2013 Total
General fund	\$ 897,462	\$ 2,131,309	\$ 3,028,771	\$ 2,974,727
Water utility fund	727,032	1,908,841	2,635,873	2,623,468
Sewer utility fund	238,156	654,450	892,606	388,737
Kamloops Airport Authority	112,779	326,119	438,898	430,627
	<u>\$ 1,975,429</u>	<u>\$ 5,020,719</u>	<u>\$ 6,996,148</u>	<u>\$ 6,417,559</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.

#### 17 . Trust funds:

The City operates the cemeteries and maintains a cemetery perpetual care fund in accordance with the *Cremation, Interment and Funeral Services Act*. In accordance with PSAB guidelines, the Cemetery Perpetual Care Trust Fund is excluded from the City's consolidated financial statements.

	2014	2013
<b>Financial Assets</b>		
Cash and short-term investments	\$ 1,683,178	\$ 1,611,948
Accounts receivable	11,175	9,372
	<u>1,694,353</u>	<u>1,621,320</u>
<b>Accumulated surplus</b>		
Balance, beginning of the year	1,621,320	1,535,093
Care fund contributions	73,033	86,227
Interest Earned	39,132	61,157
Contribution to cemetery operations	<u>(39,132)</u>	<u>(61,157)</u>
Balance, end of the year	<u>\$ 1,694,353</u>	<u>\$ 1,621,320</u>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### YEAR ENDED DECEMBER 31, 2014, with comparatives for 2013

#### 18 . 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 expenses 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 and Kamloops Airport	Fiscal Plan
<b>Revenue</b>				
Taxation	\$ 97,392,790	\$ -	\$ -	\$ 97,392,790
Development levies utilized	9,163,067	-	-	9,163,067
Fees, rates and sales of service	55,268,934	-	2,074,316	57,343,250
Government transfers	19,943,699	-	77,000	20,020,699
Investment income	4,371,076	-	68,000	4,439,076
Private contributions	1,568,371	-	-	1,568,371
	<u>187,707,937</u>	<u>-</u>	<u>2,219,316</u>	<u>189,927,253</u>
<b>Expenses</b>				
Cemetery	487,754	244,625	-	732,379
Community development	4,824,598	1,386,441	-	6,211,039
Corporate administration	12,362,489	856,772	(573,689)	12,645,572
Environmental services	254,320	40,721	-	295,041
Fire services	17,364,952	142,351	-	17,507,303
Infrastructure maintenance	8,432,340	12,812,990	-	21,245,330
Legislative and enforcement	5,256,458	286,356	-	5,542,814
Parks, recreation and culture	28,001,910	9,384,401	-	37,386,311
Police services	25,368,647	86,353	-	25,455,000
Public transit	16,021,456	6,889	-	16,028,345
Solid waste	7,694,619	30,814	-	7,725,433
Water utility	10,739,407	5,419,960	-	16,159,367
Sewer utility	6,999,005	1,746,002	-	8,745,007
Kamloops Airport Authority	-	-	2,091,094	2,091,094
Venture Kamloops	-	-	636,645	636,645
	<u>143,807,955</u>	<u>32,444,675</u>	<u>2,154,050</u>	<u>178,406,680</u>
Annual surplus	43,899,982	(32,444,675)	65,266	11,520,573
Debt principle repayment	(7,983,266)	-	-	(7,983,266)
Debt acquired	26,183,685	-	-	26,183,685
Transfer (to) / from reserves	(25,821,355)	-	-	(25,821,355)
Transfer (to) / from current funds	(10,345,473)	-	(75,606)	(10,421,079)
Transfer (to) / from capital equity	(25,933,573)	32,444,675	10,340	6,521,442
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Schedule 1a - Tangible Capital Assets (2014)

	Original Cost as at December 31, 2013	Accumulated Amortization to December 31, 2013	Net Asset Value as at December 31, 2013	2014 Additions	2014 Disposals	Cost Adjustments	Accumulated Amortization on Disposals	2014 Amortization	Original Cost as at December 31, 2014	Accumulated Amortization to December 31, 2014	Net Asset Value as at December 31, 2014
<b>Cemetery</b>											
Site improvements	\$ 1,140,670	\$ (657,503)	\$ 483,167	\$ -	\$ (36,847)	\$ 82,858	\$ 18,424	\$ (120,959)	\$ 1,186,681	\$ (760,038)	\$ 426,643
Buildings	2,270,872	(1,088,781)	1,182,091	-	-	-	-	(39,786)	2,270,872	(1,128,567)	1,142,305
Equipment	106,574	(89,728)	16,846	4,487	-	-	-	(6,362)	111,061	(96,090)	14,971
Computing infrastructure	6,816	(4,925)	1,891	-	(1,078)	-	1,078	(940)	5,738	(4,787)	951
Work in progress	-	-	-	-	-	-	-	-	-	-	-
	3,524,932	(1,840,937)	1,683,995	4,487	(37,925)	82,858	19,502	(168,047)	3,574,352	(1,989,482)	1,584,870
<b>Community development</b>											
Land	77,049,849	-	77,049,849	7,208,608	(529,172)	-	-	-	83,729,285	-	83,729,285
Site improvements	688,109	(338,059)	350,050	-	-	(17,648)	-	(16,734)	670,461	(354,793)	315,668
Buildings	309,452	(167,273)	142,179	-	-	-	-	(8,565)	309,452	(175,838)	133,614
Transportation network	6,941	(3,142)	3,799	-	-	-	-	(138)	6,941	(3,280)	3,661
Equipment	267,952	(237,686)	30,266	6,429	-	-	-	(15,222)	274,381	(252,908)	21,473
Computing infrastructure	269,532	(173,074)	96,458	45,199	(64,276)	590	59,599	(63,934)	251,045	(177,409)	73,636
Work in progress	77,880	-	77,880	(77,880)	-	-	-	-	-	-	-
	78,669,715	(919,234)	77,750,481	7,182,356	(593,448)	(17,058)	59,599	(104,593)	85,241,565	(964,228)	84,277,337
<b>Corporate administration</b>											
Site improvements	47,022	(19,983)	27,039	-	-	2,670	-	(2,647)	49,692	(22,630)	27,062
Transportation network	372	(214)	158	-	-	-	-	(65)	372	(279)	93
Equipment	369,719	(165,601)	204,118	20,770	-	-	-	(34,835)	390,489	(200,436)	190,053
Computing infrastructure	5,718,794	(4,693,179)	1,025,615	270,588	(205,254)	-	189,737	(397,674)	5,784,128	(4,901,116)	883,012
Communication network	52,084	(1,302)	50,782	-	-	-	-	(2,604)	52,084	(3,906)	48,178
Work in progress	2,540,686	-	2,540,686	279,131	-	-	-	-	2,819,817	-	2,819,817
	8,728,677	(4,880,279)	3,848,398	570,489	(205,254)	2,670	189,737	(437,825)	9,096,582	(5,128,367)	3,968,215
<b>Environmental services</b>											
Site improvements	42,622	(17,924)	24,698	-	(9,556)	263,161	2,229	(35,344)	296,227	(51,039)	245,188
Computing infrastructure	46,886	(31,247)	15,639	10,210	(7,891)	(1,201)	7,601	(5,377)	48,004	(29,023)	18,981
	89,508	(49,171)	40,337	10,210	(17,447)	261,960	9,830	(40,721)	344,231	(80,062)	264,169
<b>Fire services</b>											
Site improvements	61,216	(21,768)	39,448	-	-	-	-	(2,235)	61,216	(24,003)	37,213
Buildings	379,048	(144,894)	234,154	203,228	-	-	-	(15,714)	582,276	(160,608)	421,668
Transportation network	177,563	(9,942)	167,621	-	-	-	-	(6,628)	177,563	(16,570)	160,993
Equipment	1,703,535	(1,306,687)	396,848	141,543	-	-	-	(116,215)	1,845,078	(1,422,902)	422,176
Computing infrastructure	181,730	(118,058)	63,672	13,814	(56,159)	-	48,478	(26,289)	139,385	(95,869)	43,516
Work in progress	1,915,708	-	1,915,708	(1,348,639)	-	-	-	-	567,069	-	567,069
	4,418,800	(1,601,349)	2,817,451	(990,054)	(56,159)	-	48,478	(167,081)	3,372,587	(1,719,952)	1,652,635

Schedule 1a - Tangible Capital Assets (2014)

	Original Cost as at December 31, 2013	Accumulated Amortization to December 31, 2013	Net Asset Value as at December 31, 2013	2014 Additions	2014 Disposals	Cost Adjustments	Accumulated Amortization on Disposals	2014 Amortization	Original Cost as at December 31, 2014	Accumulated Amortization to December 31, 2014	Net Asset Value as at December 31, 2014
<b>Infrastructure maintenance</b>											
Land under roads	419,482,990	-	419,482,990	9,610,461	(1,610,079)	-	-	-	427,483,372	-	427,483,372
Site improvements	9,172,006	(3,058,939)	6,113,067	601,562	(86,354)	(352,335)	41,686	(313,037)	9,334,879	(3,330,290)	6,004,589
Buildings	33,972,457	(13,524,966)	20,447,491	-	(52,283)	-	49,748	(888,136)	33,920,174	(14,363,354)	19,556,820
Transportation network	224,969,396	(99,685,802)	125,283,594	12,353,999	(532,294)	(267,374)	290,984	(5,388,616)	236,523,727	(104,783,434)	131,740,293
Drainage network	72,543,323	(29,021,620)	43,521,703	2,453,639	(271,659)	1,383,407	103,801	(1,863,743)	76,108,710	(30,781,562)	45,327,148
Equipment	38,563,136	(22,035,157)	16,527,979	4,694,218	(1,679,750)	-	1,399,750	(3,239,841)	41,577,604	(23,875,248)	17,702,356
Computing infrastructure	367,242	(261,180)	106,062	25,773	(58,584)	-	55,524	(46,145)	334,431	(251,801)	82,630
Communication network	1,720,390	(527,037)	1,193,353	62,157	-	156,156	(1)	(110,858)	1,938,703	(637,896)	1,300,807
Work in progress	7,926,937	-	7,926,937	(1,412,823)	-	-	-	-	6,514,114	-	6,514,114
	808,717,877	(168,114,701)	640,603,176	28,388,986	(4,291,003)	919,854	1,941,492	(11,850,376)	833,735,714	(178,023,585)	655,712,129
<b>Legislative and enforcement</b>											
Buildings	2,286,613	(1,145,694)	1,140,919	-	-	-	-	(45,733)	2,286,613	(1,191,427)	1,095,186
Equipment	1,606,571	(1,231,199)	375,372	-	-	-	-	(152,714)	1,606,571	(1,383,913)	222,658
Computing infrastructure	134,143	(78,579)	55,564	11,623	(33,373)	(590)	26,061	(21,055)	111,803	(73,573)	38,230
	4,027,327	(2,455,472)	1,571,855	11,623	(33,373)	(590)	26,061	(219,502)	4,004,987	(2,648,913)	1,356,074
<b>Parks, recreation and cultural services</b>											
Site improvements	51,795,254	(29,207,274)	22,587,980	966,677	(1,116,480)	1,162,008	512,205	(2,772,331)	52,807,459	(31,467,400)	21,340,059
Buildings	84,922,724	(44,054,534)	40,868,190	2,838,649	(473,882)	(60,000)	411,722	(2,255,749)	87,227,491	(45,898,561)	41,328,930
Transportation network	12,770,789	(5,961,831)	6,808,958	-	1,340	(169,507)	(1,341)	(216,050)	12,602,622	(6,179,222)	6,423,400
Water network	7,851,878	(4,936,396)	2,915,482	246,404	-	-	-	(414,703)	8,098,282	(5,351,099)	2,747,183
Equipment	8,300,157	(6,794,375)	1,505,782	468,100	-	-	-	(527,414)	8,768,257	(7,321,789)	1,446,468
Computing infrastructure	304,116	(207,403)	96,713	25,274	(94,385)	2,402	83,770	(40,665)	237,407	(164,298)	73,109
Work in progress	2,091,636	-	2,091,636	1,437,729	-	-	-	-	3,529,365	-	3,529,365
	168,036,554	(91,161,813)	76,874,741	5,982,833	(1,683,407)	934,903	1,006,356	(6,226,912)	173,270,883	(96,382,369)	76,888,514
<b>Police services</b>											
Site improvements	-	-	-	6,840	-	-	-	(228)	6,840	(228)	6,612
Buildings	257,328	(8,578)	248,750	531,561	-	-	-	(26,458)	788,889	(35,036)	753,853
Equipment	589,180	(476,807)	112,373	8,248	-	-	-	(35,714)	597,428	(512,521)	84,907
Computing infrastructure	2,984	(2,466)	518	1,195	(2,984)	-	2,570	(224)	1,195	(120)	1,075
Work in progress	14,307	-	14,307	(14,307)	-	-	-	-	-	-	-
	863,799	(487,851)	375,948	533,537	(2,984)	-	2,570	(62,624)	1,394,352	(547,905)	846,447
<b>Public Transit</b>											
Site improvements	167,411	(41,622)	125,789	5,000	-	(53,046)	-	(944)	119,365	(42,566)	76,799
Buildings	71,667	(10,747)	60,920	-	-	-	-	(1,433)	71,667	(12,180)	59,487
Transportation network	153,700	(52,042)	101,658	-	-	(63,538)	-	7,068	90,162	(44,974)	45,188
	392,778	(104,411)	288,367	5,000	-	(116,584)	-	4,691	281,194	(99,720)	181,474

Schedule 1a - Tangible Capital Assets (2014)

	Original Cost as at December 31, 2013	Accumulated Amortization to December 31, 2013	Net Asset Value as at December 31, 2013	2014 Additions	2014 Disposals	Cost Adjustments	Accumulated Amortization on Disposals	2014 Amortization	Original Cost as at December 31, 2014	Accumulated Amortization to December 31, 2014	Net Asset Value as at December 31, 2014
<b>Solid waste</b>											
Site improvements	232,877	(87,421)	145,456	-	-	(83,381)	-	1,559	149,496	(85,862)	63,634
Buildings	408,626	(137,850)	270,776	-	-	-	-	(14,890)	408,626	(152,740)	255,886
Equipment	75,590	(10,687)	64,903	34,137	-	-	-	(9,266)	109,727	(19,953)	89,774
Computing infrastructure	22,465	(15,736)	6,729	-	(5,660)	-	5,370	(1,942)	16,805	(12,308)	4,497
Work in progress	994,869	-	994,869	1,113,801	-	-	-	-	2,108,670	-	2,108,670
	1,734,427	(251,694)	1,482,733	1,147,938	(5,660)	(83,381)	5,370	(24,539)	2,793,324	(270,863)	2,522,461
<b>Water utility</b>											
Site improvements	764,786	(518,144)	246,642	67,000	-	121,496	-	(37,635)	953,282	(555,779)	397,503
Buildings	27,827,502	(6,845,829)	20,981,673	201,766	(10,856)	-	10,569	(1,255,594)	28,018,412	(8,090,854)	19,927,558
Transportation network	82,699	(35,569)	47,130	265,000	-	(3,703)	-	(4,545)	343,996	(40,114)	303,882
Water network	149,994,256	(47,069,320)	102,924,936	7,414,794	(573,095)	(2,972,389)	261,631	(3,130,067)	153,863,566	(49,937,756)	103,925,810
Equipment	823,422	(495,552)	327,870	14,472	-	-	-	(60,490)	837,894	(556,042)	281,852
Computing infrastructure	100,573	(33,271)	67,302	11,396	(3,234)	(1,201)	3,234	(23,234)	107,534	(53,271)	54,263
Work in progress	2,779,461	-	2,779,461	(2,428,726)	-	-	-	-	350,735	-	350,735
	182,372,699	(54,997,685)	127,375,014	5,545,702	(587,185)	(2,855,797)	275,434	(4,511,565)	184,475,419	(59,233,816)	125,241,603
<b>Sewer utility</b>											
Site improvements	143,086	(115,435)	27,651	3,060	-	-	-	(2,888)	146,146	(118,323)	27,823
Buildings	3,383,721	(1,398,267)	1,985,454	219,596	(7,507)	-	7,507	(119,436)	3,595,810	(1,510,196)	2,085,614
Sanitary network	61,087,960	(22,162,091)	38,925,869	3,439,918	(123,959)	871,165	81,957	(1,167,601)	65,275,084	(23,247,735)	42,027,349
Equipment	183,353	(42,583)	140,770	11,158	-	-	-	(19,295)	194,511	(61,878)	132,633
Computing infrastructure	12,408	(9,916)	2,492	1,195	(1,035)	-	1,035	(1,437)	12,568	(10,318)	2,250
Work in progress	40,250,657	-	40,250,657	6,652,889	-	-	-	-	46,903,546	-	46,903,546
	105,061,185	(23,728,292)	81,332,893	10,327,816	(132,501)	871,165	90,499	(1,310,657)	116,127,665	(24,948,450)	91,179,215
<b>Kamloops Airport Authority Society</b>											
Land	8,745,200	-	8,745,200	-	-	-	-	-	8,745,200	-	8,745,200
Buildings	21,097,327	(4,857,389)	16,239,938	558,034	-	-	-	(534,684)	21,655,361	(5,392,073)	16,263,288
Transportation network	37,576,818	(12,769,818)	24,807,000	302,123	-	-	-	(785,889)	37,878,941	(13,555,707)	24,323,234
Drainage network	1,981,914	(284,233)	1,697,681	-	-	-	-	(50,930)	1,981,914	(335,163)	1,646,751
Sanitary network	543,400	(219,629)	323,771	-	-	-	-	(9,713)	543,400	(229,342)	314,058
Water network	4,987,814	(1,976,654)	3,011,160	-	-	-	-	(90,336)	4,987,814	(2,066,990)	2,920,824
Equipment	2,215,902	(1,009,308)	1,206,594	210,659	(3,000)	-	-	(152,035)	2,423,561	(1,161,343)	1,262,218
Computing infrastructure	99,786	(87,199)	12,587	17,198	-	-	-	(7,701)	116,984	(94,900)	22,084
	77,248,161	(21,204,230)	56,043,931	1,088,014	(3,000)	-	-	(1,631,288)	78,333,175	(22,835,518)	55,497,657

Schedule 1a - Tangible Capital Assets (2014)

	Original Cost as at December 31, 2013	Accumulated Amortization to December 31, 2013	Net Asset Value as at December 31, 2013	2014 Additions	2014 Disposals	Cost Adjustments	Accumulated Amortization on Disposals	2014 Amortization	Original Cost as at December 31, 2014	Accumulated Amortization to December 31, 2014	Net Asset Value as at December 31, 2014
<b>Venture Kamloops Business Development Society</b>											
Equipment	42,287	(28,381)	13,906	-	-	-	-	(5,564)	42,287	(33,945)	8,342
Computing infrastructure	36,691	(24,701)	11,990	-	-	-	-	(4,776)	36,691	(29,477)	7,214
	78,978	(53,082)	25,896	-	-	-	-	(10,340)	78,978	(63,422)	15,556
<b>Total tangible capital assets</b>	<b>\$ 1,443,965,417</b>	<b>\$ (371,850,201)</b>	<b>\$ 1,072,115,216</b>	<b>\$ 59,808,937</b>	<b>\$ (7,649,346)</b>	<b>\$ -</b>	<b>\$ 3,674,928</b>	<b>\$ (26,761,379)</b>	<b>\$ 1,496,125,008</b>	<b>\$ (394,936,652)</b>	<b>\$ 1,101,188,356</b>
<b>Summary by asset Group:</b>											
Land	\$ 85,795,049	\$ -	\$ 85,795,049	\$ 7,208,608	\$ (529,172)	\$ -	\$ -	\$ -	\$ 92,474,485	\$ -	\$ 92,474,485
Land under roads	419,482,990	-	419,482,990	9,610,461	(1,610,079)	-	-	-	427,483,372	-	427,483,372
Site improvements	64,255,059	(34,084,072)	30,170,987	1,650,139	(1,249,237)	1,125,783	574,544	(3,303,423)	65,781,744	(36,812,951)	28,968,793
Buildings	177,187,337	(73,384,802)	103,802,535	4,552,834	(544,528)	(60,000)	479,546	(5,206,178)	181,135,643	(78,111,434)	103,024,209
Transportation network	275,738,278	(118,518,360)	157,219,918	12,921,122	(530,954)	(504,122)	289,643	(6,394,863)	287,624,324	(124,623,580)	163,000,744
Drainage network	74,525,237	(29,305,853)	45,219,384	2,453,639	(271,659)	1,383,407	103,801	(1,914,673)	78,090,624	(31,116,725)	46,973,899
Sanitary network	61,631,360	(22,381,720)	39,249,640	3,439,918	(123,959)	871,165	81,957	(1,177,314)	65,818,484	(23,477,077)	42,341,407
Water network	162,833,948	(53,982,370)	108,851,578	7,661,198	(573,095)	(2,972,389)	261,631	(3,635,106)	166,949,662	(57,355,845)	109,593,817
Equipment	54,847,378	(33,923,751)	20,923,627	5,614,221	(1,682,750)	-	1,399,750	(4,374,967)	58,778,849	(36,898,968)	21,879,881
Computing infrastructure	7,304,166	(5,740,934)	1,563,232	433,465	(533,913)	-	484,057	(641,393)	7,203,718	(5,898,270)	1,305,448
Communication network	1,772,474	(528,339)	1,244,135	62,157	-	156,156	(1)	(113,462)	1,990,787	(641,802)	1,348,985
Work in progress	58,592,141	-	58,592,141	4,201,175	-	-	-	-	62,793,316	-	62,793,316
	<b>\$ 1,443,965,417</b>	<b>\$ (371,850,201)</b>	<b>\$ 1,072,115,216</b>	<b>\$ 59,808,937</b>	<b>\$ (7,649,346)</b>	<b>\$ -</b>	<b>\$ 3,674,928</b>	<b>\$ (26,761,379)</b>	<b>\$ 1,496,125,008</b>	<b>\$ (394,936,652)</b>	<b>\$ 1,101,188,356</b>



Schedule 1b - Tangible Capital Assets (2013)

	Original Cost as at December 31, 2012	Accumulated Amortization to December 31, 2012	Net Asset Value as at December 31, 2012	2013 Additions	2013 Disposals	Cost Adjustments	Accumulated Amortization on Disposals	2013 Amortization	Original Cost as at December 31, 2013	Accumulated Amortization to December 31, 2013	Net Asset Value as at December 31, 2013
<b>Cemetery</b>											
Site improvements	\$ 1,140,670	\$ (607,353)	\$ 533,317	\$ -	\$ -	\$ -	\$ -	\$ (50,150)	\$ 1,140,670	\$ (657,503)	\$ 483,167
Buildings	2,270,872	(1,041,087)	1,229,785	-	-	-	-	(47,694)	2,270,872	(1,088,781)	1,182,091
Equipment	103,578	(79,270)	24,308	2,996	-	-	-	(10,458)	106,574	(89,728)	16,846
Computing infrastructure	6,816	(3,879)	2,937	-	-	-	-	(1,046)	6,816	(4,925)	1,891
Work in progress	8,382	-	8,382	(8,382)	-	-	-	-	-	-	-
	<u>3,530,318</u>	<u>(1,731,589)</u>	<u>1,798,729</u>	<u>(5,386)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(109,348)</u>	<u>3,524,932</u>	<u>(1,840,937)</u>	<u>1,683,995</u>
<b>Community development</b>											
Land	76,347,705	-	76,347,705	1,557,426	(855,282)	-	-	-	77,049,849	-	77,049,849
Site improvements	688,109	(319,305)	368,804	-	-	-	-	(18,754)	688,109	(338,059)	350,050
Buildings	309,452	(158,691)	150,761	-	-	-	-	(8,582)	309,452	(167,273)	142,179
Transportation network	6,941	(3,004)	3,937	-	-	-	-	(138)	6,941	(3,142)	3,799
Equipment	265,221	(211,028)	54,193	2,731	-	-	-	(26,658)	267,952	(237,686)	30,266
Computing infrastructure	270,759	(130,223)	140,536	1,425	(2,652)	-	1,108	(43,959)	269,532	(173,074)	96,458
Work in progress	-	-	-	77,880	-	-	-	-	77,880	-	77,880
	<u>77,888,187</u>	<u>(822,251)</u>	<u>77,065,936</u>	<u>1,639,462</u>	<u>(857,934)</u>	<u>-</u>	<u>1,108</u>	<u>(98,091)</u>	<u>78,669,715</u>	<u>(919,234)</u>	<u>77,750,481</u>
<b>Corporate administration</b>											
Site improvements	47,022	(17,632)	29,390	-	-	-	-	(2,351)	47,022	(19,983)	27,039
Transportation network	372	(210)	162	-	-	-	-	(4)	372	(214)	158
Equipment	334,626	(130,384)	204,242	35,093	-	-	-	(35,217)	369,719	(165,601)	204,118
Computing infrastructure	5,322,387	(4,361,521)	960,866	400,965	(4,558)	-	1,749	(333,407)	5,718,794	(4,693,179)	1,025,615
Communication network	-	-	-	52,084	-	-	-	(1,302)	52,084	(1,302)	50,782
Work in progress	2,066,468	-	2,066,468	474,218	-	-	-	-	2,540,686	-	2,540,686
	<u>7,770,875</u>	<u>(4,509,747)</u>	<u>3,261,128</u>	<u>962,360</u>	<u>(4,558)</u>	<u>-</u>	<u>1,749</u>	<u>(372,281)</u>	<u>8,728,677</u>	<u>(4,880,279)</u>	<u>3,848,398</u>
<b>Environmental services</b>											
Site improvements	42,622	(15,669)	26,953	-	-	-	-	(2,255)	42,622	(17,924)	24,698
Computing infrastructure	42,458	(25,800)	16,658	4,428	-	-	-	(5,447)	46,886	(31,247)	15,639
	<u>85,080</u>	<u>(41,469)</u>	<u>43,611</u>	<u>4,428</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(7,702)</u>	<u>89,508</u>	<u>(49,171)</u>	<u>40,337</u>
<b>Fire services</b>											
Site improvements	61,216	(19,533)	41,683	-	-	-	-	(2,235)	61,216	(21,768)	39,448
Buildings	379,048	(132,736)	246,312	-	-	-	-	(12,158)	379,048	(144,894)	234,154
Transportation network	177,563	(3,314)	174,249	-	-	-	-	(6,628)	177,563	(9,942)	167,621
Equipment	1,635,525	(1,137,341)	498,184	68,010	-	-	-	(169,346)	1,703,535	(1,306,687)	396,848
Computing infrastructure	174,363	(88,793)	85,570	7,367	-	-	-	(29,265)	181,730	(118,058)	63,672
Work in progress	1,947,942	-	1,947,942	(32,234)	-	-	-	-	1,915,708	-	1,915,708
	<u>4,375,657</u>	<u>(1,381,717)</u>	<u>2,993,940</u>	<u>43,143</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(219,632)</u>	<u>4,418,800</u>	<u>(1,601,349)</u>	<u>2,817,451</u>

Schedule 1b - Tangible Capital Assets (2013)

	Original Cost as at December 31, 2012	Accumulated Amortization to December 31, 2012	Net Asset Value as at December 31, 2012	2013 Additions	2013 Disposals	Cost Adjustments	Accumulated Amortization on Disposals	2013 Amortization	Original Cost as at December 31, 2013	Accumulated Amortization to December 31, 2013	Net Asset Value as at December 31, 2013
<b>Infrastructure maintenance</b>											
Land under roads	417,175,747	-	417,175,747	2,460,717	(153,474)	-	-	-	419,482,990	-	419,482,990
Site improvements	8,890,375	(2,798,543)	6,091,832	340,185	(58,554)	-	33,588	(293,984)	9,172,006	(3,058,939)	6,113,067
Buildings	33,902,570	(12,623,490)	21,279,080	69,887	-	-	-	(901,476)	33,972,457	(13,524,966)	20,447,491
Transportation network	220,060,634	(94,825,057)	125,235,577	5,694,654	(785,892)	-	605,507	(5,466,252)	224,969,396	(99,685,802)	125,283,594
Drainage network	71,867,498	(27,310,166)	44,557,332	997,267	(321,442)	-	239,383	(1,950,837)	72,543,323	(29,021,620)	43,521,703
Equipment	37,117,041	(21,937,716)	15,179,325	4,453,391	(3,007,296)	-	2,910,439	(3,007,880)	38,563,136	(22,035,157)	16,527,979
Computing infrastructure	361,391	(214,373)	147,018	7,297	(1,446)	-	867	(47,674)	367,242	(261,180)	106,062
Communication network	1,720,390	(441,008)	1,279,382	-	-	-	-	(86,029)	1,720,390	(527,037)	1,193,353
Work in progress	2,691,835	-	2,691,835	5,235,102	-	-	-	-	7,926,937	-	7,926,937
	793,787,481	(160,150,353)	633,637,128	19,258,500	(4,328,104)	-	3,789,784	(11,754,132)	808,717,877	(168,114,701)	640,603,176
<b>Legislative and enforcement</b>											
Buildings	2,286,613	(1,099,961)	1,186,652	-	-	-	-	(45,733)	2,286,613	(1,145,694)	1,140,919
Equipment	1,606,571	(1,072,251)	534,320	-	-	-	-	(158,948)	1,606,571	(1,231,199)	375,372
Computing infrastructure	115,773	(62,535)	53,238	21,262	(2,892)	-	1,734	(17,778)	134,143	(78,579)	55,564
	4,008,957	(2,234,747)	1,774,210	21,262	(2,892)	-	1,734	(222,459)	4,027,327	(2,455,472)	1,571,855
<b>Parks, recreation and cultural services</b>											
Site improvements	51,478,081	(27,164,250)	24,313,831	385,344	(68,171)	-	57,554	(2,100,578)	51,795,254	(29,207,274)	22,587,980
Buildings	83,999,027	(41,907,099)	42,091,928	923,697	-	-	-	(2,147,435)	84,922,724	(44,054,534)	40,868,190
Transportation network	12,775,006	(5,731,514)	7,043,492	-	(4,217)	-	4,219	(234,536)	12,770,789	(5,961,831)	6,808,958
Water network	7,634,190	(4,533,295)	3,100,895	217,688	-	-	-	(403,101)	7,851,878	(4,936,396)	2,915,482
Equipment	8,015,107	(6,013,401)	2,001,706	285,050	-	-	-	(780,974)	8,300,157	(6,794,375)	1,505,782
Computing infrastructure	305,002	(169,238)	135,764	1,180	(2,066)	-	1,653	(39,818)	304,116	(207,403)	96,713
Work in progress	1,094,845	-	1,094,845	996,791	-	-	-	-	2,091,636	-	2,091,636
	165,301,258	(85,518,797)	79,782,461	2,809,750	(74,454)	-	63,426	(5,706,442)	168,036,554	(91,161,813)	76,874,741
<b>Police services</b>											
Buildings	-	-	-	257,328	-	-	-	(8,578)	257,328	(8,578)	248,750
Equipment	554,214	(419,638)	134,576	34,966	-	-	-	(57,169)	589,180	(476,807)	112,373
Computing infrastructure	2,984	(2,165)	819	-	-	-	-	(301)	2,984	(2,466)	518
Work in progress	225,909	-	225,909	(211,602)	-	-	-	-	14,307	-	14,307
	783,107	(421,803)	361,304	80,692	-	-	-	(66,048)	863,799	(487,851)	375,948
<b>Public Transit</b>											
Site improvements	167,411	(30,009)	137,402	-	-	-	-	(11,613)	167,411	(41,622)	125,789
Buildings	71,667	(9,314)	62,353	-	-	-	-	(1,433)	71,667	(10,747)	60,920
Transportation network	153,700	(44,109)	109,591	-	-	-	-	(7,933)	153,700	(52,042)	101,658
Work in progress	2,013	-	2,013	(2,013)	-	-	-	-	-	-	-
	394,791	(83,432)	311,359	(2,013)	-	-	-	(20,979)	392,778	(104,411)	288,367

Schedule 1b - Tangible Capital Assets (2013)

	Original Cost as at December 31, 2012	Accumulated Amortization to December 31, 2012	Net Asset Value as at December 31, 2012	2013 Additions	2013 Disposals	Cost Adjustments	Accumulated Amortization on Disposals	2013 Amortization	Original Cost as at December 31, 2013	Accumulated Amortization to December 31, 2013	Net Asset Value as at December 31, 2013
<b>Solid waste</b>											
Site improvements	223,207	(80,081)	143,126	9,670	-	-	-	(7,340)	232,877	(87,421)	145,456
Buildings	408,626	(122,960)	285,666	-	-	-	-	(14,890)	408,626	(137,850)	270,776
Equipment	69,080	(3,454)	65,626	6,510	-	-	-	(7,233)	75,590	(10,687)	64,903
Computing infrastructure	22,465	(13,332)	9,133	-	-	-	-	(2,404)	22,465	(15,736)	6,729
Work in progress	1,042,371	-	1,042,371	(47,502)	-	-	-	-	994,869	-	994,869
	1,765,749	(219,827)	1,545,922	(31,322)	-	-	-	(31,867)	1,734,427	(251,694)	1,482,733
<b>Water utility</b>											
Site improvements	764,786	(499,103)	265,683	-	-	-	-	(19,041)	764,786	(518,144)	246,642
Buildings	20,478,442	(5,841,714)	14,636,728	7,349,060	-	-	-	(1,004,115)	27,827,502	(6,845,829)	20,981,673
Transportation network	82,699	(32,472)	50,227	-	-	-	-	(3,097)	82,699	(35,569)	47,130
Water network	145,721,084	(44,263,078)	101,458,006	4,587,490	(314,318)	-	173,919	(2,980,161)	149,994,256	(47,069,320)	102,924,936
Equipment	717,612	(418,931)	298,681	105,810	-	-	-	(76,621)	823,422	(495,552)	327,870
Computing infrastructure	68,087	(17,722)	50,365	33,687	(1,201)	-	240	(15,789)	100,573	(33,271)	67,302
Work in progress	7,641,208	-	7,641,208	(4,861,747)	-	-	-	-	2,779,461	-	2,779,461
	175,473,918	(51,073,020)	124,400,898	7,214,300	(315,519)	-	174,159	(4,098,824)	182,372,699	(54,997,685)	127,375,014
<b>Sewer utility</b>											
Site improvements	143,086	(112,980)	30,106	-	-	-	-	(2,455)	143,086	(115,435)	27,651
Buildings	2,776,863	(1,306,161)	1,470,702	606,858	-	-	-	(92,106)	3,383,721	(1,398,267)	1,985,454
Sanitary network	60,601,647	(21,222,161)	39,379,486	599,140	(112,827)	-	49,892	(989,822)	61,087,960	(22,162,091)	38,925,869
Equipment	145,406	(25,746)	119,660	37,947	-	-	-	(16,837)	183,353	(42,583)	140,770
Computing infrastructure	12,408	(8,493)	3,915	-	-	-	-	(1,423)	12,408	(9,916)	2,492
Work in progress	17,729,655	-	17,729,655	22,521,002	-	-	-	-	40,250,657	-	40,250,657
	81,409,065	(22,675,541)	58,733,524	23,764,947	(112,827)	-	49,892	(1,102,643)	105,061,185	(23,728,292)	81,332,893
<b>Kamloops Airport Authority Society</b>											
Land	8,745,200	-	8,745,200	-	-	-	-	-	8,745,200	-	8,745,200
Buildings	20,503,696	(4,322,215)	16,181,481	593,631	-	-	-	(535,174)	21,097,327	(4,857,389)	16,239,938
Transportation network	37,446,952	(11,970,327)	25,476,625	129,865	-	-	-	(799,491)	37,576,818	(12,769,818)	24,807,000
Drainage network	1,981,915	(231,727)	1,750,188	-	(1)	-	-	(52,506)	1,981,914	(284,233)	1,697,681
Sanitary network	543,400	(209,615)	333,785	-	-	-	-	(10,014)	543,400	(219,629)	323,771
Water network	4,890,600	(1,886,532)	3,004,068	97,214	-	-	-	(90,122)	4,987,814	(1,976,654)	3,011,160
Equipment	2,128,138	(858,868)	1,269,270	87,764	-	-	-	(150,440)	2,215,902	(1,009,308)	1,206,594
Computing infrastructure	94,765	(82,169)	12,596	5,021	-	-	-	(5,030)	99,786	(87,199)	12,587
	76,334,666	(19,561,453)	56,773,213	913,495	-	-	-	(1,642,777)	77,248,161	(21,204,230)	56,043,931

Schedule 1b - Tangible Capital Assets (2013)

	Original Cost as at December 31, 2012	Accumulated Amortization to December 31, 2012	Net Asset Value as at December 31, 2012	2013 Additions	2013 Disposals	Cost Adjustments	Accumulated Amortization on Disposals	2013 Amortization	Original Cost as at December 31, 2013	Accumulated Amortization to December 31, 2013	Net Asset Value as at December 31, 2013
<b>Venture Kamloops Business Development Society</b>											
Equipment	38,691	(22,817)	15,874	3,596	-	-	-	(5,564)	42,287	(28,381)	13,906
Computing infrastructure	31,835	(21,540)	10,295	9,461	(4,605)	-	4,605	(7,766)	36,691	(24,701)	11,990
	<u>70,526</u>	<u>(44,357)</u>	<u>26,169</u>	<u>13,057</u>	<u>(4,605)</u>	<u>-</u>	<u>4,605</u>	<u>(13,330)</u>	<u>78,978</u>	<u>(53,082)</u>	<u>25,896</u>
<b>Total tangible capital assets</b>	<b>\$ 1,392,979,635</b>	<b>\$ (350,470,103)</b>	<b>\$ 1,042,509,532</b>	<b>\$ 56,686,675</b>	<b>\$ (5,700,893)</b>	<b>\$ -</b>	<b>\$ 4,086,457</b>	<b>\$ (25,466,555)</b>	<b>\$ 1,443,965,417</b>	<b>\$ (371,850,201)</b>	<b>\$ 1,072,115,216</b>
<b>Summary by asset Group:</b>											
Land	\$ 85,092,905	\$ -	\$ 85,092,905	\$ 1,557,426	\$ (855,282)	\$ -	\$ -	\$ -	\$ 85,795,049	\$ -	\$ 85,795,049
Land under roads	417,175,747	-	417,175,747	2,460,717	(153,474)	-	-	-	419,482,990	-	419,482,990
Site improvements	63,646,585	(31,664,458)	31,982,127	735,199	(126,725)	-	91,142	(2,510,756)	64,255,059	(34,084,072)	30,170,987
Buildings	167,386,876	(68,565,428)	98,821,448	9,800,461	-	-	-	(4,819,374)	177,187,337	(73,384,802)	103,802,535
Transportation network	270,703,867	(112,610,007)	158,093,860	5,824,519	(790,108)	-	609,726	(6,518,079)	275,738,278	(118,518,360)	157,219,918
Drainage network	73,849,413	(27,541,893)	46,307,520	997,267	(321,443)	-	239,383	(2,003,343)	74,525,237	(29,305,853)	45,219,384
Sanitary network	61,145,047	(21,431,776)	39,713,271	599,140	(112,827)	-	49,892	(999,836)	61,631,360	(22,381,720)	39,249,640
Water network	158,245,874	(50,682,905)	107,562,969	4,902,392	(314,318)	-	173,919	(3,473,384)	162,833,948	(53,982,370)	108,851,578
Equipment	52,730,810	(32,330,845)	20,399,965	5,123,864	(3,007,296)	-	2,910,439	(4,503,345)	54,847,378	(33,923,751)	20,923,627
Computing infrastructure	6,831,493	(5,201,783)	1,629,710	492,093	(19,420)	-	11,956	(551,107)	7,304,166	(5,740,934)	1,563,232
Communication network	1,720,390	(441,008)	1,279,382	52,084	-	-	-	(87,331)	1,772,474	(528,339)	1,244,135
Work in progress	34,450,628	-	34,450,628	24,141,513	-	-	-	-	58,592,141	-	58,592,141
	<u>\$ 1,392,979,635</u>	<u>\$ (350,470,103)</u>	<u>\$ 1,042,509,532</u>	<u>\$ 56,686,675</u>	<u>\$ (5,700,893)</u>	<u>\$ -</u>	<u>\$ 4,086,457</u>	<u>\$ (25,466,555)</u>	<u>\$ 1,443,965,417</u>	<u>\$ (371,850,201)</u>	<u>\$ 1,072,115,216</u>



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## Independent Auditor's Comments on Supplementary Information

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To the Members of Council, inhabitants and ratepayers of the 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, 2014, 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 May 5, 2015. 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 consolidated 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 consolidated financial statements themselves.

*BDO Canada LLP*

Chartered Accountants

Kamloops, British Columbia  
May 5, 2015

**GENERAL FUND  
STATEMENT OF FINANCIAL POSITION  
YEAR ENDED DECEMBER 31, 2014, with comparatives for 2013**

	<u>2014</u>	<u>2013</u>
<b>Financial assets</b>		
Cash	\$ 11,915,865	\$ 12,407,918
Short-term investments	51,510,110	69,850,690
Due from Water Fund	6,602,797	3,889,745
Accounts receivable	12,361,607	11,188,127
Long-term investments	1,911,938	346,728
	<u>84,302,317</u>	<u>97,683,208</u>
<b>Liabilities</b>		
Accounts payable	20,410,798	24,818,477
Payroll benefits payable	3,823,761	3,497,829
Post-employment benefits payable	7,661,000	7,605,000
Landfill post-closure costs	2,388,073	2,378,272
Deferred revenue	18,069,522	20,629,150
Long-term debt	47,410,243	50,745,778
	<u>99,763,397</u>	<u>109,674,506</u>
<b>Net debt</b>	<u>(15,461,080)</u>	<u>(11,991,298)</u>
<b>Non-financial assets</b>		
Inventory	872,476	863,131
Prepaid expenses	1,489,878	779,116
Tangible capital assets	829,254,325	807,337,482
	<u>831,616,679</u>	<u>808,979,729</u>
<b>Accumulated surplus</b>	<u>\$ 816,155,599</u>	<u>\$ 796,988,431</u>

**GENERAL FUND**  
**STATEMENT OF OPERATIONS**  
**YEAR ENDED DECEMBER 31, 2014, with comparatives for 2013**

	2014 Fiscal Plan	2014	2013
<b>Revenue</b>			
Taxation	\$ 97,392,791	\$ <b>97,394,963</b>	\$ 95,216,313
Development levies utilized	3,693,496	<b>1,737,958</b>	2,494,374
Fees, rates and sales of service	27,702,622	<b>27,622,170</b>	26,834,776
Government transfers	17,065,293	<b>16,872,604</b>	15,945,141
2013 community works deferred revenue	-	<b>3,347,676</b>	-
Investment income	2,958,071	<b>3,332,729</b>	3,064,261
Private contributions	1,280,975	<b>15,263,916</b>	5,291,025
Transfers from other funds	-	<b>128,748</b>	-
	<u>150,093,248</u>	<u><b>165,700,764</b></u>	<u>148,845,890</u>
<b>Expenses</b>			
Cemetery	732,379	<b>764,424</b>	601,585
Community development	6,211,039	<b>5,906,696</b>	4,081,439
Corporate administration	12,645,572	<b>9,943,429</b>	10,072,952
Environmental services	295,041	<b>259,390</b>	220,129
Fire services	17,507,303	<b>17,259,224</b>	15,507,316
Infrastructure maintenance	21,245,330	<b>22,556,170</b>	23,717,603
Legislative and enforcement	5,542,814	<b>5,240,498</b>	4,731,887
Parks, recreation and cultural services	37,386,311	<b>37,769,086</b>	33,850,676
Police services	25,455,000	<b>23,475,807</b>	22,128,355
Public transit	16,028,345	<b>15,893,214</b>	15,181,411
Solid waste	7,725,433	<b>7,465,658</b>	6,909,046
Transfers to other funds	-	-	1,721,335
	<u>150,774,567</u>	<u><b>146,533,596</b></u>	<u>138,723,734</u>
Increase (decrease) in accumulated surplus	<u>\$ (681,319)</u>	<u><b>\$ 19,167,168</b></u>	<u>\$ 10,122,156</u>

**WATER FUND  
STATEMENT OF FINANCIAL POSITION  
YEAR ENDED DECEMBER 31, 2014, with comparatives for 2013**

	<u>2014</u>	<u>2013</u>
<b>Financial assets</b>		
Short-term investments	\$ -	\$ -
Accounts receivable	2,779,700	2,030,249
	<u>2,779,700</u>	<u>2,030,249</u>
<b>Liabilities</b>		
Due to General Fund	6,602,797	3,889,745
Payroll benefits payable	146,381	140,663
Long-term debt	20,871,715	24,713,250
	<u>27,620,893</u>	<u>28,743,658</u>
<b>Net debt</b>	<u>(24,841,193)</u>	<u>(26,713,409)</u>
<b>Non-financial assets</b>		
Inventory	286,906	249,624
Tangible capital assets	125,241,603	127,375,014
	<u>125,528,509</u>	<u>127,624,638</u>
<b>Accumulated surplus</b>	<u>\$ 100,687,316</u>	<u>\$ 100,911,229</u>



**WATER FUND**  
**STATEMENT OF OPERATIONS**  
**YEAR ENDED DECEMBER 31, 2014, with comparatives for 2013**

	2014 Fiscal Plan	2014	2013
<b>Revenue</b>			
Development levies utilized	\$ 276,718	\$ 52,635	\$ 125,236
Fees, rates and sales of service	17,575,391	<b>16,683,007</b>	17,138,558
Government transfers	-	-	-
Investment income	1,084,130	<b>1,008,646</b>	1,093,415
Private contributions	287,396	<b>1,811,166</b>	370,505
Transfers from other funds	-	-	118,309
	<u>19,223,635</u>	<u><b>19,555,454</b></u>	<u>18,846,023</u>
<b>Expenses</b>			
Water utility	16,159,367	<b>16,622,902</b>	16,702,811
Transfers to other funds	-	<b>3,156,465</b>	1,184,696
	<u>16,159,367</u>	<u><b>19,779,367</b></u>	<u>17,887,507</u>
Increase (decrease) in accumulated surplus	\$ 3,064,268	\$ <b>(223,913)</b>	\$ 958,516

**SEWER FUND**  
**STATEMENT OF FINANCIAL POSITION**  
**YEAR ENDED DECEMBER 31, 2014, with comparatives for 2013**

	<u>2014</u>	<u>2013</u>
<b>Financial assets</b>		
Short-term investments	\$ 12,595,794	\$ 1,615,646
Accounts receivable	2,201,785	7,277,363
	<u>14,797,579</u>	<u>8,893,009</u>
<b>Liabilities</b>		
Payroll benefits payable	117,104	112,530
Long-term debt	20,843,649	13,187,401
	<u>20,960,753</u>	<u>13,299,931</u>
<b>Net (debt) assets</b>	<u>(6,163,174)</u>	<u>(4,406,922)</u>
<b>Non-financial assets</b>		
Inventory	59,274	63,477
Tangible capital assets	91,179,215	81,332,893
	<u>91,238,489</u>	<u>81,396,370</u>
<b>Accumulated surplus</b>	<u>\$ 85,075,315</u>	<u>\$ 76,989,448</u>

**SEWER FUND**  
**STATEMENT OF OPERATIONS**  
**YEAR ENDED DECEMBER 31, 2014, with comparatives for 2013**

	2014 Fiscal Plan	2014	2013
<b>Revenue</b>			
Development levies utilized	\$ 5,192,853	\$ 2,499,828	\$ 5,889,329
Fees, rates and sales of service	9,990,921	9,854,548	9,815,935
Government transfers	2,878,406	2,133,547	6,443,031
Investment income	328,875	76,950	321,792
Private contributions	-	744,128	274,455
Transfers from other funds	-	327,750	-
	<u>18,391,055</u>	<u>15,636,751</u>	<u>22,744,542</u>
<b>Expenses</b>			
Sewer utility	8,745,007	7,550,884	6,849,982
Transfers to other funds	-	-	347,957
	<u>8,745,007</u>	<u>7,550,884</u>	<u>7,197,939</u>
Increase (decrease) in accumulated surplus	<u>\$ 9,646,048</u>	<u>\$ 8,085,867</u>	<u>\$ 15,546,603</u>

**STATUTORY RESERVE FUNDS  
STATEMENT OF FINANCIAL POSITION  
YEAR ENDED DECEMBER 31, 2014, with comparatives for 2013**

	<u>2014</u>	<u>2013</u>
<b>Financial Assets</b>		
Short-term investments	\$ 46,294,288	\$ 44,446,644
	<u>46,294,288</u>	<u>44,446,644</u>
<b>Liabilities</b>		
Deferred revenue	9,486,632	9,734,766
	<u>9,486,632</u>	<u>9,734,766</u>
<b>Accumulated surplus</b>	<u>\$ 36,807,656</u>	<u>\$ 34,711,878</u>

**STATUTORY RESERVE FUNDS  
STATEMENT OF OPERATIONS  
YEAR ENDED DECEMBER 31, 2014, with comparatives for 2013**

	2014 Fiscal Plan	2014	2013
<b>Revenue</b>			
Transfer to:			
Tax sale property	\$ 159,000	\$ 224,657	\$ 628,758
Local improvement	9,000	120,357	336,589
Debt retirement	-	21,601	27,966
Parking facility	165,519	233,795	212,429
Land sale	31,000	2,186,359	1,047,484
Equipment replacement	4,993,938	5,144,151	5,163,113
	<u>5,358,457</u>	<u>7,930,920</u>	<u>7,416,339</u>
<b>Expenses</b>			
Transfer from:			
Tax sale property	2,490,741	1,495,774	415,162
Local improvement	165,000	-	4,000
Debt retirement	355,167	355,167	355,167
Parking facility	1,579,762	129,637	-
Land sale	1,477,500	1,180,660	139,380
Equipment replacement	7,515,191	2,673,903	3,958,724
	<u>13,583,361</u>	<u>5,835,141</u>	<u>4,872,433</u>
Increase (decrease) in accumulated surplus	<u>\$ (8,224,904)</u>	<u>\$ 2,095,779</u>	<u>\$ 2,543,906</u>

**KAMLOOPS AIRPORT AUTHORITY SOCIETY  
STATEMENT OF FINANCIAL POSITION  
YEAR ENDED DECEMBER 31, 2014, with comparatives for 2013**

	<u>2014</u>	<u>2013</u>
<b>Financial assets</b>		
Cash	\$ 4,357,351	\$ 3,647,140
Accounts receivable	299,473	897,644
	<u>4,656,824</u>	<u>4,544,784</u>
<b>Liabilities</b>		
Accounts payable	103,480	248,438
Long-term debt	7,642,891	8,187,807
	<u>7,746,371</u>	<u>8,436,245</u>
<b>Net debt</b>	<u>(3,089,547)</u>	<u>(3,891,461)</u>
<b>Non-financial assets</b>		
Prepaid expenses	97,000	97,000
Tangible capital assets	55,497,657	56,043,931
	<u>55,594,657</u>	<u>56,140,931</u>
<b>Accumulated surplus</b>	<u>\$ 52,505,110</u>	<u>\$ 52,249,470</u>

**KAMLOOPS AIRPORT AUTHORITY SOCIETY**  
**STATEMENT OF OPERATIONS**  
**YEAR ENDED DECEMBER 31, 2014, with comparatives for 2013**

	2014 Fiscal Plan	2014	2013
<b>Revenue</b>			
Fees, rates and sales of service	\$ 2,074,316	\$ 2,180,686	\$ 1,827,866
Government transfers	72,000	5,000	530,507
Investment income	65,000	106,622	75,237
Private contributions	-	-	97,648
	<u>2,211,316</u>	<u>2,292,308</u>	<u>2,531,258</u>
<b>Expenses</b>			
Kamloops Airport Authority Society	2,091,094	2,036,668	2,386,459
Transfers to other funds	-	-	-
Loss (Gain) on disposal of capital assets	-	-	-
	<u>2,091,094</u>	<u>2,036,668</u>	<u>2,386,459</u>
Increase (decrease) in accumulated surplus	<u>\$ 120,222</u>	<u>\$ 255,640</u>	<u>\$ 144,799</u>

**VENTURE KAMLOOPS BUSINESS DEVELOPMENT SOCIETY  
STATEMENT OF FINANCIAL POSITION  
YEAR ENDED DECEMBER 31, 2014, with comparatives for 2013**

	<u>2014</u>	<u>2013</u>
<b>Financial assets</b>		
Cash	\$ 115,637	\$ 50,488
Short-term investments	-	-
Accounts receivable	4,104	4,213
	<u>119,741</u>	<u>54,701</u>
<b>Liabilities</b>		
Accounts payable	44,169	48,305
Deferred revenue	59,500	-
	<u>103,669</u>	<u>48,305</u>
<b>Net financial assets</b>	<u>16,072</u>	<u>6,396</u>
<b>Non-financial assets</b>		
Prepaid expenses	5,490	17,396
Tangible capital assets	15,558	25,898
	<u>21,048</u>	<u>43,294</u>
<b>Accumulated surplus</b>	<u>\$ 37,120</u>	<u>\$ 49,690</u>



**VENTURE KAMLOOPS BUSINESS DEVELOPMENT SOCIETY**  
**STATEMENT OF OPERATIONS**  
**YEAR ENDED DECEMBER 31, 2014, with comparatives for 2013**

	2014 Fiscal Plan	2014	2013
<b>Revenue</b>			
Fees, rates and sales of service	\$ 0	\$ 3,395	\$ 1,400
Government transfers	5,000	8,893	6,618
Investment income	3,000	15	2,347
Transfers from other funds	604,192	604,189	591,773
	<u>612,192</u>	<u>616,492</u>	<u>602,138</u>
<b>Expenses</b>			
Venture Kamloops Business Development Society	636,645	629,062	719,327
	<u>636,645</u>	<u>629,062</u>	<u>719,327</u>
Increase (decrease) in accumulated surplus	\$ <u>(24,453)</u>	\$ <u>(12,570)</u>	\$ <u>(117,189)</u>