



Canada's Tournament Capital

CITY OF KAMLOOPS

**Financial Statements for the Year-Ended
2009 December 31**

**CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009, with comparatives for 2008**

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Auditors' Report

To the Mayor and Council of the City of Kamloops

We have audited the consolidated statement of financial position of the City of Kamloops as at December 31, 2009 and the consolidated statements of financial activities, equity and cash flows for the year then ended. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the City as at December 31, 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

"BDO Canada LLP"

Chartered Accountants

Kamloops, British Columbia
April 22, 2010

Management's Responsibility for Financial Reporting

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

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

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

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

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

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

*** Peter Milobar ***

Mayor

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

Finance and Information Technology Director

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
YEAR ENDED DECEMBER 31, 2009, with comparatives for 2008

	<u>2009</u>	<u>2008</u>
Financial assets		
Cash and short-term investments (note 4)	\$ 113,814,140	\$ 107,090,309
Accounts receivable (note 5)	23,124,832	26,398,058
Long-term investments	296,670	283,687
	<u>137,235,642</u>	<u>133,772,054</u>
Liabilities		
Accounts payable (note 6)	20,386,049	16,253,481
Payroll benefits payable	3,344,094	3,203,095
Post-employment benefits payable (note 7)	6,247,476	6,130,476
Landfill post-closure costs (note 8)	2,278,564	2,061,741
Deferred revenue (note 9)	26,094,263	29,437,023
Long-term debt (note 10)	107,149,378	107,960,663
Obligations under capital lease (note 11)	-	11,974
	<u>165,499,824</u>	<u>165,058,453</u>
Net financial liabilities	<u>(28,264,182)</u>	<u>(31,286,399)</u>
Non-financial assets		
Inventory	1,322,994	1,384,449
Prepaid expenses	841,604	994,147
Tangible capital assets (note 12 & Schedule 1)	975,531,981	943,651,040
	<u>977,696,579</u>	<u>946,029,636</u>
Accumulated surplus (note 13)	<u>\$ 949,432,397</u>	<u>\$ 914,743,237</u>

Commitments and contingencies - Note 17

See accompanying notes to consolidated financial statements.

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

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

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED DECEMBER 31, 2009, with comparatives for 2008

	<u>2009 Budget</u>	<u>2009</u>	<u>2008</u>
Revenue (note 14)			
Taxation (note 15)	\$ 81,635,896	\$ 81,511,048	\$ 79,030,115
Development levies utilized	8,619,646	6,749,220	5,143,616
Fees, rates and sales of service	47,237,534	50,493,997	49,074,180
Grants (note 16)	33,349,722	23,675,281	23,532,457
Investment income	3,495,638	4,408,849	5,160,210
Private contributions	356,800	6,692,344	1,649,884
Gain on disposal of capital assets	89,000	456,628	339,652
	<u>174,784,236</u>	<u>173,987,367</u>	<u>163,930,114</u>
Expenditures (note 14)			
Cemetery	622,226	728,449	807,401
Community development	4,192,314	4,288,911	4,232,150
Corporate administration	9,458,742	7,923,368	7,933,262
Environmental services	948,090	475,169	487,848
Fire services	12,958,671	13,009,006	12,121,705
Infrastructure maintenance	8,815,311	18,235,475	16,996,737
Legislative and enforcement	4,201,189	4,232,558	4,615,966
Parks, recreation and cultural services	20,798,862	28,203,158	25,290,212
Police services	19,408,986	19,904,459	18,865,750
Public Transit	11,897,943	10,738,121	10,888,486
Solid waste	6,449,393	6,425,977	9,790,861
Water utility	6,952,168	11,026,404	11,169,830
Sewer utility	4,706,809	6,285,688	5,598,987
Kamloops Airport Authority Society	-	1,501,513	1,125,965
Venture Kamloops Business Development Society	-	583,077	595,496
Debt servicing costs	5,917,115	5,736,874	5,979,329
	<u>117,327,819</u>	<u>139,298,207</u>	<u>136,499,985</u>
Increase (decrease) in accumulated surplus	<u>57,456,417</u>	<u>34,689,160</u>	<u>27,430,129</u>

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENT OF ACCUMULATED SURPLUS
YEAR ENDED DECEMBER 31, 2009, with comparatives for 2008

	<u>2009</u>	<u>2008</u>
Opening Balance	\$ <u>914,743,237</u>	\$ <u>887,313,108</u>
Operating Equity:		
Change in reserves for operating purposes	(93,180)	(632,065)
Change in reserves for capital purposes	4,089,972	1,516,277
Change in current funds	2,536,436	3,166,114
Net change in operating equity	<u>6,533,228</u>	<u>4,050,326</u>
Capital Equity:		
Capital additions	57,252,352	40,593,412
Cost of assets disposed	(6,922,293)	-
Accumulated depreciation on disposals	3,938,899	-
Annual depreciation	(22,388,017)	(21,134,179)
Repayment of debt	6,811,284	6,674,215
Repayment of obligation under capital lease	11,974	11,838
Debenture debt pending	(11,181,298)	(5,086,654)
Reduction of prior year short term debt pending	633,031	2,321,171
Net change in capital equity	<u>28,155,932</u>	<u>23,379,803</u>
Ending balance	\$ <u><u>949,432,397</u></u>	\$ <u><u>914,743,237</u></u>

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2009, with comparatives for 2008

	<u>2009</u>	<u>2008</u>
Cash provided by (used for):		
Operating		
Increase (decrease) in accumulated surplus	\$ 34,689,160	\$ 27,430,129
Changes in non-cash operating items:		
Decrease (increase) in accounts receivable	3,273,226	(13,304,151)
Decrease (increase) in inventory	61,455	(305,572)
Decrease (increase) in prepaid expenses	152,543	(20,712)
Decrease (increase) in investments	(12,983)	(12,366)
Increase (decrease) in accounts payable	4,132,568	2,356,301
Increase (decrease) in payroll benefits payable	140,999	128,697
Increase (decrease) in post-employment benefits payable	117,000	225,000
Increase (decrease) in landfill post-closure costs	216,823	251,935
Increase (decrease) in deferred revenue	(3,342,760)	2,670,351
	<u>39,428,031</u>	<u>19,419,612</u>
Annual depreciation	22,388,017	21,134,179
Loss (Gain) on assets disposed	(456,628)	(339,650)
	<u>61,359,420</u>	<u>40,214,141</u>
Financing:		
Proceeds from issuance of long-term debt	6,000,000	15,942,893
Principal repayments on long-term debt	(6,811,285)	(6,674,215)
Repayment of obligations under capital lease	(11,974)	(11,838)
	<u>(823,259)</u>	<u>9,256,840</u>
Capital transactions:		
Capital additions	(57,252,352)	(40,593,412)
Proceeds from sale of capital assets	3,440,022	339,652
	<u>(53,812,330)</u>	<u>(40,253,760)</u>
Increase (decrease) in cash for the year	6,723,831	9,217,221
Cash, beginning of the year	107,090,309	97,873,088
Cash, end of the year	<u>\$ 113,814,140</u>	<u>\$ 107,090,309</u>

See accompanying notes to consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2009, with comparatives for 2008

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

1 . Significant accounting policies:

(a) Basis of presentation:

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

(b) Fund accounting:

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

General Fund:

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

Water Fund:

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

Sewer Fund:

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

(c) Basis of consolidation:

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2009, with comparatives for 2008

1 . Significant accounting policies (continued):

(d) Revenue recognition:

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

(e) Inventory:

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

(f) Investments:

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

(g) Tangible capital assets:

Effective January 1, 2008, the City adopted the provisions of PSAB Accounting Handbook Section 3150 which required that tangible capital assets be recorded at cost and amortized over their estimated useful lives. This is a change in policy of previous years where tangible capital assets were not amortized (Note 2).

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, with one half of a year of amortization taken in the year of acquisition and disposition. 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

During the year the City received \$2,624,097 (2008 - \$1,268,500) in land and infrastructure from developers. The City also received buildings during the year valued at \$3,190,955 (2008 - nil) from local societies and through the conclusion of capital leases.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2009, with comparatives for 2008

1 . Significant accounting policies (continued):

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.

No interest was capitalized during the year (2008 – nil). There were no write-downs of capital assets during the year (2008 – nil).

(h) Long-term debt:

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

(i) Reserves:

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

(j) Use of estimates:

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

(j) Financial instruments:

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

(k) Landfill post-closure costs:

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

(l) Pension plan:

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2009, with comparatives for 2008

2 . Prior Period Adjustments

The City of Kamloops has adopted the provisions of Section 3150 of the PSAB Handbook and has applied these on a retroactive basis. This resulted in the restatement of the 2008 comparative figures presented in these financial statements which differ from those pre-adoption. The adoption of Section 3150 resulted in the following changes to accounting methods:

- i. Tangible capital assets are recorded only when such expenditures represent new assets or extend the life or service capacity or improve the quality of an existing asset
- ii. Tangible capital assets are amortized over their estimated useful lives
- iii. Operating surpluses, reserve funds and equity in tangible capital assets are now grouped together and presented as "Accumulated surplus"

The impact of these changes was to:

- i. increase overall accumulated surplus in the prior year by \$ 140,352,022 as follows:

	2008 Restated	2008 Previously reported
Reserves for operating purposes	\$ 11,167,320	\$ 11,167,320
Reserves for capital purposes	42,068,237	41,911,090
Surplus from operations	21,406,640	27,014,498
Capital equity	840,101,040	694,298,307
	<u>\$ 914,743,237</u>	<u>\$ 774,391,215</u>

- ii. Increase the carrying value of tangible capital assets in the prior year by \$182,989,655.

- iii. Re-state the revenue and expenses as follows:

	2008 Restated	2008 Previously reported
Revenue:		
Taxation	79,030,115	79030115
Development levies utilized	5,143,616	5143616
Fees, rates and sales of service	49,074,180	49074175
Grants	23,532,457	23532457
Investment income	5,160,210	5160210
Private contributions	1,649,884	381384
Sale of capital assets		339652
Gain on disposal of capital assets	339,652	
	<u>163,930,114</u>	<u>162,661,609</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009, with comparatives for 2008

Expenditures:

Cemetery	807,401	563,827
Community development	4,232,150	4,167,558
Corporate administration	7,933,262	7,260,620
Environmental services	487,848	488,117
Fire services	12,121,705	11,610,393
Infrastructure maintenance	16,996,737	9,009,788
Legislative and enforcement	4,615,966	3,576,839
Parks, recreation and cultural services	25,290,212	19,959,545
Police services	18,865,750	18,758,490
Public Transit	10,888,486	10,846,138
Solid waste	9,790,861	5,674,073
Water utility	11,169,830	6,753,765
Sewer utility	5,598,987	4,777,148
Kamloops Airport Authority Society	1,125,965	143,951
Venture Kamloops Business Development Society	595,496	588,997
Debt servicing costs	5,979,329	5,979,329
Capital expenditures		44,532,137
	<u>136,499,985</u>	<u>154,690,715</u>

iv. Decrease in the change in accumulated surplus reported in the prior year by \$23,178,400 as follows:

	<u>2008</u> <u>Restated</u>	<u>2008</u> <u>Previously</u> <u>reported</u>
Change in reserves for operating	\$ (632,065)	\$ (632,065)
Change in reserves for capital	1,516,277	1,359,130
Change in current funds	3,166,114	5,487,285
Change in capital equity	23,379,803	44,394,179
	<u>27,430,129</u>	<u>50,608,529</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2009, with comparatives for 2008

3 . Segmented Information

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

Cemetery:

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

Community development:

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

Corporate administration:

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

Environmental services:

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

Fire services:

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

Infrastructure maintenance:

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2009, with comparatives for 2008

3 . Segmented Information (cont.)

Legislative and enforcement:

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

Parks, recreation and leisure services:

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

Police services:

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

Public transit:

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

Solid waste:

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

Water utility:

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

Sewer utility:

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2009, with comparatives for 2008

3 . Segmented Information (cont.)

Kamloops Airport Authority Society:

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

Venture Kamloops Business Development Society:

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

Debt servicing costs:

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

4 . Cash and short-term investments:

	<u>2009</u>	<u>2008</u>
Restricted cash and short-term investments:		
Statutory reserves	\$ 35,328,459	\$ 37,388,020
Development cost charges	12,578,227	16,519,778
Cemetery Perpetual Care Trust Fund	1,367,868	1,300,288
Kamloops Airport Authority Society	4,479,658	1,686,911
Venture Kamloops Business Development Society	145,825	150,609
	<u>53,900,037</u>	<u>57,045,606</u>
Unrestricted cash and short-term investments	59,914,103	50,044,703
	<u>\$ 113,814,140</u>	<u>\$ 107,090,309</u>

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009, with comparatives for 2008

5 . Accounts Receivable:

	<u>2009</u>	<u>2008</u>
General fund:		
Taxes	\$ 3,640,026	\$ 2,664,579
Utilities	1,291,832	1,297,379
Trade	4,415,675	5,428,210
Accrued interest	641,531	1,699,455
Province of British Columbia	1,607,667	4,768,551
Government of Canada	642,602	446,793
	<u>12,239,333</u>	<u>16,304,967</u>
Water Fund:		
Trade	1,036,428	1,090,493
Province of British Columbia	2,870,546	-
	<u>3,906,974</u>	<u>1,090,493</u>
Sewer Fund:		
Province of British Columbia	-	325,974
	<u>-</u>	<u>325,974</u>
Cemetery Trust:		
Accrued interest	12,716	11,894
Kamloops Airport Authority Society:		
Trade	1,377,281	769,368
Government of Canada	5,573,393	7,875,449
	<u>6,950,674</u>	<u>8,644,817</u>
Venture Kamloops Business Development Society:		
Trade	15,135	19,913
	<u>\$ 23,124,832</u>	<u>\$ 26,398,058</u>

6 . Accounts payable:

	<u>2009</u>	<u>2008</u>
General fund:		
Trade	\$ 11,986,897	\$ 8,808,001
Payroll and benefits	426,120	404,568
Province of British Columbia	1,499,472	1,420,986
Government of Canada	4,505,741	3,821,267
	<u>18,418,230</u>	<u>14,454,822</u>
Kamloops Airport Authority Society:		
Trade	1,922,199	1,774,219
Venture Kamloops Business Development Society:		
Trade	45,620	24,440
	<u>\$ 20,386,049</u>	<u>\$ 16,253,481</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2009, with comparatives for 2008

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 \$558,000 (2008 - \$700,000). The plan is unfunded and requires no contribution from employees. The retirement benefit liability at December, 31, 2009 includes the following components:

	<u>2009</u>	<u>2008</u>
Accrued benefit obligation - opening balance	\$ 5,776,000	\$ 5,558,000
Current service cost	381,000	345,000
Interest cost	293,000	254,000
Benefits paid	(558,000)	(700,000)
Past service cost	-	325,000
Actuarial gain/(loss) - current	79,000	(6,000)
Accrued benefit obligation - ending balance	<u>5,971,000</u>	<u>5,776,000</u>
Unamortized prior year net accrual gain/(loss)	-	78,000
Funding excess	276,476	276,476
Post-employment benefit payable	<u>\$ 6,247,476</u>	<u>\$ 6,130,476</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 10, 2010. The accrued benefit obligation shown for 2009 is based on amounts included in the 2009 valuation. There is a net unamortized actuarial loss to be amortized on a straight-line basis over the expected average remaining service life of the related employee group (11 years).

The actuarial valuation was based on a number of assumptions about future events, such as inflation rates, interest rates, wage and salary increases, and employee turnover and mortality. The assumptions used reflect the City's best estimates. The expected inflation rate is 3.25%. The discount rate used to determine the accrued benefit obligation is 4.75%.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2009, with comparatives for 2008

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. This liability and annual expenditure is calculated based on the ratio of current usage to total capacity of the site and the estimated future cash flows associated with closure and post-closure activities stated in current (2009) dollars. The aggregate liability for closure and post-closure costs for the two landfills is \$2,278,564 (2008 = \$2,061,741).

The main landfill at the Mission Flats site is expected to serve until 2053 with 25 years needed for post-closure care based on an independent assessment conducted in 2007. The remaining capacity of the landfill site is estimated at 5.23 million cubic meters, which is 91% of the site's total capacity. Approximately 60% of landfill closure will be completed while the landfill is still in operation with costs associated with the closure being charged to expenditures when they are incurred.

Since a final design for the Barnhartvale site has not been completed the independent assessment was not able to provide a lifespan analysis. The City anticipates that the Barnhartvale site will serve until 2017 with 25 years needed for post-closure care. The remaining capacity of the landfill site is estimated at 136,045 cubic meters, which is approximately 28% of the site's total capacity.

The estimated total expenditures for closure and post-closure care of the two landfills is \$17,499,940 with \$15,221,376 remaining to be recognized as a liability.

The City has not provided a reserve to fund future landfill capital expenditures as at December 31, 2009. The funding required is provided through current operations.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009, with comparatives for 2008

9 . Deferred revenue:

	Balance at December 31, 2008	Collected	Interest	Recognized	Balance at December 31, 2009
General fund:					
Taxes	\$ 10,997,964	\$ 20,637,340	\$ 3,141	\$ (20,238,320)	\$ 11,400,125
Leases	83,315	-	-	(12,215)	71,100
Business licenses	949,257	995,356	-	(949,257)	995,356
Other	866,542	1,052,614	-	(869,701)	1,049,455
	<u>12,897,078</u>	<u>22,685,310</u>	<u>3,141</u>	<u>(22,069,493)</u>	<u>13,516,036</u>
Development cost charges	16,519,778	2,514,358	293,311	(6,749,220)	12,578,227
	<u>\$ 29,416,856</u>	<u>\$ 25,199,668</u>	<u>\$ 296,452</u>	<u>\$ (28,818,713)</u>	<u>\$ 26,094,263</u>
Venture Kamloops Business Development Society:					
Other	<u>20,167</u>	<u>-</u>	<u>-</u>	<u>(20,167)</u>	<u>-</u>
	<u>\$ 29,437,023</u>	<u>\$ 25,199,668</u>	<u>\$ 296,452</u>	<u>\$ (28,838,880)</u>	<u>\$ 26,094,263</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2009, with comparatives for 2008

10 . Long-term debt:

(a) Long-term debt outstanding:

	General fund	Water fund	Sewer fund	Total
Balance at December 31, 2008	\$ 51,752,865	\$ 39,592,596	\$ 5,615,202	\$ 96,960,663
Principal repayments	(2,120,940)	(2,894,630)	(540,286)	(5,555,856)
Actuarial adjustments	(361,356)	(595,484)	(298,589)	(1,255,429)
Debt acquired	-	-	-	-
Balance at December 31, 2009	\$ 49,270,569	\$ 36,102,482	\$ 4,776,327	\$ 90,149,378
Kamloops Airport Authority Society MFA Demand Note				17,000,000
Total Consolidated debt				\$ 107,149,378

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

	General fund	Water fund	Sewer fund	Total
2010	\$ 2,071,053	\$ 2,836,471	\$ 512,481	\$ 5,420,005
2011	2,012,801	2,760,007	418,160	5,190,968
2012	1,989,630	2,704,751	353,281	5,047,662
2013	1,957,190	2,696,143	323,007	4,976,340
2014	1,957,190	2,708,700	323,007	4,988,897
Thereafter	21,046,219	15,300,134	903,320	37,249,673

The weighted average interest rate on long-term debt in 2009 was 4.54%. (2008 - 4.68%).

(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, 2008	Capital assets purchased pending debt	Debt acquired	Adjustments	Balance at December 31, 2009
General fund	\$ 2,120,480	\$ 4,117,461	\$ -	\$ (633,031)	\$ 5,604,910
Water fund	335,920	1,709,036	-	-	2,044,956
Sewer Fund	2,039	58,431	-	-	60,470
	\$ 2,458,439	\$ 5,884,928	\$ -	\$ (633,031)	\$ 7,710,336

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2009, with comparatives for 2008

11 . Obligations under capital lease:

Kamloops Airport Authority Society:

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

	<u>2009</u>	<u>2008</u>
2009	\$ -	\$ 12,000
Net minimum lease payments	-	12,000
Less amount representing interest at approximately 0.5%	-	(26)
Present value of capital lease payments	-	11,974
Less current portion	-	11,974
	<u>\$ -</u>	<u>\$ -</u>

12 . Tangible capital assets:

See schedules 1a and 1b for details

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>2009 Net Book Value</u>	<u>2008 Net Book Value</u>
General fund:				
Land	\$ 74,451,123	\$ -	\$ 74,451,123	\$ 73,079,941
Land under roads	399,069,947	-	399,069,947	398,648,336
Site improvements	51,963,061	(22,092,700)	29,870,361	26,815,725
Buildings	112,084,625	(47,771,491)	64,313,134	62,874,216
Transportation network	206,311,268	(84,126,210)	122,185,058	112,090,009
Drainage network	64,908,896	(21,274,911)	43,633,985	42,945,114
Water network	6,559,696	(3,443,842)	3,115,854	3,443,839
Equipment	44,190,679	(23,582,976)	20,607,703	20,634,847
Computing infrastructure	5,770,768	(4,589,464)	1,181,304	1,396,772
Communication network	1,241,354	(224,475)	1,016,879	1,051,472
Work in progress	7,250,130	-	7,250,130	6,953,238
	<u>973,801,547</u>	<u>(207,106,069)</u>	<u>766,695,478</u>	<u>749,933,509</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009, with comparatives for 2008

12 . Tangible capital assets (continued):

	Cost	Accumulated Amortization	2009 Net Book Value	2008 Net Book Value
Water fund:				
Site improvements	687,761	(313,106)	374,655	440,813
Buildings	16,531,721	(3,781,513)	12,750,208	13,281,774
Transportation network	37,114	(24,849)	12,265	13,387
Water network	124,192,527	(36,567,315)	87,625,212	87,962,949
Equipment	472,491	(245,332)	227,159	245,307
Computing infrastructure	8,898	(5,507)	3,391	5,171
Work in progress	7,838,929	-	7,838,929	1,833,431
	<u>149,769,441</u>	<u>(40,937,622)</u>	<u>108,831,819</u>	<u>103,782,832</u>
Sewer fund:				
Site improvements	146,163	(103,354)	42,809	49,573
Buildings	2,637,589	(1,110,289)	1,527,300	1,592,586
Sanitary network	56,385,316	(18,346,747)	38,038,569	38,290,171
Equipment	20,635	(1,031)	19,604	-
Computing infrastructure	7,333	(3,451)	3,882	5,349
Work in progress	1,272,295	-	1,272,295	483,460
	<u>60,469,331</u>	<u>(19,564,872)</u>	<u>40,904,459</u>	<u>40,421,139</u>
Kamloops Airport Authority Society:				
Land	8,745,200	-	8,745,200	8,745,200
Buildings	19,787,999	(2,680,305)	17,107,694	7,873,088
Transportation network	36,733,708	(9,470,983)	27,262,725	26,861,298
Drainage network	1,981,915	(64,264)	1,917,651	1,976,960
Sanitary network	543,400	(177,677)	365,723	377,034
Water network	4,890,600	(1,599,094)	3,291,506	3,393,305
Equipment	1,054,779	(661,583)	393,196	282,372
Computing infrastructure	72,371	(71,541)	830	1,245
	<u>73,809,972</u>	<u>(14,725,447)</u>	<u>59,084,525</u>	<u>49,510,502</u>
Venture Kamloops Business Development Society:				
Buildings	2,979	(2,979)	-	447
Equipment	25,125	(13,851)	11,274	2,155
Computing infrastructure	24,379	(19,953)	4,426	456
	<u>52,483</u>	<u>(36,783)</u>	<u>15,700</u>	<u>3,058</u>
	<u>\$ 1,257,902,774</u>	<u>\$ (282,370,793)</u>	<u>\$ 975,531,981</u>	<u>\$ 943,651,040</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009, with comparatives for 2008

13 . Accumulated Surplus:

(a) Reserves for operating purposes

	Balance at December 31, 2008	Interest income and contributions	Transfers to operations and capital	Balance at December 31, 2009
General fund:				
Affordable Housing	\$ 202,700	\$ 50,000	\$	\$ 252,700
Art Gallery	464,069	8,701	(8,701)	464,069
Arts Legacy	228,689	355		229,044
Bi-centennial Legacy	283,687	12,982		296,669
Canada Games Legacy	568,300			568,300
Climate Action	-	36,077		36,077
Community Arts	7,999			7,999
Deferred Operating	1,668,136	1,015,924	(820,871)	1,863,189
Environmental Grant	16,719	12,215		28,934
General Building	68,538	13,281		81,819
Heritage Foundation	110,000	20,000		130,000
Insurance	1,222,098		(215,000)	1,007,098
Oak Hills Dyke	12,932			12,932
Police Contract	2,139,760	602,794	(615,454)	2,127,100
Return to Work	237,146			237,146
Solid Waste	326,998	414,754		741,752
Sports Legacy	188,317	883		189,200
Working Capital	2,084,719	578,000	(1,247,522)	1,415,197
Youth Legacy	4,331			4,331
	<u>9,835,138</u>	<u>2,765,966</u>	<u>(2,907,548)</u>	<u>9,693,556</u>
Water fund:				
Deferred Operating	\$ 10,000	\$	\$ (10,000)	\$ -
	<u>10,000</u>	<u>-</u>	<u>(10,000)</u>	<u>-</u>
Sewer fund:				
Deferred Operating	\$ 10,000	\$	\$ (10,000)	\$ -
	<u>10,000</u>	<u>-</u>	<u>(10,000)</u>	<u>-</u>
Cemetery:				
Cemetery Care Trust Fund	1,312,182	137,785	(69,383)	1,380,584
	<u>11,167,320</u>	<u>2,903,751</u>	<u>(2,996,931)</u>	<u>11,074,140</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009, with comparatives for 2008

13 . Accumulated Surplus (continued):

(b) Reserves for capital purposes

	<u>Balance at December 31, 2008</u>	<u>Interest income and contributions</u>	<u>Transfers to operations and capital</u>	<u>Balance at December 31, 2009</u>
Statutory reserves:				
Tax sale property fund	\$ 8,846,674	\$ 418,931	\$ (510,322)	\$ 8,755,283
Local improvement fund	356,343	102,442	(92,202)	366,583
Debt retirement fund	20,199	379	-	20,578
Parking facility reserve	576,486	197,217	(19,843)	753,860
Land sale reserve fund	41,759	3,125,391	(2,263,234)	903,916
Equipment replacement fund	11,026,781	4,607,158	(3,683,927)	11,950,012
	<u>20,868,242</u>	<u>8,451,518</u>	<u>(6,569,528)</u>	<u>22,750,232</u>
Non-statutory reserves:				
General fund	\$ 11,563,021	\$ 8,638,762	\$ (7,094,533)	\$ 13,107,250
Water fund	5,884,805	2,112,996	(1,318,514)	6,679,287
Sewer fund	2,147,100	347,835	(405,992)	2,088,943
	<u>19,594,926</u>	<u>11,099,593</u>	<u>(8,819,039)</u>	<u>21,875,480</u>
Airport capital fund	<u>1,605,069</u>	<u>13,762,604</u>	<u>(11,293,945)</u>	<u>4,073,728</u>
	<u>\$ 42,068,237</u>	<u>\$ 33,313,715</u>	<u>\$ (26,682,512)</u>	<u>\$ 48,699,440</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009, with comparatives for 2008

13 . Accumulated Surplus (continued):

(c) Current funds

	<u>2009</u>	<u>2008</u>
General fund:		
Balance, beginning of year	\$ 8,496,032	\$ 7,522,338
Operating Surplus for the year	<u>809,424</u>	<u>973,694</u>
	<u>9,305,456</u>	<u>8,496,032</u>
Water fund:		
Balance, beginning of year	6,517,216	5,330,651
Operating Surplus for the year	<u>104,131</u>	<u>1,186,565</u>
	<u>6,621,347</u>	<u>6,517,216</u>
Sewer fund:		
Balance, beginning of year	6,191,059	5,205,704
Operating Surplus for the year	<u>1,314,873</u>	<u>985,355</u>
	<u>7,505,932</u>	<u>6,191,059</u>
Kamloops Airport Authority Society:		
Balance, beginning of year	71,364	69,264
Operating Surplus for the year	<u>319,566</u>	<u>2,100</u>
	<u>390,930</u>	<u>71,364</u>
Venture Kamloops Business Development Society:		
Balance, beginning of year	130,969	112,569
Operating Surplus (Deficit) for the year	<u>(11,558)</u>	<u>18,400</u>
	<u>119,411</u>	<u>130,969</u>
	<u>\$ 23,943,076</u>	<u>\$ 21,406,640</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009, with comparatives for 2008

(d) Capital Equity

	<u>2009</u>	<u>2008</u>
General fund:		
Balance, beginning of year	\$ 696,060,164	\$ 684,887,176
Net capital equity addition for the year	<u>15,759,834</u>	<u>11,172,988</u>
	<u>711,819,998</u>	<u>696,060,164</u>
Water fund:		
Balance, beginning of year	63,854,316	60,229,146
Net capital equity addition for the year	<u>6,830,065</u>	<u>3,625,170</u>
	<u>70,684,381</u>	<u>63,854,316</u>
Sewer fund:		
Balance, beginning of year	34,803,898	33,420,955
Net capital equity addition for the year	<u>1,263,764</u>	<u>1,382,943</u>
	<u>36,067,662</u>	<u>34,803,898</u>
Kamloops Airport Authority Society:		
Balance, beginning of year	45,379,604	38,174,499
Net capital equity addition for the year	<u>1,748,396</u>	<u>7,205,105</u>
	<u>47,128,000</u>	<u>45,379,604</u>
Venture Kamloops Business Development Society:		
Balance, beginning of year	3,058	9,461
Net capital equity addition for the year	<u>12,642</u>	<u>(6,403)</u>
	<u>15,700</u>	<u>3,058</u>
	<u>\$ 865,715,741</u>	<u>\$ 840,101,040</u>

Total Accumulated Surplus

	<u>2009</u>	<u>2008</u>
General fund	\$ 743,926,260	\$ 725,954,355
Water fund	83,985,015	76,266,337
Sewer fund	45,662,537	43,152,057
Cemetery	1,380,584	1,312,182
Statutory reserves	22,750,232	20,868,242
Kamloops Airport Authority Society	51,592,658	47,056,037
Venture Kamloops Business Development Society	135,111	134,027
	<u>\$ 949,432,397</u>	<u>\$ 914,743,237</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009, with comparatives for 2008

14 . Operating activities by segment:

	<u>2009 Budget</u>	<u>2009</u>	<u>2008</u>
Cemetery:			
Revenue			
Property tax requirement (contribution)	\$ 216,583	\$ 177,525	\$ 246,463
Fees, rates and sales of service	443,588	423,457	458,504
Investment income	47,210	69,383	69,430
Total operating revenue	<u>\$ 707,381</u>	<u>\$ 670,365</u>	<u>\$ 774,397</u>
Expenses			
Salaries, wages and benefits	\$ 391,879	\$ 391,552	\$ 360,518
Personnel expenses	3,250	1,343	2,774
Contractual services	15,250	16,580	14,509
Supplies and other expenses	84,357	91,064	320,038
Transfers from other functions	127,490	101,424	109,562
Amortization of tangible capital assets	-	126,486	-
Total operating expenses	<u>\$ 622,226</u>	<u>\$ 728,449</u>	<u>\$ 807,401</u>
Transfers of equity			
Transfer to trusts	85,155	68,402	93,127
Transfer from capital equity	-	(126,486)	(126,131)
Total transfers of equity	<u>\$ 85,155</u>	<u>\$ (58,084)</u>	<u>\$ (33,004)</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009, with comparatives for 2008

14 . Operating activities by segment (cont.):

	<u>2009 Budget</u>	<u>2009</u>	<u>2008</u>
Community development:			
Revenue			
Property tax requirement (contribution)	\$ 1,743,620	\$ 1,238,503	\$ 847,913
Fees, rates and sales of service	2,247,615	2,701,154	3,174,026
Sale of capital assets	-	3,426,099	95,234
Total operating revenue	<u>\$ 3,991,235</u>	<u>\$ 7,365,756</u>	<u>\$ 4,117,173</u>
Expenses			
Salaries, wages and benefits	\$ 4,663,807	\$ 4,574,328	\$ 4,455,499
Personnel expenses	114,040	63,979	93,483
Contractual services	221,233	142,088	154,571
Supplies and other expenses	183,177	586,526	454,437
Transfers from other functions	369,707	356,675	321,241
Transfers to other functions	(427,650)	(427,650)	(427,650)
Cost allocated to capital	(932,000)	(1,007,035)	(819,431)
Total operating expenses	<u>\$ 4,192,314</u>	<u>\$ 4,288,911</u>	<u>\$ 4,232,150</u>
Transfers of equity			
Transfer from reserves	\$ (213,294)	\$ (213,294)	\$ (84,600)
Transfer to reserves	12,215	282,215	183,601
Transfer from other funds	-	-	(136,984)
Transfer to other funds	-	3,086,948	-
Transfer from capital equity	-	(79,024)	(76,994)
Total transfers of equity	<u>\$ (201,079)</u>	<u>\$ 3,076,845</u>	<u>\$ (114,977)</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009, with comparatives for 2008

14 . Operating activities by segment (cont.):

	<u>2009 Budget</u>	<u>2009</u>	<u>2008</u>
Corporate administration:			
Revenue			
Property tax requirement (contribution)	\$ 6,824,388	\$ 7,368,816	\$ 7,177,109
Fees, rates and sales of service	2,023,540	2,428,496	2,111,853
Grants	5,988,163	5,802,704	4,248,040
Investment income	1,800,000	2,464,777	2,910,233
Sale of capital assets	9,000	119	5,786
Total operating revenue	<u>\$ 16,645,091</u>	<u>\$ 18,064,912</u>	<u>\$ 16,453,021</u>
Expenses			
Salaries, wages and benefits	\$ 6,290,026	\$ 6,173,773	\$ 5,925,012
Personnel expenses	364,819	267,726	267,517
Contractual services	2,481,904	2,365,986	2,222,333
Supplies and other expenses	2,790,652	1,536,861	1,793,943
Transfers from other functions	897,536	856,940	504,250
Transfers to other functions	(3,293,565)	(3,205,288)	(2,779,793)
Cost allocated to capital	(72,630)	(72,630)	-
Total operating expenses	<u>\$ 9,458,742</u>	<u>\$ 7,923,368</u>	<u>\$ 7,933,262</u>
Transfers of equity			
Transfer from reserves	\$ (285,042)	\$ (304,980)	\$ (1,208,439)
Transfer to reserves	4,597,963	9,332,354	8,341,160
Transfer from other funds	-	-	(91,851)
Transfer to other funds	2,873,428	1,550,933	2,007,787
Transfer from capital equity		(436,763)	(528,898)
Total transfers of equity	<u>\$ 7,186,349</u>	<u>\$ 10,141,544</u>	<u>\$ 8,519,759</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009, with comparatives for 2008

14 . Operating activities by segment (cont.):

	<u>2009 Budget</u>	<u>2009</u>	<u>2008</u>
Environmental services:			
Revenue			
Property tax requirement (contribution)	\$ 283,090	\$ 273,477	\$ 294,087
Grants	0	212,222	191,874
Total operating revenue	<u>\$ 283,090</u>	<u>\$ 485,699</u>	<u>\$ 485,961</u>
Expenses			
Salaries, wages and benefits	\$ 303,236	\$ 295,825	\$ 306,117
Personnel expenses	3,000	4,308	2,915
Contractual services	49,000	33,351	60,891
Supplies and other expenses	666,000	215,348	192,468
Transfers from other functions	25,280	24,763	20,776
Transfers to other functions	(98,426)	(98,426)	(95,319)
Total operating expenses	<u>\$ 948,090</u>	<u>\$ 475,169</u>	<u>\$ 487,848</u>
Transfers of equity			
Transfer from reserves	\$ (665,000)	\$ -	\$ -
Transfer to reserves	-	13,281	-
Transfer from capital equity	-	(2,751)	(1,887)
Total transfers of equity	<u>\$ (665,000)</u>	<u>\$ 10,530</u>	<u>\$ (1,887)</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009, with comparatives for 2008

14 . Operating activities by segment (cont.):

	<u>2009 Budget</u>	<u>2009</u>	<u>2008</u>
Fire services:			
Revenue			
Property tax requirement (contribution)	\$ 12,389,401	\$ 12,307,172	\$ 11,859,168
Fees, rates and sales of service	851,515	932,011	452,191
Sale of capital assets	-	750	-
Private contributions	-	5,000	-
Total operating revenue	<u>\$ 13,240,916</u>	<u>\$ 13,244,933</u>	<u>\$ 12,311,359</u>
Expenses			
Salaries, wages and benefits	\$ 11,905,341	\$ 11,034,791	\$ 10,578,458
Personnel expenses	80,035	100,143	79,664
Contractual services	206,904	229,633	202,021
Supplies and other expenses	575,565	1,453,560	1,060,565
Transfers from other functions	190,826	289,828	279,287
Transfers to other functions	-	(98,949)	(78,290)
Total operating expenses	<u>\$ 12,958,671</u>	<u>\$ 13,009,006</u>	<u>\$ 12,121,705</u>
Transfers of equity			
Transfer from reserves	\$ (823,700)	\$ (269,096)	\$ -
Transfer to reserves	347,297	347,297	-
Transfer to other funds	758,648	759,398	698,028
Transfer from capital equity	-	(601,672)	(508,374)
Total transfers of equity	<u>\$ 282,245</u>	<u>\$ 235,927</u>	<u>\$ 189,654</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009, with comparatives for 2008

14 . Operating activities by segment (cont.):

	<u>2009 Budget</u>	<u>2009</u>	<u>2008</u>
Infrastructure maintenance:			
Revenue			
Property tax requirement (contribution)	\$ 10,968,541	\$ 10,417,935	\$ 9,165,527
Fees, rates and sales of service	6,400	25,866	37,152
Grants	650	835	835
Sale of capital assets	80,000	13,054	238,632
Total operating revenue	<u>\$ 11,055,591</u>	<u>\$ 10,457,690</u>	<u>\$ 9,442,146</u>
Expenses			
Salaries, wages and benefits	\$ 8,341,369	\$ 7,666,992	\$ 7,352,987
Personnel expenses	99,055	67,292	118,917
Contractual services	1,927,589	1,921,653	1,546,022
Supplies and other expenses	4,704,484	14,939,338	13,168,584
Transfers from other functions	3,068,900	3,385,933	3,529,877
Transfers to other functions	(8,052,027)	(9,321,088)	(8,437,099)
Cost allocated to capital	(1,274,059)	(424,645)	(282,551)
Total operating expenses	<u>\$ 8,815,311</u>	<u>\$ 18,235,475</u>	<u>\$ 16,996,737</u>
Transfers of equity			
Transfer from reserves	\$ (113,900)	\$ (10,000)	\$ (200,375)
Transfer to reserves	-	61,400	30,000
Transfer to other funds	2,354,180	2,287,234	2,247,442
Transfer from capital equity		(10,116,419)	(9,631,658)
Total transfers of equity	<u>\$ 2,240,280</u>	<u>\$ (7,777,785)</u>	<u>\$ (7,554,591)</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009, with comparatives for 2008

14 . Operating activities by segment (cont.):

	<u>2009 Budget</u>	<u>2009</u>	<u>2008</u>
Legislative and enforcement:			
Revenue			
Property tax requirement (contribution)	\$ 2,910,023	\$ 2,707,843	\$ 3,153,152
Fees, rates and sales of service	1,421,231	1,506,508	1,437,047
Investment income	32,000	18,274	21,757
Total operating revenue	<u>\$ 4,363,254</u>	<u>\$ 4,232,625</u>	<u>\$ 4,611,956</u>
Expenses			
Salaries, wages and benefits	\$ 2,685,941	\$ 2,684,425	\$ 2,276,342
Personnel expenses	132,041	90,347	51,934
Contractual services	215,796	168,502	157,224
Supplies and other expenses	857,668	980,330	1,833,608
Transfers from other functions	339,743	338,954	326,858
Transfers to other functions	(30,000)	(30,000)	(30,000)
Total operating expenses	<u>\$ 4,201,189</u>	<u>\$ 4,232,558</u>	<u>\$ 4,615,966</u>
Transfers of equity			
Transfer from reserves	\$ (3,423)	\$ -	\$ -
Transfer to reserves	11,000	12,982	12,366
Transfer to other funds	154,488	186,522	183,118
Transfer from capital equity	-	(199,437)	(199,494)
Total transfers of equity	<u>\$ 162,065</u>	<u>\$ 67</u>	<u>\$ (4,010)</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009, with comparatives for 2008

14 . Operating activities by segment (cont.):

	<u>2009 Budget</u>	<u>2009</u>	<u>2008</u>
Parks, recreation and cultural services:			
Revenue			
Property tax requirement (contribution)	\$ 14,204,064	\$ 16,830,680	\$ 13,188,290
Fees, rates and sales of service	6,372,201	6,345,055	6,432,127
Grants	25,000	47,737	38,979
Investment income	30,000	10,656	23,289
Private contributions	10,000	73,249	17,440
Total operating revenue	<u>\$ 20,641,265</u>	<u>\$ 23,307,377</u>	<u>\$ 19,700,125</u>
Expenses			
Salaries, wages and benefits	\$ 10,156,273	\$ 10,057,184	\$ 9,267,987
Personnel expenses	180,860	139,604	113,772
Contractual services	2,988,440	3,087,781	3,380,342
Supplies and other expenses	5,247,690	12,416,502	10,408,554
Transfers from other functions	2,652,836	2,789,266	2,406,736
Transfers to other functions	(287,179)	(287,179)	(287,179)
Cost allocated to capital	(140,058)	-	-
Total operating expenses	<u>\$ 20,798,862</u>	<u>\$ 28,203,158</u>	<u>\$ 25,290,212</u>
Transfers of equity			
Transfer from reserves	\$ (447,597)	\$ (24,856)	\$ (653,924)
Transfer to reserves	185,000	307,905	127,292
Transfer to other funds	105,000	123,904	20,084
Transfer from capital equity	-	(5,302,734)	(5,083,539)
Total transfers of equity	<u>\$ (157,597)</u>	<u>\$ (4,895,781)</u>	<u>\$ (5,590,087)</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009, with comparatives for 2008

14 . Operating activities by segment (cont.):

	<u>2009 Budget</u>	<u>2009</u>	<u>2008</u>
Police services:			
Revenue			
Property tax requirement (contribution)	\$ 15,457,248	\$ 16,021,702	\$ 15,440,380
Fees, rates and sales of service	318,500	224,296	226,046
Grants	3,017,784	3,581,205	3,075,598
Total operating revenue	<u>\$ 18,793,532</u>	<u>\$ 19,827,203</u>	<u>\$ 18,742,024</u>
Expenses			
Salaries, wages and benefits	\$ 3,386,855	\$ 3,246,937	\$ 3,298,242
Personnel expenses	63,900	42,417	84,930
Contractual services	15,782,749	16,330,551	15,188,475
Supplies and other expenses	62,024	154,688	163,619
Transfers from other functions	113,458	129,866	130,484
Total operating expenses	<u>\$ 19,408,986</u>	<u>\$ 19,904,459</u>	<u>\$ 18,865,750</u>
Transfers of equity			
Transfer from reserves	\$ (615,454)	\$ (618,877)	\$ (767,154)
Transfer to reserves	-	602,794	703,000
Transfer from capital equity	-	(61,173)	(59,572)
Total transfers of equity	<u>\$ (615,454)</u>	<u>\$ (77,256)</u>	<u>\$ (123,726)</u>
Public transit:			
Revenue			
Property tax requirement (contribution)	\$ 2,669,929	\$ 2,254,486	\$ 2,299,831
Fees, rates and sales of service	4,174,759	3,826,919	3,931,773
Grants	5,053,255	4,651,792	4,651,958
Total operating revenue	<u>\$ 11,897,943</u>	<u>\$ 10,733,197</u>	<u>\$ 10,883,562</u>
Expenses			
Salaries, wages and benefits	\$ 91,950	\$ 69,322	\$ 70,848
Personnel expenses	1,250	1,014	298
Contractual services	11,761,812	10,616,807	10,752,371
Supplies and other expenses	-	4,924	42,348
Transfers from other functions	42,931	46,054	22,621
Total operating expenses	<u>\$ 11,897,943</u>	<u>\$ 10,738,121</u>	<u>\$ 10,888,486</u>
Transfers of equity			
Transfer from capital equity	-	(4,924)	(4,924)
Total transfers of equity	<u>\$ -</u>	<u>\$ (4,924)</u>	<u>\$ (4,924)</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009, with comparatives for 2008

14 . Operating activities by segment (cont.):

	<u>2009 Budget</u>	<u>2009</u>	<u>2008</u>
Solid waste:			
Revenue			
Property tax requirement (contribution)	\$ 1,546,874	\$ 1,589,471	\$ 5,465,134
Fees, rates and sales of service	5,106,900	5,197,516	4,522,612
Total operating revenue	<u>\$ 6,653,774</u>	<u>\$ 6,786,987</u>	<u>\$ 9,987,746</u>
Expenses			
Salaries, wages and benefits	\$ 1,677,318	\$ 1,699,929	\$ 1,579,246
Personnel expenses	14,445	6,082	6,705
Contractual services	2,947,760	2,693,196	2,451,623
Supplies and other expenses	128,821	363,458	4,450,421
Transfers from other functions	2,773,713	2,755,976	2,275,773
Transfers to other functions	(1,092,664)	(1,092,664)	(972,907)
Total operating expenses	<u>\$ 6,449,393</u>	<u>\$ 6,425,977</u>	<u>\$ 9,790,861</u>
Transfers of equity			
Transfer from reserves	\$ (30,420)	\$ (30,420)	-
Transfer to reserves	234,801	414,755	219,816
Transfer from capital equity	-	(23,325)	(22,931)
Total transfers of equity	<u>\$ 204,381</u>	<u>\$ 361,010</u>	<u>\$ 196,885</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009, with comparatives for 2008

14 . Operating activities by segment (cont.):

	<u>2009 Budget</u>	<u>2009</u>	<u>2008</u>
Water utility:			
Revenue			
Fees, rates and sales of service	\$ 7,454,290	\$ 10,509,527	\$ 9,827,888
Investment income	207,000	272,985	443,400
Total operating revenue	<u>\$ 7,661,290</u>	<u>\$ 10,782,512</u>	<u>\$ 10,271,288</u>
Expenses			
Salaries, wages and benefits	\$ 2,768,258	\$ 2,485,968	\$ 2,431,382
Personnel expenses	31,700	33,654	27,092
Contractual services	465,285	632,089	506,355
Supplies and other expenses	2,262,239	6,320,874	6,817,182
Transfers from other functions	1,795,531	1,840,358	1,674,358
Transfers to other functions	(286,539)	(286,539)	(286,539)
Cost allocated to capital	(84,306)	-	-
Total operating expenses	<u>\$ 6,952,168</u>	<u>\$ 11,026,404</u>	<u>\$ 11,169,830</u>
Transfers of equity			
Transfer from reserves	\$ (10,000)	\$ (10,000)	-
Transfer to reserves	-	2,112,996	1,119,052
Transfer from other funds	(32,128)	(210,528)	-
Transfer to other funds	751,250	823,129	897,842
Transfer from capital equity	-	(2,959,489)	(2,915,436)
Total transfers of equity	<u>\$ 709,122</u>	<u>\$ (243,892)</u>	<u>\$ (898,542)</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009, with comparatives for 2008

14 . Operating activities by segment (cont.):

	<u>2009 Budget</u>	<u>2009</u>	<u>2008</u>
Sewer utility:			
Revenue			
Fees, rates and sales of service	\$ 4,573,283	\$ 5,205,967	\$ 5,095,918
Investment income	124,000	305,599	461,182
Total operating revenue	<u>\$ 4,697,283</u>	<u>\$ 5,511,566</u>	<u>\$ 5,557,100</u>
Expenses			
Salaries, wages and benefits	\$ 1,572,577	\$ 1,389,786	\$ 1,256,478
Personnel expenses	26,500	22,360	21,712
Contractual services	829,907	903,662	998,981
Supplies and other expenses	1,174,030	2,575,258	2,167,871
Transfers from other functions	1,209,739	1,223,733	1,193,585
Transfers to other functions	(39,640)	(39,640)	(39,640)
Cost allocated to capital	(66,304)	-	-
Total operating expenses	<u>\$ 4,706,809</u>	<u>\$ 6,075,159</u>	<u>\$ 5,598,987</u>
Transfers of equity			
Transfer from reserves	\$ (10,000)	\$ (10,000)	-
Transfer to reserves	-	347,835	877,184
Transfer from other funds	(776)	(6,407)	(20,451)
Transfer to other funds	1,250	103,855	87,208
Transfer from capital equity	-	(998,876)	(985,828)
Total transfers of equity	<u>\$ (9,526)</u>	<u>\$ (563,593)</u>	<u>\$ (41,887)</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009, with comparatives for 2008

14 . Operating activities by segment (cont.):

	<u>2009 Budget</u>	<u>2009</u>	<u>2008</u>
Kamloops Airport Authority Society:			
Revenue			
Fees, rates and sales of service	\$ -	\$ 1,642,491	\$ 1,116,837
Investment income	-	10,638	41,853
Total operating revenue	<u>\$ -</u>	<u>\$ 1,653,129</u>	<u>\$ 1,158,690</u>
Expenses			
Contractual services	\$ -	\$ 20,086	\$ 133,375
Supplies and other expenses	-	1,481,427	992,590
Total operating expenses	<u>\$ -</u>	<u>\$ 1,501,513</u>	<u>\$ 1,125,965</u>
Transfers of equity			
Transfer to reserves	\$ -	\$ 1,568,538	\$ 904,888
Transfer to funds	-	53,000	109,851
Transfer from capital equity	-	(1,469,922)	(982,014)
Total transfers of equity	<u>\$ -</u>	<u>\$ 151,616</u>	<u>\$ 32,725</u>
Venture Kamloops Business Development Society:			
Revenue			
Fees, rates and sales of service	\$ -	\$ 93,417	\$ 75,903
Grants	-	1,529	25,134
Investment income	-	1,109	5,960
Total operating revenue	<u>\$ -</u>	<u>\$ 96,055</u>	<u>\$ 106,997</u>
Expenses			
Supplies and other expenses	\$ -	\$ 583,077	\$ 595,496
Total operating expenses	<u>\$ -</u>	<u>\$ 583,077</u>	<u>\$ 595,496</u>
Transfers of equity			
Transfer from other funds	\$ -	\$ (482,000)	\$ (482,000)
Transfer from capital equity	-	(5,022)	(6,499)
Total transfers of equity	<u>\$ -</u>	<u>\$ (487,022)</u>	<u>\$ (488,499)</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2009, with comparatives for 2008

14 . Operating activities by segment (cont.):

	<u>2009 Budget</u>	<u>2009</u>	<u>2008</u>
Debt servicing costs:			
Revenue sources:			
Property tax requirement (contribution)	\$ 2,857,766	\$ 2,641,940	\$ 2,609,314
Fees, rates and sales of service	2,870,845	2,936,177	3,050,447
Total revenue	<u>\$ 5,728,611</u>	<u>\$ 5,578,117</u>	<u>\$ 5,659,761</u>
Expenses by fund:			
General fund	\$ 3,046,270	\$ 2,800,697	\$ 2,928,882
Water fund	2,296,262	2,235,145	2,369,879
Sewer fund	574,583	521,995	617,216
Kamloops Airport Authority Society	-	179,037	63,352
Total expenses by fund	<u>\$ 5,917,115</u>	<u>\$ 5,736,874</u>	<u>\$ 5,979,329</u>
Transfers of equity			
Transfer from reserves	\$ (188,504)	\$ (188,504)	\$ (319,568)
Transfer to reserves	-	29,747	
Total transfers of equity	<u>\$ (188,504)</u>	<u>\$ (158,757)</u>	<u>\$ (319,568)</u>

15 . Taxation:

	<u>2009 Budget</u>	<u>2009</u>	<u>2008</u>
General fund:			
Real property	\$ 77,271,000	\$ 77,136,189	\$ 74,572,054
Special assessments	826,075	866,500	967,178
Utilities	1,281,131	1,281,131	1,263,238
Grants in lieu of taxes	2,257,690	2,227,228	2,227,645
	<u>\$ 81,635,896</u>	<u>\$ 81,511,048</u>	<u>\$ 79,030,115</u>

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

	<u>2009</u>	<u>2008</u>
Province of British Columbia - school taxes	\$ 34,893,712	\$ 34,253,258
Thompson-Nicola Regional Hospital District	2,895,956	2,813,550
Thompson-Nicola Regional District	5,118,113	5,061,501
British Columbia Assessment Authority	964,609	911,395
	<u>\$ 43,872,390</u>	<u>\$ 43,039,704</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009, with comparatives for 2008

16 . Grants:

	<u>2009 Budget</u>	<u>2009</u>	<u>2008</u>
General fund:			
Federal Government:			
Policing	\$ 1,543,750	\$ 1,500,948	\$ 1,476,427
Community Works Fund	3,337,163	3,340,924	1,615,630
Provincial Government:			
Transit	5,053,255	4,651,792	4,651,958
Gaming revenue	2,600,000	2,385,739	2,632,409
Victims assistance	60,000	70,907	84,272
Traffic Fines	1,234,034	1,836,828	1,234,034
Capital infrastructure	13,082,870	2,400,246	3,404,591
Other	256,650	509,357	512,553
	<u>27,167,722</u>	<u>16,696,741</u>	<u>15,611,874</u>
Water fund:			
Provincial Government:			
Capital infrastructure	<u>4,480,000</u>	<u>2,870,546</u>	<u>-</u>
Sewer fund:			
Provincial Government:			
Capital infrastructure	1,702,000	-	-
Other	-	-	20,000
	<u>1,702,000</u>	<u>-</u>	<u>20,000</u>
Kamloops Airport Authority Society:			
Federal Government:			
Capital infrastructure	<u>-</u>	<u>4,106,465</u>	<u>7,875,449</u>
Venture Kamloops Business Development Society:			
Provincial Government:			
Other	<u>-</u>	<u>1,529</u>	<u>25,134</u>
	<u>\$ 33,349,722</u>	<u>\$ 23,675,281</u>	<u>\$ 23,532,457</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2009, with comparatives for 2008

17 . Commitments and contingencies:

- (a) The City of Kamloops has entered into various agreements and contracts for services and construction for periods ranging from one to five years.
- (b) The City of Kamloops, as a member of the Thompson Nicola Regional District, is liable for its proportion of any operating deficits or long-term debt related to functions in which it participates.
- (c) The City of Kamloops is a participant in the Municipal Insurance Association of British Columbia. Should the Association pay out claims in excess of premiums received, it is possible the City, along with other participants, would be required to contribute towards the deficit.
- (d) The City of Kamloops and its employees contribute to the Municipal Pension Plan ("the plan"), a jointly trustee pension plan. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the pension plan, including investment of the assets and administration of benefits. The pension plan is a multi-employer contributory pension plan. Basic pension benefits provided are defined. The plan has about 158,000 active members and approximately 57,000 retired members. Active members include approximately 33,000 contributors from local governments.

Every three years an actuarial valuation is performed to assess the financial position of the plan and the adequacy of plan funding. The most recent valuation as at December 31, 2006 indicated a surplus of \$438 million for basic pension benefits. The next valuation will be as at December 31, 2009 with results available in 2010. The actuary does not attribute portions of the surplus to individual employers. The City of Kamloops paid \$3,788,783 (2008 - \$3,456,142) for employer contributions to the plan in fiscal 2009.

- (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, 2009, with comparatives for 2008

Commitments and contingencies (cont.):

- (f) The City issues certain of its debt instruments through the Municipal Finance Authority. As a condition of these borrowings and as required by legislation, a debt reserve fund is to be established in the amount of one-half the average 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	2009 Total	2008 Total
General fund	\$ 697,363	\$ 1,889,156	\$ 2,586,519	\$ 2,658,685
Water utility fund	683,461	2,053,855	2,737,316	2,845,857
Sewer utility fund	187,860	492,281	680,141	725,927
	<u>\$ 1,568,684</u>	<u>\$ 4,435,292</u>	<u>\$ 6,003,976</u>	<u>\$ 6,230,469</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.

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

18 . Trust funds:

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2009, with comparatives for 2008

19 . Budget figures:

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

The Financial Plan did not anticipate amortization expense. In addition, some expenses that were classified as capital expenditure did not represent new assets or extend the life or service capacity or improve the quality of an existing asset.

If these expenses were added to the Financial Plan the amounts would be as follows:

	Financial Plan Bylaw	Amortization expense	Expenses not capitalized	Fiscal Plan
Revenue				
Taxation	\$ 81,635,896	\$	\$	\$ 81,635,896
Development levies utilized	8,619,646			8,619,646
Fees, rates and sales of service	47,237,534			47,237,534
Grants	33,349,722			33,349,722
Investment income	3,495,638			3,495,638
Private contributions	356,800			356,800
Sale of capital assets	89,000			89,000
	<u>174,784,236</u>	<u>-</u>	<u>-</u>	<u>174,784,236</u>
Expenditures				
Cemetery	622,226	126,486	3,191	751,903
Community development	4,192,314	79,024	37,696	4,309,034
Corporate administration	9,458,742	436,763	34,789	9,930,294
Environmental services	948,090	2,751	-	950,841
Fire services	12,958,671	601,672	232,586	13,792,929
Infrastructure maintenance	8,815,311	10,116,419	6,451	18,938,181
Legislative and enforcement	4,201,189	199,437	5,625	4,406,251
Parks, recreation and cultural serv	20,798,862	5,302,734	2,171,011	28,272,607
Police services	19,408,986	61,173	47,552	19,517,711
Public Transit	11,897,943	4,924	-	11,902,867
Solid waste	6,449,393	23,325	42,597	6,515,315
Water utility	6,952,168	2,959,489	918,841	10,830,498
Sewer utility	4,706,809	998,876	268,576	5,974,261
Kamloops Airport Authority Society	-	-	-	-
Venture Kamloops Bus. Dev. Soc.	-	-	-	-
Debt servicing costs	5,917,115	-	-	5,917,115
	<u>117,327,819</u>	<u>20,913,073</u>	<u>3,768,915</u>	<u>142,009,807</u>
Increase (decrease) in accumulated surplus	\$ <u>57,456,417</u>	\$ <u>(20,913,073)</u>	\$ <u>(3,768,915)</u>	\$ <u>32,774,429</u>

Schedule 1a- Tangible Capital Assets (2009)

	Original Cost as at December 31, 2008	Accumulated Depreciation to December 31, 2008	Net Asset Value as at December 31, 2008	2009 Additions	2009 Disposals	Accumulated Depreciation on Disposals	2009 Depreciation	Original Cost as at December 31, 2009	Accumulated Depreciation to December 31, 2009	Net Asset Value as at December 31, 2009
Cemetery										
Site improvements	964,383	(317,089)	647,294	-	-	-	(60,326)	964,383	(377,415)	586,968
Buildings	2,270,872	(816,899)	1,453,973	-	-	-	(56,769)	2,270,872	(873,668)	1,397,204
Equipment	89,353	(40,208)	49,145	7,111	-	-	(9,291)	96,464	(49,499)	46,965
Computing infrastructure	500	(150)	350	-	-	-	(100)	500	(250)	250
	3,325,108	(1,174,346)	2,150,762	7,111	-	-	(126,486)	3,332,219	(1,300,832)	2,031,387
Community development										
Land	73,079,941		73,079,941	4,175,500	(2,804,318)			74,451,123	-	74,451,123
Site improvements	607,367	(244,930)	362,437	8,330	-	-	(17,533)	615,697	(262,463)	353,234
Buildings	247,991	(150,150)	97,841	-	-	-	(4,275)	247,991	(154,425)	93,566
Transportation network	6,941	(2,452)	4,489	-	-	-	(138)	6,941	(2,590)	4,351
Equipment	238,097	(107,139)	130,958	25,531	-	-	(25,085)	263,628	(132,224)	131,404
Computing infrastructure	167,535	(74,589)	92,946	-	-	-	(31,993)	167,535	(106,582)	60,953
	74,347,872	(579,260)	73,768,612	4,209,361	(2,804,318)	-	(79,024)	75,752,915	(658,284)	75,094,631
Corporate administration										
Site improvements	47,022	(8,228)	38,794	-	-	-	(2,351)	47,022	(10,579)	36,443
Transportation network	372	(192)	180	-	-	-	(5)	372	(197)	175
Equipment	63,578	(28,611)	34,967	186,778	-	-	(15,696)	250,356	(44,307)	206,049
Computing infrastructure	4,488,758	(3,598,977)	889,781	360,227	(13,841)	13,841	(418,711)	4,835,144	(4,003,847)	831,297
	4,599,730	(3,636,008)	963,722	547,005	(13,841)	13,841	(436,763)	5,132,894	(4,058,930)	1,073,964
Environmental services										
Site improvements	14,668	(8,810)	5,858	-	-	-	(533)	14,668	(9,343)	5,325
Computing infrastructure	7,849	(2,170)	5,679	6,468	-	-	(2,218)	14,317	(4,388)	9,929
	22,517	(10,980)	11,537	6,468	-	-	(2,751)	28,985	(13,731)	15,254
Fire services										
Site improvements	18,826	(16,119)	2,707	-	-	-	(656)	18,826	(16,775)	2,051
Buildings	219,429	(90,089)	129,340	-	-	-	(8,168)	219,429	(98,257)	121,172
Equipment	7,256,734	(3,064,465)	4,192,269	1,244,151	-	-	(580,056)	8,500,885	(3,644,521)	4,856,364
Computing infrastructure	70,768	(33,723)	37,045	-	-	-	(12,792)	70,768	(46,515)	24,253
	7,565,757	(3,204,396)	4,361,361	1,244,151	-	-	(601,672)	8,809,908	(3,806,068)	5,003,840
Infrastructure maintenance										
Land under roads	398,648,336	-	398,648,336	421,611	-	-	-	399,069,947	-	399,069,947
Site improvements	6,729,120	(2,035,048)	4,694,072	294,414	-	-	(186,421)	7,023,534	(2,221,469)	4,802,065
Buildings	27,251,848	(9,635,353)	17,616,495	317,399	(93,963)	93,963	(688,119)	27,475,284	(10,229,509)	17,245,775
Transportation network	181,532,087	(75,584,689)	105,947,398	15,507,562	(1,428,073)	1,391,044	(5,091,414)	195,611,576	(79,285,059)	116,326,517
Drainage network	62,418,133	(19,473,019)	42,945,114	2,565,162	(74,399)	71,474	(1,873,366)	64,908,896	(21,274,911)	43,633,985
Equipment	23,713,618	(13,046,115)	10,667,503	2,070,822	(89,269)	89,269	(2,168,560)	25,695,171	(15,125,406)	10,569,765
Computing infrastructure	263,933	(136,633)	127,300	5,734	-	-	(47,134)	269,667	(183,767)	85,900
Communication network	1,214,542	(163,070)	1,051,472	26,812	-	-	(61,405)	1,241,354	(224,475)	1,016,879

Schedule 1a- Tangible Capital Assets (2009)

	Original Cost as at December 31, 2008	Accumulated Depreciation to December 31, 2008	Net Asset Value as at December 31, 2008	2009 Additions	2009 Disposals	Accumulated Depreciation on Disposals	2009 Depreciation	Original Cost as at December 31, 2009	Accumulated Depreciation to December 31, 2009	Net Asset Value as at December 31, 2009
	701,771,617	(120,073,927)	581,697,690	21,209,516	(1,685,704)	1,645,750	(10,116,419)	721,295,429	(128,544,596)	592,750,833
Legislative and enforcement										
Buildings	1,198,005	(970,379)	227,626	21,641	(17,745)	17,745	(24,176)	1,201,901	(976,810)	225,091
Equipment	1,579,791	(419,850)	1,159,941	10,050	-	-	(158,481)	1,589,841	(578,331)	1,011,510
Computing infrastructure	88,879	(37,483)	51,396	-	-	-	(16,780)	88,879	(54,263)	34,616
	2,866,675	(1,427,712)	1,438,963	31,691	(17,745)	17,745	(199,437)	2,880,621	(1,609,404)	1,271,217
Parks, recreation and cultural services										
Site improvements	39,613,753	(18,613,246)	21,000,507	5,169,333	(1,627,158)	1,627,158	(2,144,880)	43,155,928	(19,130,968)	24,024,960
Buildings	76,831,698	(33,896,545)	42,935,153	3,759,938	(408,213)	408,213	(1,861,914)	80,183,423	(35,350,246)	44,833,177
Transportation network	10,746,212	(4,647,824)	6,098,388	4,298	(117,509)	38,384	(206,129)	10,633,001	(4,815,569)	5,817,432
Water network	6,559,696	(3,115,857)	3,443,839	-	-	-	(327,985)	6,559,696	(3,443,842)	3,115,854
Equipment	7,170,628	(3,030,307)	4,140,321	127,281	-	-	(717,427)	7,297,909	(3,747,734)	3,550,175
Computing infrastructure	238,252	(101,045)	137,207	-	-	-	(44,399)	238,252	(145,444)	92,808
	141,160,239	(63,404,824)	77,755,415	9,060,850	(2,152,880)	2,073,755	(5,302,734)	148,068,209	(66,633,803)	81,434,406
Police services										
Equipment	472,263	(212,520)	259,743	24,162	-	-	(48,434)	496,425	(260,954)	235,471
Computing infrastructure	64,779	(21,755)	43,024	-	-	-	(12,739)	64,779	(34,494)	30,285
	537,042	(234,275)	302,767	24,162	-	-	(61,173)	561,204	(295,448)	265,756
Public Transit										
Site improvements	5,187	(2,337)	2,850	-	-	-	(520)	5,187	(2,857)	2,330
Buildings	71,667	(3,582)	68,085	-	-	-	(1,433)	71,667	(5,015)	66,652
Transportation network	59,378	(19,824)	39,554	-	-	-	(2,971)	59,378	(22,795)	36,583
	136,232	(25,743)	110,489	-	-	-	(4,924)	136,232	(30,667)	105,565
Solid waste										
Site improvements	117,816	(56,610)	61,206	-	-	-	(4,221)	117,816	(60,831)	56,985
Buildings	414,058	(68,355)	345,703	-	-	-	(15,206)	414,058	(83,561)	330,497
Computing infrastructure	18,060	(6,016)	12,044	2,867	-	-	(3,898)	20,927	(9,914)	11,013
	549,934	(130,981)	418,953	2,867	-	-	(23,325)	552,801	(154,306)	398,495
Water utility										
Site improvements	687,761	(246,948)	440,813	-	-	-	(66,158)	687,761	(313,106)	374,655
Buildings	16,531,721	(3,249,947)	13,281,774	-	-	-	(531,566)	16,531,721	(3,781,513)	12,750,208
Transportation network	37,114	(23,727)	13,387	-	-	-	(1,122)	37,114	(24,849)	12,265
Water network	122,344,626	(34,381,677)	87,962,949	2,028,224	(180,323)	127,360	(2,312,998)	124,192,527	(36,567,315)	87,625,212
Equipment	444,774	(199,467)	245,307	27,717	-	-	(45,865)	472,491	(245,332)	227,159
Computing infrastructure	8,898	(3,727)	5,171	-	-	-	(1,780)	8,898	(5,507)	3,391
	140,054,894	(38,105,493)	101,949,401	2,055,941	(180,323)	127,360	(2,959,489)	141,930,512	(40,937,622)	100,992,890

Schedule 1a- Tangible Capital Assets (2009)

	Original Cost as at December 31, 2008	Accumulated Depreciation to December 31, 2008	Net Asset Value as at December 31, 2008	2009 Additions	2009 Disposals	Accumulated Depreciation on Disposals	2009 Depreciation	Original Cost as at December 31, 2009	Accumulated Depreciation to December 31, 2009	Net Asset Value as at December 31, 2009
Sewer utility										
Site improvements	146,163	(96,590)	49,573	-	-	-	(6,764)	146,163	(103,354)	42,809
Buildings	2,637,589	(1,045,003)	1,592,586	-	-	-	(65,286)	2,637,589	(1,110,289)	1,527,300
Sanitary network	55,773,038	(17,482,867)	38,290,171	679,760	(67,482)	60,448	(924,328)	56,385,316	(18,346,747)	38,038,569
Equipment	-	-	-	20,635	-	-	(1,031)	20,635	(1,031)	19,604
Computing infrastructure	7,333	(1,984)	5,349	-	-	-	(1,467)	7,333	(3,451)	3,882
	58,564,123	(18,626,444)	39,937,679	700,395	(67,482)	60,448	(998,876)	59,197,036	(19,564,872)	39,632,164
Kamloops Airport Authority Society										
Land	8,745,200	-	8,745,200	-	-	-	-	8,745,200	-	8,745,200
Buildings	10,144,059	(2,270,971)	7,873,088	9,643,940	-	-	(409,334)	19,787,999	(2,680,305)	17,107,694
Transportation network	35,483,576	(8,622,278)	26,861,298	1,250,132	-	-	(848,705)	36,733,708	(9,470,983)	27,262,725
Drainage network	1,981,915	(4,955)	1,976,960	-	-	-	(59,309)	1,981,915	(64,264)	1,917,651
Sanitary network	543,400	(166,366)	377,034	-	-	-	(11,311)	543,400	(177,677)	365,723
Water network	4,890,600	(1,497,295)	3,393,305	-	-	-	(101,799)	4,890,600	(1,599,094)	3,291,506
Equipment	904,906	(622,534)	282,372	149,873	-	-	(39,049)	1,054,779	(661,583)	393,196
Computing infrastructure	72,371	(71,126)	1,245	-	-	-	(415)	72,371	(71,541)	830
	62,766,027	(13,255,525)	49,510,502	11,043,945	-	-	(1,469,922)	73,809,972	(14,725,447)	59,084,525
Venture Kamloops Business Development Society										
Buildings	2,979	(2,532)	447	-	-	-	(447)	2,979	(2,979)	-
Equipment	12,819	(10,664)	2,155	12,306	-	-	(3,187)	25,125	(13,851)	11,274
Computing infrastructure	19,021	(18,565)	456	5,358	-	-	(1,388)	24,379	(19,953)	4,426
	34,819	(31,761)	3,058	17,664	-	-	(5,022)	52,483	(36,783)	15,700
Total tangible capital assets above	1,198,302,586	(263,921,675)	934,380,911	50,161,127	(6,922,293)	3,938,899	(22,388,017)	1,241,541,420	(282,370,793)	959,170,627
Work in progress	9,270,129	-	9,270,129	7,091,225	-	-	-	16,361,354	-	16,361,354
Total tangible capital assets	1,207,572,715	(263,921,675)	943,651,040	57,252,352	(6,922,293)	3,938,899	(22,388,017)	1,257,902,774	(282,370,793)	975,531,981
Summary by asset Group:										
Land	81,825,141	-	81,825,141	4,175,500	(2,804,318)	-	-	83,196,323	-	83,196,323
Land under roads	398,648,336	-	398,648,336	421,611	-	-	-	399,069,947	-	399,069,947
Site improvements	48,952,066	(21,645,955)	27,306,111	5,472,077	(1,627,158)	1,627,158	(2,490,363)	52,796,985	(22,509,160)	30,287,825
Buildings	137,821,916	(52,199,805)	85,622,111	13,742,918	(519,921)	519,921	(3,666,693)	151,044,913	(55,346,577)	95,698,336
Transportation network	227,865,680	(88,900,986)	138,964,694	16,761,992	(1,545,582)	1,429,428	(6,150,484)	243,082,090	(93,622,042)	149,460,048
Drainage network	64,400,048	(19,477,974)	44,922,074	2,565,162	(74,399)	71,474	(1,932,675)	66,890,811	(21,339,175)	45,551,636
Sanitary network	56,316,438	(17,649,233)	38,667,205	679,760	(67,482)	60,448	(935,639)	56,928,716	(18,524,424)	38,404,292
Water network	133,794,922	(38,994,829)	94,800,093	2,028,224	(180,323)	127,360	(2,742,782)	135,642,823	(41,610,251)	94,032,572
Equipment	41,946,561	(20,781,880)	21,164,681	3,906,417	(89,269)	89,269	(3,812,162)	45,763,709	(24,504,773)	21,258,936
Computing infrastructure	5,516,936	(4,107,943)	1,408,993	380,654	(13,841)	13,841	(595,814)	5,883,749	(4,689,916)	1,193,833
Communication network	1,214,542	(163,070)	1,051,472	26,812	-	-	(61,405)	1,241,354	(224,475)	1,016,879
Work in progress	9,270,129	-	9,270,129	7,091,225	-	-	-	16,361,354	-	16,361,354
	1,207,572,715	(263,921,675)	943,651,040	57,252,352	(6,922,293)	3,938,899	(22,388,017)	1,257,902,774	(282,370,793)	975,531,981

Schedule 1b - Tangible Capital Assets (2008)

	Original Cost as at December 31, 2007	Accumulated Depreciation to December 31, 2007	Net Asset Value as at December 31, 2007	2008 Additions	2008 Disposals	Accumulated Depreciation on Disposals	2008 Depreciation	Original Cost as at December 31, 2008	Accumulated Depreciation to December 31, 2008	Net Asset Value as at December 31, 2008
Cemetery										
Site improvements	964,383	(256,763)	707,620	-	-	-	(60,326)	964,383	(317,089)	647,294
Buildings	2,270,872	(760,130)	1,510,742	-	-	-	(56,769)	2,270,872	(816,899)	1,453,973
Equipment	89,353	(31,272)	58,081	-	-	-	(8,936)	89,353	(40,208)	49,145
Computing infrastructure	500	(50)	450	-	-	-	(100)	500	(150)	350
	3,325,108	(1,048,215)	2,276,893	-	-	-	(126,131)	3,325,108	(1,174,346)	2,150,762
Community development										
Land	71,811,441	-	71,811,441	1,268,500	-	-	-	73,079,941	-	73,079,941
Site improvements	607,367	(227,643)	379,724	-	-	-	(17,287)	607,367	(244,930)	362,437
Buildings	247,991	(145,670)	102,321	-	-	-	(4,480)	247,991	(150,150)	97,841
Transportation network	6,941	(2,314)	4,627	-	-	-	(138)	6,941	(2,452)	4,489
Equipment	238,097	(83,330)	154,767	-	-	-	(23,809)	238,097	(107,139)	130,958
Computing infrastructure	145,255	(43,309)	101,946	22,280	-	-	(31,280)	167,535	(74,589)	92,946
	73,057,092	(502,266)	72,554,826	1,290,780	-	-	(76,994)	74,347,872	(579,260)	73,768,612
Corporate administration										
Site improvements	47,022	(5,877)	41,145	-	-	-	(2,351)	47,022	(8,228)	38,794
Transportation network	372	(187)	185	-	-	-	(5)	372	(192)	180
Equipment	63,578	(22,253)	41,325	-	-	-	(6,358)	63,578	(28,611)	34,967
Computing infrastructure	4,118,224	(3,078,793)	1,039,431	370,534	-	-	(520,184)	4,488,758	(3,598,977)	889,781
	4,229,196	(3,107,110)	1,122,086	370,534	-	-	(528,898)	4,599,730	(3,636,008)	963,722
Environmental services										
Site improvements	14,668	(8,277)	6,391	-	-	-	(533)	14,668	(8,810)	5,858
Computing infrastructure	5,693	(816)	4,877	2,156	-	-	(1,354)	7,849	(2,170)	5,679
	20,361	(9,093)	11,268	2,156	-	-	(1,887)	22,517	(10,980)	11,537
Fire services										
Site improvements	18,826	(15,254)	3,572	-	-	-	(865)	18,826	(16,119)	2,707
Buildings	219,429	(81,921)	137,508	-	-	-	(8,168)	219,429	(90,089)	129,340
Equipment	6,445,813	(2,578,177)	3,867,636	810,921	-	-	(486,288)	7,256,734	(3,064,465)	4,192,269
Computing infrastructure	63,222	(20,670)	42,552	7,546	-	-	(13,053)	70,768	(33,723)	37,045
	6,747,290	(2,696,022)	4,051,268	818,467	-	-	(508,374)	7,565,757	(3,204,396)	4,361,361
Infrastructure maintenance										
Land under roads	398,648,336	-	398,648,336	-	-	-	-	398,648,336	-	398,648,336
Site improvements	6,717,257	(1,853,886)	4,863,371	11,863	-	-	(181,162)	6,729,120	(2,035,048)	4,694,072
Buildings	27,251,848	(8,955,782)	18,296,066	-	-	-	(679,571)	27,251,848	(9,635,353)	17,616,495
Transportation network	173,954,946	(70,697,701)	103,257,245	7,577,141	-	-	(4,886,988)	181,532,087	(75,584,689)	105,947,398
Drainage network	60,882,174	(17,649,299)	43,232,875	1,535,959	-	-	(1,823,720)	62,418,133	(19,473,019)	42,945,114
Equipment	18,863,295	(11,096,554)	7,766,741	4,850,323	-	-	(1,949,561)	23,713,618	(13,046,115)	10,667,503
Computing infrastructure	240,001	(86,712)	153,289	23,932	-	-	(49,921)	263,933	(136,633)	127,300
Communication network	1,214,542	(102,335)	1,112,207	-	-	-	(60,735)	1,214,542	(163,070)	1,051,472

Schedule 1b - Tangible Capital Assets (2008)

	Original Cost as at December 31, 2007	Accumulated Depreciation to December 31, 2007	Net Asset Value as at December 31, 2007	2008 Additions	2008 Disposals	Accumulated Depreciation on Disposals	2008 Depreciation	Original Cost as at December 31, 2008	Accumulated Depreciation to December 31, 2008	Net Asset Value as at December 31, 2008
	687,772,399	(110,442,269)	577,330,130	13,999,218	-	-	(9,631,658)	701,771,617	(120,073,927)	581,697,690
Legislative and enforcement										
Buildings	1,198,005	(946,419)	251,586	-	-	-	(23,960)	1,198,005	(970,379)	227,626
Equipment	1,579,791	(261,870)	1,317,921	-	-	-	(157,980)	1,579,791	(419,850)	1,159,941
Computing infrastructure	86,723	(19,929)	66,794	2,156	-	-	(17,554)	88,879	(37,483)	51,396
	2,864,519	(1,228,218)	1,636,301	2,156	-	-	(199,494)	2,866,675	(1,427,712)	1,438,963
Parks, recreation and cultural services										
Site improvements	39,351,366	(16,611,335)	22,740,031	262,387	-	-	(2,001,911)	39,613,753	(18,613,246)	21,000,507
Buildings	76,805,694	(32,109,206)	44,696,488	26,004	-	-	(1,787,339)	76,831,698	(33,896,545)	42,935,153
Transportation network	10,746,212	(4,440,375)	6,305,837	-	-	-	(207,449)	10,746,212	(4,647,824)	6,098,388
Water network	6,559,696	(2,787,872)	3,771,824	-	-	-	(327,985)	6,559,696	(3,115,857)	3,443,839
Equipment	7,165,232	(2,316,714)	4,848,518	5,396	-	-	(713,593)	7,170,628	(3,030,307)	4,140,321
Computing infrastructure	216,766	(55,783)	160,983	21,486	-	-	(45,262)	238,252	(101,045)	137,207
	140,844,966	(58,321,285)	82,523,681	315,273	-	-	(5,083,539)	141,160,239	(63,404,824)	77,755,415
Police services										
Equipment	472,263	(165,293)	306,970	-	-	-	(47,227)	472,263	(212,520)	259,743
Computing infrastructure	58,686	(9,410)	49,276	6,093	-	-	(12,345)	64,779	(21,755)	43,024
	530,949	(174,703)	356,246	6,093	-	-	(59,572)	537,042	(234,275)	302,767
Public Transit										
Site improvements	5,187	(1,817)	3,370	-	-	-	(520)	5,187	(2,337)	2,850
Buildings	71,667	(2,149)	69,518	-	-	-	(1,433)	71,667	(3,582)	68,085
Transportation network	59,378	(16,853)	42,525	-	-	-	(2,971)	59,378	(19,824)	39,554
	136,232	(20,819)	115,413	-	-	-	(4,924)	136,232	(25,743)	110,489
Solid waste										
Site improvements	117,816	(52,389)	65,427	-	-	-	(4,221)	117,816	(56,610)	61,206
Buildings	414,058	(53,149)	360,909	-	-	-	(15,206)	414,058	(68,355)	345,703
Computing infrastructure	16,982	(2,512)	14,470	1,078	-	-	(3,504)	18,060	(6,016)	12,044
	548,856	(108,050)	440,806	1,078	-	-	(22,931)	549,934	(130,981)	418,953
Water utility										
Site improvements	687,761	(180,721)	507,040	-	-	-	(66,227)	687,761	(246,948)	440,813
Buildings	16,531,721	(2,718,381)	13,813,340	-	-	-	(531,566)	16,531,721	(3,249,947)	13,281,774
Transportation network	29,014	(22,808)	6,206	8,100	-	-	(919)	37,114	(23,727)	13,387
Water network	120,793,331	(32,111,002)	88,682,329	1,551,295	-	-	(2,270,675)	122,344,626	(34,381,677)	87,962,949
Equipment	442,718	(155,090)	287,628	2,056	-	-	(44,377)	444,774	(199,467)	245,307
Computing infrastructure	7,820	(2,055)	5,765	1,078	-	-	(1,672)	8,898	(3,727)	5,171
	138,492,365	(35,190,057)	103,302,308	1,562,529	-	-	(2,915,436)	140,054,894	(38,105,493)	101,949,401

Schedule 1b - Tangible Capital Assets (2008)

	Original Cost as at December 31, 2007	Accumulated Depreciation to December 31, 2007	Net Asset Value as at December 31, 2007	2008 Additions	2008 Disposals	Accumulated Depreciation on Disposals	2008 Depreciation	Original Cost as at December 31, 2008	Accumulated Depreciation to December 31, 2008	Net Asset Value as at December 31, 2008
Sewer utility										
Site improvements	146,163	(87,758)	58,405	-	-	-	(8,832)	146,163	(96,590)	49,573
Buildings	2,637,589	(979,515)	1,658,074	-	-	-	(65,488)	2,637,589	(1,045,003)	1,592,586
Sanitary network	55,113,418	(16,572,718)	38,540,700	659,620	-	-	(910,149)	55,773,038	(17,482,867)	38,290,171
Computing infrastructure	6,255	(625)	5,630	1,078	-	-	(1,359)	7,333	(1,984)	5,349
	57,903,425	(17,640,616)	40,262,809	660,698	-	-	(985,828)	58,564,123	(18,626,444)	39,937,679
Kamloops Airport Authority Society										
Land	8,745,200	-	8,745,200	-	-	-	-	8,745,200	-	8,745,200
Buildings	7,417,704	(2,092,161)	5,325,543	2,726,355	-	-	(178,810)	10,144,059	(2,270,971)	7,873,088
Transportation network	27,897,641	(7,983,875)	19,913,766	7,585,935	-	-	(638,403)	35,483,576	(8,622,278)	26,861,298
Drainage network	-	-	-	1,981,915	-	-	(4,955)	1,981,915	(4,955)	1,976,960
Sanitary network	543,400	(154,705)	388,695	-	-	-	(11,661)	543,400	(166,366)	377,034
Water network	4,890,600	(1,392,347)	3,498,253	-	-	-	(104,948)	4,890,600	(1,497,295)	3,393,305
Equipment	904,906	(579,919)	324,987	-	-	-	(42,615)	904,906	(622,534)	282,372
Computing infrastructure	72,371	(70,504)	1,867	-	-	-	(622)	72,371	(71,126)	1,245
	50,471,822	(12,273,511)	38,198,311	12,294,205	-	-	(982,014)	62,766,027	(13,255,525)	49,510,502
Venture Kamloops Business Development Society										
Buildings	2,979	(1,937)	1,042	-	-	-	(595)	2,979	(2,532)	447
Equipment	12,723	(8,100)	4,623	96	-	-	(2,564)	12,819	(10,664)	2,155
Computing infrastructure	19,021	(15,225)	3,796	-	-	-	(3,340)	19,021	(18,565)	456
	34,723	(25,262)	9,461	96	-	-	(6,499)	34,819	(31,761)	3,058
Total tangible capital assets	1,166,979,303	(242,787,496)	924,191,807	31,323,283	-	-	(21,134,179)	1,198,302,586	(263,921,675)	934,380,911
Work in progress	-	-	-	9,270,129	-	-	-	9,270,129	-	9,270,129
Total tangible capital assets	1,166,979,303	(242,787,496)	924,191,807	40,593,412	-	-	(21,134,179)	1,207,572,715	(263,921,675)	943,651,040
Summary by asset Group:										
Land	80,556,641	-	80,556,641	1,268,500	-	-	-	81,825,141	-	81,825,141
Land under roads	398,648,336	-	398,648,336	-	-	-	-	398,648,336	-	398,648,336
Site improvements	48,677,816	(19,301,720)	29,376,096	274,250	-	-	(2,344,235)	48,952,066	(21,645,955)	27,306,111
Buildings	135,069,557	(48,846,420)	86,223,137	2,752,359	-	-	(3,353,385)	137,821,916	(52,199,805)	85,622,111
Transportation network	212,694,504	(83,164,113)	129,530,391	15,171,176	-	-	(5,736,873)	227,865,680	(88,900,986)	138,964,694
Drainage network	60,882,174	(17,649,299)	43,232,875	3,517,874	-	-	(1,828,675)	64,400,048	(19,477,974)	44,922,074
Sanitary network	55,656,818	(16,727,423)	38,929,395	659,620	-	-	(921,810)	56,316,438	(17,649,233)	38,667,205
Water network	132,243,627	(36,291,221)	95,952,406	1,551,295	-	-	(2,703,608)	133,794,922	(38,994,829)	94,800,093
Equipment	36,277,769	(17,298,572)	18,979,197	5,668,792	-	-	(3,483,308)	41,946,561	(20,781,880)	21,164,681
Computing infrastructure	5,057,519	(3,406,393)	1,651,126	459,417	-	-	(701,550)	5,516,936	(4,107,943)	1,408,993
Communication network	1,214,542	(102,335)	1,112,207	-	-	-	(60,735)	1,214,542	(163,070)	1,051,472
Work in progress	-	-	-	9,270,129	-	-	-	9,270,129	-	9,270,129
General Fund	920,076,968	(177,658,050)	742,418,918	23,758,993	-	-	(16,244,402)	943,835,961	(193,902,452)	749,933,509
Water Fund	138,492,365	(35,190,057)	103,302,308	3,395,960	-	-	(2,915,436)	141,888,325	(38,105,493)	103,782,832
Sewer Fund	57,903,425	(17,640,616)	40,262,809	1,144,158	-	-	(985,828)	59,047,583	(18,626,444)	40,421,139
Airport	50,471,822	(12,273,511)	38,198,311	12,294,205	-	-	(982,014)	62,766,027	(13,255,525)	49,510,502
Venture Kamloops	34,723	(25,262)	9,461	96	-	-	(6,499)	34,819	(31,761)	3,058

Schedule 1b - Tangible Capital Assets (2008)

Original Cost as at December 31, 2007	Accumulated Depreciation to December 31, 2007	Net Asset Value as at December 31, 2007	2008 Additions	2008 Disposals	Accumulated Depreciation on Disposals	2008 Depreciation	Original Cost as at December 31, 2008	Accumulated Depreciation to December 31, 2008	Net Asset Value as at December 31, 2008
1,166,979,303	(242,787,496)	924,191,807	40,593,412	-	-	(21,134,179)	1,207,572,715	(263,921,675)	943,651,040



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Auditors' Report on Supplementary Information

To the Mayor and Council of the City of Kamloops

We have audited and reported separately herein on the financial statements of the City of Kamloops as at and for the year ended December 31, 2009 in accordance with Canadian generally accepted auditing standards.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole in accordance with Canadian generally accepted accounting principles. The current year's supplementary information included in the following schedules for the year ended December 31, 2009 is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

"BDO Canada LLP"

Chartered Accountants

Kamloops, British Columbia
April 22, 2010

GENERAL FUND
STATEMENT OF FINANCIAL POSITION
YEAR ENDED DECEMBER 31, 2009, with comparatives for 2008

	<u>2009</u>	<u>2008</u>
Financial assets		
Cash and short-term investments (note 4)	\$ 55,783,822	\$ 47,787,191
Accounts receivable (note 5)	12,239,333	16,304,967
Long-term investments	296,670	283,687
	<u>68,319,825</u>	<u>64,375,845</u>
Liabilities		
Accounts payable (note 6)	18,418,230	14,454,822
Payroll benefits payable	3,063,649	2,918,958
Post-employment benefits payable (note 7)	6,247,476	6,130,476
Landfill post-closure costs (note 8)	2,278,564	2,061,741
Deferred revenue (note 9)	13,516,036	12,897,078
Long-term debt (note 10)	49,270,569	51,752,865
	<u>92,794,524</u>	<u>90,215,940</u>
Net financial liabilities	<u>(24,474,699)</u>	<u>(25,840,095)</u>
Non-financial assets		
Inventory	867,948	871,848
Prepaid expenses	837,533	989,093
Tangible capital assets (note 12 & Schedule 1)	766,695,478	749,933,509
	<u>768,400,959</u>	<u>751,794,450</u>
Accumulated surplus (note 13)	<u>\$ 743,926,260</u>	<u>\$ 725,954,355</u>

GENERAL FUND
STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED DECEMBER 31, 2009, with comparatives for 2008

	<u>2009 Budget</u>	<u>2009</u>	<u>2008</u>
Revenue (note 14)			
Taxation (note 15)	\$ 81,635,896	\$ 81,511,048	\$ 79,030,115
Development levies utilized	5,831,392	5,694,712	3,904,822
Fees, rates and sales of service	22,966,249	23,576,278	22,783,332
Grants (note 16)	27,167,722	16,696,741	15,611,874
Investment income	2,223,355	2,855,062	3,280,820
Private contributions	336,800	5,989,478	1,630,448
Gain on disposal of capital assets	89,000	516,625	339,652
Transfers from other funds	11,274,475	6,581,706	5,914,756
	<u>151,524,889</u>	<u>143,421,650</u>	<u>132,495,819</u>
Expenditures (note 14)			
Cemetery	622,226	728,449	807,401
Community development	4,192,314	4,288,911	4,232,150
Corporate administration	9,458,742	7,923,368	7,933,262
Environmental services	948,090	475,169	487,848
Fire services	12,958,671	13,009,006	12,121,705
Infrastructure maintenance	8,815,311	18,235,475	16,996,737
Legislative and enforcement	4,201,189	4,232,558	4,615,966
Parks, recreation and cultural services	20,798,862	28,203,158	25,290,212
Police services	19,408,986	19,904,459	18,865,750
Public Transit	11,897,943	10,738,121	10,888,486
Solid waste	6,449,393	6,425,977	9,790,861
Debt servicing costs	3,046,270	2,800,697	2,928,882
Transfers to other funds	4,394,449	8,484,397	5,321,158
	<u>107,192,446</u>	<u>125,449,745</u>	<u>120,280,418</u>
Increase (decrease) in accumulated surplus	\$ <u>44,332,443</u>	\$ <u>17,971,905</u>	\$ <u>12,215,401</u>

WATER FUND
STATEMENT OF FINANCIAL POSITION
YEAR ENDED DECEMBER 31, 2009, with comparatives for 2008

	<u>2009</u>	<u>2008</u>
Financial assets		
Cash and short-term investments (note 4)	\$ 7,127,102	\$ 10,700,913
Accounts receivable (note 5)	3,906,974	1,090,493
	<u>11,034,076</u>	<u>11,791,406</u>
Liabilities		
Payroll benefits payable	155,803	157,854
Long-term debt (note 10)	36,102,482	39,592,596
	<u>36,258,285</u>	<u>39,750,450</u>
Net financial liabilities	<u>(25,224,209)</u>	<u>(27,959,044)</u>
Non-financial assets		
Inventory	377,405	442,549
Tangible capital assets (note 12 & Schedule 1)	108,831,819	103,782,832
	<u>109,209,224</u>	<u>104,225,381</u>
Accumulated surplus (note 13)	<u>\$ 83,985,015</u>	<u>\$ 76,266,337</u>

**WATER FUND
STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED DECEMBER 31, 2009, with comparatives for 2008**

	<u>2009 Budget</u>	<u>2009</u>	<u>2008</u>
Revenue (note 14)			
Development levies utilized	\$ 2,367,929	\$ 965,522	\$ 1,082,142
Fees, rates and sales of service	16,278,835	16,453,320	16,924,035
Grants (note 16)	4,480,000	2,870,546	-
Investment income	802,484	868,469	963,874
Private contributions	20,000	395,732	-
Transfers from other funds	208,128	302,730	-
	<u>24,157,376</u>	<u>21,856,319</u>	<u>18,970,051</u>
Expenditures (note 14)			
Water utility	6,952,168	11,026,404	11,169,830
Debt servicing costs	2,296,262	2,235,145	2,369,879
Loss on disposal of capital assets		52,963	
Transfers to other funds	751,250	823,129	826,900
	<u>9,999,680</u>	<u>14,137,641</u>	<u>14,366,609</u>
Increase (decrease) in accumulated surplus	<u>\$ 14,157,696</u>	<u>\$ 7,718,678</u>	<u>\$ 4,603,442</u>

SEWER FUND
STATEMENT OF FINANCIAL POSITION
YEAR ENDED DECEMBER 31, 2009, with comparatives for 2008

	<u>2009</u>	<u>2008</u>
Financial assets		
Cash and short-term investments (note 4)	\$ 9,581,406	\$ 8,076,377
Accounts receivable (note 5)	-	325,974
	<u>9,581,406</u>	<u>8,402,351</u>
Liabilities		
Payroll benefits payable	124,642	126,283
Long-term debt (note 10)	4,776,327	5,615,202
	<u>4,900,969</u>	<u>5,741,485</u>
Net financial assets	<u>4,680,437</u>	<u>2,660,866</u>
Non-financial assets		
Inventory	77,641	70,052
Tangible capital assets (note 12 & Schedule 1)	40,904,459	40,421,139
	<u>40,982,100</u>	<u>40,491,191</u>
Accumulated surplus (note 13)	<u>\$ 45,662,537</u>	<u>\$ 43,152,057</u>

SEWER FUND**STATEMENT OF FINANCIAL ACTIVITIES****YEAR ENDED DECEMBER 31, 2009, with comparatives for 2008**

	<u>2009 Budget</u>	<u>2009</u>	<u>2008</u>
Revenue (note 14)			
Development levies utilized	\$ 420,325	\$ 88,986	\$ 156,652
Fees, rates and sales of service	7,992,450	8,211,808	8,078,283
Grants (note 16)	1,702,000	-	20,000
Investment income	422,589	604,188	798,273
Private contributions	-	307,134	19,436
Transfers from other funds	50,776	216,936	20,451
	<u>10,588,140</u>	<u>9,429,052</u>	<u>9,093,095</u>
Expenditures (note 14)			
Sewer utility	4,706,809	6,285,688	5,598,987
Debt servicing costs	574,583	521,995	617,216
Loss on disposal of capital assets		7,034	
Transfers to other funds	1,250	103,855	86,577
	<u>5,282,642</u>	<u>6,918,572</u>	<u>6,302,780</u>
Increase (decrease) in accumulated surplus	<u>\$ 5,305,498</u>	<u>\$ 2,510,480</u>	<u>\$ 2,790,315</u>

**CEMETERY CARE TRUST FUND
STATEMENT OF FINANCIAL POSITION
YEAR ENDED DECEMBER 31, 2009, with comparatives for 2008**

	<u>2009</u>	<u>2008</u>
Financial Assets		
Cash and short-term investments (note 4)	\$ 1,367,868	\$ 1,300,288
Accounts receivable (note 5)	12,716	11,894
	<u>1,380,584</u>	<u>1,312,182</u>
Accumulated surplus (note 13)		
Balance, beginning of the year	<u>1,312,182</u>	<u>1,219,056</u>
Add:		
Transfer from General Revenue Fund	68,402	93,126
Interest Earned	69,383	69,430
	<u>137,785</u>	<u>162,556</u>
Less:		
Transfer to General Revenue Fund	<u>(69,383)</u>	<u>(69,430)</u>
Balance, end of the year	<u>1,380,584</u>	<u>1,312,182</u>
	<u>\$ -</u>	<u>\$ -</u>

**STATUTORY RESERVE FUNDS
STATEMENT OF FINANCIAL POSITION
YEAR ENDED DECEMBER 31, 2009, with comparatives for 2008**

	<u>2009</u>	<u>2008</u>
Financial Assets		
Cash and short-term investments (note 4)	\$ 35,328,459	\$ 37,388,020
	<u>35,328,459</u>	<u>37,388,020</u>
Liabilities		
Deferred revenue (note 9)	12,578,227	16,519,778
	<u>12,578,227</u>	<u>16,519,778</u>
Accumulated surplus (note 13)	<u>\$ 22,750,232</u>	<u>\$ 20,868,242</u>

**STATUTORY RESERVE FUNDS
STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED DECEMBER 31, 2009, with comparatives for 2008**

	<u>2009 Budget</u>	<u>2009</u>	<u>2008</u>
Revenue (note 14)			
Transfer to:			
Tax sale property	\$ 170,000	\$ 418,931	\$ 533,722
Local improvement	17,430	102,442	201,863
Debt retirement	500	379	796
Parking facility	169,488	197,217	199,176
Land sale	13,000	3,125,391	77,877
Equipment replacement	4,655,972	4,607,158	4,546,939
Cemetery trust	85,155	68,402	93,126
	<u>5,111,545</u>	<u>8,519,920</u>	<u>5,653,499</u>
Expenditures (note 14)			
Transfer from:			
Tax sale property	2,614,120	510,322	50,624
Local improvement	301,000	92,202	-
Parking facility	113,647	19,843	22,752
Land sale	1,815,453	2,263,234	1,978,799
Equipment replacement	6,606,545	3,683,927	3,604,613
	<u>11,450,765</u>	<u>6,569,528</u>	<u>5,656,788</u>
Increase (decrease) in accumulated surplus	<u>\$ (6,339,220)</u>	<u>\$ 1,950,392</u>	<u>\$ (3,289)</u>

**KAMLOOPS AIRPORT AUTHORITY SOCIETY
STATEMENT OF FINANCIAL POSITION
YEAR ENDED DECEMBER 31, 2009, with comparatives for 2008**

	<u>2009</u>	<u>2008</u>
Financial assets		
Cash and short-term investments (note 4)	\$ 4,479,658	\$ 1,686,911
Accounts receivable (note 5)	6,950,674	8,644,817
	<u>11,430,332</u>	<u>10,331,728</u>
Liabilities		
Accounts payable (note 6)	1,922,199	1,774,219
Long-term debt (note 10)	17,000,000	11,000,000
Obligations under capital lease (note 11)	-	11,974
	<u>18,922,199</u>	<u>12,786,193</u>
Net financial liabilities	<u>(7,491,867)</u>	<u>(2,454,465)</u>
Non-financial assets		
Tangible capital assets (note 12 & Schedule 1)	59,084,525	49,510,502
	<u>59,084,525</u>	<u>49,510,502</u>
Accumulated surplus (note 13)	<u>\$ 51,592,658</u>	<u>\$ 47,056,037</u>

KAMLOOPS AIRPORT AUTHORITY SOCIETY
STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED DECEMBER 31, 2009, with comparatives for 2008

	<u>2009 Budget</u>	<u>2009</u>	<u>2008</u>
Revenue (note 14)			
Fees, rates and sales of service	\$ -	\$ 2,153,068	1,194,131
Grants (note 16)	-	4,106,465	7,875,449
Investment income	-	10,638	41,853
	<u>-</u>	<u>6,270,171</u>	<u>9,111,433</u>
Expenditures (note 14)			
Kamloops Airport Authority Society	-	1,501,513	1,125,965
Debt servicing costs	-	179,037	63,352
Transfers to other funds	-	53,000	109,853
	<u>-</u>	<u>1,733,550</u>	<u>1,299,170</u>
Increase (decrease) in accumulated surplus	\$ -	\$ <u>4,536,621</u>	\$ <u>7,812,263</u>

VENTURE KAMLOOPS BUSINESS DEVELOPMENT SOCIETY
STATEMENT OF FINANCIAL POSITION
YEAR ENDED DECEMBER 31, 2009, with comparatives for 2008

	<u>2009</u>	<u>2008</u>
Financial assets		
Cash and short-term investments (note 4)	\$ 145,825	\$ 150,609
Accounts receivable (note 5)	15,135	19,913
	<u>160,960</u>	<u>170,522</u>
Liabilities		
Accounts payable (note 6)	45,620	24,440
Deferred revenue (note 9)	-	20,167
	<u>45,620</u>	<u>44,607</u>
Net financial assets	<u>115,340</u>	<u>125,915</u>
Non-financial assets		
Prepaid expenses	4,071	5,054
Tangible capital assets (note 12 & Schedule 1)	15,700	3,058
	<u>19,771</u>	<u>8,112</u>
Accumulated surplus (note 13)	<u>\$ 135,111</u>	<u>\$ 134,027</u>

VENTURE KAMLOOPS BUSINESS DEVELOPMENT SOCIETY
STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED DECEMBER 31, 2009, with comparatives for 2008

	<u>2009 Budget</u>	<u>2009</u>	<u>2008</u>
Revenue (note 14)			
Fees, rates and sales of service	\$ -	\$ 99,523	94,399
Grants (note 16)	-	1,529	25,134
Investment income	-	1,109	5,960
Transfers from other funds		482,000	482,000
	<u>-</u>	<u>584,161</u>	<u>607,493</u>
Expenditures (note 14)			
Venture Kamloops Business Development Society	-	583,077	595,496
	<u>-</u>	<u>583,077</u>	<u>595,496</u>
Increase (decrease) in accumulated surplus	\$ -	\$ 1,084	\$ 11,997