



2011 ANNUAL REPORT

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CITY OF
PRINCE GEORGE



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Message from the Mayor, Shari Green

Welcome to the 2011 City of Prince George Annual Report. I am pleased to highlight 2011 successes that reflect the City's contribution to the development of a community that is economically strong, healthy, and becoming more vibrant every day. I will also take the opportunity to touch on your call for an efficient, cost-effective municipal government.

We had many successes in 2011 that will serve as the platform from which we can continue to promote and grow our City.

- The 2015 Canada Winter Games Society established an office and began to assemble the team of staff and volunteers that will prepare our community to host this national event.
- We hosted a successful World Baseball Challenge in July of 2011.
- We held three neighbourhood town hall meetings with Mayor and Council and saw tremendous community interest in partnering with the City to improve our neighborhoods.
- The innovative Downtown Incentives Program, including a Revitalization Tax Exemption Program, came into full swing and is seeing great uptake.
- We gave sober second thought to how we tax light industry in the City as we see the Air Logistics Park near completion.
- Crime in the downtown was significantly reduced as a result of the Downtown Partnership's efforts to continue initiatives such as the RCMP's Downtown Enforcement Unit and the Downtown Clean Team.
- CN Centre hosted the sold out KISS concert.

The City of Prince George was also formally recognized with a number of important awards in 2011. These awards reflect the collective efforts of Council and Administration to ensure service excellence.

As 2011 came to a close and saw a new Mayor and Council, our mandate clearly changed. Council made a commitment to find efficiencies, savings and value for your tax dollar. We seized the opportunity to initiate short term action in relation to this commitment by working with Administration throughout the 2012 budget deliberations to find savings. Our efforts, in the face of significant financial challenges, resulted in the approval of a 2012 operating budget that is considerably less than what was initially proposed.

Council also acted quickly to position the Core Services Review as its priority project. The project, now underway, will consider a full range of opportunities for change, from increasing revenues to reducing spending, and from improving efficiencies to introducing different ways of delivering services. Finding and redirecting savings to the repair and replacement of City infrastructure is critical.

As you flip through the pages of this Annual Report you will see that we have established aggressive targets for the 2012 fiscal year. We know that achievement of these goals will require tough decisions, hard work, and innovation. The City of Prince George is ready to embrace these challenges and looks forward to working with residents to make Prince George the best place to live, work and play.



Shari Green,
Mayor



Mayor and Council



From left: Councillors Garth Frizzell, Dave Wilbur, Lyn Hall, Frank Everitt, Mayor Shari Green, Councillors Cameron Stolz, Albert Koehler, Murry Krause & Brian Skakun

About Prince George

Known as BC's northern capital, Prince George is a bustling city located on the traditional territory of the Lheidli T'enneh situated at the crossroads of Highway 97 (north-south) and Highway 16 (east-west), and at the confluence of the Fraser and Nechako Rivers. As a major city of the Pacific Rim, Prince George is firmly tied to the global market.

The City of Prince George is a vibrant, active and diverse community that provides a strong focal point and identity to the north, with a thriving economy that offers full opportunities for housing, employment, education, recreation and the cultural life of residents.

Prince George is a community that is known for opening its doors and showing our visitors the beauty and magic of the north. As the official host City for the 2015 Canada Winter Games, we are ecstatic to not only be welcoming the nation to

Prince George and the region in 2015, but to have the opportunity to promote and showcase our beautiful city leading up to this national event.

Population= 75,828 (BC Stats population estimates)

Area = 122 sq. miles (316 km²)

Kilometres of paved roads = 580

Kilometres of gravel roads = 90

Kilometres of watermain = 546 km

Kilometres of sanitary main = 441 km

2011 Building permit value = \$98,046,520

2011 Assessed value of land and buildings = \$8,862,774,320

Annual snowfall = 260.1 cm total snow in 2011

Officers & Officials 2011

Derek Bates, City Manager (Chief Administrative Officer)

Walter Babicz, Manager of Legislative Services (Corporate Officer)

Wendy Nordin, Manager of Policy Initiatives (Deputy Corporate Officer)

Rob Whitwham, Director of Public Safety and Civic Facilities

Devon Cooper, Manager of Police Support Services

John Lane, Fire Chief

Ian Wells, Manager of Real Estate Services

Guy Gusdal, Manager of Bylaw Services

Greg Anderson, Manager of Civic Facilities

Dan Milburn, Director of Planning and Development

Nelson Wight, Manager of Current Planning

Dan Adamson, Manager of Environment

Dave Dyer, Chief Engineer

Bill Gaal, Superintendent of Operations

Marco Fornari, Manager of Utilities

Flavio Viola, Manager of Parks and Solid Waste

Alan Clark, Manager of Transportation

Kathleen Soltis, Director of Corporate Services (Financial Officer)

Bill Johnson, Manager of Information Technology

Sandra Stibrany, Manager of Financial Services

Rae-Ann Emery, Manager of Human Resources

Scott Bone, Manager of Supply and Fleet Services

Ray Borgia, Manager of Risk and Benefits

Chris Bone, Manager of Social Development

Mike Davis, Manager of Communication and Citizen Engagement

Frank Blues, Manager of Assets

Mark Fercho, Manager of Sustainability

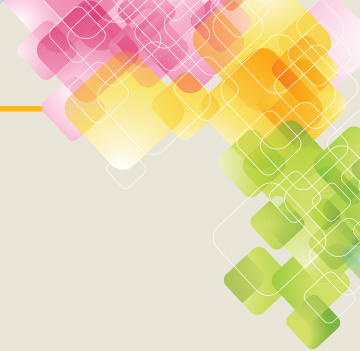
Colleen Van Mook, Director of Community Services

Myles Tycholis, Manager of Events and Civic Centre

Brad Beckett, Manager of Recreation and Cultural Services

Andy Beesley, Manager of CN Centre and Community Arenas

Lana Keim, Manager of Aquatics



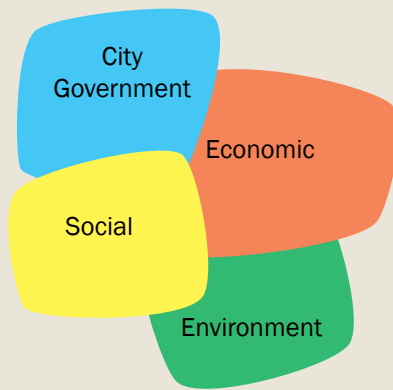
2011 Organizational Structure



Awards & Recognition

- BC Municipal Safety Association and WorkSafeBC Certificate of Recognition for the Health and Safety Program.
- Jeanne Clark Award for the Heritage Commission's efforts in preserving local history.
- Consulting Engineers of BC Award of Excellence for managing Prince George's rising flood waters
- The United Way of Northern British Columbia Top 25 Employee Campaign, Special Promotions Host, and Reducing Barriers Partnership awards.
- BC Library Trustee Association Award to Prince George Public Library Trustee Philip Mantler
- Canadian Library Association Ken Haycock Award to Prince George Public Library Chief Librarian Allan Wilson
- North Central Local Government Association President's Award for Leadership and Innovation 2011 for Measuring Up the North Initiative.
- Canadian Cancer Society for contributions to the Kordyban Lodge.
- The City achieved Milestones 4 & 5 in the Federation of Canadian Municipalities' Partners for Climate Protection Initiative, becoming one of only 5 communities in Canada to achieve this distinction.





myPG Vision

As BC's "northern capital", Prince George is a model for sustainable Canadian cities. The local environment is healthy, supporting a robust economy and enviable quality of life of residents. Everyone has housing they can afford, good food on the table, and a strong, supportive network of friends and co-workers. Built on regional assets, the economy is strong and stable. A vibrant downtown, great community, affordable lifestyle, and spectacular natural setting are Prince George's great strengths.



Social Development

- To provide for our human needs and maintain a high quality of life for everyone, the City of Prince George is committed to a population health approach to social development.

Environment

- The City of Prince George and its partners are committed to protecting our air, water and terrestrial environments.

Economic Development

- The City of Prince George, Initiatives Prince George and its community partners are committed to an approach to economic development that will continue to create a more diversified, vibrant, growing economy in which citizens have access to a wide range of employment opportunities. The city's vibrant, diverse, and growing economy will be supported by sustainable business practices and comprehensive education and training infrastructure to provide citizens with the skills necessary to realize their full potential within Prince George's export-oriented and domestic economy.

City Government

- The City's primary focus is on citizen centred service and sustainable fiscal management. Our talented employees strive for continuous improvement through cooperation, teamwork and partnering. Our corporate values stress strong leadership, respect for the individual, and personal and professional development for our workforce.

Affordable Accessible Housing

Prince George has eliminated homelessness and offers all of its citizens accessible, affordable and safe housing.

2011 Accomplishments

- The City of Prince George adopted its Housing First Policy, supporting the myPG Social Development Strategy.
- The VISIBLE Housing Project culminated in the adoption of the following policies:
 - Inclusion of objectives and policies for VISIBLE Housing within new single and two-family homes and;
 - For land sold by the City of Prince George: no less than 15% of market-rate single and two-family residential development shall be visible; and all affordable (non-market) single and two-family residential development shall be visible.

2012-2013 Goals

- The City of Prince George will work in cooperation with a community based steering committee, led by research partner the University of Northern BC, to complete a comprehensive Affordable Housing Strategy.



Clear Identity and Pride

Citizens of Prince George share a clear identity that the community can be proud of, with a strong downtown and connection to its rivers and natural surroundings.

2011 Accomplishments

- The Corporal Darren Fitzpatrick Bravery Park (formerly Glenview Park) was established to honour Darren Fitzpatrick and other fallen Canadian soldiers.
- The successful Heritage Signage Program, initiated in 2010, continued with the placement of a second set of heritage signs during 2011.

2012-2013 Goals

- The City of Prince George's Select Committee on Prince George's 100th Anniversary Celebration will begin planning for the City's centennial which will occur in 2015.



Prince George Downtown Heritage Signs







Cultural Richness

Citizens enjoy a rich cultural life, with more events, facilities, education and community involvement in the arts.

2011 Accomplishments

- As part of the City of Prince George's Cultural Grants program, \$213,630 was allocated to eight community organizations. Core operating grants were provided to the Community Arts Council, the Prince George Symphony Orchestra and Theatre Northwest. The Multicultural Heritage Society, the Prince George Conservatory of Music, and Prince George Rivers Day received annual operating grants while the Northern Orchestra Society received a development grant and the Prince George Cantata Singers received a project grant.
- A partnership was established with the Fraser-Fort George Museum Society to manage the Fort George Park Heritage Train, enabling the heritage steam locomotive to resume operations after a four year hiatus.



2012-2013 Goals

- In March of 2012, the City of Prince George's Cultural Grants program provided a total of \$215,130 to the following organizations:
 - Community Arts Council
 - Le Cercle des Canadiens Français
 - Multicultural Heritage Society
 - Prince George Conservatory of Music
 - Prince George Folkfest (ColdSnap)
 - Prince George Rivers Day
 - Prince George Symphony Orchestra
 - Theatre North West
 - Two Rivers Gallery (KidzArt Dayz)



Equity and Inclusion

People of all backgrounds, ethnicities and income levels can access services that help to meet their needs and improve their quality of life.

2011 Accomplishments

- The City adopted its Equity and Inclusion Policy, in support of the myPG Social Development Strategy.
- The City of Prince George joined with its education and community partners to host more than 350 students at the 2nd International Student Welcome.

2012-2013 Goals

- The City of Prince George will participate in the development of a Community Poverty Reduction Strategy. The project, led by the Ministry of Children and Family Development, will depend on multi-sectoral partnerships to develop strategic, measurable plans focused on reducing poverty, mitigating its effects and supporting services for low income families.



Health and Wellness

Prince George is a community that encourages and supports health and wellness.

2011 Accomplishments

- The City of Prince George's Active Transportation Plan was adopted in October of 2011 and will guide the development of a continuous, safe and enjoyable Active Transportation Network. Active transportation includes all forms of human-powered travel such as walking, cycling, skiing, canoeing and the use of mobility assisted devices.
- The City adopted its Community Health Policy in support of the myPG Social Development Strategy.
- Together with many community agencies, the City of Prince George participated in the 3rd annual Bike to Work Week designed to raise awareness of the many health and environmental benefits of alternative transportation.
- Council allocated \$200,000 from the Community Works Fund for the Tyner Boulevard Trail Project. This project resulted in a 2.6km paved and accessible trail along Tyner Boulevard between Ospika Boulevard and the University of Northern British Columbia.

2012 - 2013 Goals

- Council will further its Strategic Partnerships initiative by working with Northern Health to establish a Memorandum of Understanding detailing collaborative efforts to build a healthy community.
- Implementation of Prince George's Active Transportation Plan will include the addition of new sidewalks on Pinewood Avenue (connecting Ospika to Vanier) and Lower Patricia (connecting George Street to the City Hall parking lot) as well as new bicycle lanes on Winnipeg Street (between 3rd and 17th).



Safe Environment

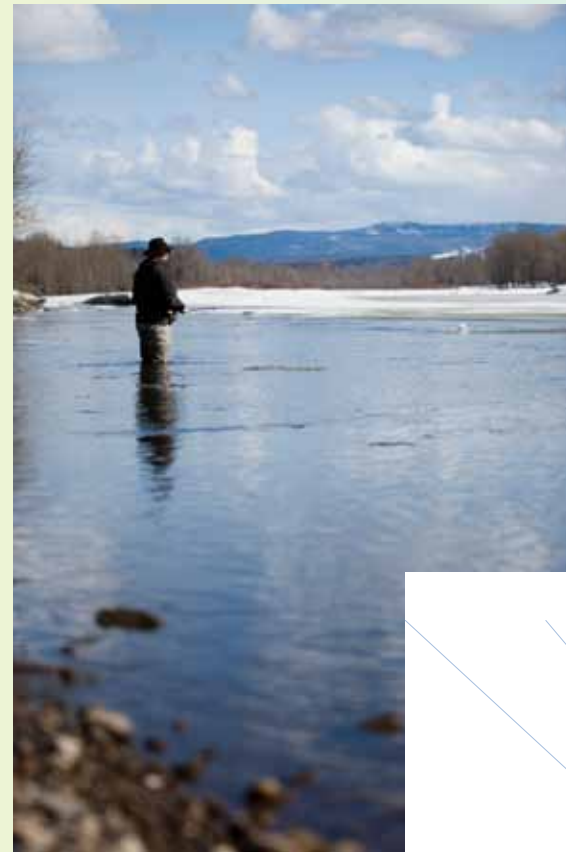
Prince George is a community where all citizens feel safe.

2011 Accomplishments

- The City adopted its Crime Prevention through Social Development Policy in support of the myPG Social Development Strategy.
- Following flood risk evaluation, revised flood plain mapping, and public consultation, the Flood Plain Regulation Bylaw was updated to remove the Basement Restriction Area.
- The City facilitated completion of the Communities that Care Community Action Plan. The plan identifies clear measurable outcomes focused on reducing risk factors which reliably predict future involvement with problem behaviours, and on enhancing protective factors that contribute to the mitigation of those risks.
- The City of Prince George, through its Evacuation Support Program, led a multi-agency team that responded to the housing and support needs of 96 individuals living in 59 suites at the Victoria Towers Apartments when it was affected by fire in November of 2011.
- The City of Prince George received \$116,500 from ICBC's Road Improvement Project Fund in recognition of the Boundary Road Connector Project that will result in safety improvements across the City's entire road network. This funding enabled crosswalk improvements on Massey Drive and the installation of street lighting on Tyner Boulevard and Ospika Boulevard South.

2012 - 2013 Goals

- The City of Prince George, in partnership with School District 57 and the Ministry for Children and Family Development, will facilitate implementation of Positive Action. This evidence based program will address the risk factors identified in the Communities that Care Action Plan.



Supportive and Engaged Community with Strong Neighbourhoods

Prince George is a friendly and engaged community with strong social connections that recognizes, celebrates, and protects neighbourhood identities.

2011 Accomplishments

- The Glenview Crescents Neighbourhood Plan, consisting of a range of residential and commercial land uses was approved by Council on May 30, 2011.
- The 2011 City Social Grants process, administered by the Prince George Community Foundation, resulted in Council's allocation of a total of \$100,000 to fourteen organizations including:
 - Big Brothers and Sisters
 - Canadian Mental Health
 - Carney Hill Neighbourhood
 - Child Development Centre (Cerebral Palsy Association)
 - Northern BC Children & Families Hearing Society
 - Parent Support Services
 - Prince George & District Community Arts Council
 - Prince George Brain Injured Group
 - Prince George COPD Support Group
 - Prince George Métis Community
 - Association (After Hours Drop In)
 - Prince George Safe Action and Attitudes Society
 - Salvation Army
 - St. Vincent de Paul
 - Surpassing Our Survival – Sexual Assault Centre
 - PG Community Foundation Service Agreement
 - Neighbourhood Engagement Sessions
 - Off-Leash Strategy Phase 1 Implementation

2012-2013 Goals

- The 2012 City Social Grants process, administered by the Prince George Community Foundation, resulted in Council's allocation of a total of \$100,000 to eight organizations including:
 - Big Brothers and Big Sisters
 - Canadian Mental Health
 - Canadian Red Cross
 - Northern John Howard Society
 - Prince George Brain Injured Group
 - Positive Living North
 - Prince George Safe Actions and Attitudes Society
 - St. Vincent de Paul



Clean Air

Citizens enjoy clean air.

2011 Accomplishments

- The City of Prince George participated as a member of the Prince George Air Improvement Roundtable (PGAIR).
- In December 2011, Council received the PGAIR Phase III Implementation Plan which details strategies and actions to improve air quality.

2012-2013 Goals

- Provincial Grant funding obtained by the City and PGAIR will enable continued work on the woodstove exchange initiative as well as improved burning practices through 2012.

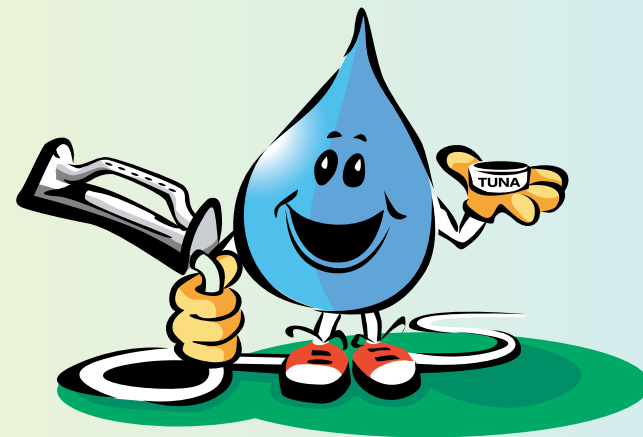


Clean Water

Waterways and the water supply are protected and consumption is reduced.

2012-2013 Goals

- Complete water drainage plans.
- Update the Water Conservation Plan.



Green City, Green Practices

Prince George is a green city with healthy habitat and forests, and a strong environmental consciousness, led by government and local organizations that demonstrate sustainable practices.

2011 Accomplishments

- The City was successful in securing \$391,000 in grant funding from the Union of BC Municipalities Strategic Wildfire Prevention Initiative and also \$62,340 in wage contributions through the Ministry of Social Development for undertaking wildfire hazard mitigation work through the Job Creation Program.
- Development of Duchess Park, the City's newest district park, began with construction of the trail system and a new fenced dog park.
- The City of Prince George Parks Division treated 674 ha as part of the Pest Management Plan – Nuisance Mosquito Control

2012-2013 Goals

- In March 2012, the City received a provincial Community Recreation Grant in the amount of \$400,000 for Duchess Park. Implementation of phase II of the Duchess Park development will be undertaken and will include the installation of an accessible playground, a hard surface tennis/basketball court with lighting, a mini bike park, trail lighting, public art, site furnishings and the planting of trees.



Reduce Carbon Emissions and Adapt for Climate Change

Prince George has reduced carbon emissions and dependence on fossil fuels, and is prepared for climate change.

2011 Accomplishments

- The City of Prince George worked with the Climate Action Secretariat to bring Climate Smart Business training sessions to Prince George in 2011. Twelve local businesses and organizations learned how to measure greenhouse gas (GHG) emissions, develop emission reduction strategies, and leverage the reductions achieved.
- The City of Prince George worked with BC Hydro, Natural Resources Canada and Environ Canada to develop a Community Energy Design Charrette on February 21. The charrette was designed to engage residents of the Crescents neighbourhood in a dialogue related to reduced energy consumption. It brought 37 residents together to discuss the best energy savings targets, and strategies to achieve them.
- The City achieved Milestones 4 & 5 in the Federation of Canadian Municipalities' Partners for Climate Protection Initiative, becoming one of only 5 communities in Canada to achieve this distinction.

2012-2013 Goals

- As part of the Council approved Green Fleet Strategic Plan, City Fleet Services will implement several initiatives including the acquisition of a 100% electric vehicle, propane conversions and organizational driver efficiency training.



Reduced Waste

Prince George has reduced solid waste production and landfilling.

2011 Accomplishments

- The City worked in partnership with the Regional District of Fraser-Fort George (RDFFG) to further a range of solid waste reduction strategies.

2012-2013 Goals

- Partnership with RDFFG will continue.



Vibrant and Diversified Economy

Prince George is a sustainable knowledge-based, resource economy, connected to the world, able to respond well to changing global trends.

Prince George is the primary education, business, health care, and supply and services centre supporting vibrant economic growth in Northern BC. Our local economy has a vibrant downtown, a growing population, competitive and resilient businesses, diversified and knowledge-based resource development, and is an education and research centre, providing quality of life to our residents and visitors.



2011 Accomplishments

- On January 31, 2011 the Prince George 2015 Canada Winter Games Host Society (Host Society) was formed and incorporated with the primary purpose to plan, organize, manage, promote, conduct and deliver the 2015 Canada Winter Games
- On February 8, 2011 the City of Prince George entered into an Agreement to Undertake (ATU) with the Canada Games Council committing to the obligations of the Host City.
- In February City Administration joined the Host Society and other community stakeholders at the 2011 Halifax Canada Winter Games as part of the Observer Program (Transfer of Knowledge).
- On June 10, 2011 the City entered into an Interim Memorandum of Understanding with the Host Society in order to define the interests and responsibilities of both parties and assist in developing a start up plan and a reporting mechanism.
- Kin Centre Enhancement Project:
 - Comprehensive and inclusive consultations with all major user groups and other arena users were completed, to assist with building design, as well as how the City will accommodate user groups during the construction process.
 - From June to December, PBK Architects Ltd. worked with city staff to conduct meetings and public presentations with stakeholders and user groups as well as a Public Open House in order to gain feedback to assemble the information required to develop the final project design.
- The Downtown Partnership completed action on 42% of recommendations from the Mayor's Task Force for a Better Downtown.
- A City Centre marketing program to promote investment opportunities in the downtown was developed.
- Wood Innovation and Design Centre (Province of British Columbia) commissioned demolition of the Prince George Hotel building.

2012-2013 Goals

- In 2012 the City will enter into a final Memorandum of Understanding Agreement with the Host Society in order to define the interests and responsibilities of both parties leading up to the hosting of the Games in 2015.
- In early 2012 the City project team will complete the final design for the Kin Centre Enhancement Project construction tender and then commence the construction phase in May 2012. The project has a planned completion date of October 2013.
- The City of Prince George Secretariat will be established to support the Host Society. The Secretariat will involve key individuals within the City to meet the needs and requirements of the Host Society that align with the business areas and services required to support the planning phase and ultimate implementation of the Games.
- The Downtown Partnership will act on outstanding recommendations including the development of a Property Maintenance Bylaw and continued support for the Performing Arts Centre project.
- Wood Innovation and Design Centre goals for 2012 - 2013 include:
 - Complete demolition of the Prince George Hotel building
 - Finalize project site arrangements between the City of Prince George and Province of BC
 - Facilitate the required local government servicing and approvals for the provincial project



International Connections

Prince George is a global city, with a growing population of immigrants and international students, a well-established reputation as an international transportation hub on Canada's Northern Pacific Gateway - Canada's greenest and most energy efficient trans-pacific corridor - and is home to a growing number of businesses engaged in international trade and investment.

2011 Accomplishments

- Through a grant provided by the Omenica Beetle Action Coalition, the City of Prince George supported the development of Barkerville's "Who am I: Bridging the Pacific" photograph satellite exhibit which will be provided as a gift in support of the Twinning Initiative Between the City of Prince George and the City of Jiangmen.

2012-2013 Goals

- The City will continue to pursue the Twinning Agreement Between the City of Jiangmen and the City of Prince George.



Sustainable Infrastructure

The City efficiently manages the procurement, construction, maintenance, rehabilitation, and replacement of its physical assets considering lifecycle cost, risk, and service level continuity.

2011 Accomplishments

- Construction services tender for the RCMP building was completed within budget and the contract was awarded to Maple Reinders Inc.
- Developed an integrated 10-year Capital Improvement plan for Downtown.
- Developed an implementation plan and received approval for a Computerized Maintenance Management System (CMMS).
- Developed an Asset Reconciliation and Reporting process to meet 3150 PSAB requirements.
- Developed strategic indicators for Pipes, Roads and Buildings as part of the myPG Development Plan.
- The Boundary Road Connector Project (establishing a direct route between Highway 16 East and Highway 97 South) was 40% completed by the end of 2011.
- 2011 Road Rehabilitation projects covered a total of 30 lane kilometres (total length = 13,317 metres).
- The District Energy System project completed the connection of 4 civic facilities; City Hall, Coliseum, Civic Centre, and Four Seasons Pool. The majority of construction was completed on the Peaking Backup Energy Centre and underground insulated piping.

2012-2013 Goals

- Construction will continue on the RCMP building with completion and occupancy scheduled for the fall of 2013.
- Support the Utility Division in the development of a water main renewal strategy.
- Work with Finance to develop and implement Long Term Financial Planning Tools.
- Lead the Implementation of a CMMS with priority for Transportation and Utility Infrastructure.
- The Boundary Road Connector project will be complete and serve as a key transportation link for the future development of the airport logistics park.
- The \$3.5 million Road Rehabilitation program will be completed.
- Downtown District Energy System will be commissioned and expansions to the new RCMP facility and other customers will be considered.



Sustainable Fiscal Management

The City will be financially sustainable, with the revenue resources required to support its plans and infrastructure and provide services that citizens and businesses need.

2011 Accomplishments

- The City launched its innovative Downtown Incentives Program to incent development in the downtown. The program offers incentives for new multi-family, mixed-use, commercial, and green development and upgrades to existing development in downtown Prince George. Through partnership between Northern Development Initiative Trust and the City of Prince George, a Revitalization Tax Exemption Early Benefit Program and a Housing Contribution Program were made available for projects that meet minimum investment and/or density requirements as set out in the City's Downtown Revitalization Tax Exemption Bylaw.

2012-2013 Goals

- The City will undertake a Core Services Review, to examine the services provided by the City of Prince George and offer recommendations concerning program/service mandates, opportunities for expense reduction and revenue diversification, and operational efficiency.
- 3 Year Operating Budget Guideline - Taking the results of the Core Services Review into consideration, prepare and present draft operating budget guidelines for the years 2013 to 2015, to the Standing Committee on Finance and Audit for consideration and recommendation to Council.



Organizational Excellence

The City is a responsive, cost effective, people centered service delivery organization that understands customer needs and strives to exceed the expectations of those it serves.

2011 Accomplishments

- The City conducted a successful 2011 Local General Election, with the support of over 150 support staff.
- As a critical regulatory tool, council, staff and citizens use the Official Community Plan (OCP) to help make decisions on things like where we locate housing, what our transportation priorities are, and how we provide services for more sustainable development over the next 15 years. The OCP Bylaw No. 8383 Received 1st Reading on November 7th, 2011.
- From October 2009 to January 2010, community members participated in the myPG community consultation exercise resulting in the establishment of community goals for a sustainable Prince George. Council, in consideration of these community goals, approved the Social Development, Environment, and Economic Development Strategies as well as policies that support those strategies. The City Government Strategy and policies lay out the corporate direction necessary to support community goals. Council priorities focus on the key initiatives that it wishes to achieve in support of direction established by the four strategies mentioned above. Administration, through the three year corporate work plan establishes key progress targets to achieve Council's priorities.
- The Governance Review process, undertaken by a select committee of Council was completed. Recommendations regarding the effectiveness and purpose of committees, membership appointment processes and requirements for City staff support were provided to Council.
- A comprehensive review of City Policies was undertaken to ensure alignment with Council approved myPG strategies.

2012-2013 Goals

- The Official Community Plan (OCP) Bylaw No. 8383 will proceed to Final Reading in Spring/Summer 2012,



Healthy Workplace

The City fosters and supports an environment that encourages people to reach their full potential, involves its people in addressing issues related to well being, and ensures that the barriers that prevent people from efficiently doing their best work are identified and addressed.

2011 Accomplishments

- The City of Prince George adopted its Workplace Wellness Policy in support of the myPG City Government Strategy.
- The City adopted its Workplace Conduct Policy in support of the myPG City Government Strategy.
- The BC Municipal Safety Association Certificate of Recognition (CoR) was awarded to the City of Prince George, based on our successful completion of a city-wide assessment of our safety program in October, 2010. As a result of achieving CoR status, the City will receive a 10% annual discount on WorkSafe premiums.

2012-2013 Goals

- The City will maintain the BC Municipal Safety Association Certificate of Recognition (CoR) by participating in annual assessments, and by showing continuous improvement in accordance with recommendations from the 2011 assessment.



Effective Governance

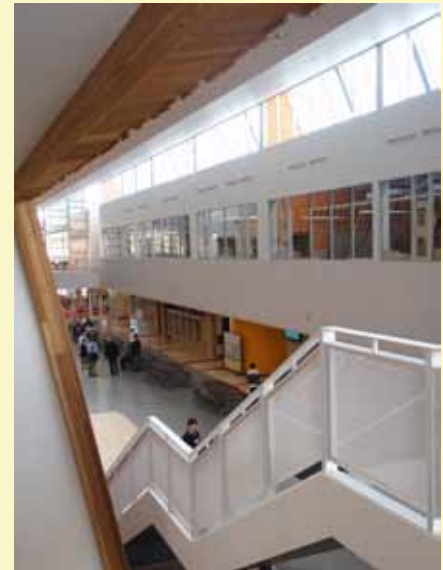
The City works cooperatively with its partners in the government, education, health, and business sectors, and with Lheidli T'enneh and other aboriginal organizations.

2011 Accomplishments

- Council Representation on NCLGA, UBCM, FCM
- Councillor Frizzell was re-elected to the Federation of Canadian Municipalities National Board of Directors and elected as Chair of the BC Caucus
- Councillor Krause was re-elected to the Union of BC Municipalities Board as Director at Large
- Councillor Wilbur was elected to the North Central Local Government Association Board as Director at Large
- The City of Prince George hosted the Transportation Forum
- The City of Prince George hosted a Community to Community Forum (City of Prince George, Lheidli T'enneh, Regional District of Fraser-Fort George)
- The City of Prince George negotiated a five year shared use agreement, designed to optimize community use of facilities, with School District #57.

2012-2013 Goals

- Strategic Partnerships will be established to facilitate achievement of myPG Economic, Environmental, Social and City Government goals.
- Government By Network Initiative – Strategic partnerships between the City and Northern Health Authority, RCMP, UNBC and School District # 57 will be established.



Social

FINANCIAL INFORMATION



May 4, 2012

To Mayor Green and Members of Council:

I hereby submit the Municipal Financial Report for the City of Prince George for the fiscal year ended December 31, 2011, pursuant to section 167 of the British Columbia Community Charter. The annual report includes the Consolidated Financial Statements, the Auditor's Report and supplementary schedules. In accordance with PSAB standards, the City's consolidated statements include the Prince George Public Library, Initiatives Prince George Development Corporation and Tourism Prince George Society (Other Controlled Entities). Finance staff has strived to provide the readers and users of our financial statements with summarized information that clearly presents the City's financial position and results for 2011 in comparison to 2010.

The City's 2011 Financial Statements and Annual Report have two sections, which are as follows:

1) Financial Information

This section contains the Auditors' Report, and the City's Consolidated Financial Statements with supporting notes. The consolidated statements reflect the City's overall financial position as at December 31, 2011, with comparative amounts for 2010. The statements are represented as the Statement of Financial Position, Statement of Operations, Statement of Change in Net Debt and Statement of Cash Flows. The budgetary figures reported are those that were approved by Council in the annual 2011 budget bylaw, and not subsequent budget amendments approved by Council. The Notes to the Consolidated Financial Statements provide further detail as to specific accounting policies and the composition of certain financial numbers, and should be read in conjunction with the statements.

2) Supplementary Financial Information

This section contains non-consolidated (fund and controlled entities) results as a supplement to the consolidated financial statements. The non-consolidated results are shown by fund for financial position and operations. The statement of segment disclosure provides comparative detail for 2011 and 2010. Details of balances in reserve funds, tangible capital assets, and trust funds are provided as well as additional detailed information on consolidated revenues, expenditures, expenditures by object, and short-term and long-term debt.

Financial Management and Control

The City prepares multi-year operational and capital expenditure plans each year that represent the programs that Council wishes to see implemented. The City Manager is responsible to provide overall guidance with respect to Council's direction concerning service and the City's operational and capital expenditure plans. Departments are responsible for developing and managing the budgets.

Financial Services Division within the Corporate Services Department is responsible for the preparation of the financial statements. While there is close consultation with the City's auditors, management is ultimately responsible for decisions relating to the form and content of these statements and for the treatment and reporting of transactions.

2011 Highlights

Downtown District Energy System (DES)

The DES project will supply hot water for space heating and domestic hot water to potentially ten public and three private buildings in downtown Prince George. This project will permit the City to realize long term cost savings both for itself and community institution interests in the City. It provides for local job creation, energy security and downtown revitalization. It also permits the City corporately and generally to meet greenhouse gas emission reduction goals as specified in the Federal Partners for Climate Protection Protocol. \$11.4 million was spent on this project during 2011 funded by \$5.3 million in grants from the Municipal Rural Infrastructure Fund, \$3.5 million federal gas tax (Community Works Fund), and \$2.6 million debt.

Road Rehabilitation Levy and Capital Program

The road rehabilitation program provides for the restructure and resurfacing of local, arterial and collector roads. The City of Prince George has a general levy for road rehabilitation projects. Levy funds are transferred to a road rehabilitation reserve which is used for funding annual rehabilitation projects. In 2011 the total budget was \$3.5 million. The actual funding was attributed to \$3 million levy, \$303 thousand Capital Expenditure Reserve, with the balance from previous uncommitted Road Rehabilitation Reserve funds. The following projects were included: PG Pulp from the tracts to 685m West, Old Summit from Shady Valley to 1400m North, Ospika N bound from 5th to 15th, Continental from Terminal to Hwy Access, Domano from Moriarty East to Trent, Noranda from Hwy 97 to Northwood, Ospika from 22nd to Massey, Cranbrook Hill from Kueng to City Reservoir, Johnson from 5th to 10th, Hart Frontage from Arabian to Nordic, Cowart from Hwy 16 to Telus, Ospika (North and South bound) from Massey to Ferry, Hemlock from Patricia to 15th Avenue, Hwy 97 Frontage from 10th to Flyout, 10th Avenue from Hwy to Ahbau & Frontage, Hwy 97 from Cameron Street Bridge Flyout to Hwy 97 North, and Ospika from Otway to McGowan.

Boundary Road

This project is a 6.8km - two lane arterial road with storm run-off catchment facilities. The 2011 construction season included waste material disposal, completed storm and sanitary sewer along Boeing Road, installed 1.5 km of storm and sanitary sewer from Gunn Road South to Hwy 97, installed 1.5 km of storm sanitary sewer and watermain from Hwy 97 North to Hwy 16, commenced watermain installation South from Gunn Road, completed road sub base work for Boeing Road, completed the north detention pond in outlet and sediment basin, completed all cross culverts, and completed 80% of Hwy 16/Boundary Road intersection. In 2011 \$10.2 million of the \$28 million dollar budget was spent. Funding sources for 2011 included the \$7.7 million Building Canada Fund, \$2.4 million third parties, and \$100 thousand development cost charges.

New RCMP Building

In early 2011 design changes were completed following the project scope review which improved the energy efficiency of the facility and reduced the overall project cost. Drawings and specifications were finalized which allowed the project to be tendered in July. Concurrently the site was prepared with the demolition of the existing buildings. The general contract tender closed in August and Council awarded the project construction to Maple Reinders. They began work on the earthworks and foundations from September through to November. Footings, underground utilities, and the first concrete columns were installed by year end. Of this \$38.9 million project, \$3.3 million was spent in 2011.

Capital Projects

Capital spending in 2011, including capital work in progress, totaled approximately \$37.1 million. This consisted of \$36.1 million of General Capital and Land Capital, \$0.3 million of Water Capital and \$0.7 million of Sewer Capital. Significant projects include: Downtown District Energy - \$11,425,000; Boundary Road - \$10,168,000; Road Rehabilitation - \$3,459,000; New RCMP Building - \$3,270,000; Vehicle Replacements - \$1,744,000; Arena and Aquatic Improvements - \$1,439,000; PG Hotel Demolition - \$632,000; Kin Centre (2015 Games) Renovation - \$461,000; Civic Facility Energy & Heating Improvements - \$247,000; and Rotary Field Upgrades - \$220,000.



2011 Financial Results

Accumulated Operating Fund

The accumulated surplus level for 2011, excluding Other Controlled Entities, in the General Operating Fund was approximately \$8.0 million compared to \$5.9 million in 2010. The City attempts to maintain General Operating Fund surplus between: a) an amount sufficient to fund outstanding taxes and utility charges, as well as inventory on hand; and b) 25% of General Operating Fund expenditures. At the end of 2011, the minimum point of the City's accumulated surplus guideline was \$8.8 million.

The City also attempts to maintain and/or reach Sewer and Water Operating Fund surplus levels at approximately 25% of operating expenditures. The actual accumulated surplus for the Water Operating Funds was \$1.9 million at the end of 2011 compared to our target of \$1.4 million. The actual accumulated surplus for the Sewer Operating Fund was \$1.7 million at the end of 2011 compared to our target of \$1.2 million.

Reserve Fund Levels

Total Reserve Fund levels were approximately \$28.8 million at the end of 2011, compared to \$29.7 million at the end of 2010. Funds have increased in the Endowment (\$1,193,000) and Water Capital (\$187,000) reserves while funds have decreased in the Snow Control (\$1,633,000), General Capital (\$572,000), Computer (\$331,000), Sewer Capital (\$204,000), and Road Rehabilitation (\$134,000) reserves.

Investment Earnings

The City of Prince George invests funds that are in excess of current financial obligations. The investment portfolio is solely held with the Municipal Finance Authority due to competitive rates and ease of administration. Investment earnings in 2011 were approximately \$0.94 million compared to \$0.90 million in 2010. The average monthly investment was \$45.2 million and the weighted average rate of return was 2.08%.

External Short-Term Debt

Principal short-term debt (including capital leases) outstanding was approximately \$4.7 million at the end of 2011, compared to \$2.1 million at the end of 2010. Short term debt is defined as financial obligations for terms of less than five years.

External Long-Term Debt

Principal long-term debt (including capital leases) outstanding was approximately \$98.1 million at the end of 2011 (\$80.0 million General Capital Fund, \$13.5 million Water Capital Fund, and \$4.6 million Sewer Capital Fund), compared to \$109.0 million at the end of 2010. The Fortis BC (formerly Terasen Gas Inc) capital lease of \$44.5 million is included in 2011 long-term debt.

Significant Financial Management Practices

Revolving Reserve Fund

The City operates the Endowment Reserve Fund as a "revolving fund". Appropriations from this Reserve are treated much like debt, and annual contributions or transfers are made from the General Operating Fund to repay the monies appropriated, with interest, over a period of 5 to 20 years, depending upon the size of the appropriation. The appropriations from the Reserve are referred to as "internal debt", and are reflected in the financial statements. Interest rates and repayment schedules are occasionally adjusted to moderate the impact that the creation of new "internal debt" may have on the annual budget.

Repayment of monies appropriated from this Reserve is not a legal requirement. However, the policy of repayment of the appropriations has been followed, as this Reserve Fund provides an attractive alternative to borrowing money on the open market because repayment schedules are more easily tailored to current budget needs and because interest and principal repayments can be deferred in the event of economic need.

Financing of Utilities

The City's policy is to not use general taxation to fund the provision of water and sanitary sewer services, or the operation of the solid waste collection service. These services are financed by a combination of user charges and parcel taxes applicable only to those who benefit from the service(s), and government grants.

A management fee is included in the cost structure of these services so that the users of the services provide a contribution to the City's general overhead costs including the provision of facilities, office, and general corporate services such as human resources and accounting.

Land Development

A program of land acquisition, development and sales has been in place for many years. In general, the objective is to ensure that there is a reasonably balanced inventory of residential and commercial lots for future development. The land development program is completely self-funding, and as such, no contribution is made to the program from Operating Funds. Profits made from land development are used to finance specific capital projects such as recreation and cultural facilities, roads, and other infrastructure required to support the City's operations.

Summary

Compiling financial statements and annual report information requires the input and assistance of numerous City staff members throughout the year and at year-end. We would like to thank all of the City staff members who contribute to this process on an on-going basis.

Respectfully submitted,



Kathleen Soltis,
Director Corporate Services



Deloitte & Touche LLP
500 - 299 Victoria Street
Prince George, BC V2L 5S8
Canada

Tel: (250) 564-1111
Fax: (250) 562-4950
www.deloitte.ca

INDEPENDENT AUDITOR'S REPORT

To the Mayor and Members of Council
City of Prince George:

We have audited the accompanying consolidated financial statements of the City of Prince George, which comprise the consolidated statement of financial position as at December 31, 2011, and the consolidated statements of operations, change in net debt and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

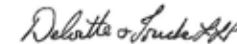
City of Prince George
May 14, 2012
Page 2

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of City of Prince George as at December 31, 2011, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Other Matter

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The current year's supplementary information, including Schedules 1 - 11, has been presented for purpose of additional analysis and disclosure. The supplementary information has been subjected to the auditing procedures applied in the audit of financial statements and, in our opinion, this supplementary information is presented fairly, in all material respects, in relation to the financial statements taken as a whole.



Chartered Accountants

Prince George, British Columbia
May 14, 2012

Consolidated Statement of Financial Position

as at December 31

(in thousands of dollars)

| | 2011 | 2010 |
|--|-------------------|-------------------|
| FINANCIAL ASSETS | | |
| Cash and Cash Equivalents (Note 2) | \$ 14,686 | \$ 12,829 |
| Receivables (Note 3) | 24,054 | 14,240 |
| Investments (Note 4) | 27,892 | 38,023 |
| Deposits - Municipal Finance Authority (Note 5) | 2,209 | 2,292 |
| | <u>68,841</u> | <u>67,384</u> |
| LIABILITIES | | |
| Accounts Payable and Accrued Liabilities (Note 6) | 27,583 | 23,348 |
| Deferred Revenues | 9,401 | 10,909 |
| Deferred Development Cost Charges (Note 7) | 5,820 | 5,474 |
| Reserves - Municipal Finance Authority (Note 5) | 2,209 | 2,292 |
| Short-Term Debt, Including Capital Lease (Schedule 10) | 4,650 | 2,101 |
| Long-Term Debt, Including Capital Lease (Schedule 11) | 98,147 | 109,022 |
| | <u>147,810</u> | <u>153,146</u> |
| NET FINANCIAL DEBT | <u>(78,969)</u> | <u>(85,762)</u> |
| NON-FINANCIAL ASSETS | | |
| Prepaid Expenses | 927 | 821 |
| Inventories | 1,207 | 1,083 |
| Tangible Capital Assets (Note 8) | 576,107 | 549,264 |
| | <u>578,241</u> | <u>551,168</u> |
| ACCUMULATED SURPLUS (Note 10) | <u>\$ 499,272</u> | <u>\$ 465,406</u> |

Commitments and Contingencies (Note 13)



K. Soltis, Director of Corporate Services

To be read in conjunction with the Notes to the Consolidated Financial Statements

Consolidated Statement of Operations

| for the year ended December 31 (in thousands of dollars) | 2011 | | |
|---|---|-------------------|-------------------|
| | Original Budget Bylaw (unaudited) | 2011 Actual | 2010 Actual |
| REVENUES (Schedule 7) | | | |
| Taxation and Grants in Lieu, net | \$ 80,590 | \$ 83,209 | \$ 79,207 |
| Sales of Services, User Rates and Rentals | 41,261 | 39,134 | 35,926 |
| Return on Investments | 1,732 | 4,096 | 3,436 |
| DCC Contributions | 2,687 | 86 | 3,053 |
| Contributions from Other Gov'ts & Agencies | 32,648 | 22,405 | 12,495 |
| Sinking Fund Surplus | - | 107 | 68 |
| Other Revenue | 14,604 | 7,619 | 7,046 |
| (Loss) Gain on Sale of Tangible Capital Assets | - | (525) | 373 |
| Asset Contributions | - | 4,732 | 4,025 |
| | <u>173,522</u> | <u>160,863</u> | <u>145,629</u> |
| EXPENSES (Schedule 8) | | | |
| General Government | 22,013 | 17,078 | 18,872 |
| Protective Services | 39,017 | 38,155 | 36,463 |
| Transportation Services | 28,692 | 26,002 | 22,875 |
| Water and Sewer | 13,870 | 13,784 | 14,420 |
| Sanitation and Waste Removal | 3,784 | 3,537 | 3,680 |
| Public Health and Welfare | 429 | 563 | 584 |
| Planning and Environmental Development | 2,925 | 3,063 | 3,682 |
| Parks, Recreation and Cultural Services | 20,448 | 20,902 | 20,971 |
| Other Controlled Entities | 4,618 | 6,288 | 6,127 |
| | <u>135,796</u> | <u>129,372</u> | <u>127,674</u> |
| NET SURPLUS BEFORE TRANSFER | 37,726 | 31,491 | 17,955 |
| Transfer from (to) Deferred Revenues | <u>2,798</u> | <u>2,375</u> | <u>(321)</u> |
| ANNUAL SURPLUS (Note 12) | \$ <u>40,524</u> | 33,866 | 17,634 |
| ACCUMULATED SURPLUS, Beginning of Year | | <u>465,406</u> | <u>447,772</u> |
| ACCUMULATED SURPLUS, End of Year | | \$ <u>499,272</u> | \$ <u>465,406</u> |

To be read in conjunction with the Notes to the Consolidated Financial Statements

Consolidated Statement of Change in Net Debt

| for the year ended December 31 (in thousands of dollars) | 2011 | | |
|---|---|----------------------------------|---------------------------|
| | Original Budget Bylaw (unaudited) | 2011 | 2010 |
| Annual Surplus | \$ 40,524 | \$ 33,866 | \$ 17,634 |
| Amortization of Tangible Capital Assets | 15,992 | 14,926 | 16,785 |
| Proceeds on Disposal of Tangible Capital Assets | - | 86 | 2,637 |
| Change in Inventories and Prepaid Expenses | - | (230) | 102 |
| Loss (Gain) on sale of Tangible Capital Assets | - | 525 | (373) |
| Acquisition of Tangible Capital Assets | <u>(81,287)</u> | <u>(42,380)</u> | <u>(29,694)</u> |
| Decrease (Increase) in Net Financial Debt | (24,771) | 6,793 | 7,091 |
| Net Financial Debt, beginning of year | <u>(85,762)</u> | <u>(85,762)</u> | <u>(92,853)</u> |
| Net Financial Debt, end of year | \$ <u><u>(110,533)</u></u> | \$ <u><u>(78,969)</u></u> | \$ <u><u>(85,762)</u></u> |

To be read in conjunction with the Notes to the Consolidated Financial Statements

Consolidated Statement of Cash Flows

for the year ended December 31
(in thousands of dollars)

| | 2011 | 2010 |
|--|------------------|------------------|
| NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES: | | |
| Operations | | |
| Annual Surplus | \$ 33,866 | \$ 17,634 |
| Non-cash Charges to Operations | | |
| Amortization | 14,926 | 16,785 |
| Loss (Gain) on Sale of Tangible Capital Assets | 525 | (373) |
| | <u>49,317</u> | <u>34,046</u> |
| Increase in Receivables | (9,814) | (2,379) |
| Decrease (Increase) in Prepaid Expenses | (106) | 18 |
| Decrease (Increase) in Inventories | (124) | 84 |
| (Decrease) Increase in Accounts Payable and Accrued Liabilities | 4,235 | (2,687) |
| (Decrease) Increase in Deferred Revenues | (1,508) | 717 |
| Increase (Decrease) in Deferred Development Cost Charges | 346 | (2,390) |
| | <u>42,346</u> | <u>27,409</u> |
| Capital | | |
| Acquisition of Tangible Capital Assets | (42,380) | (29,694) |
| Proceeds on Disposal of Tangible Capital Assets | 86 | 2,637 |
| | <u>(42,294)</u> | <u>(27,057)</u> |
| Investing | | |
| Decrease in Investments | 10,131 | 8,274 |
| Financing | | |
| Debt Proceeds | 3,773 | 4,618 |
| Repayment of Debt | (12,099) | (11,370) |
| Other | - | 2 |
| | <u>(8,326)</u> | <u>(6,750)</u> |
| Increase in cash and cash equivalents | 1,857 | 1,876 |
| Cash and cash equivalents, beginning of year | 12,829 | 10,953 |
| Cash and cash equivalents, end of year | \$ <u>14,686</u> | \$ <u>12,829</u> |

To be read in conjunction with the Notes to the Consolidated Financial Statements

Notes to the Consolidated Financial Statements

For the year ended December 31, 2011

General

The Notes to the Consolidated Financial Statements are an integral part of the statements. They explain the significant accounting and reporting policies, and the principles that form the basis for these statements. The Notes also provide important supplementary information and explanations, which cannot be conveniently integrated into the Consolidated Financial Statements.

1. Significant Accounting Policies

a) Basis of Presentation

The Consolidated Financial Statements of the City of Prince George (the “City”) are prepared in accordance with generally accepted accounting principles for local governments established by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants. The Consolidated Financial Statements reflect the combined results and activities of the reporting entity which comprises all organizations that are accountable for the administration of their financial affairs and resources to the Council and are controlled or owned by the City. Controlled entities include Prince George Public Library, Initiatives Prince George Development Corporation and Tourism Prince George Society. The City’s general classification of funds and the purpose of those funds are shown below:

i) Operating Funds

These Funds include the General, Water, and Sewer operations of the City. Operating Funds are used to record the costs associated with providing City services.

ii) Capital Funds

These Funds include the General, Water, Sewer, and Land Capital Funds. These Funds track the acquisition costs of various capital assets and the funding of these assets including related short-term and long-term debt.

iii) Reserve Funds

Under the Community Charter of British Columbia, City Council may by bylaw establish special Reserve Funds for specific purposes. Money in a Reserve Fund and interest earned thereon must be used only for the purpose for which the Fund was established. If the amount in a Reserve Fund is greater than required, City Council may, by bylaw, transfer all or part of the balance to another Reserve Fund.

iv) Trust Funds

These Funds have been created to hold cash assets that must be used for specific purposes and/or beneficiaries and according to certain agreements.

In accordance with PSAB guidelines, Trust Funds are not to be included in the City’s Consolidated Financial Statements. Trust Funds administered by the City are presented in Schedule 6.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2011

- v) Original Budget Bylaw

The original budget bylaw, stated in the consolidated statement of financial activities, represents the budget bylaw adopted in May, 2011. Any budget amendments subsequently adopted by Council, have not been included.
- b) Basis of Accounting
 - i) Revenue Recognition

Generally revenues are recorded using the accrual method of accounting.
 - ii) Deferred Revenues

The City defers a portion of the revenue collected from permits, licenses and other fees and recognizes such revenue in the year in which related inspections or other related expenditures are incurred.
 - iii) Expenses

Expenses are generally recognized as they are incurred and when the goods and services are received and/or a legal obligation to pay is established.
- c) Accumulated Surplus

Accumulated surplus is the amount by which all financial and non-financial assets exceed all liabilities and indicates the net economic resources available to provide future services. Accumulated surplus is represented by various fund balances and equity in capital assets.
- d) Cash and Cash Equivalents

Cash and cash equivalents consist of cash and highly liquid money market investments.
- e) Investments

Investments are recorded at cost, including bonds which are recorded net of premium or discount. Interest is accrued at the invested rate.
- f) Financial Instruments

The City's financial instruments consist of cash and cash equivalents, receivables, investments, accounts payable and accrued liabilities, and short term and long term debt. Unless otherwise noted, it is management's opinion that the City is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values, unless otherwise noted.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2011

g) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles for local governments established by PSAB requires management to make estimates and assumptions that affect the reported amounts of certain receivables and accrued liabilities at the date of the financial statements, the reported amount of related revenues and expenses, and the reported amount of amortization during the reporting period. As such, actual results could differ from the estimates.

h) Inventories

Inventories consist of supplies, repair parts and materials consumed in operations and capital projects. Inventory is recorded at the lower of cost and net realizable value with cost being determined on a weighted average basis.

i) Land and Land Development Reserve Fund

Land is recorded at the lower of cost and net realizable value. Cost is determined on the basis of an entire project, including interest incurred during development. Cost is then allocated to the individual subdivided lots from the project where applicable. Costs of the lots are removed from Land once the lots have been sold and title has passed to the purchaser.

Land Development Reserve Fund monies are used to fund land development costs. Proceeds from the sale of developed land in excess of carrying value and development costs are transferred to the Endowment Fund Reserve.

j) Non-Financial Assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the annual surplus, provides the Change in Net Financial Debt for the year.

k) Tangible Capital Assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development, or betterment of the asset, excluding interest costs.

Assets under construction are not amortized until the asset is available for productive use.

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt, and that fair value is also recorded as revenue.

The cost, less residual value, of the tangible capital assets (except for Initiative Prince George Development Corporation and Tourism Prince George Society's tangible capital assets) are amortized on a straight-line basis over their estimated useful lives as follows:

| | |
|----------------------------------|---------------|
| Land | Not amortized |
| Buildings & Improvements | 15 – 35 years |
| Vehicles, Machinery, & Equipment | 3 – 20 years |
| Other | 5 – 50 years |

Notes to the Consolidated Financial Statements

For the year ended December 31, 2011

k) Tangible Capital Assets, continued

| | |
|------------------------|----------------|
| Infrastructure | |
| Roads | 17 – 75 years |
| Parks | 10 – 75 years |
| Water | 10 – 80 years |
| Sanitary Sewer | 12 – 140 years |
| Storm Drainage | 25 – 140 years |
| Energy & Communication | 35 – 40 years |

Initiative Prince George Development Corporation uses the declining balance method for amortizing its assets at the following rates:

| | |
|------------------------|-----|
| Buildings | 4% |
| Leasehold Improvements | 5% |
| Furniture and Fixtures | 20% |
| Computer Equipment | 30% |

Tourism Prince George Society uses the declining balance method for amortizing its assets at the following rates:

| | |
|------------------------|-----|
| Furniture and Fixtures | 20% |
| Computer Equipment | 55% |
| Motor Vehicles | 30% |

l) Long-Term Debt

Long-Term Debt is recorded net of any related sinking fund balances. Principal debt repayment is recorded in operating funds in the year that it is repaid.

2. Cash and Cash Equivalents

| | 2011 | 2010 |
|--------------------------------|------------------------|------------------------|
| | (000's) | (000's) |
| Cash | \$ 6,524 | \$ 6,858 |
| Cash Equivalents | <u>6,599</u> | <u>4,756</u> |
| | 13,123 | 11,614 |
| Other Controlled Entities Cash | <u>1,563</u> | <u>1,215</u> |
| | <u>\$14,686</u> | <u>\$12,829</u> |

Notes to the Consolidated Financial Statements

For the year ended December 31, 2011

3. Receivables

| | 2011 (000's) | 2010 (000's) |
|---|-----------------|-----------------|
| <u>General Operating Fund</u> | | |
| Property Taxes | \$ 5,331 | \$ 4,496 |
| Federal Government | 2,147 | 1,326 |
| Provincial Government | 947 | 1,512 |
| Regional District of Fraser-Fort George | 380 | 412 |
| Accounts Receivable | 3,254 | 2,257 |
| Refuse Rates | 366 | 354 |
| Employee Loans | <u>79</u> | <u>98</u> |
| | <u>\$12,504</u> | <u>\$10,455</u> |
| <u>Water Operating Fund</u> | | |
| Water Utility Rates | <u>\$ 1,355</u> | <u>\$ 1,214</u> |
| <u>Sewer Operating Fund</u> | | |
| Sewer Utility Rates | \$ 812 | \$ 758 |
| Miscellaneous | <u>146</u> | <u>-</u> |
| | <u>\$ 958</u> | <u>\$ 758</u> |
| <u>General Capital Fund</u> | | |
| Federal Government | \$ 4,443 | \$ 696 |
| Provincial Government | 4,514 | 277 |
| Miscellaneous | <u>7</u> | <u>610</u> |
| | <u>\$ 8,964</u> | <u>\$ 1,583</u> |
| <u>Other Controlled Entities</u> | | |
| Prince George Public Library | \$ 31 | \$ 15 |
| Initiatives Prince George Development Corporation | 273 | 292 |
| Tourism Prince George Society | <u>328</u> | <u>187</u> |
| | <u>\$ 632</u> | <u>\$ 494</u> |
| <u>Consolidated Adjustments</u> | | |
| Prince George Public Library | \$ (251) | \$ (142) |
| Initiatives Prince George Development Corporation | (48) | (42) |
| Tourism Prince George Society | <u>(60)</u> | <u>(80)</u> |
| | <u>\$ (359)</u> | <u>\$ (264)</u> |
| Total | <u>\$24,054</u> | <u>\$14,240</u> |

Notes to the Consolidated Financial Statements

For the year ended December 31, 2011

4. Investments

| | 2011 (000's) | 2010 (000's) |
|---|-------------------------|-------------------------|
| M.F.A. Intermediate Fund | \$ 16,895 | \$ 27,091 |
| M.F.A. Bond Fund | <u>10,997</u> | <u>10,604</u> |
| | 27,892 | 37,695 |
| <u>Other Controlled Entities</u> | | |
| Initiatives Prince George Development Corporation | <u>-</u> | <u>328</u> |
| | <u>\$ 27,892</u> | <u>\$ 38,023</u> |

The annual weighted average rate of return for 2011 was 2.08% (2010 – 1.83%).

5. Municipal Finance Authority

Offsetting Municipal Finance Authority Deposits and Reserves consist of the following:

| | 2011 (000's) | 2010 (000's) |
|---------------|------------------------|------------------------|
| Cash Deposits | <u>\$ 2,209</u> | <u>\$ 2,292</u> |

6. Accounts Payable and Accrued Liabilities

| | 2011 (000's) | 2010 (000's) |
|---|------------------------|------------------------|
| <u>General Operating Fund</u> | | |
| Federal Government | \$ 5,271 | \$ 5,800 |
| Provincial Government | 1,765 | 1,988 |
| Regional District of Fraser-Fort George | 166 | 161 |
| Trade Accounts Payable | 11,036 | 6,183 |
| Payroll Statutory Liabilities | 1,954 | 1,657 |
| Vacation, Sick Leave, and Firefighters Gratuities | 5,630 | 5,839 |
| Accrued Interest on Capital Lease | 436 | 449 |
| Accrued Interest on Debt | <u>631</u> | <u>676</u> |
| | <u>\$26,889</u> | <u>\$22,753</u> |
| <u>Water Operating Fund</u> | | |
| Accrued Interest on Debt | <u>\$ 186</u> | <u>\$ 207</u> |
| <u>Sewer Operating Fund</u> | | |
| Accrued Interest on Debt | <u>\$ 68</u> | <u>\$ 81</u> |
| <u>General Capital Fund</u> | | |
| Accrued Interest on Debt | \$ 20 | \$ 21 |
| Trade Accounts Payable | <u>8</u> | <u>-</u> |
| | <u>\$ 28</u> | <u>\$ 21</u> |

Notes to the Consolidated Financial Statements

For the year ended December 31, 2011

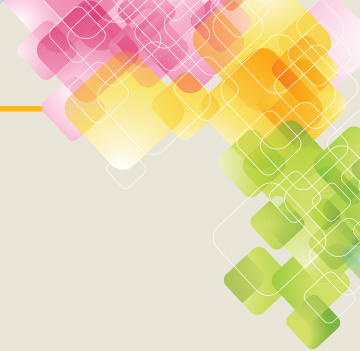
6. Accounts Payable and Accrued Liabilities, continued

| | 2011 <i>(000's)</i> | 2010 <i>(000's)</i> |
|---|----------------------------|----------------------------|
| <u>Other Controlled Entities</u> | | |
| Prince George Public Library | \$ 428 | \$ 291 |
| Initiatives Prince George Development Corporation | 101 | 130 |
| Tourism Prince George Society | <u>182</u> | <u>49</u> |
| | <u>\$ 711</u> | <u>\$ 470</u> |
| <u>Consolidated Adjustments</u> | | |
| Prince George Public Library | \$ (251) | \$ (142) |
| Initiatives Prince George Development Corporation | <u>(48)</u> | <u>(42)</u> |
| | <u>\$ (299)</u> | <u>\$ (184)</u> |
| Total | <u>\$27,583</u> | <u>\$23,348</u> |

7. Deferred Development Cost Charges (DCC)

The City collects development cost charges to pay for a proportionate share of infrastructure related to new growth. In accordance with the Community Charter of British Columbia, these funds must be deposited into a separate reserve fund. When the related costs are incurred, the DCCs are recognized as revenue. Because these funds are restricted in nature they are shown as a liability.

| | 2011 <i>(000's)</i> | 2010 <i>(000's)</i> |
|------------------------------|------------------------|------------------------|
| <u>Deferred DCC by Type</u> | | |
| Roads | \$ 2,850 | \$ 2,646 |
| Drainage | 1,333 | 1,272 |
| Parkland | 49 | 30 |
| Sewer | 1,388 | 1,366 |
| Water | <u>200</u> | <u>160</u> |
| | <u>\$ 5,820</u> | <u>\$ 5,474</u> |
| <u>Deferred DCC</u> | | |
| Balance, beginning of year | \$ 5,474 | \$ 7,864 |
| Return on Investments | 114 | 166 |
| DCC levied in the year | <u>318</u> | <u>497</u> |
| | <u>432</u> | <u>663</u> |
| Transfers to General Capital | (86) | (2,804) |
| Transfers to Water Capital | - | (89) |
| Transfers to Sewer Capital | <u>-</u> | <u>(160)</u> |
| | <u>(86)</u> | <u>(3,053)</u> |
| Balance, end of year | <u>\$ 5,820</u> | <u>\$ 5,474</u> |



Notes to the Consolidated Financial Statements

For the year ended December 31, 2011

8. Tangible Capital Assets

| | 2011 <i>(000's)</i> | 2010 <i>(000's)</i> |
|---------------------------------|--------------------------|--------------------------|
| Land | \$ 177,980 | \$ 173,379 |
| Buildings & Improvements | 31,166 | 29,399 |
| Vehicles, Machinery & Equipment | 14,213 | 14,166 |
| Other | 761 | 824 |
| Infrastructure | | |
| Roads | 63,131 | 62,719 |
| Parks | 12,025 | 12,289 |
| Water | 83,105 | 84,308 |
| Sanitary Sewer | 62,700 | 63,257 |
| Storm Drainage | 46,227 | 46,246 |
| Energy & Communication | <u>45,312</u> | <u>46,978</u> |
| | 536,620 | 533,565 |
| Assets Under Construction | <u>39,487</u> | <u>15,699</u> |
| | <u>\$ 576,107</u> | <u>\$ 549,264</u> |

For additional information, see the Schedule of Tangible Capital Assets (Schedule 5).

During the year there were no write-downs of assets (2010 - \$nil). In addition, assets contributed to the City totaled \$4,731,566 (2010 - \$4,024,780) and were capitalized at their fair value at the time of receipt.

9. Capital Lease Obligation

The following long-term capital lease obligations are recorded in the General Capital Fund:

| | 2011 <i>(000's)</i> | 2010 <i>(000's)</i> |
|--|------------------------|------------------------|
| Concert Realty Services Ltd. | | |
| Interest at the rate of 9.5%, 16 remaining annual payments of \$584,702 plus property taxes and insurance. Included in Accounts Payable and Accrued Liabilities in the General Operating Fund is accrued interest of \$435,967 (\$448,871 in 2010) related to this capital lease | \$ 4,589 | \$ 4,725 |
| Bank of Nova Scotia | | |
| Repayable in monthly installments of \$13,766, including interest at rates between 2.18% - 2.23% annually | 709 | 841 |
| Municipal Finance Authority Leasing Corporation | | |
| Repayable in monthly installments of \$186,685, including interest at 2.00% annually | 6,864 | 8,294 |

Notes to the Consolidated Financial Statements

For the year ended December 31, 2011

9. Capital Lease Obligation, continued

| | 2011 (000's) | 2010 (000's) |
|---|------------------------|-------------------------|
| Fortis BC | | |
| Repayable in annual installments of \$273,108, including interest at 5.46% | <u>2,083</u> | <u>2,236</u> |
| | <u>\$14,245</u> | <u>\$ 16,096</u> |

10. Accumulated Surplus

Accumulated Surplus is comprised of the following:

| | 2011 (000's) | 2010 (000's) |
|---------------------------------------|--------------------------|--------------------------|
| Operating - Residual Balance | \$ (2,763) | \$ (2,832) |
| Reserves (Schedule 4) | 28,786 | 29,663 |
| Investment in Tangible Capital Assets | <u>473,249</u> | <u>438,575</u> |
| | <u>\$ 499,272</u> | <u>\$ 465,406</u> |

11. Lease Agreement

The City has entered into an agreement with Fortis BC (formerly Terasen Gas Inc.) that has resulted in the creation of the Fortis BC Reserve Fund.

Capital Lease – under the terms of the agreement the City has entered into a 35 year capital lease with Terasen Gas Inc., commencing November 1, 2004, for the natural gas distribution system within the municipality's boundary. The City has prepaid \$57,000,000 of the capital lease obligation and has financed the prepayment through debenture debt. The remaining obligation of \$3,000,000, which is included in long term debt, will be paid with annual lease payments of \$273,108 including interest based on Terasen approved pre-tax weighted average cost of capital of 8.596%.

Operating Lease – the City has also entered into a 17 year operating lease with Terasen Gas Inc., commencing November 1, 2004, whereby the City leases back to Terasen Gas Inc. the operations of the gas distribution system. Under the operating lease Terasen Gas Inc. is required to make annual lease payments to the City calculated by a formula specified in the agreement which is based on the total annual revenue generated by the transaction. At the end of the 17 year term Terasen Gas Inc. has the option of making a termination payment to the City equal to the unamortized portion of the City's \$57,000,000 prepayment which is estimated to be \$29,389,000 or negotiate a new 18 year operating lease with a continuation of the annual lease payments which existed under the previous 17 year operating lease.

12. Budgeted Surplus

The planned surplus of \$40,524,000, reflected in the Budget Bylaw Column on the Consolidated Statement of Operations was approved by Council in May 2011 upon finalization of the 2011 Annual Budget Bylaw. The approved annual budget bylaw included the purchase of capital assets and servicing debt but these have been adjusted in the Budget Bylaw Column, as well as the incorporation of amortization expense, to more accurately reflect actual expenses.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2011

13. Commitments and Contingencies

- a. The City of Prince George is jointly and severally liable, as a member of the Regional District of Fraser-Fort George for any sinking fund deficiencies, and capital debt issued through the Regional District.
- b. The City of Prince George and its employees contribute to the Municipal Pension Plan (Plan), a jointly trustee pension plan. The board of trustees, representing plan members and employers, is responsible for overseeing the management of the Plan, including investment of the assets and administration of benefits. The Plan is a multi-employer contributory pension plan. Basic pension benefits provided are defined. The Plan has about 173,000 active members and approximately 63,000 retired members. Active members include approximately 35,000 contributors from local governments.

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

The City of Prince George paid \$4,087,163 and the Prince George Public Library paid \$178,524 for employer contributions to the Plan in fiscal 2011.

- c. The City of Prince George has been named defendant in various legal actions. No reserve or liability has been recorded regarding any of these legal actions or possible claims because the amount of the loss, if any, is undeterminable. Settlement, if any, made with respect to these actions would be accounted for as a charge to expenditures in the period in which outcomes are known.
- d. The City is committed to a third party under an agreement for the supply and operation of an off-street parking facility. The City's annual payment in respect of this commitment is \$183,208 for a period of 20 years commencing August 1st, 1997.
- e. The City has issued a Demand Note to the Municipal Finance Authority in the amount of \$4,819,703 (\$5,085,054 in 2010). This Demand Note together with the cash deposit, as disclosed in Note 5, comprise an amount equal to one-half of the average annual installment of principal and interest for repayment of debenture debt issued by the Authority on behalf of the City of Prince George, and is a requirement of the Authority.

14. Segmented Information

The City of Prince George is a government institution that provides a wide range of services to its citizens, including police, fire, recreation & culture, transportation & public transit, development planning, sanitation, water and sewer. For management reporting purposes the City's operations and activities are organized and reported by fund. Funds were created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations. City services are provided by departments and their activities are reported by these funds and are disclosed in the segmented information.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in Note 1. For additional information see the Statement of Segment Disclosure (Schedule 3).

Notes to the Consolidated Financial Statements

For the year ended December 31, 2011

14. Segmented Information, continued

For each reported segment, revenues and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. The General Revenue Fund reports on municipal services that are funded primarily by taxation such as property and business tax revenues. Certain divisions and departments that have been separately disclosed in the segmented information along with the services they provide are as follows:

Protective Services

Protective Services includes Police Protection, Fire Protection, Emergency Measures and Bylaw Enforcement. Police Protection is provided to the City of Prince George by the Royal Canadian Mounted Police through a police services contract with the Province of BC. Together the RCMP and the 60 municipal employees at the detachment are committed to optimizing public safety through the community policing concept. Fire Protection includes fire suppression and protection, first responder medical services & emergency rescue, and fire dispatch within the city and regional district. Emergency Measures provides a comprehensive emergency plan for coordinating response to emergencies and disasters. Bylaw Enforcement provides animal and parking control and other enforcement as required to support the bylaws in place within the community for the purpose of health, safety and security.

Community Services

The Community Services Department provides public services that support recreation, sport and leisure activities in the aquatic and arena facilities, convention, entertainment, meeting, events and sport activities in the CN Centre and Civic Centre, the development of partnerships for health and social solutions at the community level and the provision of civic facilities for the corporation and the community.

Transportation Services

This segment includes the provision of Street Maintenance which includes pavement repair, line painting, street cleaning, dust control, sidewalk maintenance, traffic sign and street light installation & maintenance. Transit services are provided in partnership with BC Transit; Parking lots & parkades provide for off-street parking for downtown businesses; Fleet vehicles service the organizations operational requirements; Storm drainage controls drainage through open and piped systems; and Snow and Ice control provides snow removal and salt and sanding applications to the road network.

Planning & Environmental Development

Planning includes both short and long term development planning and application processing & permits as well as inspections, records management, planning for neighbourhoods, parks, open spaces and pathways, and infrastructure planning and management. Environmental Development includes services and planning related to community forest, wildfire hazards, air quality, climate change, natural environment, ecosystem and habitat protection.

Sanitation & Waste Removal

This segment provides residential and (limited) commercial solid waste collection service, operation of waste transfer stations, and annual spring clean-up operations.

Public Health & Welfare

This segment provides for the Memorial Park Cemetery service and maintenance of the grounds.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2011

14. Segmented Information, continued

Finance & Administration

The Finance & Administration of the City of Prince George is captured under this section which includes Council, Office of the City Manager, Human Resources, Risk & Benefits, Procurement and IT services.

Water Services

The Water Service provides potable water to the community which includes the pumping, treatment and distribution system and the wells and reservoirs. The infrastructure and operations are funded through a combination of user fees, grants and special levies.

Sewer Services

The Sewer Service provides for the collection and treatment of sewage which includes operation of the lift stations and wastewater treatment centres. The infrastructure and operations are funded through a combination of user fees, grants, and special levies.

Asset Maintenance

This segment provides the investment in asset maintenance funded through transfers from reserves or DCC's. The costs represent amounts incurred for capital asset maintenance that do not meet the capitalization threshold as established for financial reporting purposes (PSAB 3150).

Reserves & Other Funds

Reserve funds have been created to hold financial assets for specific future requirements. Reserve funds are generally used for capital asset acquisition and reinvestment.

Other Controlled Entities

Other controlled entities include the Prince George Public Library, Initiatives Prince George Development Corporation and Tourism Prince George Society.

15. Capital Management

The City's objectives when managing capital are;

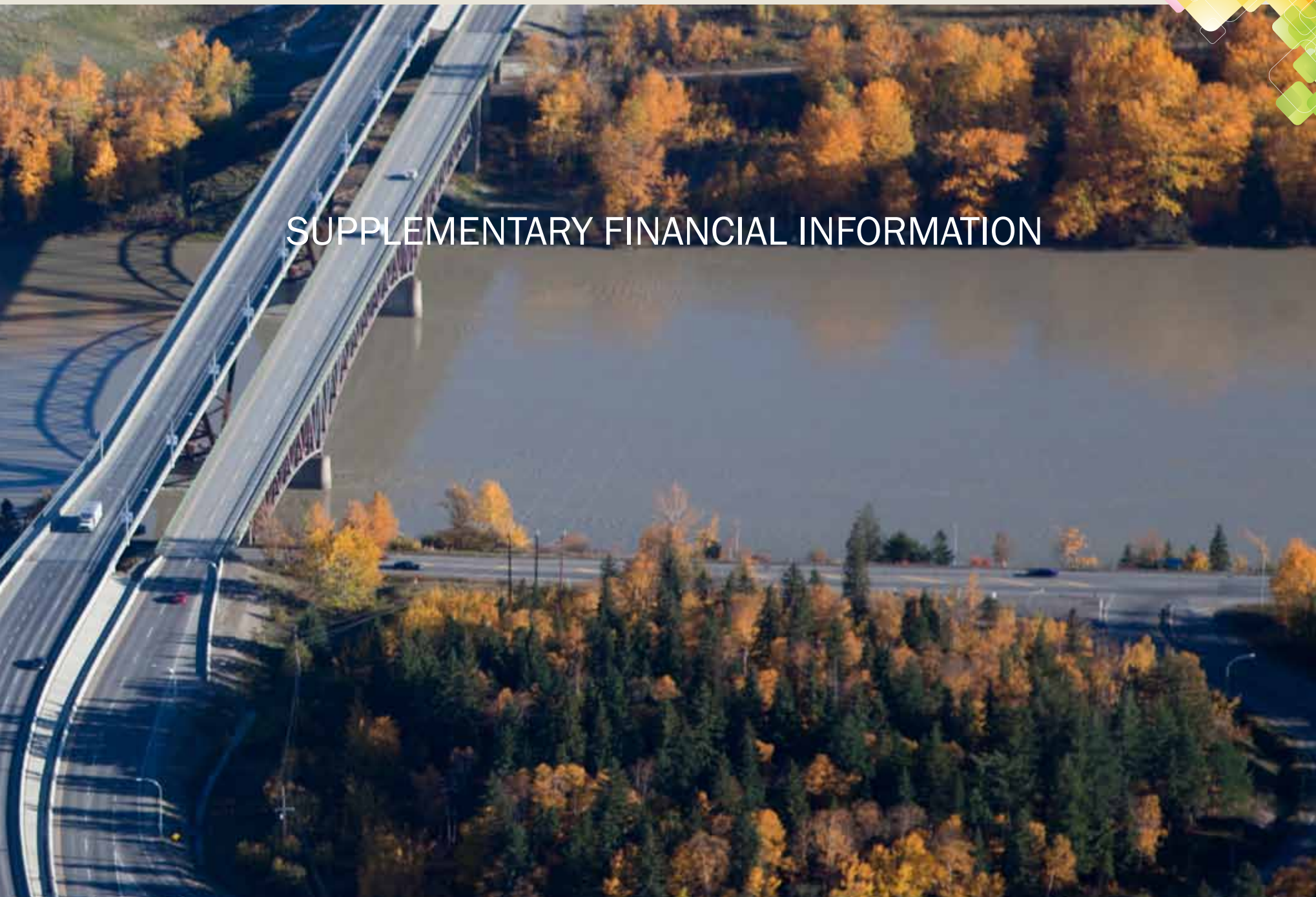
1. To safeguard the City's ability to operate as a going concern; and
2. To maintain a flexible capital structure.

The City's credit facilities are reviewed annually to ensure sufficient funds are available to meet operational needs. The City currently does not have any outstanding credit facilities.

16. Comparative Figures

Certain 2010 figures have been reclassified to conform to the 2011 financial statement presentation.





SUPPLEMENTARY FINANCIAL INFORMATION

SCHEDULE 1
Statement of Financial Position - by Fund

 as at December 31, 2011
 (in thousands of dollars)

| | Operating Funds | | | Reserve Funds | Capital Funds | | | | Other Controlled Entities | Consolidated Adjustments | Consolidated 2011 |
|--|-----------------|----------------|----------------|------------------|------------------|-----------------|-----------------|-------------|---------------------------------|-----------------------------|----------------------|
| | General | Water | Sewer | | General | Water | Sewer | Land | | | |
| FINANCIAL ASSETS | | | | | | | | | | | |
| Cash and Cash Equivalents | \$8,705 | \$163 | \$113 | \$3,592 | \$390 | \$14 | \$146 | \$ - | \$1,563 | \$ - | \$14,686 |
| Receivables | 12,504 | 1,355 | 958 | - | 8,964 | - | - | - | 632 | (359) | 24,054 |
| Investments | 9,214 | 690 | 480 | 15,181 | 1,649 | 58 | 620 | - | - | - | 27,892 |
| Deposits-Municipal Finance Authority | 1,641 | 338 | 230 | - | - | - | - | - | - | - | 2,209 |
| Due from Own Funds | 9,592 | - | 270 | 10,013 | - | 204 | 506 | - | - | (20,585) | - |
| | <u>41,656</u> | <u>2,546</u> | <u>2,051</u> | <u>28,786</u> | <u>11,003</u> | <u>276</u> | <u>1,272</u> | <u>-</u> | <u>2,195</u> | <u>(20,944)</u> | <u>68,841</u> |
| LIABILITIES | | | | | | | | | | | |
| Accounts Payable and Accrued Liabilities | 26,889 | 186 | 68 | - | 28 | - | - | - | 711 | (299) | 27,583 |
| Deferred Revenues | 7,163 | 43 | 23 | - | 1,712 | - | - | - | 460 | - | 9,401 |
| Deferred Development Cost Charges | - | - | - | - | 4,231 | 201 | 1,388 | - | - | - | 5,820 |
| Reserves-Municipal Finance Authority | 1,641 | 338 | 230 | - | - | - | - | - | - | - | 2,209 |
| Due to Own Funds | - | 20 | - | - | 20,565 | - | - | - | - | (20,585) | - |
| Short-Term Debt, including Capital Lease | - | - | - | - | 4,650 | - | - | - | 60 | (60) | 4,650 |
| Long-Term Debt, including Capital Lease | - | - | - | - | 80,037 | 13,501 | 4,609 | - | - | - | 98,147 |
| | <u>35,693</u> | <u>587</u> | <u>321</u> | <u>-</u> | <u>111,223</u> | <u>13,702</u> | <u>5,997</u> | <u>-</u> | <u>1,231</u> | <u>(20,944)</u> | <u>147,810</u> |
| NET FINANCIAL ASSETS (DEBT) | <u>5,963</u> | <u>1,959</u> | <u>1,730</u> | <u>28,786</u> | <u>(100,220)</u> | <u>(13,426)</u> | <u>(4,725)</u> | <u>-</u> | <u>964</u> | <u>-</u> | <u>(78,969)</u> |
| NON-FINANCIAL ASSETS | | | | | | | | | | | |
| Prepaid expenses | 857 | - | - | - | - | - | - | - | 70 | - | 927 |
| Inventories | 1,201 | - | - | - | - | - | - | - | 6 | - | 1,207 |
| Tangible Capital Assets | - | - | - | - | 427,130 | 83,467 | 63,220 | - | 2,290 | - | 576,107 |
| | <u>2,058</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>427,130</u> | <u>83,467</u> | <u>63,220</u> | <u>-</u> | <u>2,366</u> | <u>-</u> | <u>578,241</u> |
| ACCUMULATED SURPLUS | <u>\$8,021</u> | <u>\$1,959</u> | <u>\$1,730</u> | <u>\$28,786</u> | <u>\$326,910</u> | <u>\$70,041</u> | <u>\$58,495</u> | <u>\$ -</u> | <u>\$3,330</u> | <u>\$ -</u> | <u>\$499,272</u> |
| ACCUMULATED SURPLUS | | | | | | | | | | | |
| Beginning of Year | \$5,866 | \$357 | \$1,108 | \$29,663 | \$297,412 | \$69,808 | \$57,914 | \$ - | \$3,278 | \$ - | \$465,406 |
| Net Funds (Deficit) over Expenditures | 1,935 | 1,602 | 622 | (877) | - | - | - | - | 18 | - | 3,300 |
| Change in Net Financial Debt | - | - | - | - | 870 | 1,544 | 1,130 | - | (26) | - | 3,518 |
| Change in Tangible Capital Assets | 220 | - | - | - | 28,628 | (1,311) | (549) | - | 60 | - | 27,048 |
| ACCUMULATED SURPLUS, End of Year | <u>\$8,021</u> | <u>\$1,959</u> | <u>\$1,730</u> | <u>\$28,786</u> | <u>\$326,910</u> | <u>\$70,041</u> | <u>\$58,495</u> | <u>\$ -</u> | <u>\$3,330</u> | <u>\$ -</u> | <u>\$499,272</u> |

SCHEDULE 2

Statement of Operations - by Fund

for the year ended December 31, 2011
(in thousands of dollars)

| | Operating Funds | | | Reserve Funds | Capital Funds | | | | Other Controlled Entities | Consolidated Adjustments | Consolidated 2011 |
|--|-----------------|----------------|--------------|----------------|-----------------|--------------|--------------|--------------|---------------------------|--------------------------|-------------------|
| | General | Water | Sewer | | General | Water | Sewer | Land | | | |
| REVENUES | | | | | | | | | | | |
| Taxation and Grants in lieu, net | \$82,372 | \$64 | \$108 | \$ - | \$ - | \$ - | \$ - | \$ - | \$665 | \$ - | \$83,209 |
| Sales of Services, User Rates and Rentals | 23,338 | 9,320 | 6,669 | - | - | - | - | - | 291 | (484) | 39,134 |
| Return on Investments | 1,954 | 652 | 764 | 715 | - | - | - | - | 11 | - | 4,096 |
| DCC Contributions | 3 | - | - | - | 83 | - | - | - | - | - | 86 |
| Contributions from Other Gov'ts & Agencies | 7,935 | - | - | - | 13,863 | - | - | - | 5,616 | (5,009) | 22,405 |
| Sinking Fund Surplus | - | - | - | 107 | - | - | - | - | - | - | 107 |
| Other Revenue | 4,597 | 5 | 148 | 159 | 2,429 | - | - | - | 319 | (38) | 7,619 |
| Loss on Sale of Tangible Capital Assets | - | - | - | - | (417) | (57) | (4) | (9) | (38) | - | (525) |
| Asset Contributions | - | - | - | - | 4,463 | 148 | 121 | - | - | - | 4,732 |
| | <u>120,199</u> | <u>10,041</u> | <u>7,689</u> | <u>981</u> | <u>20,421</u> | <u>91</u> | <u>117</u> | <u>(9)</u> | <u>6,864</u> | <u>(5,531)</u> | <u>160,863</u> |
| EXPENSES | | | | | | | | | | | |
| General Government | 18,465 | - | - | - | - | - | - | - | - | (1,387) | 17,078 |
| Protective Services | 38,155 | - | - | - | - | - | - | - | - | - | 38,155 |
| Transportation Services | 26,002 | - | - | - | - | - | - | - | - | - | 26,002 |
| Water and Sewer | - | 7,487 | 6,297 | - | - | - | - | - | - | - | 13,784 |
| Sanitation and Waste Removal | 3,537 | - | - | - | - | - | - | - | - | - | 3,537 |
| Public Health and Welfare | 563 | - | - | - | - | - | - | - | - | - | 563 |
| Planning and Environmental Development | 3,063 | - | - | - | - | - | - | - | - | - | 3,063 |
| Parks, Recreation and Cultural Services | 24,524 | - | - | - | - | - | - | - | - | (3,622) | 20,902 |
| Prince George Public Library | - | - | - | - | - | - | - | - | 4,226 | (522) | 3,704 |
| Initiatives Prince George Development Corp | - | - | - | - | - | - | - | - | 1,509 | - | 1,509 |
| Tourism Prince George Society | - | - | - | - | - | - | - | - | 1,075 | - | 1,075 |
| | <u>114,309</u> | <u>7,487</u> | <u>6,297</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>6,810</u> | <u>(5,531)</u> | <u>129,372</u> |
| NET SURPLUS BEFORE TRANSFERS | 5,890 | 2,554 | 1,392 | 981 | 20,421 | 91 | 117 | (9) | 54 | - | 31,491 |
| TRANSFERS FROM (TO) | | | | | | | | | | | |
| Operating Funds | 1,954 | (950) | (1,004) | 4,644 | (30) | - | - | - | - | (4,614) | - |
| Capital Funds | 30 | - | - | (7,917) | - | - | - | - | - | 7,887 | - |
| Reserve Funds | (4,455) | (168) | (21) | - | 6,366 | 240 | 314 | 997 | - | (3,273) | - |
| Deferred Revenues | (3,984) | - | 57 | 1,415 | 4,474 | 66 | 347 | - | - | - | 2,375 |
| | <u>\$(565)</u> | <u>\$1,436</u> | <u>\$424</u> | <u>\$(877)</u> | <u>\$31,231</u> | <u>\$397</u> | <u>\$778</u> | <u>\$988</u> | <u>\$54</u> | <u>\$ -</u> | <u>\$33,866</u> |
| ANNUAL SURPLUS (DEFICIT) | \$(565) | \$1,436 | \$424 | \$(877) | \$31,231 | \$397 | \$778 | \$988 | \$54 | \$ - | \$33,866 |
| NET FUNDS OVER EXPENDITURES | | | | | | | | | | | |
| Annual Surplus (Deficit) | \$(565) | \$1,436 | \$424 | \$(877) | \$31,231 | \$397 | \$778 | \$988 | \$54 | \$ - | \$33,866 |
| Capital Expenditures | - | - | - | - | (35,076) | (306) | (661) | (1,028) | (577) | - | (37,648) |
| Contribution of Capital Assets | - | - | - | - | (4,463) | (148) | (121) | - | - | - | (4,732) |
| Amortization | 11,425 | 1,710 | 1,328 | - | - | - | - | - | 463 | - | 14,926 |
| Loss on Sale of Tangible Capital Assets | - | - | - | - | 417 | 57 | 4 | 9 | 38 | - | 525 |
| Other | - | - | - | - | (78) | - | - | - | - | - | (78) |
| Principal payments on Debt | (8,925) | (1,544) | (1,130) | - | - | - | - | - | - | - | (11,599) |
| Proceeds from borrowing | - | - | - | - | 3,773 | - | - | - | - | - | 3,773 |
| Proceeds from internal loans | - | - | - | - | 7,242 | - | - | - | 40 | - | 7,282 |
| Internal loans repaid | - | - | - | - | (3,046) | - | - | 31 | - | - | (3,015) |
| | <u>\$1,935</u> | <u>\$1,602</u> | <u>\$622</u> | <u>\$(877)</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$18</u> | <u>\$ -</u> | <u>\$3,300</u> |

SCHEDULE 3

Statement of Segment Disclosure - 2011

| for the year ended December 31 (in thousands of dollars) | General Revenue Fund | | | | | | | Water | Sewer | Asset Maintenance | Reserves & Other Funds | Other Controlled Entities | Consolidated 2011 |
|---|----------------------|--------------------|-------------------------|----------------------------|----------------------------|-------------------------|-----------------|----------------|--------------|-------------------|------------------------|---------------------------|-------------------|
| | Protective Services | Community Services | Transportation Services | Planning & Environ Develop | Sanitation & Waste Removal | Public Health & Welfare | Finance & Admin | | | | | | |
| REVENUES | | | | | | | | | | | | | |
| Taxation and Grants in lieu, net | \$ - | \$ - | \$ 5 | \$ - | \$ - | \$ - | \$82,367 | \$64 | \$108 | \$ - | \$ - | \$665 | \$83,209 |
| Sales of Services, User Rates and Rentals | 2,168 | 6,197 | 3,674 | 564 | 3,985 | 458 | 5,808 | 9,320 | 6,669 | - | - | 291 | 39,134 |
| Return on Investments | - | - | - | - | - | - | 1,954 | 652 | 764 | - | 715 | 11 | 4,096 |
| DCC Contributions | - | - | - | - | - | - | - | - | - | 3 | 83 | - | 86 |
| Contributions from Other Gov'ts & Agencies | 94 | 282 | 55 | 94 | - | - | 7,340 | - | - | 70 | 13,863 | 607 | 22,405 |
| Sinking Fund Surplus | - | - | - | - | - | - | - | - | - | - | 107 | - | 107 |
| Other Revenue | 654 | 453 | 743 | 801 | 241 | - | 1,667 | 5 | 148 | - | 2,588 | 319 | 7,619 |
| Loss on Sale of Capital Assets | - | - | (417) | - | - | - | (9) | (57) | (4) | - | - | (38) | (525) |
| Asset Contributions | - | 2,500 | 1,963 | - | - | - | - | 148 | 121 | - | - | - | 4,732 |
| | <u>2,916</u> | <u>9,432</u> | <u>6,023</u> | <u>1,459</u> | <u>4,226</u> | <u>458</u> | <u>99,127</u> | <u>10,132</u> | <u>7,806</u> | <u>73</u> | <u>17,356</u> | <u>1,855</u> | <u>160,863</u> |
| EXPENSES | | | | | | | | | | | | | |
| Labour and Benefits | 18,329 | 9,966 | 8,251 | 1,931 | 896 | 330 | 8,328 | 2,275 | 2,361 | 26 | - | - | 52,693 |
| Goods and Services | 18,970 | 6,859 | 10,282 | 945 | 2,378 | 176 | 4,034 | 2,333 | 2,043 | 641 | - | - | 48,661 |
| Interest | - | - | - | - | - | - | 5,533 | 1,169 | 565 | - | - | - | 7,267 |
| Amortization | 375 | 2,889 | 5,735 | - | 264 | 49 | 2,113 | 1,710 | 1,328 | - | - | 463 | 14,926 |
| Prince George Public Library | - | - | - | - | - | - | - | - | - | - | - | 3,298 | 3,298 |
| Initiatives Prince George Development Corp | - | - | - | - | - | - | - | - | - | - | - | 1,479 | 1,479 |
| Tourism Prince George Society | - | - | - | - | - | - | - | - | - | - | - | 1,048 | 1,048 |
| | <u>37,674</u> | <u>19,714</u> | <u>24,268</u> | <u>2,876</u> | <u>3,538</u> | <u>555</u> | <u>20,008</u> | <u>7,487</u> | <u>6,297</u> | <u>667</u> | <u>-</u> | <u>6,288</u> | <u>129,372</u> |
| NET SURPLUS (DEFICIT) BEFORE TRANSFERS | (34,758) | (10,282) | (18,245) | (1,417) | 688 | (97) | 79,119 | 2,645 | 1,509 | (594) | 17,356 | (4,433) | 31,491 |
| Transfers | (1) | (163) | (2,171) | 563 | (1,042) | 48 | (4,283) | (1,118) | (968) | 594 | 10,916 | - | 2,375 |
| ANNUAL SURPLUS (DEFICIT) | <u>\$(34,759)</u> | <u>\$(10,445)</u> | <u>\$(20,416)</u> | <u>\$(854)</u> | <u>\$(354)</u> | <u>\$(49)</u> | <u>\$74,836</u> | <u>\$1,527</u> | <u>\$541</u> | <u>\$ -</u> | <u>\$28,272</u> | <u>\$(4,433)</u> | <u>\$33,866</u> |

SCHEDULE 3

Statement of Segment Disclosure - 2010

| for the year ended December 31 (in thousands of dollars) | General Revenue Fund | | | | | | | Water | Sewer | Asset Maintenance | Reserves & Other Funds | Other Controlled Entities | Consolidated 2010 |
|---|--------------------------|--------------------------|--------------------------|--------------------------|----------------------------|-------------------------|--------------------------|---------------------|-----------------------|--------------------|------------------------|---------------------------|------------------------|
| | Protective Services | Community Services | Transportation Services | Planning & Environ Devel | Sanitation & Waste Removal | Public Health & Welfare | Finance & Administration | | | | | | |
| REVENUES | | | | | | | | | | | | | |
| Taxation and Grants in lieu, net | \$ - | \$ - | \$ 3 | \$ - | \$ - | \$ - | \$78,449 | \$ 64 | \$ 108 | \$ - | \$ - | \$ 583 | \$ 79,207 |
| Sales of Services, User Rates and Rentals | 1,760 | 5,337 | 3,163 | 594 | 3,889 | 466 | 6,412 | 8,151 | 5,782 | - | - | 372 | 35,926 |
| Return on Investments | - | - | - | - | - | - | 1,182 | 1,057 | 377 | - | 819 | 1 | 3,436 |
| DCC Contributions | - | - | - | - | - | - | - | - | - | 51 | 3,002 | - | 3,053 |
| Contributions from Other Gov'ts & Agencies | 104 | 323 | 163 | 874 | - | - | 6,383 | - | 20 | - | 3,779 | 849 | 12,495 |
| Sinking Fund Surplus | - | - | - | - | - | - | - | - | - | - | 68 | - | 68 |
| Other Revenue | 467 | 365 | 523 | 1,190 | 280 | - | 1,940 | 6 | 1 | 23 | 1,895 | 356 | 7,046 |
| Gain (Loss) on Sale of Capital Assets | - | 2 | (357) | - | - | - | - | - | - | - | - | 728 | 373 |
| Asset Contributions | - | - | 2,941 | - | - | - | 122 | 469 | 493 | - | - | - | 4,025 |
| | <u>2,331</u> | <u>6,027</u> | <u>6,436</u> | <u>2,658</u> | <u>4,169</u> | <u>466</u> | <u>94,488</u> | <u>9,747</u> | <u>6,781</u> | <u>74</u> | <u>9,563</u> | <u>2,889</u> | <u>145,629</u> |
| EXPENSES | | | | | | | | | | | | | |
| Labour and Benefits | 17,829 | 9,934 | 7,684 | 2,131 | 830 | 346 | 8,234 | 2,364 | 2,497 | 210 | - | - | 52,059 |
| Goods and Services | 18,033 | 6,595 | 7,318 | 1,297 | 2,366 | 182 | 3,905 | 2,162 | 2,053 | 1,613 | - | - | 45,524 |
| Interest | - | - | - | - | - | - | 5,670 | 1,355 | 614 | - | - | - | 7,639 |
| Amortization | 438 | 2,948 | 6,021 | - | 319 | 49 | 3,175 | 1,874 | 1,501 | - | - | 460 | 16,785 |
| Prince George Public Library | - | - | - | - | - | - | - | - | - | - | - | 3,109 | 3,109 |
| Initiatives Prince George Development Corp | - | - | - | - | - | - | - | - | - | - | - | 1,888 | 1,888 |
| Tourism Prince George Society | - | - | - | - | - | - | - | - | - | - | - | 670 | 670 |
| | <u>36,300</u> | <u>19,477</u> | <u>21,023</u> | <u>3,428</u> | <u>3,515</u> | <u>577</u> | <u>20,984</u> | <u>7,755</u> | <u>6,665</u> | <u>1,823</u> | <u>-</u> | <u>6,127</u> | <u>127,674</u> |
| NET SURPLUS (DEFICIT) BEFORE TRANSFERS | <u>(33,969)</u> | <u>(13,450)</u> | <u>(14,587)</u> | <u>(770)</u> | <u>654</u> | <u>(111)</u> | <u>73,504</u> | <u>1,992</u> | <u>116</u> | <u>(1,749)</u> | <u>9,563</u> | <u>(3,238)</u> | <u>17,955</u> |
| Transfers | <u>(71)</u> | <u>120</u> | <u>(2,193)</u> | <u>(37)</u> | <u>(786)</u> | <u>22</u> | <u>(5,588)</u> | <u>(1,526)</u> | <u>(731)</u> | <u>1,749</u> | <u>8,720</u> | <u>-</u> | <u>(321)</u> |
| ANNUAL SURPLUS (DEFICIT) | <u><u>\$(34,040)</u></u> | <u><u>\$(13,330)</u></u> | <u><u>\$(16,780)</u></u> | <u><u>\$(807)</u></u> | <u><u>\$(132)</u></u> | <u><u>\$(89)</u></u> | <u><u>\$67,916</u></u> | <u><u>\$466</u></u> | <u><u>\$(615)</u></u> | <u><u>\$ -</u></u> | <u><u>\$18,283</u></u> | <u><u>\$(3,238)</u></u> | <u><u>\$17,634</u></u> |

SCHEDULE 4

Reserve Funds

for the year ended December 31, 2011
(in thousands of dollars)

| Reserve Funds | General Capital (a) | Water Capital | Sewer Capital | Downtown Off-Street Parking | Computers & Equipment (b) | Land Development | Local Improvement | Snow Control | Road Rehabilitation | Other Statutory & Regulated (c) | Total 2011 |
|--|---------------------|----------------|---------------|-----------------------------|---------------------------|------------------|-------------------|----------------|---------------------|---------------------------------|-----------------|
| Equity, Beginning of Year | \$11,760 | \$1,079 | \$509 | \$1,542 | \$4,036 | \$ - | \$2,165 | \$1,601 | \$241 | \$6,730 | \$29,663 |
| Return on Investments | 274 | 22 | 11 | 35 | 86 | (4) | 49 | 32 | 27 | 183 | 715 |
| Third Party Contributions | - | - | - | - | - | - | - | - | - | - | - |
| Sinking Fund Surplus | - | 33 | 35 | - | - | - | - | - | - | 39 | 107 |
| Municipal Finance Authority Debt Reserve Refunds | - | 49 | 56 | - | - | - | - | - | - | 54 | 159 |
| Municipal Finance Authority Debt Dividends | - | - | - | - | - | - | - | - | - | - | - |
| | <u>274</u> | <u>104</u> | <u>102</u> | <u>35</u> | <u>86</u> | <u>(4)</u> | <u>49</u> | <u>32</u> | <u>27</u> | <u>276</u> | <u>981</u> |
| Transfers from (to) | | | | | | | | | | | |
| General Operating Fund | 2,330 | (14) | (14) | (24) | (417) | - | 109 | (1,633) | 2,994 | 1,124 | 4,455 |
| General Capital Fund | (2,076) | - | - | - | (669) | - | - | - | (3,155) | (466) | (6,366) |
| Water Operating Fund | - | 337 | - | - | (1) | - | - | - | - | (168) | 168 |
| Water Capital Fund | - | (240) | - | - | - | - | - | - | - | - | (240) |
| Sewer Operating Fund | - | - | 22 | - | (1) | - | - | - | - | - | 21 |
| Sewer Capital Fund | - | - | (314) | - | - | - | - | - | - | - | (314) |
| Land Capital Fund | - | - | - | - | - | (820) | - | - | - | (177) | (997) |
| Other Reserves | (1,323) | - | - | - | 585 | 824 | - | - | - | (86) | - |
| Deferred Revenues | 1,415 | - | - | - | - | - | - | - | - | - | 1,415 |
| | <u>346</u> | <u>83</u> | <u>(306)</u> | <u>(24)</u> | <u>(503)</u> | <u>4</u> | <u>109</u> | <u>(1,633)</u> | <u>(161)</u> | <u>227</u> | <u>(1,858)</u> |
| Equity, End of Year | <u>\$12,380</u> | <u>\$1,266</u> | <u>\$305</u> | <u>\$1,553</u> | <u>\$3,619</u> | <u>\$ -</u> | <u>\$2,323</u> | <u>\$ -</u> | <u>\$107</u> | <u>\$7,233</u> | <u>\$28,786</u> |

(a) Endowment Fund
Capital Expenditure Reserve

(b) Mobile Equipment Reserve
Computer Equipment Reserve

(c) Storm Drainage Reserve
Debt Reduction Reserve
Southwest Sector Recreation Reserve
Park Land Acquisition Reserve
Tax Sale Reserve
Cemetery Development Reserve
Downtown Development Reserve

(c) continued
Fortis BC Reserve
Extension - Ospika / Marleau
Canada Winter Games Reserve
General Regulated Reserve for Future Expenditures
Sewer Regulated Reserve for Future Expenditures
Water Regulated Reserve for Future Expenditures

SCHEDULE 5

Tangible Capital Assets - 2011

 for the year ended December 31
 (in thousands of dollars)

| | Assets Under Construction | Land | Buildings | Vehicles, Machinery & Equip | Other | Infrastructure | | | | | | Total 2011 |
|--|---------------------------------|------------------|-----------------|-----------------------------------|--------------|-----------------|-----------------|-----------------|-------------------|------------------------|------------------|------------------|
| | | | | | | Roads | Parks | Water | Sanitary Sewer | Storm Drain- age | Energy & Comm | |
| Cost | | | | | | | | | | | | |
| Opening costs | \$15,699 | \$173,379 | \$151,659 | \$34,020 | \$1,636 | \$160,001 | \$22,216 | \$125,924 | \$102,781 | \$60,637 | \$58,700 | \$906,652 |
| Additions during the year | 26,875 | 4,633 | 1,942 | 2,287 | 255 | 4,475 | 365 | 454 | 705 | 378 | 11 | 42,380 |
| Transfers to tangible capital assets | (3,087) | 45 | 3,192 | (617) | 1 | 115 | 4 | 109 | 70 | 167 | 1 | - |
| Disposals | - | (77) | - | (377) | (318) | (959) | - | (99) | (10) | - | - | (1,840) |
| Closing costs | <u>39,487</u> | <u>177,980</u> | <u>156,793</u> | <u>35,313</u> | <u>1,574</u> | <u>163,632</u> | <u>22,585</u> | <u>126,388</u> | <u>103,546</u> | <u>61,182</u> | <u>58,712</u> | <u>947,192</u> |
| Accumulated Amortization | | | | | | | | | | | | |
| Opening accum'd amortization | - | - | 122,260 | 19,854 | 812 | 97,282 | 9,927 | 41,616 | 39,524 | 14,391 | 11,722 | 357,388 |
| Amortization | - | - | 2,913 | 2,060 | 289 | 3,749 | 636 | 1,710 | 1,328 | 564 | 1,677 | 14,926 |
| Transfers | - | - | 454 | (453) | - | - | (3) | 1 | - | - | 1 | - |
| Disposals | - | - | - | (361) | (288) | (530) | - | (44) | (6) | - | - | (1,229) |
| Closing accum'd amortization | <u>-</u> | <u>-</u> | <u>125,627</u> | <u>21,100</u> | <u>813</u> | <u>100,501</u> | <u>10,560</u> | <u>43,283</u> | <u>40,846</u> | <u>14,955</u> | <u>13,400</u> | <u>371,085</u> |
| Net Book Value of Tangible Capital Assets | <u>\$39,487</u> | <u>\$177,980</u> | <u>\$31,166</u> | <u>\$14,213</u> | <u>\$761</u> | <u>\$63,131</u> | <u>\$12,025</u> | <u>\$83,105</u> | <u>\$62,700</u> | <u>\$46,227</u> | <u>\$45,312</u> | <u>\$576,107</u> |

SCHEDULE 5
Tangible Capital Assets - 2010

For the year ended December 31

(in thousands of dollars)

| | Assets Under Construction | Land | Buildings | Vehicles, Machinery & Equip | Other | Infrastructure | | | | | | Total 2010 |
|--|---------------------------|------------------|-----------------|-----------------------------|--------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|
| | | | | | | Roads | Parks | Water | Sanitary Sewer | Storm Drainage | Energy & Comm | |
| Cost | | | | | | | | | | | | |
| Opening costs | \$9,663 | \$170,272 | \$152,763 | \$32,350 | \$1,644 | \$151,851 | \$20,022 | \$124,615 | \$101,950 | \$58,598 | \$58,648 | \$882,376 |
| Additions during the year | 9,549 | 3,776 | 279 | 2,189 | 259 | 7,708 | 2,007 | 1,096 | 831 | 1,948 | 52 | 29,694 |
| Transfers to tangible capital assets | (3,513) | - | - | - | - | 3,022 | 187 | 213 | - | 91 | - | - |
| Disposals | - | (669) | (1,383) | (519) | (267) | (2,580) | - | - | - | - | - | (5,418) |
| Closing costs | <u>15,699</u> | <u>173,379</u> | <u>151,659</u> | <u>34,020</u> | <u>1,636</u> | <u>160,001</u> | <u>22,216</u> | <u>125,924</u> | <u>102,781</u> | <u>60,637</u> | <u>58,700</u> | 906,652 |
| Accumulated Amortization | | | | | | | | | | | | |
| Opening accum'd amortization | - | - | 119,504 | 16,968 | 781 | 95,651 | 9,222 | 39,742 | 38,023 | 13,820 | 10,046 | 343,757 |
| Amortization | - | - | 3,109 | 3,166 | 295 | 3,888 | 705 | 1,874 | 1,501 | 571 | 1,676 | 16,785 |
| Disposals | - | - | (353) | (280) | (264) | (2,257) | - | - | - | - | - | (3,154) |
| Closing accum'd amortization | <u>-</u> | <u>-</u> | <u>122,260</u> | <u>19,854</u> | <u>812</u> | <u>97,282</u> | <u>9,927</u> | <u>41,616</u> | <u>39,524</u> | <u>14,391</u> | <u>11,722</u> | 357,388 |
| Net Book Value of Tangible Capital Assets | <u>\$15,699</u> | <u>\$173,379</u> | <u>\$29,399</u> | <u>\$14,166</u> | <u>\$824</u> | <u>\$62,719</u> | <u>\$12,289</u> | <u>\$84,308</u> | <u>\$63,257</u> | <u>\$46,246</u> | <u>\$46,978</u> | \$549,264 |

SCHEDULE 6

Trust Funds Statement of Financial Position

as at December 31

(in thousands of dollars)

| | 2011 | 2010 |
|-------------------------------|----------------|----------------|
| ASSETS | | |
| Cash and Cash Equivalents | \$992 | \$675 |
| Investments | 969 | 1,297 |
| | <u>\$1,961</u> | <u>\$1,972</u> |
| SURPLUS | | |
| Winter Games Legacy | \$97 | \$95 |
| Cemetery Care Trust | 1,860 | 1,820 |
| Discovery Place | 1 | 45 |
| Northwood Pollution | 3 | 3 |
| Nechako Fishing Park Donation | - | 9 |
| | <u>\$1,961</u> | <u>\$1,972</u> |

Trust Funds Statement of Operations

for the year ended December 31

(in thousands of dollars)

| Trust Funds | Winter Games | Cemetery Care | Discovery Place | Northwood Pollution | Nechako Fishing Park | 2011 Total | 2010 Total |
|---------------------------|--------------|----------------|-----------------|---------------------|----------------------|----------------|----------------|
| Surplus, Beginning | \$95 | \$1,820 | \$45 | \$3 | \$9 | \$1,972 | \$1,979 |
| Investment income | 2 | 42 | 1 | - | - | 45 | 35 |
| Third Party Contributions | - | 73 | - | - | - | 73 | 75 |
| Transfers to | | | | | | | |
| General Operating | - | (75) | (5) | - | - | (80) | (49) |
| General Capital | - | - | (40) | - | (9) | (49) | (68) |
| | <u>2</u> | <u>40</u> | <u>(44)</u> | <u>-</u> | <u>(9)</u> | <u>(11)</u> | <u>(7)</u> |
| Surplus, Ending | <u>\$97</u> | <u>\$1,860</u> | <u>\$1</u> | <u>\$3</u> | <u>\$-</u> | <u>\$1,961</u> | <u>\$1,972</u> |

NOTE:

As described in Note 1 of the Notes to the Consolidated Financial Statements, Trust Funds are not included in the City of Prince George Consolidated Financial Statements.

SCHEDULE 7
Consolidated Revenues

for the year ended December 31

(in thousands of dollars)

TAXATION AND GRANTS IN LIEU, NET

| | 2011 | 2010 |
|---|-----------------|----------|
| Property Taxes | \$78,734 | \$74,878 |
| Special Assessments | 720 | 802 |
| Grants in Lieu of Taxes | 3,090 | 2,944 |
| Collection for Other Authorities | | |
| Province of B.C. - School Taxes | 28,168 | 28,006 |
| Regional Hospital District Taxes | 3,753 | 3,683 |
| Regional District of Fraser-Fort George | 6,864 | 6,946 |
| B.C. Assessment Authority | 755 | 753 |
| Municipal Finance Authority | 2 | 2 |
| Business Improvement Association - Gateway | 100 | 37 |
| Business Improvement Association - Downtown | 203 | 200 |
| Other Controlled Entities | | |
| Tourism Prince George Society- Hotel Tax | 665 | 583 |
| | 123,054 | 118,834 |
| Payments to Other Authorities | (39,542) | (39,390) |
| Payments to Business Improvement Associations | (303) | (237) |
| | \$83,209 | \$79,207 |

SCHEDULE 7

Consolidated Revenues (continued)

for the year ended December 31

(in thousands of dollars)

| | 2011 | 2010 |
|--|---------------|---------------|
| SALES OF SERVICES, USER RATES AND RENTALS | | |
| Sales of Services | | |
| Garbage Levy | \$4,226 | \$4,169 |
| Protective Services and Prisoner Accommodation | 843 | 501 |
| 911 System | 1,325 | 1,260 |
| Transportation Services | 3,777 | 3,268 |
| Recreational and Cultural Services | | |
| Arenas | 3,296 | 2,861 |
| Aquatics | 1,416 | 1,410 |
| Civic Centre | 1,212 | 1,236 |
| Other | 289 | 275 |
| Miscellaneous Services | 793 | 875 |
| | <u>17,177</u> | <u>15,855</u> |
| User Rates | | |
| Water Utility | 9,320 | 8,151 |
| Sewer Utility | 6,669 | 5,782 |
| | <u>15,989</u> | <u>13,933</u> |
| Rentals | | |
| Library | 484 | 483 |
| Police Buildings | 1 | 1 |
| Property & ROW | 3 | 3 |
| Other Rentals | 125 | 92 |
| | <u>613</u> | <u>579</u> |
| Fortis BC | | |
| Mortgage Lease Revenue | 5,548 | 5,670 |

SCHEDULE 7
Consolidated Revenues (continued)

for the year ended December 31

(in thousands of dollars)

| | 2011 | 2010 |
|---|------------------------|------------------------|
| SALES OF SERVICES, USER RATES AND RENTALS, Balance Forward | <u>\$39,327</u> | <u>\$36,037</u> |
| Other Controlled Entities | | |
| Initiatives Prince George Development Corporation | 189 | 265 |
| Tourism Prince George Society | <u>102</u> | <u>107</u> |
| | <u>291</u> | <u>372</u> |
| Less: Consolidated Adjustment | | |
| Prince George Public Library | <u>(484)</u> | <u>(483)</u> |
| | <u>\$39,134</u> | <u>\$35,926</u> |
| RETURN ON INVESTMENTS | | |
| Interest Earnings | | |
| Operating Funds | \$(98) | \$(358) |
| Development Cost Charges (Note 7) | 114 | 166 |
| Deferred Revenues | <u>71</u> | <u>88</u> |
| | <u>87</u> | <u>(104)</u> |
| Reserve Funds | 715 | 819 |
| Actuarial Adjustments | 3,283 | 2,776 |
| Other Controlled Entities | <u>11</u> | <u>1</u> |
| | <u>4,096</u> | <u>3,492</u> |
| Less: Consolidated Adjustment | | |
| Initiatives Prince George Development Corporation | <u>-</u> | <u>(56)</u> |
| | <u>\$4,096</u> | <u>\$3,436</u> |
| DEVELOPMENT COST CHARGES CONTRIBUTIONS | <u>\$86</u> | <u>\$3,053</u> |

SCHEDULE 7

Consolidated Revenues (continued)
for the year ended December 31
(in thousands of dollars)

| | 2011 | 2010 |
|---|-------|-------|
| CONTRIBUTIONS FROM OTHER GOV'TS & AGENCIES | | |
| Federal | | |
| Fraser Basin | \$42 | \$3 |
| Climate Change | 25 | - |
| Pine Beetle Control | 17 | 3 |
| Affordability & Choice Today | 3 | 2 |
| Interface Fire Fuel Reduction | - | 197 |
| Capital Grants | 7,050 | 2,887 |
| Other Controlled Entities | | |
| Initiatives Prince George Devel Corp | 24 | 97 |
| Tourism Prince George Society | 7 | 6 |
| Provincial | | |
| Community Works | 2,911 | 3,032 |
| Gaming Revenue | 2,576 | 2,525 |
| Traffic Fine Sharing Revenue | 1,592 | 507 |
| Carbon Tax | 159 | 104 |
| Partners for Climate Change | 83 | 11 |
| ICBC | 83 | - |
| Worksafe BC Rebate | 57 | 60 |
| Victim Services | 53 | 89 |
| Communities That Care | 45 | 90 |
| Northern Development Initiative Trust | 35 | 35 |
| Emergency Measures | 33 | (2) |
| BC Hydro Energy Management | 25 | 45 |
| BC Healthy Communities | 10 | - |
| Fire Department Grant | 7 | 17 |
| Community Forest | 7 | - |
| Crown Land Pine Beetle | (3) | 38 |
| Fuel Treatment | (40) | 560 |

SCHEDULE 7

Consolidated Revenues (continued)
 for the year ended December 31
 (in thousands of dollars)

| | 2011 | 2010 |
|--|------------------------|------------------------|
| CONTRIBUTIONS FROM OTHER GOV'TS & AGENCIES, Balance Forward | <u>\$14,801</u> | <u>\$10,306</u> |
| Provincial | | |
| Flood Plain Mapping | - | 150 |
| Recreational Trails & Greenway | - | 82 |
| Planning Grant | - | 20 |
| Climate Change Adaptation | - | 10 |
| Regional Community to Community Forum | - | (5) |
| Capital Grants | 6,813 | 892 |
| Other Controlled Entities | | |
| Library - Per Capita Grant | 211 | 201 |
| Library - Inter Library Resource Sharing | 10 | 16 |
| Initiatives Prince George Devel Corp | 6 | - |
| Tourism Prince George Society | 20 | 20 |
| Regional District | | |
| Library Grant | 209 | 189 |
| Crown Land | 3 | - |
| Active Living | 2 | - |
| Communities That Care | 1 | - |
| Other Controlled Entities | | |
| Initiatives Prince George Devel Corp | 35 | 55 |
| Tourism Prince George Society | 100 | 110 |
| Other | | |
| Performing Arts Centre | - | 100 |
| Air Quality | - | 5 |
| Other Controlled Entities | | |
| Prince George Public Library - Fund Raising | 160 | 36 |
| IPG - Amortization of Deferred Contributions | 34 | 56 |
| IPG - Minerals North | - | 229 |
| IPG - Other | - | 23 |
| | <u>\$22,405</u> | <u>\$12,495</u> |

SCHEDULE 7

Consolidated Revenues (continued)
for the year ended December 31
(in thousands of dollars)

| | 2011 | 2010 |
|--|------------------|------------------|
| SINKING FUND SURPLUS | <u>\$107</u> | <u>\$68</u> |
| OTHER | | |
| Licences and Permits | | |
| Business Licences | \$826 | \$794 |
| Building Permits | 564 | 805 |
| Other | 373 | 473 |
| Fines | 416 | 263 |
| Penalties and Interest on Taxes | 750 | 671 |
| Franchise Fees | 1,273 | 1,482 |
| Miscellaneous | 3,138 | 2,202 |
| Other Controlled Entities | | |
| Miscellaneous | <u>279</u> | <u>356</u> |
| | <u>\$7,619</u> | <u>\$7,046</u> |
| (LOSS) GAIN ON SALE OF CAPITAL ASSETS | <u>\$(525)</u> | <u>\$373</u> |
| ASSET CONTRIBUTIONS | <u>\$4,732</u> | <u>\$4,025</u> |
| TOTAL REVENUES | <u>\$160,863</u> | <u>\$145,629</u> |

SCHEDULE 8
Consolidated Expenses

 for the years ended December 31
 (in thousands of dollars)

| | 2011 | 2010 |
|---|-----------------|-----------------|
| GENERAL GOVERNMENT | | |
| City Council | \$586 | \$627 |
| General Administration | 5,909 | 6,239 |
| Corporate Services | 6,342 | 6,655 |
| Civic Buildings | 611 | 584 |
| Debt Interest and Fiscal Services | 2,904 | 2,974 |
| Amortization | 2,113 | 3,175 |
| Less: Consolidated Adjustment | | |
| Initiatives Prince George Development Corporation | (1,060) | (1,055) |
| Tourism Prince George Society | (327) | (327) |
| | <u>\$17,078</u> | <u>\$18,872</u> |
| PROTECTIVE SERVICES | | |
| Policing | | |
| R.C.M.P. | \$16,785 | \$15,939 |
| Other | 4,378 | 4,209 |
| | <u>21,163</u> | <u>20,148</u> |
| Bylaw Enforcement | <u>695</u> | <u>653</u> |
| Fire Protection | | |
| 911 Service | 1,342 | 1,245 |
| Fire Fighting Force | 11,358 | 10,875 |
| Other | 2,391 | 2,360 |
| | <u>15,091</u> | <u>14,480</u> |
| Emergency Management | <u>41</u> | <u>12</u> |
| Animal Control | <u>619</u> | <u>569</u> |
| Debt Interest and Fiscal Services | <u>171</u> | <u>163</u> |
| Amortization | <u>375</u> | <u>438</u> |
| | <u>\$38,155</u> | <u>\$36,463</u> |
| TRANSPORTATION SERVICES | | |
| Common Services | | |
| Public Works Headquarters | <u>\$1,984</u> | <u>\$2,159</u> |

SCHEDULE 8
Consolidated Expenses (continued)

for the years ended December 31

(in thousands of dollars)

| | 2011 | 2010 |
|---|-----------------------|-----------------------|
| TRANSPORTATION SERVICES, Balance Forward | <u>\$1,984</u> | <u>\$2,159</u> |
| Equipment Fleet | | |
| Operating Costs | 4,849 | 4,683 |
| Less: Equipment rentals | <u>(6,201)</u> | <u>(5,751)</u> |
| | <u>(1,352)</u> | <u>(1,068)</u> |
| Road Transportation | | |
| Administration | 1,041 | 929 |
| Snow Control | 6,895 | 3,453 |
| Road and Streets Maintenance | 2,525 | 2,638 |
| Street Lighting | 1,138 | 1,040 |
| Traffic Services | 728 | 789 |
| Parking | 1,814 | 1,581 |
| Storm Drainage | <u>120</u> | <u>77</u> |
| | <u>14,261</u> | <u>10,507</u> |
| Public Transit | <u>4,096</u> | <u>3,959</u> |
| Debt Interest and Fiscal Services | <u>1,278</u> | <u>1,297</u> |
| Amortization | <u>5,735</u> | <u>6,021</u> |
| | <u>\$26,002</u> | <u>\$22,875</u> |
| WATER AND SEWER | | |
| Water | | |
| Administration | \$355 | \$363 |
| System Maintenance | 2,583 | 2,445 |
| Pumping | 1,601 | 1,651 |
| Chlorination and Fluoridation | 69 | 67 |
| Debt Interest and Fiscal Services | 1,169 | 1,355 |
| Amortization | <u>1,710</u> | <u>1,874</u> |
| | <u>7,487</u> | <u>7,755</u> |
| Sewer | | |
| Administration | 336 | 370 |
| Collection System | 1,148 | 1,292 |
| Lift Stations | 839 | 1,400 |
| Treatment Plant Operations | 2,081 | 1,487 |
| Debt Interest and Fiscal Services | 565 | 615 |

SCHEDULE 8
Consolidated Expenses (continued)

for the years ended December 31

(in thousands of dollars)

| | 2011 | 2010 |
|--|-----------------|-----------------|
| WATER AND SEWER, continued | | |
| Sewer, continued | | |
| Amortization | 1,328 | 1,501 |
| | <u>6,297</u> | <u>6,665</u> |
| | <u>\$13,784</u> | <u>\$14,420</u> |
| SANITATION AND WASTE REMOVAL | | |
| Solid Waste Services Operations | \$3,273 | \$3,361 |
| Amortization | 264 | 319 |
| | <u>\$3,537</u> | <u>\$3,680</u> |
| PUBLIC HEALTH AND WELFARE | | |
| Cemetery Operation and Maintenance | \$506 | \$528 |
| Debt Interest and Fiscal Services | 8 | 7 |
| Amortization | 49 | 49 |
| | <u>\$563</u> | <u>\$584</u> |
| PLANNING AND ENVIRONMENTAL DEVELOPMENT | | |
| City Planning | <u>\$3,063</u> | <u>\$3,682</u> |
| PARKS, RECREATION AND CULTURAL SERVICES | | |
| Recreation Facilities | | |
| Civic Centre | \$1,946 | \$1,987 |
| Arenas | 5,044 | 4,558 |
| Aquatics | 3,570 | 3,565 |
| Exhibition Grounds | 91 | 78 |
| Administration and Other | 735 | 729 |
| | <u>11,386</u> | <u>10,917</u> |
| Cultural Facilities | | |
| Grant to Prince George Public Library | 3,622 | 3,545 |
| Other | 110 | 99 |
| | <u>3,732</u> | <u>3,644</u> |

SCHEDULE 8
Consolidated Expenses (continued)

for the years ended December 31

(in thousands of dollars)

| | 2011 | 2010 |
|---|-------------------------|-------------------------|
| PARKS, RECREATION AND CULTURAL SERVICES, continued | | |
| Recreation and Cultural Facilities | 15,118 | 14,561 |
| Parks and Playgrounds | 3,305 | 3,539 |
| Grant to UNBC (Northern Sports Centre) | 300 | 317 |
| Other Recreational Services | 1,735 | 1,923 |
| Debt Interest and Fiscal Services | 1,177 | 1,228 |
| Amortization | 2,889 | 2,948 |
| Less: Consolidated Adjustment | | |
| Prince George Public Library - Grant | <u>(3,622)</u> | <u>(3,545)</u> |
| | <u>\$20,902</u> | <u>\$20,971</u> |
| OTHER CONTROLLED ENTITIES | | |
| Prince George Public Library | \$3,704 | \$3,522 |
| Initiatives Prince George Development Corporation | 1,509 | 1,925 |
| Tourism Prince George Society | <u>1,075</u> | <u>680</u> |
| | <u>\$6,288</u> | <u>\$6,127</u> |
| TOTAL EXPENSES | <u>\$129,372</u> | <u>\$127,674</u> |

SCHEDULE 9
Summary Of Expenses By Object

for the years ended December 31

(in thousands of dollars)

| | 2011 | 2010 |
|-----------------------------------|------------------|-----------------|
| GENERAL OPERATING FUND | | |
| Labour & Benefits | \$48,057 | \$47,198 |
| Materials & Supplies | 2,903 | 3,124 |
| City Fleet Expense | 1,505 | 974 |
| Contracted Services | 12,875 | 11,752 |
| Electricity & Natural Gas | 2,447 | 2,501 |
| RCMP Contract | 16,783 | 15,937 |
| Professional Services & Insurance | 2,356 | 1,806 |
| Grants | 5,958 | 5,834 |
| Miscellaneous | 4,467 | 4,308 |
| Debt Interest and Fiscal Services | 5,533 | 5,670 |
| | <u>\$102,884</u> | <u>\$99,104</u> |
| WATER OPERATING FUND | | |
| Labour & Benefits | \$2,275 | \$2,364 |
| Materials & Supplies | 736 | 657 |
| City Fleet Expense | 427 | 474 |
| Contracted Services | 273 | 179 |
| Electricity & Natural Gas | 741 | 699 |
| Professional Services & Insurance | 36 | 9 |
| Miscellaneous | 120 | 144 |
| Debt Interest and Fiscal Services | 1,169 | 1,355 |
| | <u>\$5,777</u> | <u>\$5,881</u> |
| SEWER OPERATING FUND | | |
| Labour & Benefits | \$2,361 | \$2,497 |
| Materials & Supplies | 387 | 351 |
| City Fleet Expense | 458 | 566 |
| Contracted Services | 546 | 502 |
| Electricity & Natural Gas | 341 | 318 |
| Professional Services & Insurance | 193 | 200 |
| Miscellaneous | 118 | 116 |
| Debt Interest and Fiscal Services | 565 | 614 |
| | <u>\$ 4,969</u> | <u>\$5,164</u> |

SCHEDULE 9**Summary Of Expenses By Object (con't)**

for the years ended December 31

(in thousands of dollars)

| | 2011 | 2010 |
|--|------------------|------------------|
| AMORTIZATION | | |
| General | \$11,425 | \$12,950 |
| Water | 1,710 | 1,874 |
| Sewer | 1,328 | 1,501 |
| | <u>14,463</u> | <u>16,325</u> |
| Other Controlled Entities | 463 | 460 |
| | <u>\$14,926</u> | <u>\$16,785</u> |
| OTHER CONTROLLED ENTITIES | | |
| Prince George Public Library | \$3,820 | \$3,630 |
| Intiatives Prince George Development Corporation | 1,479 | 1,944 |
| Tourism Prince George Society | 1,048 | 670 |
| | <u>\$6,347</u> | <u>\$6,244</u> |
| CONSOLIDATED ADJUSTMENTS | | |
| Prince George Public Library | \$ (4,144) | \$(4,066) |
| Intiatives Prince George Development Corporation | (1,060) | (1,111) |
| Tourism Prince George Society | (327) | (327) |
| | <u>\$(5,531)</u> | <u>\$(5,504)</u> |
| | <u>\$129,372</u> | <u>\$127,674</u> |
| CONSOLIDATED TOTAL | | |
| Labour & Benefits | \$52,693 | \$52,059 |
| Materials & Supplies | 4,026 | 4,132 |
| City Fleet Expense | 2,390 | 2,014 |
| Contracted Services | 13,694 | 12,433 |
| Electricity & Natural Gas | 3,529 | 3,518 |
| RCMP Contract | 16,783 | 15,937 |
| Professional Services & Insurance | 2,585 | 2,015 |
| Grants | 949 | 907 |
| Miscellaneous | 4,705 | 4,568 |
| Debt Interest and Fiscal Services | 7,267 | 7,639 |
| Amortization | 14,926 | 16,785 |
| Prince George Public Library | 3,298 | 3,109 |
| Intiatives Prince George Development Corporation | 1,479 | 1,888 |
| Tourism Prince George Society | 1,048 | 670 |
| | <u>\$129,372</u> | <u>\$127,674</u> |

SCHEDULE 10

Schedule of Short-term Debt
as at December 31
(in thousands of dollars)

| | Rate | Principal | Principal | FUTURE PAYMENTS | | | | |
|---|-------|------------------------------|------------------------------|------------------------------------|-------------------|-------------------|-------------------|-------------------|
| | | Outstanding Dec. 31, 2011 | Outstanding Dec. 31, 2010 | (Including Principal and Interest) | | | | |
| | | | | 2011 | 2012 | 2013 | 2014 | 2015 |
| <i>General Debt</i> | | | | | | | | |
| <i>Capital</i> | | | | | | | | |
| Capital Lease - Municipal Finance Authority | 2.000 | 4,650 | 1,471 | 897 | 845 | 754 | 560 | 231 |
| Northern Development Initiative Trust | 0.000 | - | 130 | | | | | |
| | | <u>4,650</u> | <u>1,601</u> | <u>897</u> | <u>845</u> | <u>754</u> | <u>560</u> | <u>231</u> |
| <i>Operating</i> | | | | | | | | |
| Northern Development Initiative Trust | 0.000 | - | 500 | | | | | |
| TOTAL SHORT-TERM DEBT | | <u>4,650</u> | <u>2,101</u> | <u>897</u> | <u>845</u> | <u>754</u> | <u>560</u> | <u>231</u> |

SCHEDULE 11

Schedule of Long-term Debt - General Capital Fund

as at December 31 (in thousands of dollars)

| By-Law SI/LA | Issue No. | Date of Issue | Purpose | Date of Maturity | Rate | Principal Outstanding Dec. 31, 2011 | Principal Outstanding Dec. 31, 2010 | FUTURE PAYMENTS (a) (Including Principal and Interest) | | | | |
|--|--------------|------------------|------------------------|---------------------|---------------|---|---|---|---------------|---|--------------|--------------|
| | | | | | | | | 2012 | 2013 | 2014 | 2015 | 2016 |
| General Debt | | | | | | | | | | | | |
| 6192/6080 | 59 | Nov 10/94 | Multiplex Centre | Nov 10/14 | 5.000 | 1,093 | 1,423 | 401 | 401 | 401 | (b) | - |
| 6192/6080/1 | 60 | Apr 12/95 | Multiplex Centre | Apr 12/15 | 4.750 | 1,864 | 2,276 | 509 | 509 | 509 | 354 | (c) |
| 6192/6080/2&3 | 61 | Dec 1/95 | Multiplex Centre | Dec 1/15 | 3.000 | 697 | 851 | 148 | 148 | 148 | 148 | (c) |
| 6404/6080/1 | 61 | Dec 1/95 | Multiplex Centre | Dec 1/15 | 3.000 | 1,138 | 1,390 | 241 | 241 | 241 | 241 | (c) |
| 6495/6080 | 63 | Jun 1/96 | Multiplex Centre | Jun 1/16 | 5.715 | 524 | 615 | 132 | 132 | 132 | 132 | 89 |
| 6700/6080 | 65 | Apr 24/97 | Aquatic Centre | Apr 24/17 | 4.550 | 784 | 894 | 146 | 146 | 146 | 146 | 146 |
| 6783/6080/1 | 66 | Nov 5/97 | Aquatic Centre | Nov 5/17 | 4.820 | 1,344 | 1,532 | 259 | 259 | 259 | 259 | 259 |
| 6848/6080 | 68 | Mar 24/98 | Aquatic Centre | Mar 24/18 | 4.650 | 1,021 | 1,141 | 169 | 169 | 169 | 169 | 169 |
| 7425/7214 | 79 | Jun 3/03 | Leland Rd Paving | Jun 3/13 | 5.491 | 17 | 24 | 9 | 7 | Predicted Future Stop Payments in 2013. | | |
| 7489/7361A | 81 | Apr 22/04 | Snow Disposal | Apr 22/24 | 4.860 | 38 | 40 | 4 | 4 | 4 | 4 | 4 |
| 0000/7601 | 85 | Oct 25/04 | Terasen Lease In/Out | Dec 2/21 | 4.975 | 29,014 | 31,210 | 3,748 | 3,748 | 3,748 | 3,757 | 3,757 |
| 0000/7601A | 87 | Oct 25/04 | Terasen Lease In/Out | Oct 30/21 | 3.550 | 13,423 | 14,438 | 1,454 | 1,454 | 1,454 | 1,454 | 1,454 |
| 0112/7361 | 93 | Apr 6/05 | Snow Disposal | Apr 6/25 | 5.100 | 751 | 795 | 82 | 81 | 80 | 79 | 78 |
| 0112/7486 | 93 | Apr 6/05 | Road Rehabilitation | Apr 6/25 | 5.100 | 1,535 | 1,625 | 169 | 166 | 164 | 161 | 158 |
| 0112/7506 | 93 | Apr 6/05 | City Yard | Apr 6/25 | 5.100 | 348 | 369 | 38 | 38 | 37 | 37 | 36 |
| 2005/7361 | 95 | Oct 13/05 | Snow Disposal | Oct 13/25 | 4.770 | 326 | 344 | 34 | 34 | 34 | 34 | 34 |
| 2005/7486 | 95 | Oct 13/05 | Exhibition Grounds | Oct 13/25 | 4.770 | 712 | 749 | 74 | 74 | 74 | 74 | 74 |
| 2005/7598 | 95 | Oct 13/05 | Exhibition Grounds | Oct 13/25 | 4.770 | 91 | 96 | 10 | 10 | 10 | 10 | 10 |
| 2006/7486 | 97 | Apr 19/06 | Road Rehabilitation | Apr 19/26 | 4.660 | 853 | 894 | 84 | 84 | 84 | 84 | 84 |
| 2006/7748/1 | 99 | Oct 19/06 | Exhibition Grounds | Oct 19/26 | 4.430 | 67 | 71 | 6 | 6 | 6 | 6 | 6 |
| 2007/7505G | 101 | Aug 1/07 | RCMP New Facility | Aug 1/27 | 4.520 | 2,412 | 2,518 | 222 | 222 | 222 | 222 | 222 |
| 2008/7922 | 103 | Apr 23/08 | Road Rehabilitation | Apr 23/18 | 4.650 | 1,461 | 1,639 | 256 | 256 | 256 | 256 | 256 |
| 2516/7970 | 105 | Apr 21/09 | Cameron Street Bridge | Jun 3/29 | 4.900 | 2,329 | 2,416 | 206 | 206 | 206 | 206 | 206 |
| 2516/8011 | 105 | Apr 21/09 | Cemetery Redevelopment | Jun 3/29 | 4.900 | 121 | 126 | 11 | 11 | 11 | 11 | 11 |
| 2592/7970 | 110 | Apr 08/10 | Cameron Street Bridge | Apr 08/30 | 4.500 | 3,337 | 3,452 | 271 | 271 | 271 | 271 | 271 |
| | | | | | | 65,300 | 70,928 | 8,683 | 8,677 | 8,666 | 8,115 | 7,324 |
| Storm Sewer Debt | | | | | | | | | | | | |
| 5786/5706 | 54 | Jan 12/93 | Storm Drainage | Jan 12/13 | 6.250 | - | 207 | - | - | - | - | - |
| 6071/6021 | 58 | May 10/94 | Storm Sewer | May 10/14 | 5.000 | - | 178 | - | - | - | - | - |
| 6848/6724 | 68 | Mar 24/98 | Storm Sewer | Mar 24/18 | 4.650 | 191 | 213 | 32 | 32 | 32 | 32 | 32 |
| 6955/6724 | 69 | Oct 14/98 | Storm Sewer | Oct 14/18 | 4.650 | 301 | 336 | 50 | 50 | 50 | 50 | 50 |
| 7269/7080 | 75 | Dec. 01/01 | Storm Sewer | Dec. 1/21 | 5.690 | - | 280 | - | - | - | - | - |
| | | | | | | 492 | 1,214 | 82 | 82 | 82 | 82 | 82 |
| General Fund Debt | | | | | | 65,792 | 72,142 | 8,765 | 8,759 | 8,748 | 8,197 | 7,406 |
| Capital Lease - Concert Realty Services Ltd (Westel) | | | | | 9.500 | 4,589 | 4,725 | 585 | 585 | 585 | 585 | 585 |
| Capital Lease - Bank of Nova Scotia | | | | | 2.180 - 2.230 | 709 | 841 | 154 | 157 | 159 | 162 | 123 |
| Capital Lease - Municipal Finance Authority | | | | | 2.000 | 6,864 | 8,294 | 1,371 | 859 | 633 | 250 | 43 |
| Capital Lease - Fortis BC | | | | | 5.460 | 2,083 | 2,236 | 273 | 273 | 273 | 273 | 273 |
| Total General Capital Fund Debt | | | | | | 80,037 | 88,238 | 11,148 | 10,633 | 10,398 | 9,467 | 8,430 |

(a) Future payments do not include actuarial amounts. (b) Predicted Future Stop Payments in 2014. (c) Predicted Future Stop Payments in 2015.

SCHEDULE 11

Schedule of Long-term Debt - Water Capital Fund

as at December 31 (in thousands of dollars)

| By-Law SI/LA | Issue No. | Date of Issue | Purpose | Date of Maturity | Rate | Principal Outstanding Dec. 31, 2011 | Principal Outstanding Dec. 31, 2010 | FUTURE PAYMENTS (a) | | | | |
|---|--------------|------------------|-----------------------------|---------------------|-------|---|---|------------------------------------|--------------|---|--------------|--------------|
| | | | | | | | | (Including Principal and Interest) | | | | |
| | | | | | | | | 2012 | 2013 | 2014 | 2015 | 2016 |
| 5693/5546 | 53 | May 13/92 | Water System | May 13/12 | 5.960 | - | 16 | - | - | - | - | - |
| 5708/5418 | 54 | Jan 12/93 | Water System | Jan 12/13 | 6.250 | - | 46 | - | - | - | - | - |
| 5713/5545 | 54 | Jan 12/93 | Water System | Jan 12/13 | 6.250 | - | 33 | - | - | - | - | - |
| 5857/5418 | 55 | May 12/93 | Water System | May 12/13 | 8.500 | 3 | 4 | 2 | 1 | Predicted Future Stop Payments in 2013 | | |
| 5878/5712 | 55 | May 12/93 | Water System | May 12/13 | 8.500 | 436 | 638 | 337 | 212 | Predicted Future Stop Payments in 2013. | | |
| 6070/5901 | 58 | May 10/94 | Water System | May 10/14 | 5.000 | - | 41 | - | - | - | - | - |
| 6071/6022 | 58 | May 10/94 | Water System | May 10/14 | 5.000 | - | 123 | - | - | - | - | - |
| 6090/5712 | 58 | May 10/94 | Water System | May 10/14 | 5.000 | - | 134 | - | - | - | - | - |
| 6287/6209 | 60 | Apr 12/95 | Water System | Apr 12/15 | 4.750 | 68 | 83 | 19 | 19 | 19 | 13 | (b) |
| 6495/6190 | 63 | Jun 1/96 | Water System | Jun 1/16 | 5.715 | 625 | 733 | 157 | 157 | 157 | 157 | 106 |
| 6495/6308 | 63 | Jun 1/96 | Water System | Jun 1/16 | 5.715 | 161 | 189 | 40 | 40 | 40 | 40 | 27 |
| 6495/6901 | 63 | Jun 1/96 | Water System | Jun 1/16 | 5.715 | 43 | 51 | 11 | 11 | 11 | 11 | 7 |
| 7296/7038 | 77 | Jun 1/02 | Water System | Jun 1/22 | 6.060 | - | 179 | - | - | - | - | - |
| 7425/7037 | 79 | Jun 3/03 | Water System | Jun 3/23 | 5.491 | 655 | 695 | 78 | 78 | 78 | 78 | 78 |
| 7425/7212 | 79 | Jun 3/03 | Water System | Jun 3/23 | 5.491 | 154 | 164 | 18 | 18 | 18 | 18 | 18 |
| 7489/7212 | 81 | Apr 22/04 | Water System | Apr 22/24 | 4.860 | 40 | 42 | 4 | 4 | 4 | 4 | 4 |
| 7489/7361 | 81 | Apr 22/04 | Water System-Hart Nech | Apr 22/24 | 4.860 | 113 | 119 | 12 | 12 | 12 | 12 | 12 |
| 0112/7361 | 93 | Apr 6/05 | Hart Nechako Supply | Apr 6/25 | 5.100 | 751 | 795 | 82 | 81 | 80 | 79 | 78 |
| 2005/7361A | 95 | Oct 13/05 | Hart Nechako Supply | Oct 13/25 | 4.770 | 2,800 | 2,946 | 293 | 293 | 293 | 293 | 293 |
| 2005/7598A | 95 | Oct 25/05 | Hart Nechako Supply | Oct 25/25 | 4.770 | 1,087 | 1,144 | 114 | 114 | 114 | 114 | 114 |
| 2006/7598 | 97 | Apr 19/06 | Hart Nechako Supply | Apr 19/26 | 4.660 | 127 | 134 | 13 | 13 | 13 | 13 | 13 |
| 2006/7748 | 97 | Apr 19/06 | Hart Nechako Supply | Apr 19/26 | 4.660 | 3,218 | 3,371 | 315 | 315 | 315 | 315 | 315 |
| 2006/7361 | 99 | Oct 19/06 | Cranbrook Hill Reservoir | Oct 19/26 | 4.430 | 944 | 989 | 90 | 90 | 90 | 90 | 90 |
| 2006/7748 | 99 | Oct 19/06 | Cranbrook Hill Reservoir | Oct 19/26 | 4.430 | 17 | 18 | 2 | 2 | 2 | 2 | 2 |
| 2007/7361W | 101 | Aug 1/07 | Foothills Blvd Main | Aug 1/27 | 4.520 | 713 | 744 | 65 | 65 | 65 | 65 | 65 |
| 2007/7486W | 101 | Aug 1/07 | Foothills Blvd Main | Aug 1/27 | 4.520 | 959 | 1,002 | 88 | 88 | 88 | 88 | 88 |
| 2008/7924 | 104 | Nov 20/08 | PW805 to Ferry | Nov 20/28 | 5.150 | 587 | 611 | 56 | 56 | 56 | 56 | 56 |
| | | | | | | 13,501 | 15,044 | 1,796 | 1,669 | 1,455 | 1,448 | 1,366 |
| Capital Lease - Municipal Finance Authority | | | | | 2.000 | - | 1 | - | - | - | - | - |
| Total Water Capital Fund Debt | | | | | | 13,501 | 15,045 | 1,796 | 1,669 | 1,455 | 1,448 | 1,366 |

(a) Future payments do not include actuarial amounts. (b) Predicted Future Stop Payments in 2015.

SCHEDULE 11

Schedule of Long-term Debt - Sewer Capital Fund

as at December 31 (in thousands of dollars)

| By-Law SI/LA | Issue No. | Date of Issue | Purpose | Date of Maturity | Rate | Principal Outstanding Dec. 31, 2011 | Principal Outstanding Dec. 31, 2010 | FUTURE PAYMENTS (a) (Including Principal and Interest) | | | | |
|---|--------------|------------------|---------------------------|---------------------|-------|---|---|---|---------------|---------------|---------------|---------------|
| | | | | | | | | 2012 | 2013 | 2014 | 2015 | 2016 |
| 5693/5550 | 53 | May 13/92 | Sanitary Sewer | May 13/12 | 5.960 | - | 24 | - | - | - | - | - |
| 6030/5711 | 58 | May 10/94 | Sanitary Sewer | May 10/14 | 5.000 | - | 341 | - | - | - | - | - |
| 6071/6023 | 58 | May 10/94 | Sanitary Sewer | May 10/14 | 5.000 | - | 143 | - | - | - | - | - |
| 6186/5711 | 59 | Nov 10/94 | Sanitary Sewer | Nov 10/14 | 5.000 | 69 | 90 | 25 | 25 | 25 | (b) | - |
| 6338/6104 | 61 | Dec 1/95 | Sanitary Sewer | Dec 1/15 | 3.000 | 647 | 790 | 137 | 137 | 137 | 137 | (c) |
| 6404/5711/2 | 61 | Dec 1/95 | Sanitary Sewer | Dec 1/15 | 3.000 | 209 | 255 | 44 | 44 | 44 | 44 | (c) |
| 6404/6105 | 61 | Dec 1/95 | Sanitary Sewer | Dec 1/15 | 3.000 | 27 | 33 | 6 | 6 | 6 | 6 | (c) |
| 6404/6113 | 61 | Dec 1/95 | Sanitary Sewer | Dec 1/15 | 3.000 | 72 | 88 | 15 | 15 | 15 | 15 | (c) |
| 6495/5711 | 63 | Jun 1/96 | Sanitary Sewer | Jun 1/16 | 5.715 | 226 | 265 | 57 | 57 | 57 | 57 | 38 |
| 6495/6309 | 63 | Jun 1/96 | Sanitary Sewer | Jun 1/16 | 5.715 | 229 | 269 | 58 | 58 | 58 | 58 | 39 |
| 6495/6341 | 63 | Jun 1/96 | Sanitary Sewer | Jun 1/16 | 5.715 | 12 | 14 | 3 | 3 | 3 | 3 | 2 |
| 6625/6104 | 64 | Sep 25/96 | Sewage Treatment Plant | Sep 25/16 | 4.430 | 973 | 1,140 | 209 | 209 | 209 | 209 | 209 |
| 6625/6105 | 64 | Sep 25/96 | Sanitary Sewer | Sep 25/16 | 4.430 | 7 | 8 | 1 | 1 | 1 | 1 | 1 |
| 6625/6309 | 64 | Sep 25/96 | Sanitary Sewer | Sep 25/16 | 4.430 | 16 | 19 | 3 | 3 | 3 | 3 | 3 |
| 6783/6104/1 | 66 | Nov 5/97 | Sanitary Sewer | Nov 5/17 | 4.820 | 177 | 202 | 34 | 34 | 34 | 34 | 34 |
| 7425/7036 | 79 | Jun 3/03 | Sanitary Sewer | Jun 3/23 | 5.491 | 676 | 717 | 81 | 81 | 81 | 81 | 81 |
| 7425/7089 | 79 | Jun 3/03 | Sanitary Sewer | Jun 3/23 | 5.491 | 479 | 507 | 57 | 57 | 57 | 57 | 57 |
| 7425/7211 | 79 | Jun 3/03 | Sanitary Sewer | Jun 3/23 | 5.491 | 128 | 136 | 15 | 15 | 15 | 15 | 15 |
| 7425/7213 | 79 | Jun 3/03 | Sanitary Sewer | Jun 3/23 | 5.491 | 186 | 198 | 22 | 22 | 22 | 22 | 22 |
| 7425/7361 | 79 | Jun 3/03 | Sanitary Sewer | Jun 3/23 | 5.491 | 71 | 75 | 9 | 9 | 9 | 9 | 9 |
| 7489/7211 | 81 | Apr 22/04 | Sanitary Sewer | Apr 22/24 | 4.860 | 136 | 143 | 14 | 14 | 14 | 14 | 14 |
| 2006/7361/1 | 99 | Oct 19/06 | Blackburn Treatment Plant | Oct 19/26 | 4.430 | 65 | 69 | 6 | 6 | 6 | 6 | 6 |
| 2007/7361S | 101 | Aug 1/07 | Blackburn Treatment Plant | Aug 1/27 | 4.520 | 204 | 212 | 19 | 19 | 19 | 19 | 19 |
| | | | | | | 4,609 | 5,738 | 815 | 815 | 815 | 790 | 549 |
| Capital Lease - Municipal Finance Authority | | | | | 2.000 | - | 1 | - | - | - | - | - |
| Total Sewer Capital Fund Debt | | | | | | 4,609 | 5,739 | 815 | 815 | 815 | 790 | 549 |
| TOTAL LONG-TERM DEBT | | | | | | 98,147 | 109,022 | 13,759 | 13,117 | 12,668 | 11,705 | 10,345 |

(a) Future payments do not include actuarial amounts. (b) Predicted Future Stop Payments in 2014. (c) Predicted Future Stop Payments in 2015.

DOWNTOWN REVITALIZATION TAX EXEMPTION APPROVED APPLICATIONS - 2011

| | Exemption Amount |
|--|------------------|
| 1 Garth and Susan Frizzell 1272-1260 3rd Avenue - Office Improvements | \$3,229 |
| 2 0762634 BC Ltd -375-351 Dominion St - Office improvements | \$8,138 |
| 3 676846 BC LTD, George Hoover for 611 Brunswick St - pub improvements | \$14,946 |
| 4 1239430 AB Ltd. Tony Roma's - 508 George Street - interior/exterior improvements | \$13,593 |
| 5 Commonwealth Health Corporation - 1302 7th Ave | \$68,249 |
| 6 Fane Holdings Ltd - 435-401 Quebec Street - interior improvements to offices | \$2,007 |
| 7 Landi Products Ltd - 492 Victoria Street - office improvements | \$593 |
| 8 Lortro Developments Ltd - 365 George Street - interior and exterior improvements | \$2,400 |
| 9 B&B Music 1085 3rd Avenue | \$11,542 |
| 10 Commonwealth Capital 1448 6th Avenue | \$3,862 |
| Total | \$128,559 |

CITY OF PRINCE GEORGE

In accordance with 98(2)(b) of the Community Charter, the following properties in the City of Prince George were provided permissive property tax exemptions by Council in 2011

| Group | Legal Description | Civic Address | Permissive Tax Exemption |
|--|--|----------------------------|--------------------------|
| 6 & 4 Slowpitch League Society | Lot A DL 4051 Plan Bcp20972 Lot 1, PI Bcp4772, DL 7634, CD | 2757 3303 North Nechako Rd | \$38,214.53 |
| AiMHi - Prince George Association for Community Living | Lot 44 DL 8172 PI 18944 | 2471 Lisgar Cres | \$1,804.71 |
| AiMHi - Prince George Association for Community Living | Lot B DL 2610 PI 22059 | 475 Brigade Dr | \$1,149.88 |
| AiMHi - Prince George Association for Community Living | Lot A DL 2610 PI 22059 | 483 Brigade Dr | \$1,164.89 |
| AiMHi - Prince George Association for Community Living | Lot 73 DL 2507 PI 22108 | 386 Green PI | \$3,060.35 |
| AiMHi - Prince George Association for Community Living | Lot 1 DL 8174 PI 27831 | 2690 Ospika Blvd | \$2,227.76 |
| AiMHi - Prince George Association for Community Living | Lot 37 DL 1427 PI 15089 | 501 Radcliffe Dr | \$1,638.19 |
| AiMHi - Prince George Association for Community Living | Lot 2 DL 2003 PI Pgp36193 | 6899 O'Grady Rd | \$2,190.25 |
| AiMHi - Prince George Association for Community Living | Lot 35 DL 2608 PI 20043 | 4440 1st Avenue | \$927.86 |
| AiMHi - Prince George Association for Community Living | Lot 36 DL 2608 PI 20043 | 4444 1st Avenue | \$921.86 |
| AiMHi - Prince George Association for Community Living | Lot 85 DL 938 PI 9107 | 2720 Hammond Avenue | \$1,579.68 |
| AiMHi - Prince George Association for Community Living | Lot 11 Block K DL 936 PI 10005 | 1873 Garden Drive | \$1,485.17 |
| AiMHi - Prince George Association for Community Living | Lot 56 DL 938 PI 9107 | 2655 Hammond Avenue | \$1,205.39 |
| AiMHi - Prince George Association for Community Living | Lot 67 DL 2507 PI 15185 | 1250 Parsnip Crescent | \$1,564.68 |
| AiMHi - Prince George Association for Community Living | Lot 11 DL 482 PI 22883 | 341 Mullett Crescent | \$1,488.92 |
| AiMHi - Prince George Association for Community Living | Lot 44 DL 754 PI 22374 | 7742 Lemoyne Place | \$1,530.18 |
| AiMHi - Prince George Association for Community Living | Lot 41 DL 777 PI 17401 | 2161 MacDonald Avenue | \$1,593.93 |
| AiMHi - Prince George Association for Community Living | Lot 112 DL 2507 PI 20829 & DI 2610. | 4212 Ness Avenue | \$1,596.19 |
| AiMHi - Prince George Association for Community Living | Lot 19 DL 937 PI 13198 | 167 Patterson Street | \$1,532.43 |
| AiMHi - Prince George Association for Community Living | Lot 3 & 4, Block 81 DL 937 Plan 752, DL 937, CD. | 269 Kelly Street | \$1,256.40 |
| AiMHi - Prince George Association for Community Living | Lot 70 DL 1427 PI 21638 | 127 Duncan Place | \$1,482.17 |
| AiMHi - Prince George Association for Community Living | Lot 50 DL 2426 PI 20751 | 10057 Kelly Road | \$1,859.47 |
| AiMHi - Prince George Association for Community Living | Lot 25 DL 2507 PI 21450 | 4255 Trapper Ave | \$1,845.21 |
| AiMHi - Prince George Association for Community Living | Lot 12, 13, F & G Block 110 DL 343 PI 1268, CD, Assigned(71605M)Lot 12, Block 110, PI1268, DL 343, CD, | 1686 -1680 Burden Street | \$1,657.69 |
| AiMHi - Prince George Association for Community Living | Lot 1 DL 777 PI 18598 | 2440 Abbott Crescent | \$1,167.89 |
| AiMHi - Prince George Association for Community Living | Lot 66 DL 2507 PI 20258 | 4249 Davie Ave | \$1,821.21 |
| AiMHi - Prince George Association for Community Living | Lot 15 DL 913 PI 16511 | 128 Aitken Crescent | \$1,329.90 |
| AiMHi - Prince George Association for Community Living | Lot 276 DL 2611 PI 21607 | 4057 Campbell Ave | \$1,588.68 |
| AiMHi - Prince George Association for Community Living | Lot 7 DL 482 PI 22902 | 4703 Freimuller Ave | \$1,777.71 |
| AiMHi - Prince George Association for Community Living | Lot A DL 2507 PI Bcp35414 | 950 Kerry St | \$28,446.04 |

CITY OF PRINCE GEORGE

In accordance with 98(2)(b) of the Community Charter, the following properties in the City of Prince George were provided permissive property tax exemptions by Council in 2011

| Group | Legal Description | Civic Address | Permissive Tax Exemption |
|--|--|---------------------|--------------------------|
| AiMHi - Prince George Association for Community Living | Block 6 DL 933 PI 727 Parcel B, (PI 20543). | 930 LaSalle Ave | \$2,534.54 |
| AiMHi - Prince George Association for Community Living | Lot A DL 2608 PI 19970 | 4404 1st Ave | \$908.36 |
| AiMHi - Prince George Association for Community Living | Lot 68 DL 8178 PI 20375 | 2896 Sycamore Cres | \$1,591.68 |
| Association for Christian Education of Prince George (Cedar Christian School) | DL 1574 PI Pgp35585 Parcel 1, Except PI Pgp44869, & DI 3050. | 701 N. Nechako Rd | \$3,985.97 |
| Association for Christian Education of Prince George (Cedar Christian School) | DI1574, Exc. PI 5659& Exc. Plan 6123,8540,12288,27425&Pgp44719 | 677 N. Nechako Rd | \$10,149.01 |
| AWAC-An Association Advocating for Women and Children | Lot 2 DL 343 PI Bcp1317 | 144 George St | \$13,366.60 |
| BC Conference of the Mennonite Brethren Churches(Westwood Mennonite Brethern Church) | District Lot 8174 Plan Bcp31092 Parcel 1 | 2658 Ospika Blvd S | \$5,745.67 |
| BC Corporation of the Seventh-Day Adventist Church | Lot 1 District Lot 2507 Plan 22703 See Explan R/W PI 31439 | 4388 15th Ave | \$855.10 |
| BC Muslim Association Inc, The | Lot 2 DL 482 PI Bcp24787 | 4668 5th Avenue | \$8,708.30 |
| Blackburn Community Association | Lot 1 DL 1543 PI 19672 | 2455 Blackburn Rd S | \$4,377.51 |
| Blackburn Community Association | Lot 1 DL 1543 PI 19672 | 2451 Blackburn Rd S | \$2,168.88 |
| Caledonia Nordic Ski Club | Block C DL 4340 Lease/Permit/Licence # 701493 | 8141 Otway Rd | \$5,093.09 |
| Calvary United Pentecostal Church | Lot A DL 2507 PI 17170 | 1011 Ospika Blvd S | \$554.31 |
| Canadian Mental Health Association | Lot 3 DL 933 PI 24282 | 2652 Moss Ave | \$1,593.18 |
| Canadian Mental Health Association | Lot 18, 19 Block 23 DL 933 PI 727, CD | 2734 Norwood St | \$2,764.56 |
| Canadian Red Cross Society, The | Lot 1, 2 Block 172 DL 343 PI 1268, CD | 1399 Sixth Ave | \$21,594.66 |
| Carefree Society | Lot 9-11 Block 26 DL 933 PI 727, CD | 2832 Queensway St | \$1,544.76 |
| Carney Hill Neighbourhood Centre Society | Block 6 DL 932 PI Pgp796 Parcel A, (Pn13508) | 2105 Pine St | \$1,243.64 |
| Carrier Sekani Family Services | Lot 1-5 Block 148 DL 343 PI 1268, CD. | 987 4th Ave | \$14,935.37 |
| Carrier Sekani Family Services | Lot 8-10 Block 137 DL 343 PI 1268, CD. | 835 3rd Ave | \$3,262.88 |
| Carrier Sekani Family Services | Lot 15 DL 482 PI 22883 | 357 Mullet Cr | \$1,890.22 |
| Central BC Railroad Preservation & Museum Society | Lot 26 DL 1511 PI 25047 Portion Lot 26 & DI 7813 | 850 River Rd | \$14,241.00 |
| Central Fellowship Baptist Church | Lot A DL 1426 PI 19306 Exc PI23321, & Exc PI Bcp39433. | 2840 Clapperton St | \$817.59 |
| Child Development Centre Cerebral Palsy Association of Prince George and District | Lot A DL 777 PI 21321 Ex Statutory R/W PI 29528 | 1687 Strathcona Ave | \$11,585.79 |
| Christian Reformed Church of Prince George | Block 328 DL 343 Plan 1268 Parcel A, Pcl A (B15357). | 1905 Willow St | \$5,490.64 |
| Christian and Missionary Alliance (Lakewood Alliance) | Lot 1 District Lot 2610 Plan 16227 | 4001 5th Ave | \$2,047.74 |
| Church of the Nazarene Canada Pacific | Lot 192 DL 936 PI 15185 | 1424 Liard Dr | \$509.31 |
| College Heights Baptist Church | Lot A DL 753 PI 23249 | 5401 Moriarty Cres | \$2,430.28 |

CITY OF PRINCE GEORGE

In accordance with 98(2)(b) of the Community Charter, the following properties in the City of Prince George were provided permissive property tax exemptions by Council in 2011

| Group | Legal Description | Civic Address | Permissive Tax Exemption |
|--|--|-----------------------|--------------------------|
| Community Gardens PG Society | Lot 2 DL 777 PI 19518 | 1540 Milburn Rd | \$672.83 |
| Community Gardens PG Society | Lot 1 DL 777 PI 19518 | 1502 Milburn Rd | \$462.05 |
| Dusty Trail Riders Club | DL 1594 Part sw1/4, Exc PI 19036, Exc PI 20849, 20957, 26318, Bcp1167 | 10597 Blackwater Road | \$1,372.66 |
| East Hart Congregation of Jehovah's Witnesses, Trustees For | Lot B DL 4047 PI 17869 | 6720 Dagg Rd | \$399.05 |
| Easter Seal House Society | DL 936 PI 28388 Parcel 1 | 1685 Carney Street | \$1,767.96 |
| Elder Citizens Recreation Association | DL 343 PI Pgp35927 Parcel A | 1692 10th Ave | \$15,736.83 |
| Emergency Measures Program- Search and Rescue Corps | Lot A DL 4040 PI 14962 | 4057 Hart Highway | \$3,404.88 |
| Emmaus Place Society | Lot 5 DL 2003 PI 13729 | 6373 Hillcrest Road | \$1,856.47 |
| Evangelical Free Church of Prince George | Lot 17 DL 482 PI 22108 | 4590 5th Ave | \$840.10 |
| Faith Alive Fellowship Inc | Lot 2 DL 4040 PI 8831 | 3400 Hart Hwy | \$430.55 |
| First Baptist Church(Conv of Baptist Churches of BC) | Block 56 DL937 PI Pgp48070 Parcel 1 | 483 Gillett St | \$1,410.16 |
| Fort George Baptist Church | Lot 1-4 Block A DL 936 PI 10005, CD. | 1600 Johnson St | \$628.57 |
| Fraser Basin Property Society (St. Michael's and All Angels' Church) | Lots 9- 12 Block 161 DL 343 PI 1268 CD | 1505 5th Ave | \$765.09 |
| Fraser Basin Property Society (St. Michael's and All Angels' Church) | Block 161 DL 343 PI 1268 Parcel A, (PI35282) | 1553 5th Avenue | \$1,263.90 |
| Fraser Fort George Museum Society | Lot A DL 343 PI Pgp46330 & DI 417 | 333 Becott PI | \$97,368.01 |
| Fraternal Order of Eagles | DL 4047 PI Bcp17734 Parcel 1. | 6742 Dagg Rd | \$1,731.95 |
| Gateway Christian Ministries of Prince George | Lot 6 DL 343 PI 18815 | 1919 17th Ave | \$2,580.30 |
| Gateway Christian Ministries of Prince George | Lot B DL 343 PI 22292 | 2055 20th Ave | \$4,215.49 |
| Governing Council of the Salvation Army in Canada | Lot 22 DL 2507 PI 16227 & DI 2610. | 777 Ospika Blvd | \$765.09 |
| Grace Anglican Church-Fraser Basin Property Soc | Lot 1 DL 2611 PI 32510 | 2640 Goheen St | \$840.10 |
| Guru Nanak Darbar Sikh Society | DL 905 PI Bcp25530 Parcel 1 | 4298 Davis Rd | \$1,770.21 |
| Gurugobind Singh Temple Association | Lot 1-10, Block 51, PI 752, DL 937, CD, Except Plan 17731 | 443 Kelly Street | \$576.07 |
| Hart Community Centre Society | Lot A DL 4048 PI 28335 Part Ne 1/4 | 4900 West Austin Rd | \$26,429.04 |
| Hart Highlands Winter Club | Lot A DL 4047 Plan 16588 Exc PI 17497, Exc PI 26390, 26391, 28850 | 3740 Winslow Rd | \$3,095.25 |
| Hart Highlands Winter Club | Lot B DL 4047 PI 17956 | 6168 Crown Dr | \$795.09 |
| Hart Pentecostal Church (Pentecostal Assemblies of Canada) | Lot 43 DL 4047 PI 11088 Ex Pn 40815 & Ex R/W PI 29887 | 6912 Hart Hwy | \$324.79 |
| Hart Pioneer Centre Association | Lot 1 DL 4047 PI Pgp42458 | 6986 Hart Highway | \$4,643.89 |
| Hartland Baptist Church, Inc | DL 4047 PI Bcp8052 Parcel 1, Aka Lots 25-26 (U24043)/ Lot 1 PI31141 & Lot 24 PI27039 | 6599 Driftwood Rd | \$900.10 |

CITY OF PRINCE GEORGE

In accordance with 98(2)(b) of the Community Charter, the following properties in the City of Prince George were provided permissive property tax exemptions by Council in 2011

| Group | Legal Description | Civic Address | Permissive Tax Exemption |
|---|---|------------------------|--------------------------|
| Hellenic Community of City of Prince George, Greek Orthodox | Lot 101 District Lot 2507 Plan 20916 | 511 Tabor Blvd S | \$997.62 |
| Heritage Free Presbyterian Church | Lot 9 District Lot 4047 Plan 17497 Except Plan 18389 19548 | 4020 Balsum Rd | \$584.32 |
| Intersect Youth & Family Services Society | Lot 18-20 Block 44 District Lot 343 Plan 1268, Cariboo Land District, (11170M). | 1294 - 1288 3rd Ave | \$13,526.68 |
| Kelly Road Gospel Chapel | Lot 6 District Lot 4047 Plan 11058 | 7046 Kelly Rd S | \$439.55 |
| Kinsmen Club of Prince George | Lot A District Lot 2610 Plan 30007 | 777 Kinsmen Pl | \$9,248.57 |
| Knox United Church, The Trustees for the Congregation of | Lot 11-16 Block 153, District Lot 343, Cariboo Land District, Plan 1268 | 1448 5th Ave | \$2,130.25 |
| Le Cercle Des Canadiens Francais de Prince George | Lot 1 District Lot 343 Plan 17963 | 1752 Fir St | \$4,214.88 |
| Merchant Men's Fastball Association | Lot 2 District Lot 777 Plan 17961 Except plan 19756 & DL 1430 Exc Pls 21708, 22207 R/W PI PGP 35832 & 43681; located at 2122, 2440 Massey Dr(Carrie Jane Gray Park) | 2122, 2440 Massey Dr | \$1,431.38 |
| Nature Trust of British Columbia | Lot 1 District Lot 2113 Plan 34582 | 9927 Ferguson Lake Rd | \$151.52 |
| Nature Trust of British Columbia | Lot 2 District Lot 2421 Plan 34582 | 9915 Ferguson Lake Rd | \$493.56 |
| North Cariboo Senior Soccer League-Exhibition Park | District Lot 2508 Plan Pgp43052 Parcel 1, Except Plan Bcp14702 | 4222 18th Ave | \$14,292.33 |
| Northern John Howard Society of BC | Lot 23 Block 21 District Lot 343 Plan 1268 | 150 - 154 Quebec St | \$2,161.00 |
| Our Saviour's Lutheran Church | Lot A District Lot 8171 Plan 32714 & DI 8174 | 3590 Dufferin Ave | \$1,027.62 |
| Overcoming Faith Centre Inc | Lot 1 District Lot 2003 Plan Pgp37292 | 4520 Wheeler Road | \$1,282.65 |
| Pentacostal Assemblies of Canada(All Nations Church) | Lot 1-3 Block 163 District Lot 343 Plan 1268, Cariboo Land District. | 1395 5th Avenue | \$1,080.13 |
| PG Gymnastics Society-Exhibition Park | District Lot 2508 Plan 33840 Parcel 1, Pt Of Pcl 1 | 2187 Ospika Blvd | \$5,612.83 |
| PG Horseshoe Club - Recreational Place Park | Lot 2 District Lot 777 Plan 17961 Except Plan 19756 21708 22207 Pgp43681, & DI1430. | 2122 Del Laverdure Way | \$5,393.13 |
| PG Tabernacle Society(Prince George Pentecostal Church) | Lot 44 District Lot 2610 Plan 16510 | 497 Ospika Blvd S | \$1,815.21 |
| Phoenix Transition Society | Block 204 District Lot 343 Plan 1268 Parcel C, (Pg10105) | 1780 11th Ave | \$859.60 |
| Phoenix Transition Society | Lot 21-22 Block 204 District Lot 343 Plan 1268 Exc The Westerly 3 Feet, Cariboo Land District. | 1770 11th Ave | \$1,515.18 |
| Phoenix Transition Society | Lot 3-4 Block 207 District Lot 343 Plan 1268, Cariboo Land District | 1775 - 11th Ave | \$1,257.15 |
| Phoenix Transition Society | Lot 11-12 Block 3 District Lot 937 Plan 752 Lot B, Block 3, Plan 752, District Lot 937, Cariboo Land District, Assigned ... (57179M). | 715 -709 Ewert St | \$1,693.70 |
| President of the Lethbridge Stake-Church of Jesus Christ of Latter Day Saints | Lot A DL 2610 Plan 16764 | 4180 5th Ave | \$1,012.62 |

CITY OF PRINCE GEORGE

In accordance with 98(2)(b) of the Community Charter, the following properties in the City of Prince George were provided permissive property tax exemptions by Council in 2011

| Group | Legal Description | Civic Address | Permissive Tax Exemption |
|--|--|-----------------------|--------------------------|
| Prince George & District Community Arts Council (Studio 2880) | District Lot 1429 Plan 646 Parcel Z, Except Plan 20803 Pgp40268, Pcl Z (Df 24049) Exc East 66Ft Thereof & Exc PI Pgp40268. | 2880 15th Ave | \$9,780.83 |
| Prince George & District Elizabeth Fry Society | Block 93 District Lot 343 Plan 1268 Parcel B, (Pb14013) | 1220 Lethbridge St | \$2,095.74 |
| Prince George & District Senior Citizens Activity Centre Society | Lot 7-10 Block 153 District Lot 343 Plan 1268, Cariboo Land District. | 425 Brunswick St | \$8,452.17 |
| Prince George Activator Society | Lot 17-19 Block 28 District Lot 343 Plan 1268, Cariboo Land District. | 770 - 760 Second Ave | \$3,900.45 |
| Prince George Alano Society | District Lot 343 Plan Bcp19859 Parcel A | 725 Alward St | \$2,054.49 |
| Prince George Auto Racing Association | Block C District Lot 2155 | 3645 Highway 16 East | \$3,823.97 |
| Prince George Christian Outreach Building Society | Lot 12 Block 43 District Lot 343 Plan 1268 | 1164 3rd Ave | \$2,409.19 |
| Prince George City Church | Lot 1 Block 59 District Lot 343 Plan Bcp3891 | 439 Cassiar Street | \$843.62 |
| Prince George Council of Seniors Society | Block 166 District Lot 343 Plan 1268 Parcel A, (25782) Rental Area #2 Explanatory Plan 30805 | 1055 5th Ave | \$2,871.82 |
| Prince George Golf & Country Club | District Lot 8173 Plan Bcp10189 Parcel 1, Except Plan Bcp25199, & DIs 8176 8179 8180 | 2515 Recreation Pl | \$143,606.19 |
| Prince George Gospel Chapel | Lot 11-12 Block 239 District Lot 343 Plan 1268, Cariboo Land District, (See B7858). | 1590 Queensway St | \$1,102.63 |
| Prince George Horse Society-Exhibition Park Barns | Lot 1 District Lot 2508 Plan 33840 | 2187 Ospika Blvd | \$14,415.27 |
| Prince George Hospice Society | Lot 1 District Lot 913 Plan Pgp46312 | 1506 Ferry Ave | \$6,496.01 |
| Prince George Hospice Society | Lot 26 District Lot 913 Plan 7787 Except Plan 21497, Exc PI Pgp46312 | 3089 Clapperton St | \$3,405.39 |
| Prince George Knight's Society | Lot 130 District Lot 754 Plan 23862 Except Plan 24257 | 7201 Domano Blvd | \$20,586.16 |
| Prince George Ladies Fastball (Chuck Cawdell Field-Freeman Park) | Lot 1 District Lot 1429 Plan 21372 | 2825 12th Ave | \$2,410.29 |
| Prince George Masonic Temple Ltd | Lot 2, Blk 154, DL 343, PI 1268, Lot 1, Blk 154, PI 1268, DL343 CD | 480 Vancouver St | \$2,270.51 |
| Prince George Master Lacrosse | Lot 2 District Lot 777 Plan 17961 Except Plan 19756, & DI 1430 Exc Pls 21708 22207 R/W PI Pgp35832 Pgp43681 | 2440 Massey Dr | \$1,137.84 |
| Prince George Minor Girls Softball | Lot 1 District Lot 1429 Plan 21372 | 2825 12th Ave | \$1,819.42 |
| Prince George Mission | Lot B District Lot 2507 Plan Pgp46838 | | \$2,574.11 |
| Prince George Native Friendship Centre | Block 126 District Lot 343 Plan 1268 Parcel F, (Pk13048) | 1945 3rd Ave | \$2,490.29 |
| Prince George Native Friendship Centre | Lot 47 District Lot 2608 Plan 19520 | 122 - 110 Anderson St | \$2,445.28 |
| Prince George Native Friendship Centre | Lot 1 District Lot 343 Plan Bcp1317 | 138 George St | \$11,429.64 |
| Prince George Native Friendship Centre | Block 48 District Lot 343 Plan 1268 Parcel A, Except Plan 17548, See PI 16928 & Ct 108909M. | 1600 3rd Ave | \$41,300.38 |

CITY OF PRINCE GEORGE

In accordance with 98(2)(b) of the Community Charter, the following properties in the City of Prince George were provided permissive property tax exemptions by Council in 2011

| Group | Legal Description | Civic Address | Permissive Tax Exemption |
|--|--|--|--------------------------|
| Prince George Native Friendship Centre | Lot 6 Block 29 District Lot 937 Plan 752 Lot 5, Block 29, Plan 752, District Lot 937, Cariboo Land District. | 657 Douglas St | \$2,458.79 |
| Prince George Native Friendship Centre | Lot 6 Block 23 District Lot 343 Plan 1268 | 191 George St | \$1,559.17 |
| Prince George Native Friendship Centre | Lots 4-5, Block 23, DL 343, CD, Plan 1268; located at | 171 George St | \$3,022.85 |
| Prince George Receiving Home Society | Lot 33-38 District Lot 343 Plan 18815 Lot 34, Plan 18815, Cariboo Land District | 1777 Yew St | \$1,978.73 |
| Prince George Rod & Gun Club | Block A District Lot 1604 | 9444 Hartman Rd | \$3,549.42 |
| Prince George Tennis Club-Recreation Place Park | District Lot 8180 Except Plan B3608, Exc PI 6932, 7274, 22207, H735, H700, Pgp43039. | 2833 Recreation PI | \$5,459.80 |
| Prince George Women's Soccer Association | Lot 3 Block 2 District Lot 2508 Plan 837 Part E 1/2 & Part W 1/2, Except Plan 17638, Except Plan Pgp38138, Lot 1, Plan Pgp47540, District Lot 2508, Parcel A, Plan Bcp17447, District Lot 2508, Cariboo Land District. | 4222 18th Ave | \$4,015.22 |
| Prince George Youth Baseball Heather Rd Park-Prep Division | Lot 1 District Lot 4048 Plan 23271 Except Plan 29327, Exc PI Pgp38268. | 4833 Heather Rd (Diamond#1) | \$1,365.16 |
| Prince George Youth Baseball Heather Rd Park-Junior Division | Lot 1 District Lot 4048 Plan 23271 Except Plan 29327, Exc PI Pgp38268. | 4833 Heather Rd (Diamond#2) | \$3,619.62 |
| Prince George Youth Baseball-Heather Park Rd-Volunteer Park | Lot A District Lot 4048 Plan 26729 | 4855 Heather Rd (Volunteer Park) | \$7,124.49 |
| Prince George Youth Baseball-Harry Loder-Rainbow Park | Lot 520 District Lot 936 Plan 15185 | 3655 Rainbow Dr (Harry Loder Park) | \$1,596.54 |
| Prince George Youth Baseball Rotary-Carrie Jane Gray | Lot 2 District Lot 777 Plan 17961 Except Plan 19756, & DI 1430 Exc PIs 21708 22207 R/W PI Pgp35832 Pgp43681 | 2440 Massey Dr (Carrie Jane Gray Park) | \$1,967.10 |
| Prince George Youth Baseball-John Dinsmore Field-Freeman Park | Lot 1 District Lot 1429 Plan 21372 | 2825 12th Ave (Freeman Park) | \$1,979.22 |
| Prince George Youth Baseball-Fort George Park-Gyro Field | Lot 1 District Lot 343 Plan 32450 Except Plan Pgp46330. | 755 20th Avenue | \$966.46 |
| Prince George Youth Baseball-Balsum Park-Joe Martin Ball Field | Lot A District Lot 4047 Plan 17956 Except Plan 23955 | 4055 Balsum Rd | \$1,093.30 |
| Prince George Youth Soccer Assoc. | Lot 1 District Lot 2508 Plan 17575 | 4111 15th Ave | \$30,131.21 |
| REAPS - Fort George Park (Composting area) | Lot 1 District Lot 343 Plan 32450 Except Plan Pgp46330 | 750 20th Avenue | \$83.22 |
| Roman Catholic Episcopal Pr Rupert - Immaculate Conception | Lot 1 District Lot 1605 Plan Pgp36549 Except Plan Pgp43062, & DI 2003 | 3285 Cathedral Ave | \$3,577.91 |
| Roman Catholic Episcopal Pr Rupert - Immaculate Conception | Lot A District Lot 2003 Plan Pgp43062 | 3288 Cathedral Avenue | \$87.76 |
| Roman Catholic Episcopal Pr Rupert - Christ our Saviour | Lot 48 District Lot 4048 Plan 20605 Except Plan 23818 | 4514-4510 Austin Rd West | \$1,440.17 |

CITY OF PRINCE GEORGE

In accordance with 98(2)(b) of the Community Charter, the following properties in the City of Prince George were provided permissive property tax exemptions by Council in 2011

| Group | Legal Description | Civic Address | Permissive Tax Exemption |
|--|---|------------------------|--------------------------|
| Roman Catholic Episcopal Pr Rupert - Diocesan Centre | District Lot 2003 Plan 29709 Parcel 1, Except Plan 32454, Exc Pls Pgp38439 Pgp39017 Pgp47842 Stat R/W Plan 30914, Manufactured Home Reg. # 49098. | 6500 Southridge Ave | \$9,940.91 |
| Roman Catholic Episcopal Pr Rupert - Sacred Heart | Lot 1 District Lot 343 Plan Bcp1869 | 887 785 Patricia Blvd | \$115.51 |
| Roman Catholic Episcopal Pr Rupert - Sacred Heart | Lot 1-6 Block 233 District Lot 343 Plan 1268 Lot B (75928M) Of Blk 233 Assigned Lot B (54038M) Of Blk 234 | 1453 1387 Hemlock St | \$1,194.19 |
| Roman Catholic Episcopal Pr Rupert - St Mary's | Lot 2 District Lot 1429 Plan 19663 | 1125 Freeman St | \$1,155.13 |
| Royal Canadian Legion Connaught Gymnasium Youth Centre | Lot 1 District Lot 343 Plan 31887 See R/W 22849K | 1491 17th Ave | \$6,713.28 |
| Senior Men's Baseball League | Lot 2 District Lot 777 Plan 17961 Except Plan 19756, & DI 1430 Exc Pls 21708 22207 R/W PI Pgp35832 Pgp43681. | 2445 Del Laverdure Way | \$17,454.52 |
| Seventh Day Adventist Church(BC Confernce)(School) | District Lot 3050 Plan 8332 Parcel A, (F15212). | 3310 Sutherland Rd | \$3,496.13 |
| Sovereign Grace Fellowship | District Lot 7645 Plan 8285 Parcel A, Except Plan 29483, 115262M | 1990 Houghtaling Rd | \$270.78 |
| Spruce City Mens Fastball -Carrie Jane Gray Park | Lot 2 District Lot 777 Plan 17961 Except Plan 19756, & DI 1430 Exc Pls 21708 22207 R/W PI Pgp35832 Pgp43681. | 2440 Massey Dr | \$3,992.01 |
| Spruce City Minor Boys Softball-Ron Wiley Fld-Carrie Jane Gray | Lot 2 District Lot 777 Plan 17961 Except Plan 19756, & DI 1430 Exc Pls 21708 22207 R/W PI Pgp35832 Pgp43681. | 2440 Massey Dr | \$1,724.65 |
| Spruce City Minor Boys Softball-Carrie Jane Gray | Lot 2 District Lot 777 Plan 17961 Except Plan 19756, & DI 1430 Exc Pls 21708 22207 R/W PI Pgp35832 Pgp43681. | 2440 Massey Dr | \$1,417.21 |
| Spruce City Wildlife Association | Block 1 District Lot 1511 Plan 1391 Parcel A, Aka Lots 11-19 (U41172). | 1384 River Road | \$2,761.96 |
| Spruceland Congregation of Jehovah's Witnesses, Trustees of the | Lot A District Lot 2507 Plan Pgp38016 | 4350 15th Avenue | \$885.10 |
| St John Council for BC Properties | Lot 18-20 Block 36 District Lot 343 Plan 1268, Cariboo Land District | 470 3rd Ave | \$7,379.64 |
| St John Society(BC&Yukon) | Block 36 District Lot 343 Plan 1268 Parcel A, (Ps23038) | 450 3rd Ave | \$3,928.34 |
| St. Andrew's United Church, Trustees for the Congregation of | Lot 1 District Lot 937 Plan 16091 | 3555 5th Ave | \$1,950.23 |
| St. Andrew's United Church, Trustees for the Congregation of | Lot 1-3 District Lot 937 Plan 18167, Cariboo Land District | 622-606 Zelkwas Ave | \$1,617.94 |
| St. Giles Presbyterian Church, Trustees of the Congregation of | Lot 1 District Lot 343 Plan 14198 | 1500 Edmonton St | \$885.10 |
| St. Michael's the Archangel Ukrainian Greek Orthodox Church, Trustees of | Lot 1 District Lot 8182 Plan 23648 | 2793 Range Rd | \$482.31 |
| St. Patrick's House Society | Lot 18 District Lot 343 Plan 18815 | 1735 Yew St | \$1,624.69 |
| St. Vincent de Paul Society St. Francis of Assissi Conference | Lot 10-12 Block 21 District Lot 343 Plan 1268, Cariboo Land District. | 1224-1204 2nd Ave | \$7,651.78 |

CITY OF PRINCE GEORGE

In accordance with 98(2)(b) of the Community Charter, the following properties in the City of Prince George were provided permissive property tax exemptions by Council in 2011

| Group | Legal Description | Civic Address | Permissive Tax Exemption |
|---|---|------------------------|--------------------------|
| Super Trak BMX Society-Carrie Jane Gray Park | Lot 2 District Lot 777 Plan 17961 Except Plan 19756, & DI 1430 Exc Pls 21708 22207 R/W PI Pgp35832 Pgp43681 | 2323 Del Laverdure Way | \$1,706.95 |
| Timbers Community Church | Lot 6 Block 130 District Lot 343 Plan 1268 | 1557 1553 3rd Ave | \$2,708.39 |
| Two Rivers Gallery(Prince George Regional Art Gallery Association) | Block 186 District Lot 343 Plan 1268 Parcel A, Except Plan 32230, (PI18353) | 725 Civic Plaza | \$97,664.20 |
| Ukrainian Catholic Eparchy of New Westminster(St. George's Ukrainian Catholic Church) | Lot 45 District Lot 8171 Plan 19517 | 2413 Devonshire Cres | \$510.06 |
| St. George's Ukrainian Catholic Church(Ukrainian Catholic Episcopal Corp of Western Canada) | Lot 78 District Lot 8171 Plan 18944 & DI 8172 | 2414 Vanier Dr | \$1,102.63 |
| Vanway Community Association | District Lot 1599 Plan 15792 Parcel A, (U25997). | 7736 Dow Rd | \$1,649.24 |
| Vanway Congregation of Jehovah Witnesses, Trustees of the | Lot A District Lot 905 Plan 30226 | 4292 Davis Rd | \$892.60 |
| Westside Family Fellowship Society | Lot 1 District Lot 1599 Plan 31597 Ex Stat R/W Plan 32425 | 3791 Highway 16 W | \$5,910.94 |
| Yalenka Ukrainian Cultural Society | Lot B District Lot 343 Plan Pgp35939 | 933 Patricia Blvd | \$2,609.29 |
| YMCA | Lot A District Lot 1430 Plan 21708 R/W PI 21720 21783. | 2020 Massey Dr | \$44,902.16 |
| Zion Lutheran Church and Christian School of Prince George | Lot 1 District Lot 1427 Plan 21753 | 180 Tabor Blvd | \$1,402.66 |
| | ACTUAL TOTALS | | \$1,114,866.11 |



APPENDIX A

CLIMATE ACTION REVENUE INCENTIVE PROGRAM (CARIP) PUBLIC REPORT

For Reporting Year = 2011

GENERAL INFORMATION

| | |
|--|-----------------------------------|
| Name of Local Government | City of Prince George |
| Member of Regional District (RD) | RD Fraser-Fort George |
| Regional Growth Strategy (RGS) in region | No |
| Population | 75,828 |
| Report Submitted by | |
| Name | Scott Bone |
| Title | Manager Supply and Fleet Services |
| Email | sbone@city.pg.bc.ca |
| Phone | 250-561-7511 |

| 2011 | | |
|---|--------|--|
| 1.1 MEASURE | | |
| Community Wide Measurement Actions QUESTION | ANSWER | ADDITIONAL INFORMATION |
| Have you been using the Community Energy and Emissions Inventory (CEEI) to measure progress? What else have you been using instead of/in addition to CEEI? | Yes | We have also monitored and reported on measures to FCM Partners for Climate Protection(PCP) program, based on progress on the City of Prince George's Energy and Greenhouse Gas Management Plan of 2007. Prince George is the fifth LG in Canada to achieve FCM PCP Milestone 5 for measuring and reporting. |
| 1.2 PLAN | | |
| Community Wide Targets QUESTION | ANSWER | ADDITIONAL INFORMATION |
| Do your OCP(s) have targets, policies and actions to reduce GHG emissions, as per the requirements under the Local Governments Act (LGA)? If yes, please identify the targets set. If no or in progress, please comment. | Yes | The current OCP uses the Council approved PCP targets set in 2007, which are: 10% corporate reduction from 2002 levels by 2012 and 2% community reduction from 2002 levels by 2012. The updated OCP has undergone first reading and is proceeding with these targets incorporated into the document. |
| If you are a Regional District, does your RGS have targets, policies and actions to reduce GHG emissions, as per the requirements under the Local Governments Act (LGA)? If yes, please identify the targets set. If no or in progress, please comment. | | N/A |
| 1.3 REDUCE | | |
| <p>Supportive Community-Wide Actions</p> <p>Please describe the supportive community-wide actions you have taken in 2011 (or propose to take in 2012) to contribute to reducing GHG emissions and energy consumption in your community.</p> <p>Supportive actions refer to activities that provide a framework or foundation for direct actions to be implemented. These include the development of committees or new staff positions, education and engagement, feasibility studies, policy development and engagement with programs and partnerships.</p> <p>If your actions do not fit into the given categories please describe them under "other actions".</p> <p>Some of the actions reported in these categories in 2010 can be found here:</p> | | |

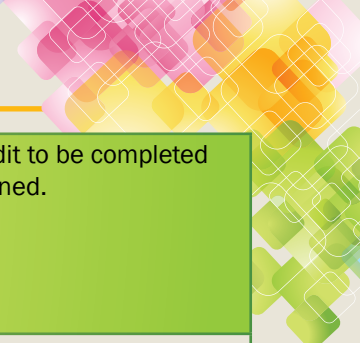
| Supportive Community-Wide Actions | Actions Taken in 2011 | Proposed Actions for 2012 |
|--|--|---|
| Broad Planning (e.g. creation/revision of OCPs, CEPs, transportation plans) | OCP revised and brought to Council - past first reading; | Approval of OCP |
| Building and Lighting (e.g. developed green building policy, increased density in the downtown) | Downtown Revitalization Tax Exemption Bylaw developed, which includes incentives for LEED Certified buildings; developed business license renewal insert on energy efficiency opportunities; hosted and supported Climate Smart Business session; developed website hosting energy efficiency programs available for businesses and homeowners | Developing property tax insert; hosting and supporting Climate Smart Business session; review potential for upgrades to Downtown Revitalization Tax Exemption Bylaw |
| Energy Generation (e.g. signed on to provincial 'solar ready' regulation, explored options for bioheating for buildings) | Engage non-City buildings towards connection to the Downtown District Energy System | Engage non-City buildings towards connection to the Downtown District Energy System |
| Green Space (e.g. developed urban forestry policy, adopted park acquisition policy) | Duchess Park Plan for parks land use direction approved in a neighbourhood that has experienced a substantial deficit of park and greenspace previously, development of this plan occurred through the support from community consultation input (general community, special interest groups such as Accessible Advisory Committee) and partnerships (School District No. 57) for shared uses. | Continued work with the Accessible Advisory Committee and School District #57 during the second phase of the Duchess Park plan. |
| Transportation (e.g. developed sustainable transportation plan, completed bicycle master plan) | Approved Active Transportation Plan | |
| Waste (e.g. introduced composting and recycling education programs) | | |
| Water/Sewer (e.g. participated in water smart initiatives, implemented Water Action Plan, introduced rebates on low flush toilets) | | Ongoing work and promotion of the Water Conservation Plan. |

| Other Actions | | |
|---|--|--|
| Direct Community-Wide Actions | | |
| <p>Please describe the direct community-wide actions you have taken this year and propose to take next year to contribute to reducing GHG emissions and energy consumption in your community.</p> <p>Direct actions refer to activities that can be directly implemented by local government.</p> <p>If your actions do not fit into the given categories please describe them under “other actions”.</p> <p>Lists of some of the actions reported in these categories in 2010 can be found here:</p> | | |
| Community-Wide Direct Actions | Actions Taken in 2011 | Proposed Actions for 2012 |
| Buildings (e.g. implement use of sustainability checklists and development permit guidelines for new buildings) | Developed Downtown Development Permit Area Guidelines | Draft OCP to be considered in 2012 for adoption encourages generally climate action and green building (e.g. includes policy allowing staff to acquire development approval information related to sustainability) Draft Downtown DP Area Guidelines include a section on green buildings |
| Energy Generation (e.g. implement district energy, geothermal, solar) | Installation of piping for Downtown District Energy System (DDES), connection of 4 City buildings | Commissioning of DDES, connection of final 3 City buildings (and potentially other buildings) |
| Transportation (e.g. implement bike lanes, pedestrian paths, upgrade transit service and infrastructure, improve roads, parking fees etc.) | One new transit shelter installed. | Proposed two new transit shelters. Signage moving towards google transit. |
| Waste (e.g. introduce composting and recycling programs) | | |
| Water/Sewer (e.g. implement water conservation and reduction initiatives) | | |
| Green Space (e.g. plant trees, conserve forest etc.) | The first phase of the Duchess Park Plan developed a new trail system and the opening of the fenced dog park, The UNBC Connector Trail System opened, McMillan Creek Fishing Park with an accessible trail system. | The second phase of Duchess Park Plan the planting of some 40 trees as well as adding signage, site furnishings. Completion of the UNBC Connector Trail System. |



| Other Actions | | |
|---|--|--|
| 1.4 COMMUNITY-WIDE INNOVATION | Answer | |
| <p>Is there any activity that you have been engaged in over the past year(s) that you are particularly proud of and would like to share with other local governments? Please describe and add links to additional information where possible.</p> | <p>We were able to engage businesses through a property tax insert, bring Climate Smart Business to the North, and work with NRCan to develop and transfer residential energy demand model for the City. We have partnered uniquely with BC Hydro, FortisBC and NRCan to create an externally funded Community Energy Manager position. We achieved Milestone 5 of FCM PCP, the fifth LG in Canada (4th in BC) to do so.</p> | |
| | | |
| | | |
| <p>NOTE: If you wish to insert a “hard return” (i.e. Enter Key) while typing in a given cell, you need to hold the ALT+ENTER instead.</p> | | |
| <p>NOTE: If your list proves larger than the space provided above, feel free to adjust the column width/row height accordingly.</p> | | |
| <p>NOTE: To adjust cells go to the far left (numbers) or top (letters)</p> | | |

| 2011 | | |
|--|---|---------------------------|
| Corporate Actions | | |
| 2.1 MEASURE | | |
| Corporate Measurement Actions QUESTION | Answer | |
| What steps has your local government taken toward completing its corporate emissions inventory (e.g. corporate assets gathered related to energy and fuel data and calculated GHG emissions from energy use)? | Utility usage is tracked for all hydro and natural gas consumption in corporate facilities. This data added to fleet consumption of fuel enables us to calculate greenhouse gas emissions. | |
| What tool are you using to measure, track and report on your corporate emissions (e.g. SMARTtool, other tools including excel spreadsheets)? | We have used smarttool during the trial period of this program. Currently using excel and will be deciding on a greenhouse gas reporting tool in 2012 after evaluating acceptable programs available. | |
| 2.2 REDUCE | | |
| Supportive Corporate Actions | | |
| <p>Please describe the supportive corporate actions you have taken in 2011 or propose to take in 2012 to contribute to reducing GHG emissions and energy consumption within your corporate boundary.</p> <p>Supportive actions refer to activities that provide a framework or foundation for direct actions to be implemented. These include the development of committees or new staff positions, education and engagement, feasibility studies, policy development and engagement with programs and partnerships.</p> <p>If your actions do not fit into the categories provided, please describe them under “other actions”.</p> <p>Lists of some of the actions reported in these categories in 2010 can be found here:</p> | | |
| Supportive Corporate Actions | Actions Taken in 2011 | Proposed Actions for 2012 |
| Broad Planning (e.g. developed corporate climate action plan) | | |
| Building and Lighting (e.g. developed energy reduction plan for all corporate buildings) | Promote energy awareness through intranet and other avenues. | |
| Energy Generation (e.g. undertook feasibility study of green energy generation for civic buildings) | | |
| Transportation (e.g. created anti-idling policy for city vehicles, bike to work week promotion) | See Fleet section for idling information. | |
| Waste(e.g. completed waste audit of City Hall) | | |



| | | |
|--|--|---|
| Water/Sewer (e.g. completed study of sewer and water energy use) | In partnership with BC Hydro, an energy audit of the City's main Wastewater Treatment Center was performed. The investigation identifies potential energy savings of up to 416 MWh/yr for the digester gas system and up to 440 MWh/yr for the digester mixing system. | Final reporting for the energy audit to be completed and an action plan to be determined. |
| Other Actions | | |

Direct Corporate Actions

Please describe the direct corporate actions you have taken in 2011 and propose to take in 2012 to contribute to reducing GHG emissions and energy consumption within your corporate boundary.

Direct actions refer to activities that can be directly implemented by local governments.

We encourage you to report all the corporate actions that contribute to reduced emissions even if they might not directly contribute to the achievement of your carbon neutral commitment. For example, the introduction of recycling programs do not contribute to carbon neutrality but is a direct action to reduce GHG emissions.

If your actions do not fit into the given categories please describe them under "other actions".

Some of the actions reported in these categories in 2010 can be found here:

| Direct Corporate Actions | Actions Taken in 2011 | Proposed Actions for 2012 |
|--|--|---|
| Building and Lighting (e.g. energy efficiency retrofits to municipal buildings) | Completed lighting upgrade conversion from T12 to T8 with energy saving ballasts for nine facilities, replaced two 70% efficient furnaces with 95% efficient furnaces, replaced 70% efficient boiler with 90% efficient condensing boiler, installed intelligent plugs at a parkade that provide auto block heating based on ambient temperature, installed LED lighting and replaced 75 watt lights with 26 watt, added motion sensors to control arena lighting, and installed dimmer technology on our street lights. | Continue with lighting upgrade conversion from T12 to T8 with energy saving ballasts for two more facilities, continue with the dimmer technology for street lights, install a heat recovery ventilator to recover heat from exhaust air, implement demand control ventilation (using CO2 detection) at four facilities, installing motion detector sensors for lighting, replacing one 65% efficient furnace with a 90% efficient furnace, and installing a more efficient A/C unit. |
| Energy Generation (e.g. implemented heat recovery systems, solar) | Introduced solar hot water to preheat pool water and implemented water to water heat pump to heat pool water. | The new RCMP building will be constructed to LEED Gold standard. The facility was modeled for energy to optimize heating and cooling systems as well as building envelope. The net result is this new building will use 60% less energy than a structure built to National Building Code standards. |

| | | |
|---|--|--|
| <p>Fleet (e.g. anti-idling policies for fleet vehicles, purchasing of hybrid)</p> | <p>Implemented a three (3) year Green Fleet Strategic Plan. Awarded a silver award from E3 Fleet for fleet efficiency and effectiveness. Implemented Corporate Idling Program. Continued support/management of City Fleet Idling Policy.</p> | <p>Seeking funding to purchase of a 100% electric vehicle as a community program. Converting five light duty vehicles from gas to propane. Purchase and install a hybrid assist on a garbage truck. Implementation of a Fleet idling reporting system that measures and reports on vehicles idling and mileage. Completion of a city wide equipment operator training program that will include core sessions on fleet fuel efficiency while operating equipment. Implement of complete right sizing review of the City 200 units in service as a mechanism to reduce the total inventory of vehicles.</p> |
| <p>Waste (e.g. introduction of composting and recycling programs and education)</p> | <p>In 2011 replaced one of our single axle smaller garbage trucks with a larger capacity tandem axle with the intent on running two daily trips to the landfill rather than three. This action will reduce fuel consumption and greenhouse gas emissions. For 2012 we intend to implement an hydraulic torque assist for the same truck with the expectation of reducing fuel as well as reducing greenhouse gas emissions by a minimum of 14%.</p> | |
| <p>Water/Sewer (e.g. initiated water conservation and reduction initiatives)</p> | | <p>Design and install the first phase of a Sentinel irrigation system at Fort George Park. This will conserve water.</p> |
| <p>Green Space (e.g. planting of trees)</p> | <p>planted a total of 100 trees in various areas throughout the city, green spaces, parks and boulevards</p> | <p>continue to plant approximately 100 trees in parks and green spaces as well as in front of City Hall</p> |
| <p>Other Actions</p> | | <p>Proceeding with a conceptual design and cost estimate to upgrade the quality of bio-solids production from Class "B" to Class "A". This would allow the City to dispose of its bio-solids at an increased number of locations within the City limits (City-owned open spaces, medians, greenbelts) whereas the product now is hauled well outside the City limits. The reduction in hauling to locations greater than 30kms from the City will reduce trucking costs and GHG emissions.</p> |
| <p>2.3 CORPORATE INNOVATION</p> | <p>Answer</p> | |
| <p>Is there any activity that you have been engaged in over the past year(s) that you are particularly proud of and would like to share with other local governments? Please describe and add links to additional information where possible.</p> | <p>The upgrades to the Aquatic Centre included solar panels and exhaust air heat recovery to pre-heat water for the main pool. In addition water to water heat pumps (operating at 400% efficiency) further elevate water temperature of this preheated water to 83 degrees F to supply the main pool. This system is the sole source of heat to the main pool during the lowest load season, during high load the condensing boilers are also used to maintain heat in the main pool.</p> | |





INITIATIVES PRINCE GEORGE

APPENDIX B



2011 ANNUAL REPORT





| | |
|---|---|
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| Message From The Acting CEO | 5 |
| 2011 Statistical Overview | 6 |
| Progress Prince George | 7 |
| Initiatives Prince George Board of Directors & Staff | 8 |



Suite 201 - 1300 First Avenue
 Prince George, British Columbia
 V2L 2Y3 Canada

Tel: (250) 564-0282
 Fax: (250) 649-3200
 Email: info@initiativespg.com

www.initiativespg.com





MESSAGE FROM THE CHAIR



Glen Wonders
Chair,
Initiatives Prince George
Board of Directors

As the Board Chair of Initiatives Prince George (IPG), I am pleased to provide the Annual Chair's report for 2011. I would like to begin by acknowledging all of our Board members, a group of dedicated business and

community leaders who volunteer their time and energy to guide and support the work of the organization. I would also like to acknowledge the contributions of all former and ex-officio Board members and express my appreciation to the employers of these individuals for making them available to provide their time and expertise for the benefit of IPG and the City of Prince George. I would also like to express the Board's appreciation to IPG's sole shareholder, the City of Prince George, for their ongoing support for the work of the organization.

The Board of Initiatives Prince George also acknowledges the dedication and vision of our hard working staff, a small group of people who do a tremendous job each and every day to promote Prince George, attract investment and identify new opportunities for the city.

It is an honour to work with them. Finally, on behalf of the Board and staff of Initiatives Prince George, I would like to recognize and celebrate the work undertaken in 2011 by our many partners in community and economic development. The economy, much like the social and physical environment, flourishes only when community partners work together toward common goals. We look forward to continuing to work with our partners and other stakeholders to further the development of our community, and our economy, in 2012 and beyond.

Throughout 2011, the IPG staff and Board worked diligently on the priorities established in the 2011-2013 IPG Strategic Plan, to fulfill the overarching goal to be the catalyst that enhances Prince George as the sustainable, knowledge-based, resource economy, connected to the world. The city of Prince George is well-positioned to capitalize on many of its strategic advantages, and we look forward, in anticipation, to being a part of new opportunities as they emerge.

Sincerely,

Glen W. Wonders
Chair, Initiatives Prince George 2011 Board of Directors





MESSAGE FROM THE ACTING CHIEF EXECUTIVE OFFICER



Heather Oland
Acting Chief Executive Officer,
Initiatives Prince George

In the fall of 2011, I was pleased to join the small, dynamic team at Initiatives Prince George (IPG), as the organization continued its efforts to be the catalyst that enhances Prince George as the sustainable, knowledge-

based, resource economy connected to the world. During the first year of IPG's 2011-2013 Strategic Plan, the Board and staff were fortunate to be a part of a number of significant accomplishments important to the Prince George economy. While it is not possible to list them all, I will highlight some of the accomplishments from last year:

- Successful marketing of opportunities in Prince George and the region, through:
 - IPG's regular publications and the launch of a new, more user-friendly website which resulted in visitors spending more time engaging with the website and its content; and
 - Participation in conferences and tradeshows, including three key site selector conferences which communicated the advantages of doing business in Prince George, and provided staff with insight into the US site-selector decision-making process.
- Participating on the Downtown Partnership, with the City of Prince George and other community stakeholders, to achieve the successful implementation of 29 of the original 69 recommendations of the Mayor's Task Force for a Better Downtown.
- Proactively seeking out and responding to investment opportunities and building a number of ongoing relationships with business development or expansion prospects from a variety of sectors.

- Advocating for catalyst investments including transportation infrastructure and community projects, including the Wood Innovation & Design Centre and Performing Arts Centre.
- Engaging in partnerships to market industrial development opportunities in Prince George and the region. This included the development of marketing materials for Regional District of Fraser-Fort George intermediate / heavy industrial lands and Global Logistics Park light industrial lands which have improved IPG's ability to respond to interest from industrial investors.
- Participating in a number of community partnerships, including the Northern Innovation and Entrepreneurship Partnership which resulted in the establishment of the Innovation Central Society.

The work pursued by IPG throughout 2011 set the stage for the development of our 2012 Business Plan in late 2011, with five key areas of focus: Strategic Leadership and Partnerships; Positioning and Marketing of Prince George; Business Retention & Expansion; Labour Recruitment & Retention and; Downtown Development. These key focus areas will shape the work of IPG moving forward and will enhance Prince George's ability to realize its full economic potential.

I want to take this opportunity to thank the IPG Board of Directors for their ongoing support and leadership. Together with the Board of Directors and our team of hard working, dedicated staff, I look forward to building on IPG's past successes as we identify and capitalize on new opportunities for Prince George.

Heather Oland
Acting Chief Executive Officer, Initiatives Prince George



2011 STATISTICAL OVERVIEW

Initiatives Prince George utilizes a variety of statistics to monitor trends in the economy, to better understand the factors that are influencing Prince George's economic performance and to communicate with existing or potential business investors and other stakeholders. Some of the most commonly used statistics relate to population, employment, and construction, but there are also statistics available that reveal trends in migration, economic structure (industry trends in employment and number of businesses) and socioeconomic status. Statistics can reflect the relative level of activity in the economy but can also point to underlying issues or challenges, which can help IPG or other community stakeholders set priorities and determine the direction for their work.

SELECTED STATISTICAL RESULTS FOR 2011:

| | |
|--|---|
| Population 2011: 75,828 Five year average annual growth: + 0.8% | 2011 was the fifth consecutive year that the city has seen population growth; this trend follows a ten-year interval between 1997 and 2006 in which the population changed at an annual average of -0.7%. |
| Employment 2011: 48,900 Five year average annual growth: + 1.3% | The level of employment in 2011 was 3.8% higher than the average over the previous five years, and the highest it had been in at least fifteen years. |
| Business Location Counts 2011: 5,828 Five year average annual growth: - 1.1% | The decline in business locations can be attributed in part to consolidation of smaller businesses. Certain sectors did see an increase in number of businesses, including mining, construction, health care and professional services. |
| Building Permits 2011: \$97.8M Five year average annual growth: + 11.3% | Residential and Institutional permits made up the majority of the value of permits issued over the past five years, although all building permit categories saw increases over this period, based on the annual average. |
| Average House Price 2011: \$246,484 Five year average annual growth: + 5.1% | The average price of a single detached dwelling was 25.8% higher in 2011 than in 2006. Unit sales were relatively stable over this period, with the number of units sold in 2011 being 14.4% below the previous five year average. |
| Passengers, Prince George Airport (YXS) 2011: 402,438 Five year average annual growth: + 0.5% | Passenger volumes through the Prince George airport have been growing in part due to increased regional traffic driven by economic activity throughout Northern BC. |



MESSAGE FROM THE CHAIRS OF PROGRESS PRINCE GEORGE

The first Progress Prince George committee was established in 2003, with the objectives to benchmark Prince George's performance in economic, social and environmental performance indicators and to provide strategic advice on the ways to improve the performance of Prince George and the surrounding region. Progress PG is made up of volunteers from the community, and is administratively supported by IPG. We would like to thank the 2011 members of Progress PG for giving their time to provide input into ways to improve the city in a variety of important areas, and laying the foundation for the work of the committee in 2012.

– **Mayor Shari Green and Greg Stewart**, co-chairs, 2012 Progress Prince George

2011 PROGRESS PRINCE GEORGE

Mayor Dan Rogers (Co-Chair)
City of Prince George

Sharon Cochran (Co-Chair)
Principal
Grower Direct

Rob van Adrichem
Vice-President of External Relations
UNBC

Bob Affleck
Manager, Employee / Labour Relations
Spectra Energy

Doug Bell
Principal
Wendy's Restaurant

Jim Blake
Chair
Prince George Airport Authority

Lorne Calder
Chief Financial Officer
Integrus Credit Union

Tracy Calogheros
Executive Director
The Exploration Place

Clint Dahl
Realtor
Royal LePage Prince George

Kirk Gable
Realtor
Doucette Realty Ltd.

Ray Gerow
President and CEO (former)
Aboriginal Business Development Centre

Elaine Kienzie
Realtor
Doucette Realty Ltd.

Gerry Kutney
Proprietor
Sixth Element Sustainable Mgmt.

Bob Martin
Retired

Bob Redden
President
EDI Environmental Dynamics Inc.

Jacque Scobie
RN Program Coordinator & Faculty
College of New Caledonia

Betty Ann Shiels
Partner
Deloitte - Chartered Accountants

Finlay Sinclair
Director of Business Development
Northern Health Authority

Greg Stewart
President
Sinclar Group Forest Products Ltd.

Lu Verticchio
Director of Advertising
The Prince George Citizen

Patricia Wight
Director, Lands & Natural Resources (former)
Lheidli T'enneh

Doug Willoughby, CA
General Manager
Spruce Credit Union



2011 INITIATIVES PRINCE GEORGE BOARD OF DIRECTORS & STAFF

BOARD OF DIRECTORS

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Division Manager-Prince George
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Regional District of Fraser-Fort George

Cathy Ulrich (Ex-Officio)
Chief Executive Officer
Northern Health Authority

STAFF

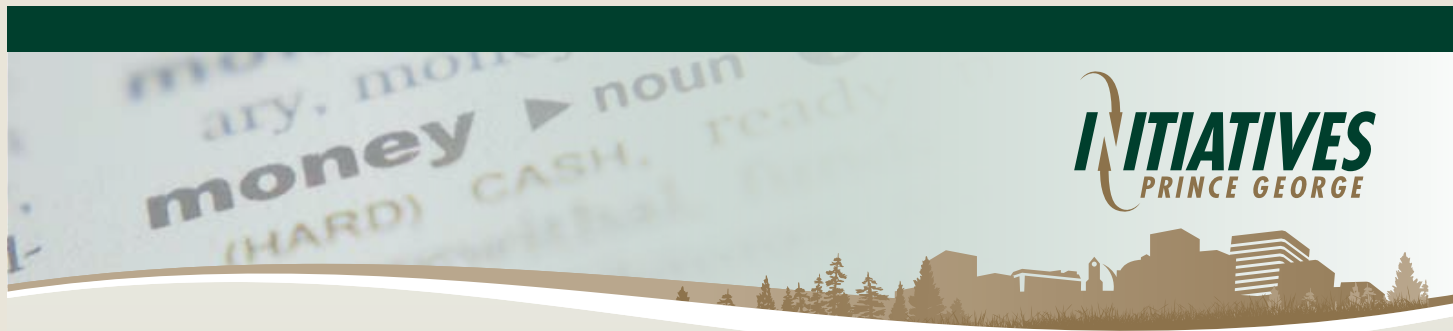
Heather Oland
Acting Chief Executive Officer

Tara Bogh
Manager, Economic Development

Sarah Kirk
Manager, Administration

Melissa Mills
Marketing and Business Expansion Officer

Dustin Renaud
Executive Coordinator



Auditors' Report on Summarized Consolidated Financial Statements

The accompanying summarized consolidated statement of financial position, statement of operations, and summary of divisional financial results are derived from the complete financial statements of Initiatives Prince George as at December 31, 2011 and for the year then ended which we expressed an opinion without reservation in our report dated March 29, 2012. The fair summarization of the completed consolidated financial statements is the responsibility of management. Our responsibility, in accordance with the applicable Assurance Guideline of The Canadian Institute of Chartered Accountants, is to report on the summarized financial statements. In our opinion, the accompanying financial statements fairly summarize, in all material respects, the related complete financial statements in accordance with the criteria described in the Guideline referred to above. These consolidated financial statements do not contain all the disclosures required by Canadian generally accepted accounting principles. Readers are cautioned that these statements may not be appropriate for their purposes. For more information on Initiatives Prince George financial position, results of operations and cash flows, reference should be made to the related complete financial statements.

Prince George, B.C.
March 29, 2012

Dean Mason & Company
Chartered Accountants

SUMMARY DIVISIONAL FINANCIAL RESULTS

FOR THE YEAR ENDING DECEMBER 31, 2011

| | GENERAL OPERATIONS (COMBINED) | REAL ESTATE | CAPITAL | CITY CENTRE VENTURES INC. | TOTAL |
|--|-------------------------------------|-------------|-------------|------------------------------|--------------|
| City of Prince George | \$ 1,024,904 | \$ — | \$ — | \$ — | \$ 1,024,904 |
| External Revenue | 209,176 | 192,061 | — | — | 401,237 |
| | 1,234,080 | 192,061 | — | — | 1,426,141 |
| Operating & Program Expenses | 1,220,725 | 258,178 | — | — | 1,478,903 |
| Operating Surplus (deficit) before Amortization and Financing | \$ 13,355 | \$ (66,117) | \$ — | \$ — | \$ (52,762) |
| Net Amortization | — | — | 30,519 | — | 30,519 |
| Financing | — | — | — | — | — |
| | \$ — | \$ — | \$ 30,519 | \$ — | \$ 30,519 |
| Gain on disposal of property, plant and equipment | — | (4,916) | — | — | (4,916) |
| Net Surplus (deficit) for the Year | \$ 13,355 | \$ (71,033) | \$ (30,519) | — | \$ (88,197) |

| SUMMARY STATEMENT OF OPERATIONS* FOR THE YEAR ENDING DECEMBER 31, 2011 | 2011 | 2010 |
|--|--------------|--------------|
| City of Prince George | \$ 1,024,904 | \$ 1,024,904 |
| External Revenue | 401,237 | 930,108 |
| | 1,426,141 | 1,955,012 |
| Operating & Program Expenses | 1,478,903 | 1,890,612 |
| Operating Surplus before Amortization and Financing | \$ (52,762) | \$ 64,400 |
| Net Amortization | 30,519 | 36,597 |
| Financing | — | 53,319 |
| | \$ 30,519 | \$ 89,916 |
| | (4,916) | 727,875 |
| Net Surplus (deficit) for the Year | \$(88,197) | \$702,359 |
| | 2011 | 2010 |
| Assets | | |
| Current Assets | \$ 535,004 | \$ 766,227 |
| Long-term Assets | 782,087 | 703,712 |
| Total Assets | \$ 1,317,091 | \$ 1,469,939 |
| Liabilities | | |
| Current Liabilities | \$ 93,067 | \$ 154,992 |
| Long-term Liabilities | 21,800 | 24,527 |
| Total Liabilities | \$ 114,867 | \$ 179,519 |
| Share capital and Net Assets | | |
| Authorized 100,000 Common shares | | |
| Issued 3 Common shares | 3 | 3 |
| Fund Balances | 1,121,913 | 1,210,109 |
| Equity in City Centre Ventures Inc. | 80,308 | 80,308 |
| | \$ 1,202,224 | \$ 1,290,420 |
| | | |
| Total Liabilities, Share Capital and Net Assets | \$ 1,317,091 | \$ 1,469,939 |

* Auditor: Dean Mason & Company



KPMG LLP
1820 Third Avenue
Prince George BC V2M 1G4

Telephone (250) 562-4522
Fax (250) 562-4524
Toll Free 1-888-562-4528
Internet www.kpmg.ca

APPENDIX C

TOURISM PRINCE GEORGE SOCIETY

Financial Statements

December 31, 2011 and 2010



KPMG LLP
1820 Third Avenue
Prince George BC V2M 1G4

Telephone (250) 562-4522
Fax (250) 562-4524
Toll Free 1-888-562-4528
Internet www.kpmg.ca

INDEPENDENT AUDITOR'S REPORT

To the Directors of Tourism Prince George Society:

Report on the Financial Statements

We have audited the accompanying financial statements of Tourism Prince George Society which comprise the statements of financial position as at December 31, 2011 and 2010, December 31, 2010 and January 14, 2010 and the statements of operations, changes in net assets and cash flows for the years ended December 31, 2011 and December 31, 2010 and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not for profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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



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Prince George BC V2M 1G4

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INDEPENDENT AUDITOR'S REPORT (continued)

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Society derives revenue from certain fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly our verification was limited to the amounts in the records of the Society and we were not able to determine whether any adjustments might be necessary to fundraising and miscellaneous revenues, excess of revenue over expenditures and cash flows from operations for the years ended December 31, 2011 and 2010, current assets and net assets at December 31, 2011, December 31, 2010 and January 14, 2010.

Qualified Opinion

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Tourism Prince George Society as at December 31, 2011 and 2010, December 31, 2010 and January 14, 2010 and its financial performance and its cash flows for the years December 31, 2011 and 2010 and 2010 in accordance with Canadian accounting standards for not-for-profit organizations. As required by the Society Act of the Province of British Columbia, we report that, in our opinion, these standards have been applied on a basis consistent with that of the preceding year.



CHARTERED ACCOUNTANTS
Prince George, British Columbia
April 11, 2012

**TOURISM PRINCE GEORGE SOCIETY
STATEMENTS OF OPERATIONS**

for the years ended December 31, 2011 and 2010 and 2010

| | 2011 | 2010 |
|---|-------------------|-------------------|
| REVENUE | | |
| Advertising | \$ 65,289 | \$ 54,897 |
| City of Prince George - Additional Hotel Room Tax | 665,190 | 582,509 |
| City of Prince George - Service agreement | 327,000 | 327,000 |
| Federal Government of Canada | 7,280 | 5,756 |
| Golden Raven Program - Schedule 2 | 100,000 | 110,000 |
| Interest | 3,735 | - |
| Merchandise sales | 10,249 | 10,536 |
| Northern Lights Festival - Schedule 3 | 26,191 | 42,091 |
| Other | 2,670 | 1,093 |
| Partnership Programs | 38,915 | 23,405 |
| Province of B.C. | <u>20,000</u> | <u>20,000</u> |
| | <u>1,266,519</u> | <u>1,177,287</u> |
| EXPENDITURES | | |
| General and administrative - Schedule 1 | 961,921 | 557,518 |
| Golden Raven Program - Schedule 2 | 97,798 | 107,669 |
| Northern Lights Festival - Schedule 3 | <u>15,254</u> | <u>14,736</u> |
| | <u>1,074,973</u> | <u>679,923</u> |
| EXCESS OF REVENUE OVER EXPENDITURES | <u>\$ 191,546</u> | <u>\$ 497,364</u> |

**TOURISM PRINCE GEORGE SOCIETY
STATEMENTS OF FINANCIAL POSITION**

as at December 31, 2011 and 2010 and 2010; January 14, 2010

| | 2011 | 2010 (restated) | January 14, 2010 |
|---|-------------------|--------------------|---------------------|
| ASSETS | | | |
| CURRENT ASSETS | | | |
| Cash | \$ 133,190 | \$ 355,613 | \$ - |
| Restricted investments | 353,352 | - | - |
| Accounts receivable | 328,523 | 238,833 | - |
| Inventory | 5,684 | 6,020 | - |
| Prepaid expenses | <u>29,694</u> | <u>11,426</u> | <u>-</u> |
| | 850,443 | 611,892 | - |
| CAPITAL ASSETS (Note 5) | 52,422 | - | - |
| EQUIPMENT UNDER CAPITAL LEASE (Note 6) | | | |
| | <u>72,000</u> | <u>90,000</u> | <u>-</u> |
| | <u>\$ 974,865</u> | <u>\$ 701,892</u> | <u>\$ -</u> |

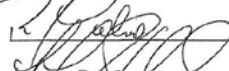
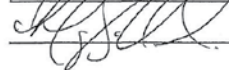
| | Invested in Capital Assets | Internally Restricted | Unrestricted | 2011 Total | 2010 Total |
|---|-------------------------------|--------------------------|-------------------|-------------------|-------------------|
| BALANCE, BEGINNING OF PERIOD | \$ 10,000 | \$ - | \$ 487,364 | \$ 497,364 | \$ - |
| EXCESS OF REVENUE OVER EXPENDITURES | (26,612) | 3,352 | 214,806 | 191,546 | 497,364 |
| INVESTMENT IN CAPITAL ASSETS (Note 10) | 81,034 | - | (81,034) | - | - |
| INTERNALLY RESTRICTED (Note 11) | - | 350,000 | (350,000) | - | - |
| BALANCE, END OF PERIOD | <u>\$ 64,422</u> | <u>\$ 353,352</u> | <u>\$ 271,136</u> | <u>\$ 688,910</u> | <u>\$ 497,364</u> |

**TOURISM PRINCE GEORGE SOCIETY
STATEMENTS OF FINANCIAL POSITION**
as at December 31, 2011 and 2010 and 2010; January 14, 2010

FILE COPY

| | 2011 | 2010 (restated) | January 14, 2010 |
|--|-------------------|--------------------|---------------------|
| LIABILITIES | | | |
| CURRENT LIABILITIES | | | |
| Accounts payable and accrued liabilities (Note 7) | \$ 182,050 | \$ 100,878 | \$ - |
| Deferred revenue | 43,905 | 23,650 | - |
| Current portion of obligation under capital lease (Note 8) | <u>20,000</u> | <u>20,000</u> | <u>-</u> |
| | 245,955 | 144,528 | - |
| OBLIGATION UNDER CAPITAL LEASE (Note 8) | | | |
| | <u>40,000</u> | <u>60,000</u> | <u>-</u> |
| | <u>285,955</u> | <u>204,528</u> | <u>-</u> |
| NET ASSETS | | | |
| INVESTED IN CAPITAL ASSETS (Note 10) | 64,422 | 10,000 | - |
| INTERNALLY RESTRICTED (Note 11) | 353,352 | - | - |
| UNRESTRICTED | <u>271,136</u> | <u>487,364</u> | <u>-</u> |
| | <u>688,910</u> | <u>497,364</u> | <u>-</u> |
| | <u>\$ 974,865</u> | <u>\$ 701,892</u> | <u>\$ -</u> |

APPROVED BY THE BOARD:

 DIRECTOR
 DIRECTOR

**TOURISM PRINCE GEORGE SOCIETY
STATEMENTS OF CASH FLOWS**
for the years ended December 31, 2011 and 2010 and 2010

| | 2011 | 2010 |
|---|--------------------------|--------------------------|
| NET INFLOW (OUTFLOW) OF CASH FROM: | | |
| OPERATING ACTIVITIES | | |
| Excess of revenue over expenditures | \$ 191,546 | \$ 497,364 |
| Amortization not affecting cash | <u>26,612</u> | <u>10,000</u> |
| | 218,158 | 507,364 |
| Changes in non-cash operating working capital items | | |
| Accounts receivable | (89,690) | (187,187) |
| Inventory | 336 | (6,020) |
| Prepaid expenses | (18,268) | (11,426) |
| Accounts payable and accrued liabilities | 81,172 | 49,232 |
| Deferred revenue | <u>20,255</u> | <u>23,650</u> |
| | <u>211,963</u> | <u>375,613</u> |
| FINANCING ACTIVITY | | |
| Repayment of obligation under capital lease | <u>(20,000)</u> | <u>(20,000)</u> |
| INVESTING ACTIVITY | | |
| Acquisition of capital assets | <u>(61,034)</u> | <u>-</u> |
| NET CASH AND CASH EQUIVALENTS INFLOW | \$ 130,929 | 355,613 |
| CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR | <u>355,613</u> | <u>-</u> |
| CASH AND CASH EQUIVALENTS, END OF YEAR (Note 12) | <u>\$ 486,542</u> | <u>\$ 355,613</u> |

**TOURISM PRINCE GEORGE SOCIETY
NOTES TO THE FINANCIAL STATEMENTS**

 for the years ended December 31, 2011 and 2010 and 2010

1. PURPOSE OF THE SOCIETY

The purpose of the Tourism Prince George Society (the "Society") is to promote and market tourism in the Prince George area. The Society evaluates, develops and implements marketing programs on behalf of various industry stakeholders. The Society is also responsible for visitor services activities within the Prince George area. The Society is incorporated under the Society Act (British Columbia) and is a non-profit organization pursuant to Section 149(1)(l) of the Income Tax Act.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

Revenue recognition

The Society follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenditures are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably ensured. Advertising revenue is recognized as revenue to the extent received or receivable. Advertising revenue received in advance for the following year is recorded as deferred revenue.

Restricted investments

Restricted investments are valued at fair value and consist of short-term GIC's. Any change in fair value is recognized in excess of revenue over expenditures for the year.

Inventory

Inventory is stated at the lower of cost and net realizable value. Cost is determined on a first-in, first-out basis.

Capital assets

Capital assets are recorded at cost and are amortized using the diminishing-balance method at the following annual rates:

| | |
|------------------------|-----|
| Computer equipment | 55% |
| Furniture and fixtures | 20% |
| Motor vehicles | 30% |

**TOURISM PRINCE GEORGE SOCIETY
NOTES TO THE FINANCIAL STATEMENTS**

 years ended December 31, 2011 and 2010 and 2010

2. SIGNIFICANT ACCOUNTING POLICIES (continued)
Equipment under capital lease

Equipment taken on lease terms which transfer substantially all of the benefits and risks of ownership to the Society are accounted for as "capital leases", as though an asset had been purchased and a liability incurred. Amortization is computed using the diminishing-balance method at the following annual rate:

| | |
|------------------------|-----|
| Furniture and fixtures | 20% |
|------------------------|-----|

Contributed services

Volunteers contribute their time to assist the Society in carrying out its service delivery activities. Because of the difficulty of determining their fair market value, contributed services are not recognized in the financial statements.

Statements of cash flows

The statements of cash flows are prepared using the indirect method. Under this method, excess of revenue over expenditures is adjusted for the effect of non-cash items, changes during the period in operating items, other deferrals or accruals of past or future operating receipts or payments, and revenues, expenditures, gains or losses associated with investing or financing cash flows. The Society considers currency on hand, demand deposits with financial institutions and all highly liquid investments purchased with a maturity of three months or less to be cash and cash equivalents.

Use of estimates

The preparation of the financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to use estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. By their nature, these amounts are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant.

**TOURISM PRINCE GEORGE SOCIETY
NOTES TO THE FINANCIAL STATEMENTS**
years ended December 31, 2011 and 2010 and 2010

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments

Measurement

The Society initially measures its financial assets and liabilities at fair value. The Society subsequently measures its financial assets and liabilities at amortized cost or fair value. Financial assets measured at fair value are cash and restricted investments. Financial assets measured at amortized cost are accounts receivable. Financial liability measured at amortized cost is accounts payable and accrued liabilities.

Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in excess of revenue over expenditures. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting allowance accounts, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in excess of revenue over expenditures.

3. FIRST TIME ADOPTION OF ACCOUNTING STANDARDS FOR NOT-FOR-PROFIT ORGANIZATIONS

The Society has applied Part III of the Canadian Institute of Chartered Accountants Accounting Handbook "accounting standards for not-for-profit organizations" as its basis of Canadian generally accepted accounting principles.

These financial statements are the first financial statements for which the Society has applied accounting standards for not-for-profit organizations. The financial statements for the years ended December 31, 2011 and 2010 were prepared in accordance with the standards and provisions set out in First-time adoption by not-for-profit organizations, Section 1501, for the first-time adopters of this basis of accounting. There was no material impact related to adopting these standards and as such, there was no material effect on net assets, assets, liabilities, excess of revenue over expenditures, cash flows and comparative figures.

**TOURISM PRINCE GEORGE SOCIETY
NOTES TO THE FINANCIAL STATEMENTS**
years ended December 31, 2011 and 2010 and 2010

4. RESTRICTED INVESTMENTS

| | 2011 | 2010 | As at January 14, 2010 |
|------------------------|-------------------|-------------|------------------------------|
| Domestic term deposits | <u>\$ 353,352</u> | <u>\$ -</u> | <u>\$ -</u> |

Domestic term deposits at December 31, 2011 include guaranteed investment certificates held at a rate of 1.20% and valued at fair value. Maturity dates vary between January 28, 2012 and February 12, 2012. These investments are internally restricted by the Board of Directors.

5. CAPITAL ASSETS

| | 2011 | | 2010 | As at January 14, 2010 |
|------------------------|---------------------|------------------------|------------------------|------------------------------|
| | Accumulated Cost | Net Carrying Amount | Net Carrying Amount | Net Carrying Amount |
| Computer equipment | \$ 6,513 | \$ 1,791 | \$ 4,722 | \$ - |
| Furniture and fixtures | 10,999 | 293 | 10,706 | - |
| Motor vehicles | <u>43,522</u> | <u>6,528</u> | <u>36,994</u> | <u>-</u> |
| | <u>\$ 61,034</u> | <u>\$ 8,612</u> | <u>\$ 52,422</u> | <u>\$ -</u> |

Included in furniture and fixtures is \$8,069 (December 31, 2010 - \$Nil) which has not been amortized as those assets are not available for use.

6. EQUIPMENT UNDER CAPITAL LEASE

| | 2011 | | 2010 | 2010 |
|------------------------|---------------------|------------------------|------------------------|------------------------|
| | Accumulated Cost | Net Carrying Amount | Net Carrying Amount | Net Carrying Amount |
| Furniture and fixtures | <u>\$ 100,000</u> | <u>\$ 28,000</u> | <u>\$ 72,000</u> | <u>\$ 90,000</u> |

Included in amortization expense is \$18,000 related to equipment under capital lease.



TOURISM PRINCE GEORGE SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
 years ended December 31, 2011 and 2010 and 2010

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

| | 2011 | 2010 (restated) | As at January 14, 2010 |
|--|-------------------|--------------------|------------------------------|
| Trade payables and accrued liabilities | \$ 115,427 | \$ 42,002 | \$ - |
| Sales tax | 59,439 | 51,646 | - |
| Payroll and withholding taxes | <u>7,184</u> | <u>7,229</u> | - |
| | <u>\$ 182,050</u> | <u>\$ 100,877</u> | <u>\$ -</u> |

8. OBLIGATION UNDER CAPITAL LEASE

Future minimum lease payments under the non-interest bearing capital lease expiring December 2014, together with the balance of the obligation are:

| | |
|-----------------|------------------|
| 2012 | \$ 20,000 |
| 2013 | 20,000 |
| 2014 | <u>20,000</u> |
| | 60,000 |
| Current portion | <u>20,000</u> |
| | <u>\$ 40,000</u> |

9. COMMITMENTS

a) The Society has entered into an operating lease commitment for office equipment which expires July 2015. The minimum lease payments in each of the next four years are:

| | |
|------|----------|
| 2012 | \$ 1,800 |
| 2013 | 1,800 |
| 2014 | 1,800 |
| 2015 | 1,050 |

TOURISM PRINCE GEORGE SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
 years ended December 31, 2011 and 2010 and 2010

9. COMMITMENTS (continued)

b) The Society has entered into an agreement for the lease of their premises including repairs and maintenance and use of signs expiring December 31, 2014. The Society has also entered into an ongoing agreement for the provision of administrative and information technology services for an annual fee of \$14,000. The minimum lease and administrative and information technology payments in each of the next five years are:

| | |
|------|-----------|
| 2012 | \$ 21,594 |
| 2013 | 21,594 |
| 2014 | 21,594 |
| 2015 | 14,000 |
| 2016 | 14,000 |

c) The Society has entered into an agreement for web hosting services which expires July 2014. The minimum lease payments, payable annually in advance in American dollars, in each of the next two years are:

| | |
|------|-----------|
| 2012 | \$ 10,000 |
| 2013 | 10,000 |

10. NET ASSETS INVESTED IN CAPITAL ASSETS

Net assets invested in capital assets is calculated as follows:

| | 2011 | 2010 | As at January 14, 2010 |
|--|------------------|------------------|------------------------------|
| Property, plant and equipment (Note 5) | \$ 52,422 | \$ - | \$ - |
| Equipment under capital lease (Note 6) | <u>\$ 72,000</u> | <u>\$ 90,000</u> | <u>\$ -</u> |
| | <u>124,422</u> | <u>90,000</u> | <u>-</u> |
| Financed by: | | | |
| Current portion of obligation under capital lease (Note 8) | 20,000 | 20,000 | - |
| Obligation under capital lease (Note 8) | <u>40,000</u> | <u>60,000</u> | <u>-</u> |
| | <u>60,000</u> | <u>80,000</u> | <u>-</u> |
| | <u>\$ 64,422</u> | <u>\$ 10,000</u> | <u>\$ -</u> |

**TOURISM PRINCE GEORGE SOCIETY
NOTES TO THE FINANCIAL STATEMENTS**
years ended December 31, 2011 and 2010 and 2010

10. NET ASSETS INVESTED IN CAPITAL ASSETS (continued)

The change in net assets invested in capital assets is calculated as follows:

| | 2011 | 2010 | As at January 14, 2010 |
|---|------------------|------------------|------------------------------|
| Deficiency of revenue over expenditures: | | | |
| Amortization of property, plant and equipment | \$ (8,612) | \$ - | \$ - |
| Amortization of equipment under capital lease | <u>(18,000)</u> | <u>(10,000)</u> | <u>-</u> |
| | <u>(26,612)</u> | <u>(10,000)</u> | <u>-</u> |
| Investment in capital assets: | | | |
| Purchase of property, plant and equipment | 61,034 | - | - |
| Repayment of obligation under capital lease | <u>20,000</u> | <u>20,000</u> | <u>-</u> |
| | <u>81,034</u> | <u>20,000</u> | <u>-</u> |
| | <u>\$ 54,422</u> | <u>\$ 10,000</u> | <u>\$ -</u> |

11. INTERNALLY RESTRICTED NET ASSETS

In the current year, the Society's Board of Directors internally restricted these funds to be used for capital investment and business development purposes. These internally restricted amounts are not available for other purposes without approval of the Board of Directors. The funds are maintained in a separate investment account, and are shown as restricted investments in the statement of financial position.

**TOURISM PRINCE GEORGE SOCIETY
NOTES TO THE FINANCIAL STATEMENTS**
years ended December 31, 2011 and 2010 and 2010

12. SUPPLEMENTAL CASH FLOWS INFORMATION

| | 2011 | 2010 |
|--|-------------------|-------------------|
| a) Cash and cash equivalents consist of: | | |
| Cash | \$ 133,190 | \$ 355,613 |
| Restricted investments | <u>353,352</u> | <u>-</u> |
| | <u>\$ 486,542</u> | <u>\$ 355,613</u> |
| b) Non-cash financing and investing activity | | |
| Acquisition of equipment under capital lease financed with obligation under capital lease | \$ - | \$ 100,000 |

13. ACCOUNTING CORRECTION

Effective January 14, 2010, the Society was to be charging and remitting HST on the City of Prince George - Additional Hotel Room Tax revenue received. The collection and remittance of the HST has been calculated and applied retroactively with restatement of prior periods. The effect of the accounting correction on the financial statements as at December 31, 2010 was to increase the following items:

| | |
|------------------------------|-----------|
| Accounts receivable | \$ 61,239 |
| Accounts payable - sales tax | 61,239 |

14. ECONOMIC DEPENDENCE

The Society is dependent upon the provision of funding from the City of Prince George as it is a major source of revenue.

TOURISM PRINCE GEORGE SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
years ended December 31, 2011 and 2010 and 2010

15. FINANCIAL INSTRUMENTS

a) Credit risk

The Society provides credit on a selective basis and has carried out specific procedures to minimize the risk. The majority of the receivables are from government bodies. Credit risk is considered to be nominal.

b) Interest rate risk

Interest rate risk is the risk that the value of the Society's assets and liabilities can change due to a change in interest rates. The Society considers interest rate risk related to cash and cash equivalents to be low because of their short-term nature.

c) Foreign exchange risk

The Society's has few transactions denominated in foreign currencies and is not exposed to financial risk related to change in foreign exchange rates and the degree of volatility of these rates.

16. COMPARATIVE FIGURES

Certain of the comparative figures have been reclassified to conform to the current year's presentation.

TOURISM PRINCE GEORGE SOCIETY
GENERAL AND ADMINISTRATIVE
for the years ended December 31, 2011 and 2010 and 2010

SCHEDULE 1

| | 2011 | 2010 |
|---------------------------------------|-------------------|-------------------|
| Advertising and promotion | \$ 132,601 | \$ 43,758 |
| Amortization | 26,612 | 10,000 |
| Board expenses | 7,858 | 13,473 |
| Computer and IT services | 7,165 | 8,609 |
| Consulting fees | 17,827 | - |
| Insurance | 5,355 | 2,246 |
| Janitorial | 5,303 | 6,140 |
| Memberships | - | 2,232 |
| Office and postage | 22,719 | 27,767 |
| Professional fees | 36,331 | 23,016 |
| Publications | 99,587 | 79,022 |
| Purchases | 5,782 | 4,664 |
| Rent | 34,803 | 35,331 |
| Repairs and maintenance | 55,335 | 37,132 |
| Training and professional development | 70,768 | 5,108 |
| Travel and conventions | 69,616 | 17,262 |
| Telephone | 10,979 | 6,184 |
| Vehicle and parking | 2,505 | 1,106 |
| Visitor counsellors and consulting | 75,462 | 84,983 |
| Wages and benefits | 232,599 | 137,503 |
| Website and marketing | 42,714 | 11,982 |
| | <u>\$ 961,921</u> | <u>\$ 557,518</u> |

**TOURISM PRINCE GEORGE SOCIETY
GOLDEN RAVEN PROGRAM**

SCHEDULE 2

for the years ended December 31, 2011 and 2010 and 2010

| | 2011 | 2010 |
|--|-------------------|-------------------|
| REVENUE | | |
| Regional District of Fraser-Fort George | <u>\$ 100,000</u> | <u>\$ 110,000</u> |
| EXPENDITURES | | |
| Advertising and promotion | 67,798 | 77,669 |
| Wages and benefits | <u>30,000</u> | <u>30,000</u> |
| | <u>97,798</u> | <u>107,669</u> |
| EXCESS OF REVENUE OVER EXPENDITURES | <u>\$ 2,202</u> | <u>\$ 2,331</u> |

**TOURISM PRINCE GEORGE SOCIETY
NORTHERN LIGHTS FESTIVAL**

SCHEDULE 3

for the years ended December 31, 2011 and 2010 and 2010

| | 2011 | 2010 |
|--|------------------|------------------|
| REVENUE | | |
| Donations and admissions | <u>\$ 26,191</u> | <u>\$ 42,091</u> |
| EXPENDITURES | | |
| Advertising and promotion | 4,231 | 6,000 |
| Events | 5,198 | 2,700 |
| Security | 5,325 | 5,059 |
| Seniors' tea | <u>500</u> | <u>977</u> |
| | <u>15,254</u> | <u>14,736</u> |
| EXCESS OF REVENUE OVER EXPENDITURES | <u>\$ 10,937</u> | <u>\$ 27,355</u> |



APPENDIX D

Financial statements of

Prince George Public Library

December 31, 2011
(Audited)



Deloitte & Touche LLP
500 - 209 Victoria Street
Prince George BC V2L 5B8
Canada
Tel: 250-564-1111
Fax: 250-562-4950
www.deloitte.ca

Independent Auditor's Report

To the Board of Trustees of the
Prince George Public Library

We have audited the accompanying financial statements of Prince George Public Library which comprise the statement of financial position as at December 31, 2011, and the statements of operations, accumulated surplus, changes in net financial debt and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

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

Auditor's responsibility

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

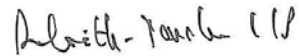
In our opinion, the financial statements present fairly, in all material respects, the financial position of Prince George Public Library as at December 31, 2011 and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Membre de / Member of Deloitte Touche Tohmatsu

Prince George Public Library
Date
Page 2

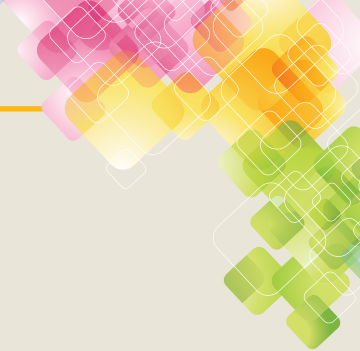
Other Matter

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The current year's supplementary information, including Schedules 1 and 2, has been presented for purpose of additional analysis. The supplementary information has been subjected to the auditing procedures applied in the audit of financial statements and, in our opinion, this supplementary information is presented fairly, in all material respects, in relation to the financial statements taken as a whole.



Chartered Accountants

Prince George, British Columbia
April 25, 2012



PRINCE GEORGE PUBLIC LIBRARY
STATEMENT OF OPERATIONS
year ended December 31, 2011

| | 2 0 1 1 Budget (Unaudited) | 2 0 1 1 Actual | 2 0 1 0 Actual |
|---|----------------------------------|--------------------|--------------------|
| Revenue | | | |
| Grants | | | |
| Municipal Funding Sources | \$ 3,621,890 | \$ 3,621,890 | \$ 3,545,250 |
| Provincial Funding Sources | | | |
| Resource sharing grant | 8,000 | 10,072 | 15,980 |
| Per capita grant | 212,917 | 211,167 | 200,917 |
| Fundraising - Schedule 2 | - | 160,081 | 35,849 |
| Internally Generated Sources (Note 5) | 154,900 | 170,096 | 150,350 |
| | <u>3,997,707</u> | <u>4,173,306</u> | <u>3,948,346</u> |
| Expenses | | | |
| Acquisitions | 18,950 | 14,542 | 19,960 |
| Amortization - Schedule 1 | - | 405,413 | 406,170 |
| Circulation | 1,900 | 4,907 | 1,702 |
| Fundraising - Schedule 2 | - | 160,081 | 35,849 |
| General and administrative | 680,989 | 684,048 | 694,826 |
| Materials | 197,599 | 161,620 | 206,180 |
| Program delivery | 2,695,390 | 2,693,589 | 2,564,491 |
| Repairs and maintenance | 87,660 | 94,765 | 98,424 |
| Stationery and supplies | 9,100 | 6,342 | 8,703 |
| | <u>3,691,588</u> | <u>4,225,307</u> | <u>4,036,305</u> |
| Other expense | | | |
| Loss on disposal of tangible capital assets | - | 33,292 | - |
| | <u>3,691,588</u> | <u>4,258,599</u> | <u>4,036,305</u> |
| ANNUAL (DEFICIT) SURPLUS | <u>\$ 306,119</u> | <u>\$ (85,293)</u> | <u>\$ (87,959)</u> |


**PRINCE GEORGE PUBLIC LIBRARY
STATEMENT OF FINANCIAL POSITION
as at December 31, 2011**

| | 2011 | 2010 |
|---|---------------------|---------------------|
| FINANCIAL ASSETS | | |
| Cash and temporary investments (Note 3) | \$ 784,186 | \$ 669,910 |
| Accounts receivable | 30,591 | 15,077 |
| | <u>814,777</u> | <u>684,987</u> |
| LIABILITIES | | |
| Due to the City of Prince George (Note 4) | 251,499 | 142,250 |
| Accounts payable and accrued liabilities | 84,226 | 63,914 |
| Vacation and sick time payable | 92,022 | 84,610 |
| Deferred contributions - Schedule 2 | 402,218 | 423,321 |
| | <u>829,965</u> | <u>714,095</u> |
| NET FINANCIAL DEBT | (15,188) | (29,108) |
| NON-FINANCIAL ASSETS | | |
| Prepaid expense | 24,552 | 31,408 |
| Tangible capital assets - Schedule 1 | 1,429,254 | 1,487,932 |
| | <u>1,453,806</u> | <u>1,519,340</u> |
| ACCUMULATED SURPLUS | \$ 1,438,618 | \$ 1,490,232 |

COMMITMENTS (Note 7)

CONTINGENCIES (Note 8)

APPROVED BY THE BOARD

 Chairperson
 Secretary

PRINCE GEORGE PUBLIC LIBRARY
STATEMENT OF ACCUMULATED SURPLUS
 year ended December 31, 2011

| | | Invested in Capital Assets | Unrestricted | 2011 | 2010 |
|--|----|----------------------------------|--------------|--------------|--------------|
| Balance, beginning of year | \$ | 1,487,932 | \$ 2,300 | \$ 1,490,232 | \$ 1,573,379 |
| Annual (deficit) surplus | | - | (85,293) | (85,293) | (87,959) |
| Capital asset additions | | | | | |
| Funded by deferred contributions | | 33,679 | - | 33,679 | 4,812 |
| Funded by operations | | 346,348 | (346,348) | - | - |
| Loss and disposal of tangible capital assets | | (33,292) | 33,292 | - | - |
| Amortization of tangible capital assets | | (405,413) | 405,413 | - | - |
| Balance, end of year | \$ | 1,429,254 | \$ 9,364 | \$ 1,438,618 | \$ 1,490,232 |

PRINCE GEORGE PUBLIC LIBRARY
STATEMENT OF CHANGES IN NET FINANCIAL DEBT
 year ended December 31, 2011

| | 2 0 1 1 | 2 0 1 0 |
|--|--------------------|--------------------|
| ANNUAL DEFICIT | \$ (85,293) | \$ (87,959) |
| Acquisition of tangible capital assets | (346,348) | (317,548) |
| Loss on disposal of tangible capital assets | 33,292 | - |
| Amortization of tangible capital assets | 405,413 | 406,170 |
| Use of prepaid expenses | 6,856 | (28,966) |
| | <u>13,920</u> | <u>(28,303)</u> |
| NET FINANCIAL DEBT, BEGINNING OF YEAR | (29,108) | (805) |
| NET FINANCIAL DEBT, END OF YEAR | \$ (15,188) | \$ (29,108) |



PRINCE GEORGE PUBLIC LIBRARY
STATEMENT OF CASH FLOWS
year ended December 31, 2011

| | 2 0 1 1 | 2 0 1 0 |
|---|-------------------|-------------------|
| OPERATING TRANSACTIONS | | |
| Annual deficit | \$ (85,293) | \$ (87,959) |
| Items not affecting cash | | |
| Amortization | 405,413 | 406,170 |
| Loss on disposal of tangible capital assets | 33,292 | - |
| | <u>353,412</u> | <u>318,211</u> |
| Changes in non-cash assets and liabilities | | |
| (Increase) decrease in accounts receivable | (15,514) | 7,315 |
| Decrease (increase) in prepaid expenses | 6,856 | (28,966) |
| Increase in due to the City of Prince George | 109,249 | 106,281 |
| Increase (decrease) in accounts payable and accrued liabilities | 20,312 | (82,040) |
| Increase (decrease) in vacation and sick time payable | 7,412 | (21,276) |
| (Decrease) increase in deferred contributions | (21,103) | 49,205 |
| | <u>460,624</u> | <u>348,730</u> |
| CAPITAL TRANSACTIONS | | |
| Capital asset additions funded by operations | (346,348) | (317,548) |
| INVESTING TRANSACTIONS | | |
| Purchase of temporary investments | (458,215) | - |
| (DECREASE) INCREASE IN CASH | (343,939) | 31,182 |
| CASH, BEGINNING OF YEAR | 669,910 | 638,728 |
| CASH, END OF YEAR | \$ 325,971 | \$ 669,910 |

PRINCE GEORGE PUBLIC LIBRARY
NOTES TO THE FINANCIAL STATEMENTS
 year ended December 31, 2011

1. DESCRIPTION OF BUSINESS

The Prince George Public Library is established as a municipal public library under the Provincial Libraries Act to provide a resource centre for the City of Prince George and surrounding areas.

2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Library conform to Canadian generally accepted accounting principles for local governments established by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants, and include the following significant policies:

a) Temporary investments

Temporary investments are accounted for at the lower of cost and market value.

b) Capital expenditure and related debt

Land and buildings used for the Library are owned by, and recorded in the financial statements of the City of Prince George, together with any related long-term debt. The Library is committed to make annual payments to the City in respect of the financing costs of certain assets (see Note 7).

c) Tangible capital assets

The Library has established a threshold for each class of assets to determine what amount is to be capitalized. Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to the acquisition, construction, development or betterment of the asset. Donated assets are recorded at their estimated fair value upon acquisition. Amortization is provided using the straight-line method at the following annual rates:

| | |
|-------------------------|---------------|
| Building improvements | 15 years |
| Furniture | 10 – 20 years |
| Equipment | 5 – 15 years |
| Computer infrastructure | 3 – 10 years |
| Library Collection | 5 – 50 years |
| Other | 20 years |

Impairment of tangible capital assets

Tangible capital assets are tested for recoverability whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. The amount of the impairment loss is determined as the excess of the carrying value of the asset over its fair value.

d) Leases

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to the ownership or property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

PRINCE GEORGE PUBLIC LIBRARY
NOTES TO THE FINANCIAL STATEMENTS
 year ended December 31, 2011

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

e) Revenue recognition

Unrestricted sources of income are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated or collection is reasonably assured. Contributions restricted internally or by donors for specific purposes are deferred to the extent that they are unexpended at the year-end. When expenditures are made in subsequent years, related deferred contributions are amortized and recorded as revenue in the statement of revenue and expenditure.

f) Foreign currency

Expenses denominated in foreign currency are translated to Canadian dollars at exchange rates in effect at the time of transactions, and included in those expenses.

g) Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles for local governments requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period.

Significant areas requiring the use of management estimates relate to the determination of accrued sick benefits, accrued liabilities and contingencies. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known.

3. CASH AND TEMPORARY INVESTMENT

| | 2 0 1 1 | 2 0 1 0 |
|-----------------------|-------------------|-------------------|
| Cash | \$ 325,971 | \$ 669,910 |
| Temporary investments | 458,215 | - |
| | <u>\$ 784,186</u> | <u>\$ 669,910</u> |

Temporary investments are comprised of term deposits and investments with the Municipal Finance Authority.

Included in cash and temporary investments are the following restricted amounts that can only be expended in accordance with the terms established internally:

| | 2 0 1 1 | 2 0 1 0 |
|--------------------------------|-------------------|-------------------|
| Vacation and sick time payable | \$ 92,022 | \$ 84,610 |
| Deferred contributions | 402,218 | 423,321 |
| | <u>\$ 494,240</u> | <u>\$ 507,931</u> |

**PRINCE GEORGE PUBLIC LIBRARY
NOTES TO THE FINANCIAL STATEMENTS**
year ended December 31, 2011

4. DUE TO THE CITY OF PRINCE GEORGE

The Library was created by means of a by-law passed by the City of Prince George. The City of Prince George is therefore able to exercise significant influence over the Library by virtue of the Library's economic dependence on the City, and by representation on the Library's Board of Trustees.

The Library had the following transactions with the City of Prince George, recorded at exchange amounts:

| | 2 0 1 1 | 2 0 1 0 |
|-------------------------------|--------------|--------------|
| Operating grant received | \$ 3,621,890 | \$ 3,545,250 |
| Rent paid for facilities | 483,840 | 483,182 |
| 2008 Computer upgrade payment | 38,350 | 38,350 |

The City provides payroll processing and distribution services to the Library at no charge. Certain other expenditures made by the City to third parties on behalf of the Library are recovered from the Library at cost.

The amount due to the City of Prince George relates to payroll costs paid by the City on behalf of the Library, and rent and utilities for facilities paid to the City. The amounts are non-interest bearing and are repaid on normal trade terms.

5. INTERNALLY GENERATED SOURCES

| | 2 0 1 1 Budget | 2 0 1 1 Actual | 2 0 1 0 Actual |
|----------------------------|-------------------|-------------------|-------------------|
| Late charges | \$ 105,000 | \$ 119,214 | \$ 100,778 |
| Interest income | 4,000 | 4,945 | 939 |
| Lost and damaged materials | 25,000 | 25,067 | 23,935 |
| Miscellaneous | 16,400 | 16,277 | 19,545 |
| Photocopier | 4,500 | 4,593 | 5,153 |
| | <u>\$ 154,900</u> | <u>\$ 170,096</u> | <u>\$ 150,350</u> |

6. PRINCE GEORGE LIBRARY LEGACY FUND

The Library has previously entered into an agreement with the Prince George Community Foundation whereby funds will be transferred to the Foundation to be held and invested in a Prince George Library Legacy Fund, with the purpose of the Fund being to enhance the ability of the Library to deliver quality library services. The Library has a balance at December 31, 2011 of \$56,448 in the fund.

7. COMMITMENTS

The Library is committed to the City of Prince George in regard to financing costs incurred by the City to acquire certain major capital assets for the Library's use. These assets are recorded with related long-term debt by the City of Prince George in its capital fund. Annual payments to the City under the commitments are recorded as an operating expenditure in the year of payment. The Library committed in December 2006 to upgrade the Integrated Library System in 2008 with ten annual payments of \$38,350 commencing in 2009.

PRINCE GEORGE PUBLIC LIBRARY
NOTES TO THE FINANCIAL STATEMENTS
year ended December 31, 2011

8. CONTINGENCIES

The Library and its employees contribute to the Municipal Pension Plan (the Plan), a jointly trusted pension plan. The Board of Trustees, representing plan members and employers, is responsible for the management of the pension plan, including investment of the assets and administration of the benefits. The pension plan is a multi-employer contributory defined benefit pension plan. Basic pension benefits provided are defined. The Plan has about 163,000 active members and approximately 60,000 retired members. Active members include approximately 31,000 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, 2009 indicates a deficit of \$1,024 million for basic pension benefits. The next valuation will be as at December 31, 2012 with results available in 2013. The Library paid \$178,524 (2010 - \$157,614) for employer contributions to the Plan in fiscal 2011.

9. FINANCIAL INSTRUMENTS

Credit risk

The Library does not have a significant exposure to any individual or counterpart. As such, the concentrations of credit risk are considered minimal.

Fair value

Fair values of cash and temporary investments, accounts receivable, due to City of Prince George, accounts payable and accrued liabilities and vacation and sick time payable approximate their carrying values due to their short-term maturity.

10. CAPITAL MANAGEMENT

The Library does not have any externally imposed capital requirements.

PRINCE GEORGE PUBLIC LIBRARY
TANGIBLE CAPITAL ASSETS
 As at December 31, 2011

SCHEDULE 1

| | Work in Progress | Building | Furniture | Equipment | Computer Infrastructure | Library Collection | Other | Totals | |
|---|---------------------|----------|------------|------------|----------------------------|-----------------------|-----------|--------------|--------------|
| | | | | | | | | 2011 | 2010 |
| Cost | | | | | | | | | |
| Balance, beginning of the year | \$ - | 25,447 | \$ 635,260 | \$ 336,443 | \$ 519,617 | \$ 1,567,239 | \$ 12,368 | \$ 3,096,374 | \$ 3,058,807 |
| Add: | | | | | | | | | |
| Additions | 14,258 | - | 79,864 | 2,511 | 28,433 | 249,138 | 5,823 | 380,027 | 322,360 |
| Less: | | | | | | | | | |
| Disposals | - | - | 43,411 | 5,390 | 10,411 | 317,668 | - | 376,880 | 284,793 |
| Balance, end of year | 14,258 | 25,447 | 671,713 | 333,564 | 537,639 | 1,498,709 | 18,191 | 3,099,521 | 3,096,374 |
| Accumulated amortization | | | | | | | | | |
| Balance, beginning of the year | - | 16,116 | 427,846 | 155,324 | 244,861 | 760,589 | 3,706 | 1,608,442 | 1,487,065 |
| Add: | | | | | | | | | |
| Amortization | - | 1,696 | 19,274 | 33,498 | 63,580 | 286,378 | 987 | 405,413 | 406,170 |
| Accumulated amortization on disposals | - | - | 39,841 | 5,390 | 10,056 | 288,301 | - | 343,588 | 284,793 |
| Balance, end of year | - | 17,812 | 407,279 | 183,432 | 298,385 | 758,666 | 4,693 | 1,670,267 | 1,608,442 |
| Net carrying amount of Capital Assets | \$ 14,258 | 7,635 | \$ 264,434 | \$ 150,132 | \$ 239,254 | \$ 740,043 | \$ 13,498 | \$ 1,429,254 | \$ 1,487,932 |
| Net carrying amount of Capital Assets - 2010 | \$ - | 9,331 | \$ 207,414 | \$ 181,119 | \$ 274,756 | \$ 806,650 | \$ 8,662 | | |

PRINCE GEORGE PUBLIC LIBRARY
CHANGES IN DEFERRED CONTRIBUTIONS

year ended December 31, 2011

| | Deferred Contributions December 31, 2010 | Contributions Received During the year | Transfer to Operations | Expenditures During the Year | Deferred Contributions December 31, 2011 |
|-------------------------------|---|---|------------------------------|------------------------------------|---|
| Administration | \$ 4,851 | \$ 5,110 | \$ 9,961 | \$ - | \$ - |
| Author Readings | 90 | - | - | 90 | - |
| Beyond Hope Conference | 76 | 17,138 | (1,000) | 16,714 | 1,500 |
| Building Fund | 1,018 | 2,343 | 614 | 386 | 2,361 |
| Digitization | 35,582 | 21,000 | 9,346 | 44,522 | 2,714 |
| CLA Heritage Page | - | 2,316 | - | 2,274 | 42 |
| Friends of the Library | - | 6,039 | 5,822 | - | 217 |
| Growth and Trust | 176,943 | 3,076 | - | - | 180,019 |
| Industry Canada (CAP) | 31,207 | 14,661 | 45,868 | - | - |
| Knowledge Garden | 500 | 1,235 | - | 250 | 1,485 |
| Law Matters | - | 2,375 | 2,375 | - | - |
| Local History | 1,903 | 32 | - | 45 | 1,890 |
| Miscellaneous | - | 300 | - | 300 | - |
| Miscellaneous Other Donations | 56,612 | 3,696 | 16,000 | 2,500 | 41,808 |
| One Card | 59,206 | - | 59,206 | - | - |
| PLSB - Equity Grant | 3,123 | 4,500 | 2,163 | 960 | 4,500 |
| PLSB - Technology Grant | 33,000 | - | 33,000 | - | - |
| Public Art | 510 | 1,345 | - | 1,674 | 181 |
| Reading Without Rules | - | - | (2,163) | 2,053 | 110 |
| Skate for Literacy | 2,305 | - | 2,305 | - | - |
| Special Events | 15,874 | 81,021 | - | 84,273 | 12,622 |
| Success by Six | 521 | - | 521 | - | - |
| Summer Reading | - | 4,040 | - | 4,040 | - |
| SkyLab | - | 2,430 | (150,339) | - | 152,769 |
| | <u>\$ 423,321</u> | <u>\$ 172,657</u> | <u>\$ 33,679</u> | <u>\$ 160,081</u> | <u>\$ 402,218</u> |

City Hall



CITY OF
PRINCE GEORGE

www.princegeorge.ca

