CITY OF
PRINCE GEORGE

2012 ANNUAL REPORT

www.princegeorge.ca

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Message from the Mayor, Shari Green

I am pleased to present the 2012 Annual Report. As you review this report, you will see that the City of Prince George is continuing to contribute to the development of a community that is economically strong, healthy, and becoming more vibrant every day.

Early in 2012, after Council unanimously endorsed the Core Services Review project, it articulated the Case for Change which set the stage for the Core Services Review. The Core Services Review engaged staff and community members in a process to identify opportunities for change, from increasing revenues to reducing spending, and from improving efficiencies to introducing different ways of delivering services. We are committed to acting on the opportunities that have the best potential to achieve savings, and it is my personal desire to see much of those savings redirected to the repair and replacement of the City's infrastructure (water, sewer, roads and buildings).

Council's commitment to infrastructure management was also reflected in its adoption of the Asset Management Policy which provides the framework for the development of the City's Asset Management capability and supports Council in its decision to invest an unprecedented $5.4 million in the 2012 Road Rehabilitation Program. Increasing investment in road rehabilitation remains a Council priority.

Also underway in 2012 was the establishment of a self-funded Storm Water utility. This signals Council's continuing interest in ensuring that the City is financially sustainable with the revenue resources required to provide the services that citizens and businesses need.

There was also much to celebrate in 2012.

- The City was recognized for its work in climate protection having achieved milestones four and five of the Partners for Climate Protection Program.
- The all inclusive playground opened at Duchess Park and, together with a fenced dog park and a mini-bike park, is creating a welcoming environment for people of all ages and abilities.
- I had the privilege to lead a delegation to Jiangmen, China that resulted in the signing of a Memorandum of Understanding on Further Strengthening Friendly Cooperation between our two cities.
- The City joined with the Canada Winter Games Host Society to mark many milestone achievements on the path to 2015. Most notably was the recognition of the Lheidli T'enneh as the 2015 Canada Winter Games Host First Nation.

Amidst the celebrations, we experienced difficult events. The Lakeland Mills explosion and fire on April 23, 2012, affected so many people in the community. We remember those who lost their lives and wish speedy recoveries for those injured. One cannot help but recall the professionalism of the first responders and the tremendous outpouring of support for the families that were affected.

The spring freshet caused both the Nechako and Fraser Rivers to rise to levels not seen in many years. The resulting flooding had the City's Emergency Operations Centre activated and staff working long hours to ensure the security of infrastructure and citizens when a State of Local Emergency was declared on two occasions during the month of June.

We also acknowledge the departure of City Manager Derek Bates in 2012. I appreciated his leadership and guidance as Council established its strategic priorities. 2013 will bring more tough decisions, hard work and innovation to further address these priorities. I am therefore very pleased that Beth James, our new City Manager, is in place to help steward this important work. I invite and look forward to the continued participation of partners, citizens and staff as we action our collective goals in 2013.

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 very pleased to not only be welcoming the nation to Prince George and the region in 2015, but to have also the opportunity to promote and showcase our beautiful city leading up to this national event.

Population= 76,286

Area = 122 sq. miles (316 km^2)

Kilometres of paved roads = 580

Kilometres of gravel roads = 90

Kilometres of watermain = 546 km

Kilometres of sanitary main = 441 km

2012 Building permit value = $116,369,093

2012 Assessed value of land and buildings = $9,193,475,866

Annual snowfall = 199.0 cm total snow in 2012

Council Appointments

Mayor Shari Green

- Select Committee on a Core Services Review (Chair)
- Downtown Partnership (Chair)
- Northern Development Initiatives Trust Regional Board
- Standing Committee on Finance and Audit
- Regional District of Fraser-Fort George Board

Councillor Frank Everitt

- Select Committee on a Core Services Review
- Downtown Partnership
- Standing Committee on Intergovernmental Resolutions
- Beyond Homelessness

Councillor Garth Frizzell

- Federation of Canadian Municipalities Board Select
- Beyond Homelessness

Councillor Lyn Hall

- Standing Committee on Finance and Audit
- Select Committee on Prince George's 100th Anniversary

Councillor Albert Koehler

- Select Committee on a Core Services Review
- Downtown Partnership
- Standing Committee on Intergovernmental Resolutions
- Omineca Beetle Action Coalition Board

Councillor Murry Krause

- Beyond Homelessness (Chair)
- Union of BC Municipalities (Director at Large)
- Northern Health and Prince George Division of Family Practice Steering Committee
- Standing Committee on Finance and Audit
- Regional District of Fraser-Fort George Board
- Select Committee on Prince George's 100th Anniversary (Chair)

Councillor Brian Skakun

- Standing Committee on Intergovernmental Resolutions (Chair)

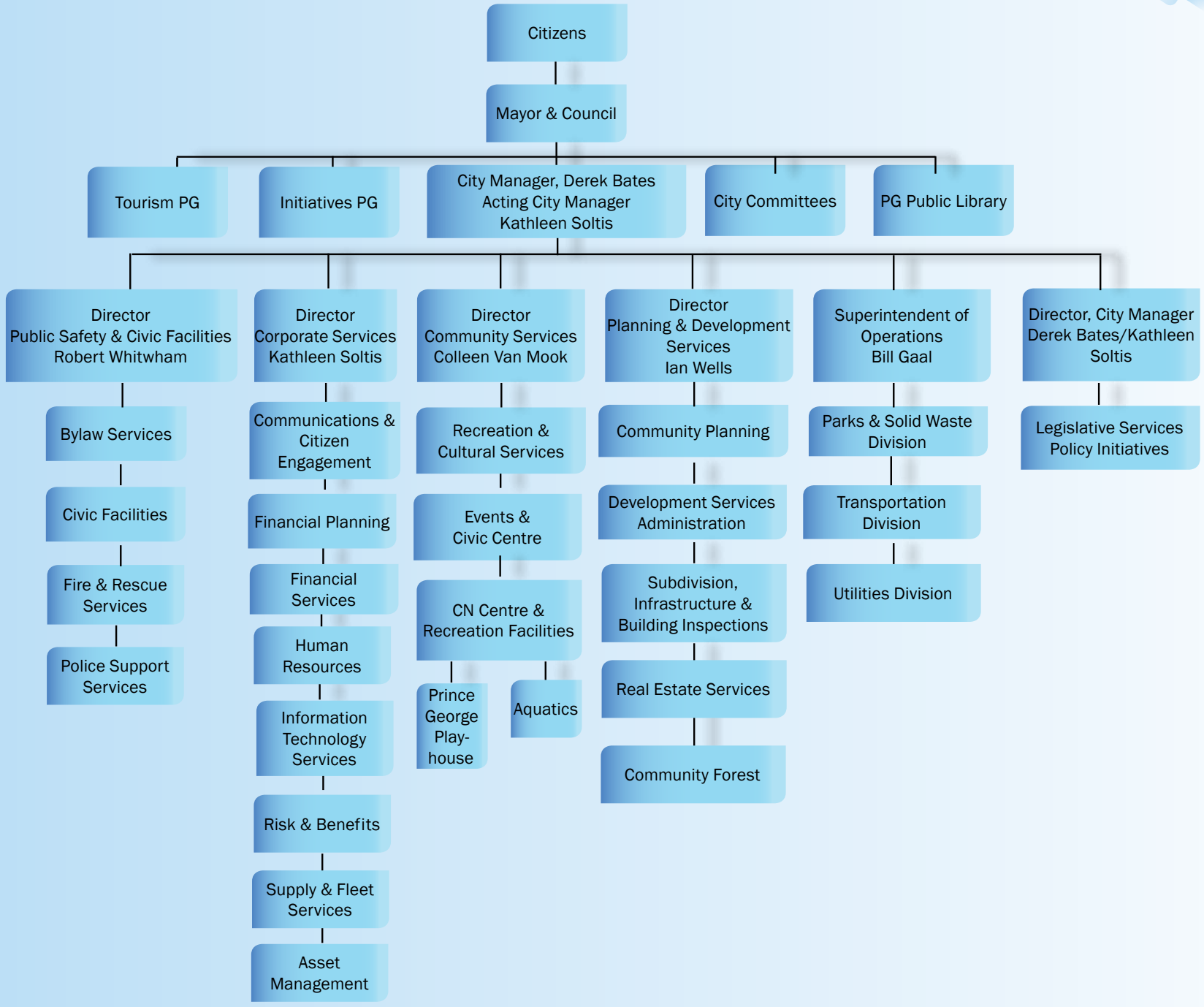
Councillor Cameron Stolz

- Standing Committee on Finance and Audit (Chair)
- Select Committee on a Core Services Review
- Prince George Treaty Advisory Committee
- Regional District of Fraser-Fort George Board

Councillor Dave Wilbur

- North Central Local Government Association (Director at Large)
- Prince George Public Library Board
- Regional District of Fraser-Fort George Board

2012 Organizational Structure



Officers & Officials 2012

Derek Bates, City Manager (Chief Administrative Officer)
Kathleen Soltis, Acting City Manager
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
Guy Gusdal, Manager of Bylaw Services
Greg Anderson, Manager of Civic Facilities

Ian Wells, Director of Planning and Development
Dan Adamson, Manager of Community Forests
Alan Clark, Manager of Subdivision and Infrastructure

Bill Gaal, Superintendent of Operations
Dave Bradshaw, Manager of Transportation
Dave Dyer, Manager of Utility Operations
Flavio Viola, Manager of Parks and Solid Waste

Kathleen Soltis, Director of Corporate Services (Financial Officer)
Frank Blues, Manager of Assets
Chris Bone, Manager of Communications and Citizen Engagement
Scott Bone, Manager of Supply and Fleet Services
Ray Borgia, Manager of Risk and Benefits
Kris Dalio, Manager, Financial Planning
Debra Deley, Manager, Financial Services
Rae-Ann Emery, Manager of Human Resources
Bill Johnson, Manager of Information Technology

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 Recreation Facilities

Celebrating Success 2012

Community Enhancement Grant Recipients

Opening of the Duchess Park All Inclusive Playground

Heritage Sign & Street Banner Unveiling

PG Axemen won the Gold Medal World Baseball Challenge

Bike to Work Week

International Students Barbeque

China Moon Cakes

Partners for Climate Protection

5 Local members celebrate 30 years of volunteering with Prince George Search and Rescue

Queen's Jubilee Medal Presentation to Manpreet Kaur Sidhu

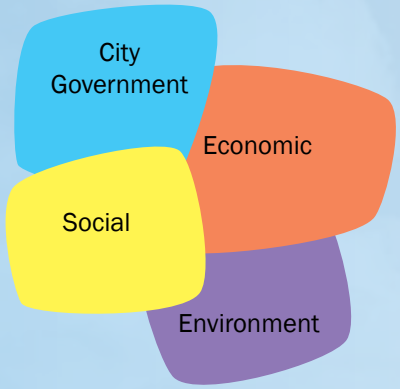
BC Leadership for Women

FortisBC Cheque for the Duchess Park Accessibility Playground

Signing Ceremony in Jiangmen, China

Civic Centre in Canadian Builders Quarterly

Youth of the Year, Gurbind Singh Deo



myPG Vision

The myPG Strategic Framework for a Sustainable Prince George, (www.princegeorge.ca/cityhall/Strategic-Framework) was developed from myPG, the City's integrated community sustainability plan completed in partnership with the University of Northern British Columbia and the support of residents and community partner organizations. The myPG social development, environment, economic development, and city government goals established by Council in partnership with the community form the basis of the myPG Framework and are the foundation for the Council's strategic direction through 2040.

City Government

Sustainable Infrastructure

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

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.

Organizational Excellence

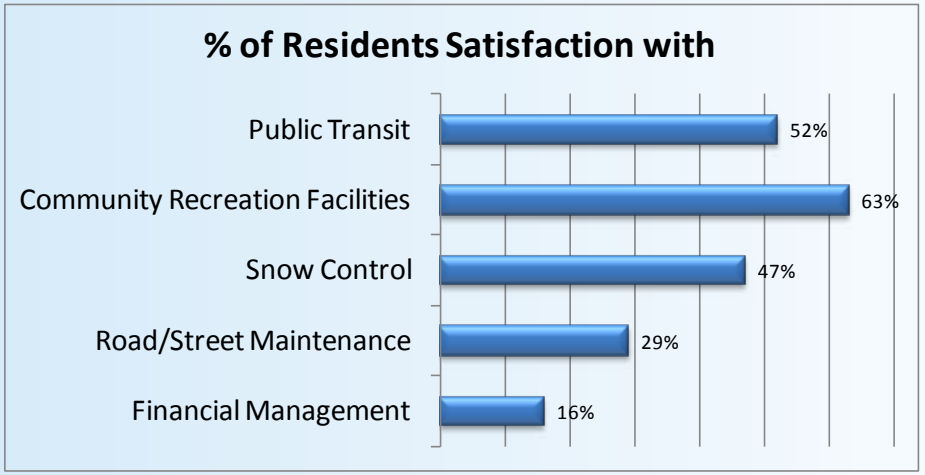
- The City's culture promotes a responsive, cost effective, people centred service organization that understands customer needs and strives to exceed the expectations of those it serves.

Healthy Workplace

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

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 governments.



Source: UNBC Institute for Social Research and Evaluation

Partners for Climate Protection Achievement

Economic Development

Diversified Economy

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

Vibrant Economy

- 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.

Employment Diversity and Accessibility

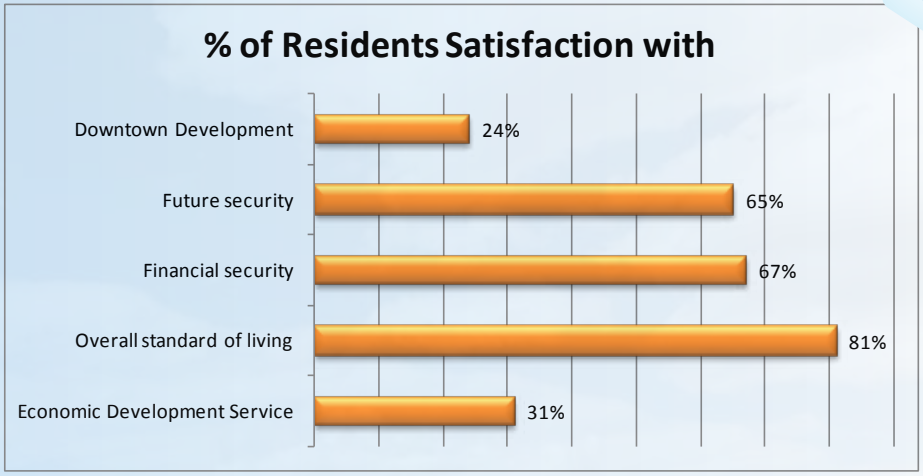
- Prince George is a city with many knowledge-based employment and investment opportunities that suit the diversity and aspirations of its residents, and offers a variety of research, training and educational programs to ensure residents can access these opportunities.

International Connections

- Prince George is a global city, with 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.

Sustainable Business

- Prince George is home to a highly competitive business climate that supports sustainable development within a region serviced by a vibrant urban city.



Source: UNBC Institute for Social Research and Evaluation

Social Development

Affordable, Accessible Housing

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

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.

Cultural Richness

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

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.

Health and Wellness

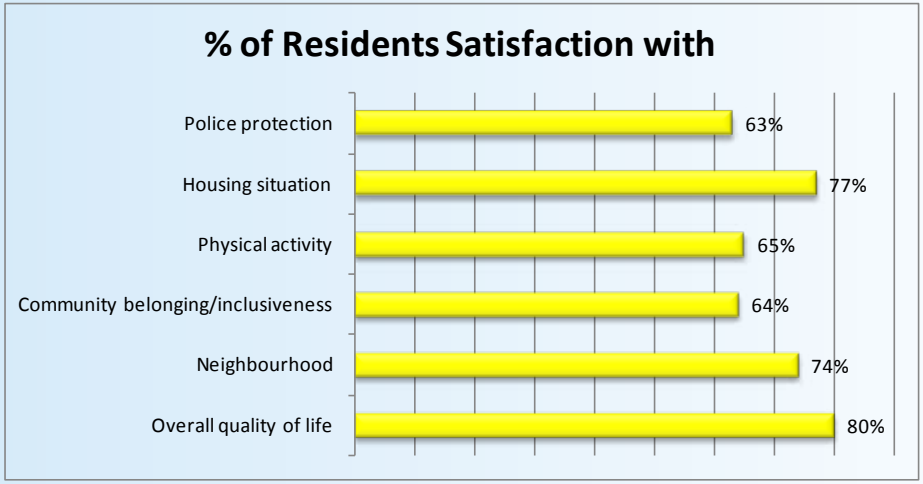
- Prince George is a community that encourages and supports health and wellness.

Safe Environment

- Prince George is a community where all citizens feel safe.

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.



Environment

Clean Air

- Citizens enjoy clear air.

Clean Water

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

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.

Green Energy

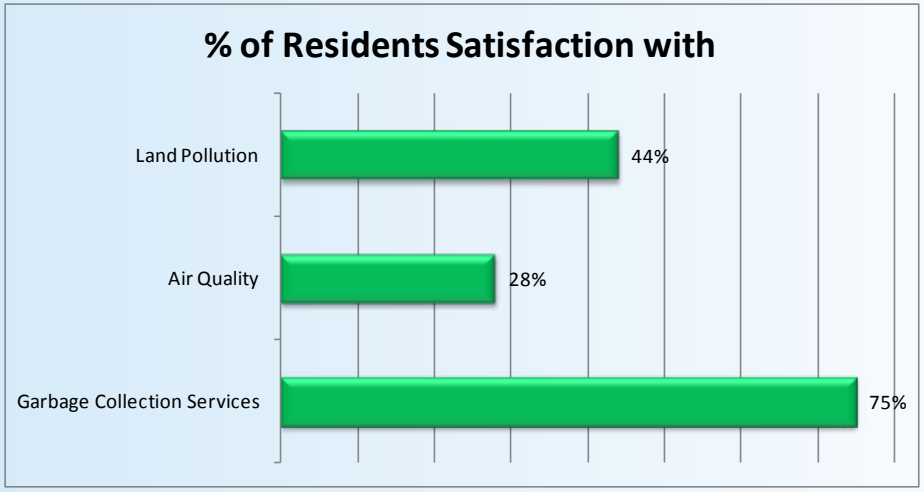
- Prince George is a leader in green energy.

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.

Reduced Waste

- Prince George has reduced solid waste production and landfilling.



Accomplishments in 2012 and 2012 - 2014 Council Priorities

City Government

Sustainable Fiscal Management/ Organizational Excellence

Core Services Review

The Case for Change

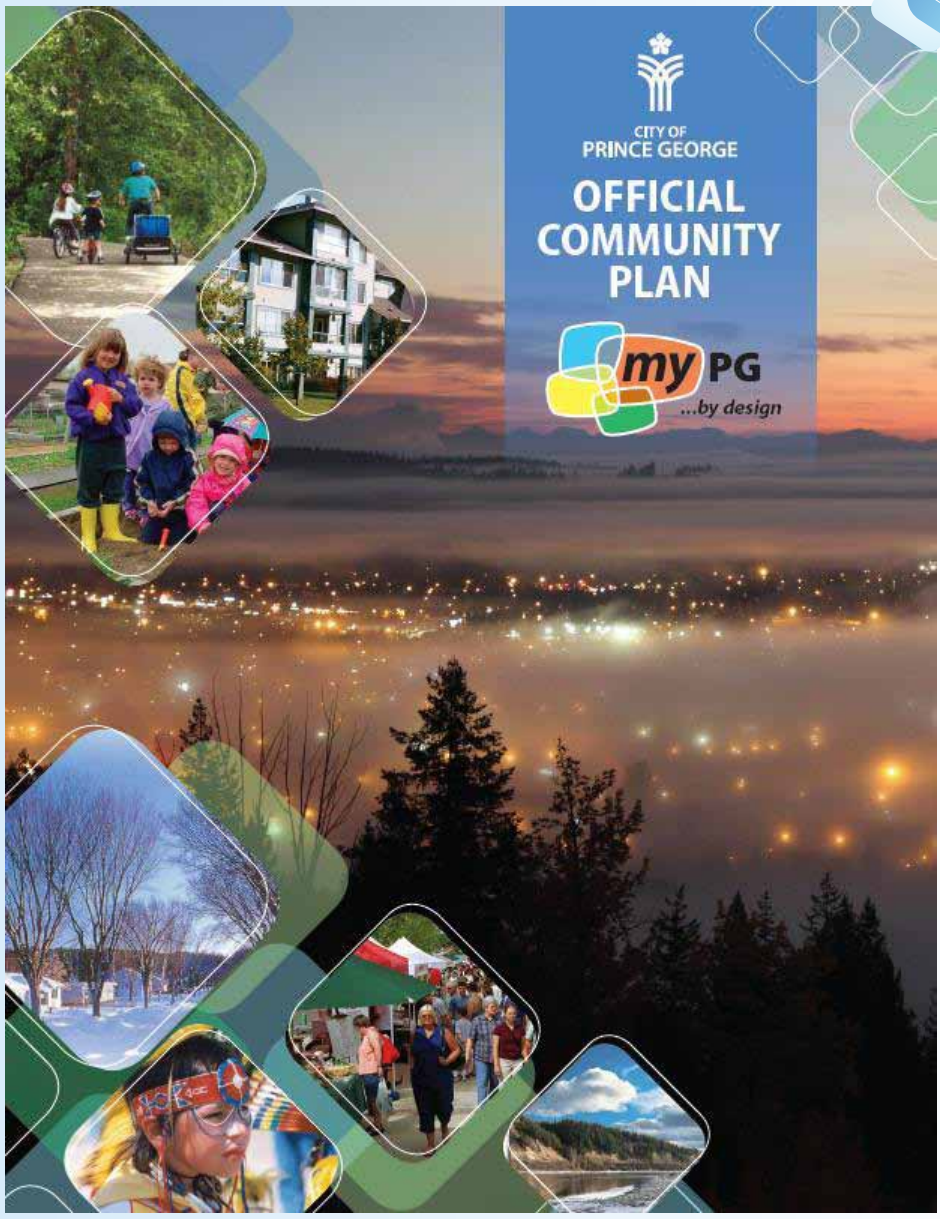
Like so many communities across Canada, this City's infrastructure (water, sewer, roads and buildings) is aging. We are not investing enough to repair and replace the City's infrastructure. A significant portion of the City's annual budget goes to paying principal and interest on the City's debt. City Council needs to determine what is affordable for this community. City Council is responsible to make certain the City is an efficient organization, providing the right services to our community and delivering the best value for money. We need to achieve savings where we can and redirect our spending to the priority services that need it most. We will also identify other potential sources of revenue and City Council will decide which necessary changes to implement. As a result, Council has initiated a Core Services Review. The Core Services Review 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.

The Core Services Review was carried out in an open way, with participation from all our staff, both management and unionized, the union executives, and from the community, learning from other cities and from our own experience.

In 2012, Council conducted a Core Services Review to examine the services provided by the City, including program and service mandates, opportunities for expense reduction, revenue diversification, including identification of new revenue streams, and operational efficiency. The Core Services Review project was conducted in consideration of Council's priorities, and recognizing the City's commitment as the host of the 2015 Canada Winter Games. Consultation with members of Council, City staff, CUPE and IAFF union executives and the community, along with analysis conducted by the Core Services Review consultant KPMG produced 193 suggested opportunities for change. Council considered 43 of the suggested opportunities for change in 2012, and will consider the remainder in 2013.

Official Community Plan Update

Update of the City's 2001 Official Community Plan (OCP) was completed in 2012, with Council approval of the OCP Bylaw occurring in July 2013. The myPG plan provided significant guidance in the development of the OCP and was utilized to frame the vision and objectives for economic, environmental, social, and land use development.



Sustainable Infrastructure

Asset Management Strategy

The focus of the City's Asset Management Strategy is the development of an integrated approach to the long-term renewal and replacement of the City's core public infrastructure (water, sewer, drainage and roads).

The City of Prince George utilizes RIVA software to model the lifecycle of its infrastructure networks to determine its long-term infrastructure re-investment requirements. The results of recent modeling indicate there is an annual infrastructure liability gap (the difference between our current level of infrastructure re-investment and the required level of re-investment) of approximately $12 million.

Council approved the Asset Management Policy in 2012, which provides the framework for the development of the City's Asset Management capability that supports the delivery of sustainable community services through the management of its assets to address the annual infrastructure liability gap.

Road Rehabilitation Program

Like other local governments, the City of Prince George faces significant challenges to maintain its aging transportation infrastructure at a service level that meets public expectation. The City of Prince George uses a road condition assessment program to establish road condition and service levels. Council's goal is to improve the condition of the City's 1485 lane kilometres of road to be 7.5/10. The City's transportation infrastructure rehabilitation program is currently funded at 70% of the amount necessary to maintain existing service levels over time. Council's investment in the Road Rehabilitation Program was $5.4m in 2012.

District Energy System

The City of Prince George District Energy System (DES) provides energy for space heating and domestic water heating to buildings located within a service area. The City entered into an agreement to use the existing sawmill residues from the Lakeland Mill on River Road to generate hot water for a number of buildings downtown. Existing technology at the Lakeland Mill was optimized and advanced environmental equipment was added to support the DES. The DES is providing heat and domestic hot water needs for a number of civic buildings including City Hall, the Coliseum, the Civic Centre, Four Seasons Pool, the Library, and the Two Rivers Art Gallery. In 2012, Council approved the final step in the commissioning of the DES - the District Energy System Bylaw, which establishes the City of Prince George as the system owner and operator and sets out the procedures and requirements for connecting to the DES.

RCMP Facility

Construction on a new $38.9 million LEED (Leadership in Environmental and Energy Design) Silver RCMP facility, which began in 2011, is estimated for completion in the Fall of 2013. The design included input from the Canada Wood Council and Wood Works BC, and incorporates natural materials from the region and landscape features that will add much-needed green space to the downtown core. The application of Crime Prevention through Environmental Design principles will showcase the City's commitment to improving both the environment and quality of life.

The new RCMP building replaces the 44-year-old structure now in use, which is half the size and uses the same amount of energy to heat. The presence of the new RCMP building reflects the City's commitment to downtown redevelopment and its

ongoing support for members serving in the City RCMP detachment.

Effective Governance

Strategic Partnerships

Mayor's Task Force on Crime

Prince George improved from a Stats Canada Crime Severity Index ranking of 11th in 2010 to 14th in 2011. This improvement resulted from a number of initiatives including RCMP focus on prolife offender management, domestic violence prevention, and downtown enforcement. However, to generate continued and sustainable crime reduction, the City recognizes that a comprehensive strategy must be developed. To guide strategy development a Select Committee on Crime Reduction and Public Safety, known as the Mayor's Task Force on Crime, has been established. The committee, comprised of members from diverse sectors, will deliver recommendations designed to reduce crime and increase community safety, increase public involvement in reducing crime, increase integration between all stakeholders involved in crime reduction and improve public awareness and perceptions of crime.

Partnering for Healthier Communities

The Prince George Partnering for a Healthier Community Committee was formed in 2012 with the collaborative leadership of Northern Health, the City of Prince George and the Prince George Division of Family Practice. In 2013, the partners will undertake activities developed through shared planning, implementation and evaluation that support individuals and families in our community to enjoy better health through improved access to and uptake of physical activities.

Housing Needs and Demand Study and Housing Strategy Framework

In 2012 the City of Prince George, in partnership with the Community Development Institute at the University of Northern British Columbia, initiated

work on the development of a housing strategy framework that will result in a robust and diverse housing supply that meets the needs and provides options for the full range of Prince George residents. The project, which will continue throughout 2013, will quantify current and future housing need and demand, develop options for future housing development, widen inclusivity in the housing dialogue, and prompt collaborative efforts necessary to act on identified options.

Community Poverty Reduction Strategy

In the spring of 2012 Prince George was selected as one of seven communities to participate in a project, spearheaded by the Ministry of Children and Family Development, which would pilot poverty reduction strategies to target the unique needs of families struggling to get out of poverty. Mayor Shari Green and Councillor Murry Krause (Chair, Union of BC Municipalities Healthy Communities Committee) are continuing to participate in a community process focused on addressing the root causes of poverty. Community teams will deliver action plans with measurable targets in late 2013.

National Crime Prevention Centre (NCPC) – Crime Prevention Action Fund (CPAF)

The City of Prince George has been funded by the Ministry of Children and Family Development (MCFD) since January of 2009 to facilitate Communities that Care (CTC), a youth "crime prevention through social development" initiative. CTC guides communities through a five phase planning model that culminates in the implementation of evidence based programs to address risks which reliably predict future involvement in problem behaviours. The Strengthening Families program was selected as the program best able to respond to the unique risk factors identified by Prince George students in grades 6, 8, 10 and 12.

In late 2012, School District 57, MCFD, the RCMP and the Prince George Native Friendship joined with the City of Prince George to prepare a Letter of Intent (LOI) to implement the Strengthening Families program in response to NCPC's Crime Prevention Action Fund call for submissions.

Youth Engagement Strategy

As part of ongoing efforts to provide inclusive and accessible opportunities for citizen involvement in local government decision making, the City of Prince George began to explore how to engage youth. This work led to a partnership with SFU Public Square, Samara, the Prince George Public Library and the Immigrant and Multicultural Services Society to host Democracy Talks in May of 2013. Democracy Talks are designed to allow youth from all walks of life to discuss what would make participating in politics easier, more exciting and more rewarding for young people. Feedback from this and other youth engagement initiatives will help inform the development of a youth engagement strategy.

Economic Development

Initiatives Prince George

The City of Prince George delivers economic development services to the citizens of Prince George through its corporation Initiatives Prince George. Initiatives Prince George supports the development of the Prince George Air Logistics Park and advocates for the Northern Gateway Corridor, on behalf of Council. Please see page **85** for the Initiatives Prince George annual report.

International Connections

Prince George/Jiangmen Twinning Agreement

The City of Prince George and the City of Jiangmen signed a Letter of Intent for the Establishment of a Twinning Agreement, during an inbound delegation of Jiangmen dignitaries in October 2010. Mayor Green led a return delegation to Jiangmen in November 2012, where a Memorandum of Understanding on Further Strengthening Friendly Cooperation was signed. The cities of Prince George and Jiangmen agreed to make concerted efforts, on the basis of equality and mutual benefit, to promote people-to-people friendly contacts and economic and trade interflow between the two cities, and actively carry out exchanges and cooperation in the fields of transportation and logistics, cultural exchange, tourism, and post secondary education.

The City of Prince George, through a grant provided by the Omineca Beetle Action Coalition, supported the development of a satellite exhibit to Barkerville's Travelling Exhibit to China: Who Am I? Bridging the Pacific – From Guangdong to Barkerville and Back to be gifted to Guangdong Qiaoxiang Culture Research Center at Wuyi University in Jiangmen, in support of the twinning agreement.

Diversified Economy/Vibrant Economy

2015 Canada Winter Games

In February 2015, Prince George and the north will host the 25th Edition of the Canada Games, a uniquely Canadian event that will bring more than 2,400 young athletes as part of over 3,400 participants from across Canada to compete in 19 unique sporting competitions. The participants will be joined by more than 400 members of the national and local media, over 1,000 special guests and VIPs and approximately 500 officials. This will be the largest multi-sport and cultural festival ever held in northern British Columbia with a forecasted economic impact of $70 - $90 million dollars.

The City of Prince George has made a financial commitment of up to $11, 107,100 to the Games that will provide major capital upgrades to civic facilities through the Kin Centre and the Civic Centre Enhancement Projects leaving permanent physical legacies that meet the needs of the Games and enhance community infrastructure. An operational commitment of just over $800,000 will ensure that the City provides many of the municipal services and partnerships that will contribute to the success of the Games.

Downtown Partnership

The Downtown Partnership is a multi-sectoral Council committee comprised of community leaders and downtown stakeholders including the City of Prince George, Lheidli T'enneh First Nation, Prince George Chamber of Commerce, Downtown Prince George (DBIA), RCMP, Initiatives Prince George, Northern Health Authority, Beyond Homelessness Committee, and Prince George Native Friendship Centre. The Downtown Partnership continued the implementation of its workplan, with the support of funding from the Downtown Initiatives Council Contingency and the Downtown Initiatives Implementation Team.

Social Development

Clear Identity and Pride

Prince George's 100th Anniversary Celebration

Prince George will celebrate the 100th anniversary of its incorporation on March 6, 2015. Council established the Select Committee on Prince George's 100th Anniversary Celebration, comprised of representatives of the Lheidli T'enneh First Nation, City Council, and community organizations including Tourism Prince George, North Central Labour Council, Prince George Heritage Commission, 2015 Canada Winter Games Host Society, Chamber of Commerce, Community Foundation, Community Arts Council, and Enhance PG. The 100th Anniversary Celebration Committee has secured a planning budget, and is developing a schedule of events for Council's consideration.

Ongoing Priority Projects and Initiatives

In addition to its 2012-2014 priorities, Council continued to support these important projects and initiatives already in progress:

- Regional Performing Arts Centre;
- Food mitigation works funded through provincial and federal partnerships;
- Implementation of the Prince George Air Quality Management Plan Phase III goals;
- Regional District of Fraser-Fort George Solid Waste Reduction Strategy; and
- Development of a Neighbourhood Strategy.

Financial Information

April 2, 2013

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, 2012, 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 2012 in comparison to 2011.

The City's 2012 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, 2012, with comparative amounts for 2011. The statements are represented as the Statement of Financial Position, Statement of Operations, Statement of Change in Net Financial Debt and Statement of Cash Flows. The budgetary figures reported are those that were approved by Council in the annual 2012 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 2012 and 2011. 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.

2012 Highlights

Downtown District Energy System (DES)

The DES project is supplying hot water for space heating and domestic hot water to seven civic facilities with the potential for connecting seven more private/government 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. $4.21 million was spent on this project during 2012 funded by $0.8 million grant from the Federation of Canadian Municipalities, $1.0 million federal gas tax (Community Works Fund), $0.8 million invoiced recoveries, $0.35 million from the Endowment Fund and $1.26 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 2012 the total budget was $5.4 million. The actual funding was attributed to $3.5 million levy and $1.9 million from the Local Area Service Reserve. Approximately 51.8 lane kilometres of pavement was laid for the following projects: Ospika Blvd from Range Rd to Ferry Ave, Winnipeg St from 4th Ave to 13th Ave, PG Pulpmill Rd from 2010 Limit to 685m East, 15th Ave from W. Central St to Ospika Blvd, Domano Blvd from Trent Dr to Gladstone Dr, Tabor Blvd from 15th Ave to 5th Ave, Great St from Terminal Blvd to Railway Rd, Terminal Blvd from Great St to Pacific St, Massey Dr from Westwood Dr to Carney St, Tabor Blvd from 1st Ave to 5th Ave, Ospika Blvd from Range Rd to Tyner Blvd, Foothills Blvd from N. Nechako Rd to Foothills Bridge, O'Grady Rd from Domano Blvd 250m South, and Pacific St from 6555 Pacific St to the 2010 Limits.

Boundary Road

This project is a 6.8km - two lane arterial road with storm run-off catchment facilities. In 2012 the contractor's crews focused on finishing the Boeing Road portion of the project. This was completed with asphalt surface and the round-about intersection at Gunn and Boeing Road. Other installations completed in 2012 include: approximately 5km of sanitary sewer main, 5km of storm sewer main, 2km of curb and gutter with 1km of sidewalk at the south end, 1km of sub base prepared for asphalt at the south end with another 1.5km of sub base gravels at the north end. All culvert crossing retaining walls were constructed. The Fortis BC Gas main was relocated for 100m along Boeing Road to remove it from beneath the road infrastructure. All civil work to provide three phase power to Boundary Road was achieved. $5.53 million of the $28 million budget was spent in 2012. Funding sources for 2012 included $1.18 million Building Canada Fund, $1.84 million third parties, and $2.51 million development cost charges.

New RCMP Building

In 2012 the project work involved the general contractor completing the foundation walls followed by the construction of the reinforced concrete structural slabs, columns and beams of the main part of the facility. The in-slab mechanical and electrical work began, and stairways were installed in addition to the structural steel components of the building. By year end, roofing insulation and membranes, some glulam beams and columns and other exterior building envelope structure and framing was being installed. Of this $38.9 million project, $14.1 million was spent in 2012. This includes a $0.8 million contribution of underground infrastructure required to connect to the City's District Energy System and commitment to cleaner energy use in the downtown core.

Kin Centre (2015 Games) Renovation

In 2012 the design for the reconstruction of the Kin Centre was finalized with the project being tendered in March. The project was awarded in April for selective demolition of the existing Kin1 arena, construction of a new 750 seat arena to replace Kin 1, and renovations/additions to the Kin arena complex. Construction began and the first phase – construction of new changerooms for Kin 2 were completed and in use by year end. Work on the extension of Kin 2 and the demolition of the existing Kin 2 change rooms and lounge area then began. $7 million of work was done on the project in 2012.

18th Avenue Yard Building

The work of constructing a 10,800 sq ft single story wood frame administration building began April 2012 and was substantially complete by Jan 3rd 2013. The building was constructed to house our Utility Operations Division in one central location and to free up the 4th Avenue yard for future development. 2012 expenditures were $2.09 million.

Capital Projects

Capital spending in 2012, including capital work in progress, totaled approximately $44.5 million. This consisted of $42.3 million of General Capital and Land Capital, $0.3 million of Water Capital and $1.9 million of Sewer Capital. Significant projects include: New RCMP Building - $13.3 million; Kin Centre (2015 Canada Winter Games) Renovation - $7.0 million; Boundary Road - $5.5 million; Road Rehabilitation - $5.4 million; Downtown District Energy - $4.2 million; 18th Avenue Yard Admin Building - $2.1 million; Boundary Road Sewer Connection - $1.6 million; Duchess Park Upgrades - $0.7 million; Prince George Hotel Demolition - $0.6 million; and Fort George Park Upgrades - $0.2 million.

2012 Financial Results

Accumulated Operating Fund

The accumulated surplus level for 2012, excluding Other Controlled Entities, in the General Operating Fund was approximately $12.2 million compared to $8.0 million in 2011. 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 2012, the minimum point of the City's accumulated surplus guideline was $8.9 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 $2.9 million at the end of 2012 compared to our target of $1.4 million. The actual accumulated surplus for the Sewer Operating Fund was $2.0 million at the end of 2012 compared to our target of $1.2 million.

Reserve Fund Levels

Total Reserve Fund levels were approximately $30.5 million at the end of 2012, compared to $28.8 million at the end of 2011. Funds have increased in the Water Capital ($1,845,000), Endowment ($1,674,000), Sewer Capital ($486,000), General Capital ($328,000), and Computer ($265,000) reserves while funds have decreased in the Local Improvement ($1,754,000), Canada Winter Games ($865,000), and Parkland Acquisition ($227,000) 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 2012 were approximately $0.72 million compared to $0.94 million in 2011. The average monthly investment was $46.8 million and the weighted average rate of return was 1.61%.

External Short-Term Debt

Principal short-term debt (including capital leases and excluding Other Controlled Entities) outstanding was approximately $4.6 million at the end of 2012, compared to $4.7 million at the end of 2011. 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 $104.4 million at the end of 2012 ($87.2 million General Capital Fund, $13.2 million Water Capital Fund, and $4.0 million Sewer Capital Fund), compared to $98.1 million at the end of 2011. The Fortis BC (formerly Terasen Gas Inc) capital lease of $41.0 million is included in 2012 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.

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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, 2012, and the consolidated statements of operations, change 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 Consolidated Financial Statements

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

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.

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, 2012, and the results of its operations, changes in its net financial debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Deloitte LLP

Chartered Accountants

Prince George, British Columbia
May 13, 2013

Consolidated Statement of Financial Position

as at December 31 (in thousands of dollars)	2012	2011
FINANCIAL ASSETS		
Cash and Cash Equivalents (Note 2)	**$ 20,182**	$ 14,686
Receivables (Note 3)	**17,928**	24,054
Investments (Note 4)	**37,168**	27,892
Deposits - Municipal Finance Authority (Note 5)	**2,435**	2,209
	77,713	68,841
LIABILITIES		
Accounts Payable and Accrued Liabilities (Note 6)	**29,681**	27,583
Deferred Revenues	**11,415**	9,401
Deferred Development Cost Charges (Note 7)	**4,089**	5,820
Reserves - Municipal Finance Authority (Note 5)	**2,435**	2,209
Short-Term Debt, Including Capital Lease (Schedule 10)	**4,776**	4,650
Long-Term Debt, Including Capital Lease (Schedule 11)	**104,445**	98,147
	156,841	147,810
NET FINANCIAL DEBT	**(79,128)**	(78,969)
NON-FINANCIAL ASSETS		
Prepaid Expenses	**1,042**	927
Inventories	**1,136**	1,207
Tangible Capital Assets (Note 8)	**604,931**	576,107
	607,109	578,241
ACCUMULATED SURPLUS (Note 10)	**$ 527,981**	$ 499,272

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)

	2012 Original Budget Bylaw	**2012 Actual**	2011 Actual
REVENUES (Schedule 7)			
Taxation and Grants in Lieu, net	$ 83,804	**$ 86,620**	$ 83,512
Sales of Services, User Rates and Rentals	40,046	**39,616**	39,134
Return on Investments	1,871	**3,145**	4,096
Development Cost Charges Contributions	2,635	**2,556**	86
Contributions from Other Gov'ts & Agencies	23,673	**15,362**	22,405
Sinking Fund Surplus	-	**-**	107
Other Revenue	14,768	**6,965**	7,619
Gain (Loss) on Sale of Tangible Capital Assets	-	**4,723**	(525)
Asset Contributions	-	**611**	4,732
	166,797	**159,598**	161,166
EXPENSES (Schedule 8 & 9)			
General Government	22,022	**18,111**	17,381
District Energy	-	**358**	-
Protective Services	40,346	**37,736**	38,155
Transportation Services	28,717	**25,920**	26,002
Water and Sewer	13,864	**13,357**	13,784
Sanitation and Waste Removal	3,684	**3,609**	3,537
Public Health and Welfare	433	**581**	563
Planning and Environmental Development	2,154	**2,841**	3,063
Parks, Recreation and Cultural Services	20,286	**19,963**	20,902
Other Controlled Entities	4,844	**6,792**	6,288
	136,350	**129,268**	129,675
NET SURPLUS BEFORE TRANSFER	30,447	**30,330**	31,491
Transfer (to) from Deferred Revenues	(1,491)	**(1,621)**	2,375
ANNUAL SURPLUS (Note 12)	$ 28,956	**28,709**	33,866
ACCUMULATED SURPLUS, Beginning of Year		**499,272**	465,406
ACCUMULATED SURPLUS, End of Year		**$ 527,981**	$ 499,272

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

Consolidated Statement of Change in Net Financial Debt

for the year ended December 31 *(in thousands of dollars)*	2012 Original Budget Bylaw	**2012**	2011
Annual Surplus	$ 28,956	**$ 28,709**	$ 33,866
Amortization of Tangible Capital Assets	14,464	**15,420**	14,926
Proceeds on Disposal of Tangible Capital Assets	-	**6,317**	86
Change in Inventories and Prepaid Expenses	-	**(44)**	(230)
(Gain) Loss on sale of Tangible Capital Assets	-	**(4,723)**	525
Acquisition of Tangible Capital Assets	(71,792)	**(45,838)**	(42,380)
(Increase) Decrease in Net Financial Debt	(28,372)	**(159)**	6,793
Net Financial Debt, beginning of year	(78,969)	**(78,969)**	(85,762)
Net Financial Debt, end of year	$ (107,341)	**$ (79,128)**	$ (78,969)

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)

	2012	2011
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:		
Operating		
Annual Surplus	**$ 28,709**	$ 33,866
Non-cash Charges to Operations		
Amortization	**15,420**	14,926
(Gain) Loss on Sale of Tangible Capital Assets	**(4,723)**	525
	39,406	49,317
Decrease (Increase) in Receivables	**6,126**	(9,814)
Increase in Prepaid Expenses	**(115)**	(106)
Decrease (Increase) in Inventories	**71**	(124)
Increase in Accounts Payable and Accrued Liabilities	**2,098**	4,235
Increase (Decrease) in Deferred Revenues	**2,014**	(1,508)
(Decrease) Increase in Deferred Development Cost Charges	**(1,731)**	346
	47,869	42,346
Capital		
Acquisition of Tangible Capital Assets	**(45,838)**	(42,380)
Proceeds on Disposal of Tangible Capital Assets	**6,317**	86
	(39,521)	(42,294)
Investing		
(Increase) Decrease in Investments	**(9,276)**	10,131
Financing		
Debt Proceeds	**16,714**	3,773
Repayment of Debt	**(10,290)**	(12,099)
	6,424	(8,326)
Increase in cash and cash equivalents	**5,496**	1,857
Cash and cash equivalents, beginning of year	**14,686**	12,829
Cash and cash equivalents, end of year (Note 2)	**$ 20,182**	$ 14,686

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, 2012

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 by management in accordance with Canadian Public Sector Accounting Standards for Provincial Reporting Entities established by the Canadian 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, District Energy, 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, District Energy, 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, 2012

v) Original Budget Bylaw

The original budget bylaw, stated in the consolidated statement of financial activities, represents the budget bylaw adopted in May, 2012. 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 that are readily convertible to known amounts of cash and that are subject to an insignificant risk of change in value. Those short-term investments generally have a maturity of three months or less at acquisition and are held for the purpose of meeting short-term cash commitments rather than for investing.

e) Investments

Investments are recorded at the lower of cost and fair market value, 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, 2012

g) Use of Estimates

The preparation of consolidated financial statements in conformity with Canadian Public Sector Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the consolidated financial statements and the reported amount of revenues and expenses during the period. Items requiring estimates include the collectability of accounts receivable, estimated accruals of payables, useful lives of tangible capital assets, rates for amortization, estimated employee benefits and impairment of assets.

Estimates are based on the best information available at the time of preparation of the consolidated financial statements and are reviewed annually to reflect new information as it becomes available. Measurement uncertainty exists in these consolidated financial statements. Actual results could differ from these 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.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2012

k) Tangible Capital Assets, continued

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 Initiatives 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
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

Initiatives 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%
Equipment under Capital Lease	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.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2012

2. Cash and Cash Equivalents

	2012 (000's)	2011 (000's)
Cash	$12,640	$ 6,524
Cash Equivalents	6,185	6,599
	18,825	13,123
Other Controlled Entities Cash	1,357	1,563
	$20,182	**$14,686**

3. Receivables

	2012 (000's)	2011 (000's)
General Operating Fund		
Property Taxes	$ 5,425	$ 5,331
Federal Government	1,883	2,147
Provincial Government	1,284	947
Regional District of Fraser-Fort George	461	380
Accounts Receivable	2,538	3,254
Refuse Rates	368	366
Employee Loans	123	79
	$12,082	$12,504
Water Operating Fund		
Water Utility Rates	$ 1,415	$ 1,355
Sewer Operating Fund		
Sewer Utility Rates	$ 852	$ 812
Miscellaneous	-	146
	$ 852	$ 958
General Capital Fund		
Federal Government	$ 156	$ 4,443
Provincial Government	338	4,514
Miscellaneous	2,935	7
	$ 3,429	$ 8,964

Notes to the Consolidated Financial Statements

For the year ended December 31, 2012

3. Receivables, continued

	2012 (000's)	2011 (000's)
Other Controlled Entities		
Prince George Public Library	$ 9	$ 31
Initiatives Prince George Development Corporation	227	273
Tourism Prince George Society	241	328
	$ 477	$ 632
Consolidated Adjustments		
Prince George Public Library	$ (269)	$ (251)
Initiatives Prince George Development Corporation	(18)	(48)
Tourism Prince George Society	(40)	(60)
	$ (327)	$ (359)
Total	**$17,928**	**$24,054**

4. Investments

	2012 (000's)	2011 (000's)
M.F.A. Intermediate Fund	$ 25,919	$ 16,895
M.F.A. Bond Fund	11,249	10,997
	$ 37,168	**$ 27,892**

The annual weighted average rate of return for 2012 was 1.61% (2011 – 2.08%).

5. Municipal Finance Authority

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

	2012 (000's)	2011 (000's)
Cash Deposits	**$ 2,435**	**$ 2,209**

Notes to the Consolidated Financial Statements

For the year ended December 31, 2012

6. Accounts Payable and Accrued Liabilities

	2012 (000's)	2011 (000's)
General Operating Fund		
Federal Government	$ 5,339	$ 5,271
Provincial Government	1,626	1,765
Regional District of Fraser-Fort George	264	166
Trade Accounts Payable	12,335	11,036
Payroll Statutory Liabilities	2,363	1,954
Vacation, Sick Leave, and Firefighters Gratuities	5,911	5,630
Accrued Interest on Capital Lease	422	436
Accrued Interest on Debt	735	631
	$28,995	$26,889
Water Operating Fund		
Accrued Interest on Debt	$ 192	$ 186
Sewer Operating Fund		
Accrued Interest on Debt	$ 68	$ 68
General Capital Fund		
Accrued Interest on Debt	$ 18	$ 20
Trade Accounts Payable	-	8
	$ 18	$ 28
Other Controlled Entities		
Prince George Public Library	$ 414	$ 428
Initiatives Prince George Development Corporation	120	101
Tourism Prince George Society	161	182
	$ 695	$ 711
Consolidated Adjustments		
Prince George Public Library	$ (269)	$ (251)
Initiatives Prince George Development Corporation	(18)	(48)
	$ (287)	$ (299)
Total	**$29,681**	**$27,583**

Notes to the Consolidated Financial Statements

For the year ended December 31, 2012

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.

	2012 (000's)	2011 (000's)
Deferred DCC by Type		
Roads	$ 848	$ 2,850
Drainage	1,462	1,333
Parkland	93	49
Sewer	1,371	1,388
Water	315	200
	$ 4,089	**$ 5,820**
Deferred DCC		
Balance, beginning of year	$ 5,820	$ 5,474
Return on Investments	90	114
DCC levied in the year	734	318
	824	432
Transfers to General Capital	(2,516)	(86)
Transfers to General Asset Maintenance	(5)	-
Transfers to Water Asset Maintenance	(34)	-
	(2,555)	(86)
Balance, end of year	**$ 4,089**	**$ 5,820**

Notes to the Consolidated Financial Statements

For the year ended December 31, 2012

8. Tangible Capital Assets

	2012 (000's)	2011 (000's)
Land	$ 177,775	$ 177,980
Buildings & Improvements	28,499	31,166
Vehicles, Machinery & Equipment	13,042	14,213
Other	953	761
Infrastructure		
Roads	64,880	63,131
Parks	11,771	12,025
Water	81,983	83,105
Sanitary Sewer	61,904	62,700
Storm Drainage	45,661	46,227
Energy & Communication	60,243	45,312
	546,711	536,620
Assets Under Construction	58,220	39,487
	$ 604,931	**$ 576,107**

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

During the year there were no write-downs of assets (2011 - $nil). In addition, assets contributed to the City totaled $611,079 (2011 - $4,731,566) and were capitalized at their fair value at the time of receipt.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2012

9. Capital Lease Obligation

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

	2012 (000's)	2011 (000's)
Concert Realty Services Ltd. Interest at the rate of 9.5%, 14 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 $421,837 ($435,967 in 2011) related to this capital lease	$ 4,440	$ 4,589
Bank of Nova Scotia Repayable in monthly installments of $12,873, including interest at 2.25% annually	572	709
Municipal Finance Authority Leasing Corporation Repayable in monthly installments of $198,061, including interest at 2.00% annually	5,498	6,864
Fortis BC Repayable in annual installments of $273,108, including interest at 5.46%	1,922	2,083
	$12,432	**$ 14,245**

Notes to the Consolidated Financial Statements

For the year ended December 31, 2012

10. Accumulated Surplus

Accumulated Surplus is comprised of the following:

	2012 (000's)	2011 (000's)
Operating - Residual Balance	$ 1,684	$ (2,763)
Reserves (Schedule 4)	30,486	28,786
Investment in Tangible Capital Assets	495,811	473,249
	$ 527,981	**$ 499,272**

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 $28,956,000, reflected in the Budget Bylaw Column on the Consolidated Statement of Operations was approved by Council in May 2012 upon finalization of the 2012 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, 2012

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

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

The City of Prince George paid $4,212,071 and the Prince George Public Library paid $177,317 for employer contributions to the Plan in fiscal 2012.

(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 $5,166,386 ($4,819,703 in 2011). 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.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2012

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 and culture, transportation and 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 polices 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).

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 and 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 and maintenance. Transit services are provided in partnership with BC Transit; Parking lots and 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.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2012

14. Segmented Information, continued

Planning and Environmental Development

Planning includes both short and long term development planning and application processing and 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 and 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 and Welfare

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

Finance and Administration

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

District Energy

This segment provides energy for space heating and domestic water heating to buildings located within a service area.

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).

Notes to the Consolidated Financial Statements

For the year ended December 31, 2012

14. Segmented Information, continued

Reserves and 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. Comparative Figures

Certain 2011 figures have been reclassified to conform to the 2012 financial statement presentation.

Supplementary Financial Information

SCHEDULE 1

Statement of Financial Position - by Fund

as at December 31, 2012 (in thousands of dollars)	Operating Funds					Capital Funds					Other	Consolidated	**Consolidated**
	General	District Energy	Water	Sewer	Reserve Funds	General	District Energy	Water	Sewer	Land	Controlled Entities	Adjustments	**2012**
FINANCIAL ASSETS													
Cash and Cash Equivalents	$14,666	$-	$428	$219	$2,769	$560	$-	$34	$149	$-	$1,357	$-	**$20,182**
Receivables	12,082	-	1,415	852	-	3,429	-	-	-	-	477	(327)	**17,928**
Investments	12,177	-	2,570	1,317	16,631	3,371	-	206	896	-	-	-	**37,168**
Deposits-Municipal Finance Authority	1,842	-	356	237	-	-	-	-	-	-	-	-	**2,435**
Due from Own Funds	8,327	-	-	-	11,086	-	-	150	209	-	-	(19,772)	**-**
	49,094	-	4,769	2,625	30,486	7,360	-	390	1,254	-	1,834	(20,099)	**77,713**
LIABILITIES													
Accounts Payable and Accrued Liabilities	28,995	-	192	68	-	18	-	-	-	-	695	(287)	**29,681**
Deferred Revenues	8,107	-	64	28	-	2,956	-	-	-	-	260	-	**11,415**
Deferred Development Cost Charges	-	-	-	-	-	2,403	-	315	1,371	-	-	-	**4,089**
Reserves-Municipal Finance Authority	1,842	-	356	237	-	-	-	-	-	-	-	-	**2,435**
Due to Own Funds	-	-	1,276	272	-	18,224	-	-	-	-	-	(19,772)	**-**
Short-Term Debt, including Capital Lease	-	-	-	-	-	4,635	-	-	-	-	181	(40)	**4,776**
Long-Term Debt, including Capital Lease	-	-	-	-	-	87,242	-	13,246	3,957	-	-	-	**104,445**
	38,944	-	1,888	605	-	115,478	-	13,561	5,328	-	1,136	(20,099)	**156,841**
NET FINANCIAL ASSETS (DEBT)	10,150	-	2,881	2,020	30,486	(108,118)	-	(13,171)	(4,074)	-	698	-	**(79,128)**
NON-FINANCIAL ASSETS													
Prepaid expenses	934	-	-	-	-	-	-	-	-	-	108	-	**1,042**
Inventories	1,128	-	-	-	-	-	-	-	-	-	8	-	**1,136**
Tangible Capital Assets	-	-	-	-	-	440,076	16,608	81,983	63,735	-	2,529	-	**604,931**
	2,062	-	-	-	-	440,076	16,608	81,983	63,735	-	2,645	-	**607,109**
ACCUMULATED SURPLUS	$12,212	$-	$2,881	$2,020	$30,486	$331,958	$16,608	$68,812	$59,661	$-	$3,343	$-	**$527,981**
ACCUMULATED SURPLUS													
Beginning of Year	$8,021	$-	$1,959	$1,730	$28,786	$326,910	$-	$70,041	$58,495	$-	$3,330	$-	**$499,272**
Net Funds (Deficit) over Expenditures	2,819	-	922	290	1,700	-	-	-	-	-	40	-	**5,771**
Change in Net Financial Debt	-	-	-	-	-	(7,898)	-	255	652	-	(266)	-	**(7,257)**
Change in Tangible Capital Assets	1,372	-	-	-	-	12,946	16,608	(1,484)	514	-	239	-	**30,195**
ACCUMULATED SURPLUS, End of Year	$12,212	$-	$2,881	$2,020	$30,486	$331,958	$16,608	$68,812	$59,661	$-	$3,343	$-	**$527,981**

SCHEDULE 2

Statement of Operations - by Fund

for the year ended December 31, 2012
(in thousands of dollars)

	Operating Funds				Reserve Funds	Capital Funds					Other Controlled Entities	Consolidated Adjustments	**Consolidated 2012**
	General	District Energy	Water	Sewer		General	District Energy	Water	Sewer	Land			
REVENUES													
Taxation and Grants in lieu, net	$85,749	$-	$67	$112	$-	$-	$-	$-	$-	$-	$692	$-	**$86,620**
Sales of Services, User Rates and Rentals	22,703	11	9,924	7,094	-	-	-	-	-	-	368	(484)	**39,616**
Return on Investments	1,852	-	376	354	553	-	-	-	-	-	10	-	**3,145**
Development Cost Charges Contributions	5	-	35	-	-	2,516	-	-	-	-	-	-	**2,556**
Contributions from Other Gov'ts & Agencies	9,658	-	-	-	-	4,890	-	-	-	-	5,876	(5,062)	**15,362**
Other Revenue	4,777	-	4	3	24	1,792	-	3	-	-	400	(38)	**6,965**
Gain (Loss) on Sale of Tangible Capital Assets	-	-	-	-	-	(119)	-	(86)	-	4,947	(19)	-	**4,723**
Asset Contributions	-	-	-	-	-	611	-	-	-	-	-	-	**611**
	124,744	11	10,406	7,563	577	9,690	-	(83)	-	4,947	7,327	(5,584)	**159,598**
EXPENSES													
General Government	19,501	-	-	-	-	-	-	-	-	-	-	(1,390)	**18,111**
District Energy	-	358	-	-	-	-	-	-	-	-	-	-	**358**
Protective Services	37,736	-	-	-	-	-	-	-	-	-	-	-	**37,736**
Transportation Services	25,920	-	-	-	-	-	-	-	-	-	-	-	**25,920**
Water and Sewer	-	-	7,138	6,219	-	-	-	-	-	-	-	-	**13,357**
Sanitation and Waste Removal	3,609	-	-	-	-	-	-	-	-	-	-	-	**3,609**
Public Health and Welfare	581	-	-	-	-	-	-	-	-	-	-	-	**581**
Planning and Environmental Development	2,841	-	-	-	-	-	-	-	-	-	-	-	**2,841**
Parks, Recreation and Cultural Services	23,635	-	-	-	-	-	-	-	-	-	-	(3,672)	**19,963**
Prince George Public Library	-	-	-	-	-	-	-	-	-	-	4,229	(522)	**3,707**
Initiatives Prince George Development Corp	-	-	-	-	-	-	-	-	-	-	1,933	-	**1,933**
Tourism Prince George Society	-	-	-	-	-	-	-	-	-	-	1,152	-	**1,152**
	113,823	358	7,138	6,219	-	-	-	-	-	-	7,314	(5,584)	**129,268**
NET SURPLUS BEFORE TRANSFERS	10,921	(347)	3,268	1,344	577	9,690	-	(83)	-	4,947	13	- -	**30,330**
TRANSFERS FROM (TO)													
Operating Funds	1,894	52	(942)	(1,004)	11,082	38	-	-	-	-	-	(11,120)	**-**
Capital Funds	(38)	-	-	-	(11,430)	-	-	-	-	-	-	11,468	**-**
Reserve Funds	(8,275)	40	(2,098)	(749)	-	14,610	-	(501)	1,853	(4,532)	-	(348)	**-**
Deferred Revenues	(4,675)	-	-	13	1,471	1,521	-	49	-	-	-	-	**(1,621)**
ANNUAL SURPLUS (DEFICIT)	$(173)	$(255)	$228	$(396)	$1,700	$25,859	$-	$(535)	$1,853	$415	$13	$-	**$28,709**
NET FUNDS OVER EXPENDITURES													
Annual Surplus (Deficit)	$(173)	$(255)	$228	$(396)	$1,700	$25,859	$-	$(535)	$1,853	$415	$13	$-	**$28,709**
Capital Expenditures	-	-	-	-	-	(41,888)	-	(310)	(1,853)	(415)	(761)	-	**(45,227)**
Contribution of Capital Assets	-	-	-	-	-	(611)	-	-	-	-	-	-	**(611)**
Amortization	11,616	255	1,708	1,338	-	-	-	-	-	-	503	-	**15,420**
(Gain) Loss on Sale of Tangible Capital Assets	-	-	-	-	-	119	-	86	-	(4,947)	19	-	**(4,723)**
Other	-	-	-	-	-	50	-	-	-	-	-	-	**50**
Principal payments on Debt	(8,624)	-	(1,014)	(652)	-	-	-	-	-	-	-	-	**(10,290)**
Proceeds from borrowing	-	-	-	-	-	15,814	-	759	-	-	141	-	**16,714**
Proceeds from internal loans	-	-	-	-	-	11,460	-	-	-	-	125	-	**11,585**
Internal loans repaid	-	-	-	-	-	(10,803)	-	-	-	4,947	-	-	**(5,856)**
	$2,819	$-	$922	$290	$1,700	$-	$-	$-	$-	$-	$40	$-	**$5,771**

SCHEDULE 3

Statement of Segment Disclosure - 2012

for the year ended December 31

(in thousands of dollars)

	General Revenue Fund													
	Protective Services	Community Services	Transportation Services	Planning & Environ Devel	Sanitation & Waste Removal	Public Health & Welfare	Finance & Administration	District Energy	Water	Sewer	Asset Maintenance	Reserves & Other Funds	Other Controlled Entities	**Consolidated 2012**
REVENUES														
Taxation and Grants in lieu, net	$-	$-	$3	$-	$-	$-	$85,746	$-	$67	$112	$-	$-	$692	**$86,620**
Sales of Services, User Rates and Rentals	2,023	5,929	3,397	5	4,342	562	5,961	11	9,924	7,094	-	-	368	**39,616**
Return on Investments	-	-	12	-	-	-	1,840	-	376	354	-	553	10	**3,145**
Development Cost Charges Contributions	-	-	-	-	-	-	-	-	-	-	40	2,516	-	**2,556**
Contributions from Other Gov'ts & Agencies	392	413	18	656	-	-	8,056	-	-	-	123	4,890	814	**15,362**
Other Revenue	277	12	480	997	-	-	2,972	-	4	3	1	1,819	400	**6,965**
Gain (Loss) on Sale of Capital Assets	-	-	(119)	-	-	-	-	-	(86)	-	-	4,947	(19)	**4,723**
Asset Contributions	-	592	19	-	-	-	-	-	-	-	-	-	-	**611**
	2,692	6,946	3,810	1,658	4,342	562	104,575	11	10,285	7,563	164	14,725	2,265	**159,598**
EXPENSES														
Labour and Benefits	18,991	9,762	8,421	1,598	943	345	8,346	12	2,204	2,403	94	-	-	**53,119**
Goods and Services	17,970	6,255	9,599	1,040	2,528	171	4,737	91	1,961	1,981	886	-	-	**47,219**
Interest	-	-	-	-	-	-	5,610	-	1,128	483	-	-	-	**7,221**
Amortization	327	2,768	5,867	-	127	49	2,478	255	1,708	1,338	-	-	503	**15,420**
Prince George Public Library	-	-	-	-	-	-	-	-	-	-	-	-	3,298	**3,298**
Initiatives Prince George Development Corp	-	-	-	-	-	-	-	-	-	-	-	-	1,902	**1,902**
Tourism Prince George Society	-	-	-	-	-	-	-	-	-	-	-	-	1,089	**1,089**
	37,288	18,785	23,887	2,638	3,598	565	21,171	358	7,001	6,205	980	-	6,792	**129,268**
NET SURPLUS (DEFICIT) BEFORE TRANSFERS	(34,596)	(11,839)	(20,077)	(980)	744	(3)	83,404	(347)	3,284	1,358	(816)	14,725	(4,527)	**30,330**
Transfers	222	(310)	(2,570)	497	(942)	(78)	(8,613)	92	(3,142)	(1,754)	816	14,161	-	**(1,621)**
ANNUAL SURPLUS (DEFICIT)	$(34,374)	$(12,149)	$(22,647)	$(483)	$(198)	$(81)	$74,791	$(255)	$142	$(396)	$-	$28,886	$(4,527)	**$28,709**

Asset Maintenance Expenses by Fund	
General	$829
Water	137
Sewer	14
	$980

SCHEDULE 3

Statement of Segment Disclosure - 2011

for the year ended December 31 *(in thousands of dollars)*	General Revenue Fund												
	Protective Services	Community Services	Transportation Services	Planning & Environ Devel	Sanitation & Waste Removal	Public Health & Welfare	Finance & Administration	Water	Sewer	Asset Maintenance	Reserves & Other Funds	Other Controlled Entities	**Consolidated 2011**
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**
Development Cost Charges 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**
Gain (Loss) on Sale of Capital Assets	-	-	(417)	-	-	-	(9)	(57)	(4)	-	-	(38)	**(525)**
Asset Contributions	-	2,500	1,963	-	-	-	-	148	121	-	-	-	**4,732**
	2,916	9,432	6,023	1,459	4,226	458	99,127	10,132	7,806	73	17,356	1,855	**160,863**
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**
	37,674	19,714	24,268	2,876	3,538	555	20,008	7,487	6,297	667	-	6,288	**129,372**
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)	$(34,759)	$(10,445)	$(20,416)	$(854)	$(354)	$(49)	$74,836	$1,527	$541	$-	$28,272	$(4,433)	**$33,866**

Asset Maintenance Expenses by Fund	
General	$667
Water	138
Sewer	89
	$894

SCHEDULE 4
Reserve Funds

for the year ended December 31, 2012 ***(in thousands of dollars)*** **Reserve Funds**	General Capital (a)	Water Capital	Sewer Capital	Downtown Off-Street Parking	Computers and Equipment (b)	Land Development	Local Improvement	Snow Control	Road Rehabilitation	Other Statutory & Regulated (c)	**Total 2012**
Equity, Beginning of Year	$12,380	$1,266	$305	$1,553	$3,619	$-	$2,323	$-	$107	$7,233	**$28,786**
Return on Investments	224	19	4	27	58	(7)	37	21	28	142	**553**
Third Party Contributions	-	-	-	-	-	-	-	-	-	24	**24**
	224	19	4	27	58	(7)	37	21	28	166	**577**
Transfers from (to)											
General Operating Fund	2,651	(14)	(14)	(41)	(445)	-	109	(21)	3,496	2,554	**8,275**
General Capital Fund	(2,688)	-	-	-	(528)	(919)	-	-	(5,397)	(5,078)	**(14,610)**
District Energy Operating Fund	(40)	-	-	-	-	-	-	-	-	-	**(40)**
Water Operating Fund	-	2,098	-	-	-	-	-	-	-	-	**2,098**
Water Capital Fund	-	501	-	-	-	-	-	-	-	-	**501**
Sewer Operating Fund	-	-	749	-	-	-	-	-	-	-	**749**
Sewer Capital Fund	(1,600)	-	(253)	-	-	-	-	-	-	-	**(1,853)**
Land Capital Fund	-	-	-	-	-	4,532	-	-	-	-	**4,532**
Other Reserves	1,984	(759)	-	-	1,280	(3,606)	(1,900)	-	1,900	1,101	**-**
Deferred Revenues	1,471	-	-	-	-	-	-	-	-	-	**1,471**
	1,778	1,826	482	(41)	307	7	(1,791)	(21)	(1)	(1,423)	**1,123**
Equity, End of Year	$14,382	$3,111	$791	$1,539	$3,984	$-	$569	$-	$134	$5,976	**$30,486**

(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 - 2012

for the year ended December 31 (in thousands of dollars)	Assets Under Construction	Land	Buildings	Vehicles, Machinery & Equip	Other	Infrastructure						Total 2012
						Roads	Parks	Water	Sanitary Sewer	Storm Drainage	Energy & Comm	
Cost												
Opening costs	$39,487	$177,980	$156,793	$35,313	$1,574	$163,632	$22,585	$126,388	$103,546	$61,182	$58,712	$947,192
Additions during the year	35,974	1,942	177	1,046	478	5,671	140	310	100	-	-	45,838
Transfers to tangible capital assets	(17,241)	(789)	-	147	-	-	216	362	442	-	16,863	-
Disposals	-	(1,358)	(110)	(574)	(295)	(3,761)	-	(156)	-	-	-	(6,254)
Closing costs	58,220	177,775	156,860	35,932	1,757	165,542	22,941	126,904	104,088	61,182	75,575	986,776
Accumulated Amortization												
Opening accum'd amortization	-	-	125,627	21,100	813	100,501	10,560	43,283	40,846	14,955	13,400	371,085
Amortization	-	-	2,844	2,345	287	3,790	610	1,708	1,338	566	1,932	15,420
Transfers	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	(110)	(555)	(296)	(3,629)	-	(70)	-	-	-	(4,660)
Closing accum'd amortization	-	-	128,361	22,890	804	100,662	11,170	44,921	42,184	15,521	15,332	381,845
Net Book Value of Tangible Capital Assets	$58,220	$177,775	$28,499	$13,042	$953	$64,880	$11,771	$81,983	$61,904	$45,661	$60,243	$604,931

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: Roads	Infrastructure: Parks	Infrastructure: Water	Infrastructure: Sanitary Sewer	Infrastructure: Storm Drainage	Infrastructure: Energy & Comm	Total 2011
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	39,487	177,980	156,793	35,313	1,574	163,632	22,585	126,388	103,546	61,182	58,712	**947,192**
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	-	-	125,627	21,100	813	100,501	10,560	43,283	40,846	14,955	13,400	**371,085**
Net Book Value of Tangible Capital Assets	$39,487	$177,980	$31,166	$14,213	$761	$63,131	$12,025	$83,105	$62,700	$46,227	$45,312	**$576,107**

SCHEDULE 6

Trust Funds Statement of Financial Position

as at December 31
(in thousands of dollars)

	2012	2011
ASSETS		
Cash and Cash Equivalents	**$750**	$992
Investments	**1,335**	969
	$2,085	$1,961
SURPLUS		
Winter Games Legacy	**$97**	$97
Cemetery Care Trust	**1,944**	1,860
Discovery Place	**41**	1
Northwood Pollution	**3**	3
	$2,085	$1,961

Trust Funds Statement of Operations

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

TRUST FUNDS	Winter Games	Cemetery Care	Discovery Place	North-wood Pollution	**2012 Total**	2011 Total
Surplus, Beginning	$97	$1,860	$1	$3	**$1,961**	$1,972
Investment income	2	33	-	-	**35**	45
Third Party Contributions	-	84	-	-	**84**	73
Transfers to						
General Operating	(2)	(33)	-	-	**(35)**	(80)
General Capital	-	-	40	-	**40**	(49)
	-	84	40	-	**124**	(11)
Surplus, Ending	$97	$1,944	$41	$3	**$2,085**	$1,961

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)	2012	2011
TAXATION AND GRANTS IN LIEU, NET		
Property Taxes	**$81,763**	$78,734
Special Assessments	**1,038**	1,023
Grants in Lieu of Taxes	**3,127**	3,090
Collection for Other Authorities		
Province of B.C. - School Taxes	**28,768**	28,168
Regional Hospital District Taxes	**3,865**	3,753
Regional District of Fraser-Fort George	**7,397**	6,864
B.C. Assessment Authority	**758**	755
Municipal Finance Authority	**2**	2
Other Controlled Entities		
Tourism Prince George Society- Hotel Tax	**692**	665
	127,410	123,054
Payments to Other Authorities	**(40,790)**	(39,542)
	$86,620	$83,512
SALES OF SERVICES, USER RATES AND RENTALS		
Sales of Services		
Garbage Levy	**$4,343**	$4,226
Protective Services and Prisoner Accommodation	**633**	843
911 System	**1,390**	1,325
Transportation Services	**3,524**	3,777
Recreational and Cultural Services		
Arenas	**3,160**	3,296
Aquatics	**1,446**	1,416
Civic Centre	**1,182**	1,212
Other	**145**	289
Miscellaneous Services	**873**	793
	16,696	17,177
User Rates		
District Energy	**11**	-
Water Utility	**9,924**	9,320
Sewer Utility	**7,094**	6,669
	17,029	15,989
Rentals		
Library	**484**	484
Police Buildings	**1**	1
Property & ROW	**8**	3
Other Rentals	**144**	125
	637	613
Fortis BC		
Mortgage Lease Revenue	**5,370**	5,548

SCHEDULE 7

Consolidated Revenues (continued)

for the year ended December 31

(in thousands of dollars)	2012	2011
Sales of Services, User Rates and Rentals, Balance Forward	**$39,732**	$39,327
Other Controlled Entities		
Initiatives Prince George Development Corporation	**277**	189
Tourism Prince George Society	**91**	102
	368	291
Less: Consolidated Adjustment		
Prince George Public Library	**(484)**	(484)
	$39,616	$39,134
RETURN ON INVESTMENTS		
Interest Earnings		
Operating Funds	**$(25)**	$(98)
Development Cost Charges (Note 7)	**90**	114
Deferred Revenues	**39**	71
	104	87
Reserve Funds	**553**	715
Actuarial Adjustments	**2,478**	3,283
Other Controlled Entities	**10**	11
	$3,145	$4,096
DEVELOPMENT COST CHARGES CONTRIBUTIONS	**$2,556**	$86
CONTRIBUTIONS FROM OTHER GOV'TS & AGENCIES		
Federal		
Climate Change	**$58**	$25
Fraser Basin	**49**	42
Pine Beetle Control	**-**	17
Affordability & Choice Today	**-**	3
Capital Grants	**590**	7,050
Other Controlled Entities		
Initiatives Prince George Devel Corp	**92**	24
Tourism Prince George Society	**18**	7

SCHEDULE 7

Consolidated Revenues (continued)

for the year ended December 31

(in thousands of dollars)	2012	2011
Contributions from Other Gov'ts & Agencies, Balance Forward	**$807**	$7,168
Provincial		
Community Works	**2,911**	2,911
Gaming Revenue	**2,631**	2,576
Traffic Fine Sharing Revenue	**1,676**	1,592
Fuel Treatment	**542**	(40)
Emergency Measures	**312**	33
Carbon Tax	**209**	159
Communities That Care	**135**	45
ICBC	**123**	83
Victim Services	**71**	53
Worksafe BC Rebate	**65**	57
Northern Development Initiative Trust	**30**	35
Partners for Climate Change	**25**	83
BC Hydro Energy Management	**13**	25
Fire Department Grant	**9**	7
BC Healthy Communities	**-**	10
Community Forest	**-**	7
Crown Land Pine Beetle	**-**	(3)
Capital Grants	**1,447**	6,813
Other Controlled Entities		
Library - Per Capita Grant	**211**	211
Library - Inter Library Resource Sharing	**11**	10
Initiatives Prince George Devel Corp	**-**	6
Tourism Prince George Society	**23**	20
Regional District		
Library Grant	**259**	209
Active Living	**6**	2
Crown Land	**-**	3
Communities That Care	**-**	1
Other Controlled Entities		
Initiatives Prince George Devel Corp	**37**	35
Tourism Prince George Society	**-**	100

SCHEDULE 7

Consolidated Revenues (continued)

for the year ended December 31

(in thousands of dollars)	2012	2011
Contributions from Other Gov'ts & Agencies, Balance Forward	**$11,553**	**$22,211**
Other		
2015 Canada Winter Games Society	**530**	-
Social Projects	**4**	-
Capital Grants - 2015 Canada Winter Games Society	**2,053**	-
Capital Grants - Other	**800**	-
Other Controlled Entities		
Prince George Public Library - Fund Raising	**114**	160
PG Public Library - Amortization of Deferred Contributions	**308**	34
	$15,362	$22,405
SINKING FUND SURPLUS	**$-**	$107
OTHER		
Licences and Permits		
Business Licences	**$843**	$826
Building Permits	**696**	564
Other	**559**	373
Fines	**377**	416
Penalties and Interest on Taxes	**775**	750
Franchise Fees	**1,228**	1,273
Miscellaneous	**2,125**	3,138
Other Controlled Entities		
Miscellaneous	**362**	279
	$6,965	$7,619
GAIN (LOSS) ON SALE OF CAPITAL ASSETS	**$4,723**	$(525)
ASSET CONTRIBUTIONS	**$611**	$4,732
TOTAL REVENUES	**$159,598**	$161,166

SCHEDULE 8
Consolidated Expenses

for the year ended December 31

(in thousands of dollars)	**2012**	2011
GENERAL GOVERNMENT		
City Council	**$946**	$586
General Administration	**5,888**	6,212
Corporate Services	**6,667**	6,342
Civic Buildings	**656**	611
Debt Interest and Fiscal Services	**2,866**	2,904
Amortization	**2,478**	2,113
Less: Consolidated Adjustment		
Initiatives Prince George Development Corporation	**(1,063)**	(1,060)
Tourism Prince George Society	**(327)**	(327)
	$18,111	$17,381
DISTRICT ENERGY		
Administration	**$2**	$-
Cost of Sale of Services	**101**	-
Amortization	**255**	-
	$358	$-
PROTECTIVE SERVICES		
Policing		
R.C.M.P.	**$15,815**	$16,785
Other	**4,592**	4,378
	20,407	21,163
Bylaw Enforcement	**696**	695
Fire Protection		
911 Service	**1,272**	1,342
Fire Fighting Force	**11,428**	11,358
Other	**2,527**	2,391
	15,227	15,091
Emergency Management	**300**	41
Animal Control	**610**	619
Debt Interest and Fiscal Services	**169**	171
Amortization	**327**	375
	$37,736	$38,155
TRANSPORTATION SERVICES		
Common Services		
Public Works Headquarters	**$2,127**	$1,984
Equipment Fleet		
Operating Costs	**4,703**	4,849
Less: Equipment rentals	**(5,852)**	(6,201)
	(1,149)	(1,352)

SCHEDULE 8
Consolidated Expenses

for the year ended December 31

(in thousands of dollars)	**2012**	2011
TRANSPORTATION SERVICES, Balance Forward	**$978**	$632
Road Transportation		
Administration	**1,121**	1,041
Snow Control	**5,346**	6,895
Road and Streets Maintenance	**3,253**	2,525
Street Lighting	**1,067**	1,138
Traffic Services	**736**	728
Parking	**1,703**	1,814
Storm Drainage	**197**	120
	13,423	14,261
Public Transit	**4,263**	4,096
Debt Interest and Fiscal Services	**1,389**	1,278
Amortization	**5,867**	5,735
	$25,920	$26,002
WATER AND SEWER		
Water		
Administration	**$429**	$355
System Maintenance	**2,215**	2,583
Pumping	**1,585**	1,601
Chlorination and Fluoridation	**73**	69
Debt Interest and Fiscal Services	**1,128**	1,169
Amortization	**1,708**	1,710
	7,138	7,487
Sewer		
Administration	**427**	336
Collection System	**1,248**	1,148
Lift Stations	**901**	839
Treatment Plant Operations	**1,822**	2,081
Debt Interest and Fiscal Services	**483**	565
Amortization	**1,338**	1,328
	6,219	6,297
	$13,357	$13,784

SCHEDULE 8

Consolidated Expenses (continued)

for the year ended December 31

(in thousands of dollars)	**2012**	2011
SANITATION AND WASTE REMOVAL		
Solid Waste Services Operations	**$3,471**	$3,273
Debt Interest and Fiscal Services	**11**	-
Amortization	**127**	264
	$3,609	$3,537
PUBLIC HEALTH AND WELFARE		
Cemetery Operation and Maintenance	**$524**	$506
Debt Interest and Fiscal Services	**8**	8
Amortization	**49**	49
	$581	$563
PLANNING AND ENVIRONMENTAL DEVELOPMENT		
City Planning	**$2,841**	$3,063
PARKS, RECREATION AND CULTURAL SERVICES		
Recreation Facilities		
Civic Centre	**$1,639**	$1,946
Arenas	**4,798**	5,044
Aquatics	**3,616**	3,570
Exhibition Grounds	**75**	91
Administration and Other	**712**	735
	10,840	11,386
Cultural Facilities		
Grant to Prince George Public Library	**3,672**	3,622
Other	**126**	110
	3,798	3,732
Recreation and Cultural Facilities	**14,638**	15,118
Parks and Playgrounds	**3,336**	3,305
Grant to UNBC (Northern Sports Centre)	**300**	300
Other Recreational Services	**1,415**	1,735
Debt Interest and Fiscal Services	**1,178**	1,177
Amortization	**2,768**	2,889
Less: Consolidated Adjustment		
Prince George Public Library - Grant	**(3,672)**	(3,622)
	$19,963	$20,902

SCHEDULE 8

Consolidated Expenses (continued)

for the year ended December 31

in thousands of dollars)	**2012**	2011
OTHER CONTROLLED ENTITIES		
Prince George Public Library	**$3,707**	$3,704
Initiatives Prince George Development Corporation	**1,933**	1,509
Tourism Prince George Society	**1,152**	1,075
	$6,792	$6,288
TOTAL EXPENSES	**$129,268**	$129,675

SCHEDULE 9

SUMMARY OF EXPENSES BY OBJECT

for the years ended December 31

(in thousands of dollars)	2012	2011
GENERAL OPERATING FUND		
Labour & Benefits	$ 48,462	$ 48,057
Materials & Supplies	3,354	2,903
City Fleet Expense	1,594	1,505
Contracted Services	12,322	12,875
Electricity & Natural Gas	2,441	2,447
RCMP Contract	15,814	16,783
Professional Services & Insurance	2,159	2,356
Grants	6,199	6,261
Miscellaneous	4,252	4,467
Debt Interest and Fiscal Services	5,610	5,533
	$ 102,207	$ 103,187
DISTRICT ENERGY OPERATING FUND		
Labour & Benefits	$ 12	$ -
Materials & Supplies	38	-
Contracted Services	4	-
Electricity & Natural Gas	38	-
Professional Services & Insurance	11	-
	$ 103	$ -
WATER OPERATING FUND		
Labour & Benefits	$ 2,241	$ 2,275
Materials & Supplies	616	736
City Fleet Expense	382	427
Contracted Services	229	273
Electricity & Natural Gas	718	741
Professional Services & Insurance	22	36
Miscellaneous	94	120
Debt Interest and Fiscal Services	1,128	1,169
	$ 5,430	$ 5,777
SEWER OPERATING FUND		
Labour & Benefits	$ 2,404	$ 2,361
Materials & Supplies	325	387
City Fleet Expense	429	458
Contracted Services	414	546
Electricity & Natural Gas	350	341
Professional Services & Insurance	347	193
Miscellaneous	129	118
Debt Interest and Fiscal Services	483	565
	$ 4,881	$ 4,969

SCHEDULE 9

SUMMARY OF EXPENSES BY OBJECT (con't)

for the years ended December 31

(in thousands of dollars)	2012	2011
AMORTIZATION		
General	$ 11,616	$ 11,425
District Energy	255	-
Water	1,708	1,710
Sewer	1,338	1,328
	14,917	14,463
Other Controlled Entities	503	463
	$ 15,420	$ 14,926
OTHER CONTROLLED ENTITIES		
Prince George Public Library	$ 3,819	$ 3,820
Intiatives Prince George Development Corporation	1,871	1,479
Tourism Prince George Society	1,121	1,048
	$ 6,811	$ 6,347
CONSOLIDATED ADJUSTMENTS		
Prince George Public Library	$ (4,194)	$ (4,144)
Intiatives Prince George Development Corporation	(1,063)	(1,060)
Tourism Prince George Society	(327)	(327)
	$ (5,584)	$ (5,531)
	$ 129,268	$ 129,675
CONSOLIDATED TOTAL		
Labour & Benefits	$ 53,119	$ 52,693
Materials & Supplies	4,333	4,026
City Fleet Expense	2,405	2,390
Contracted Services	12,969	13,694
Electricity & Natural Gas	3,547	3,529
RCMP Contract	15,814	16,783
Professional Services & Insurance	2,539	2,585
Grants	1,137	1,252
Miscellaneous	4,475	4,705
Debt Interest and Fiscal Services	7,221	7,267
Amortization	15,420	14,926
Prince George Public Library	3,297	3,298
Intiatives Prince George Development Corporation	1,871	1,479
Tourism Prince George Society	1,121	1,048
	$ 129,268	$ 129,675

SCHEDULE 10

Schedule of Short-term Debt

as at December 31

(in thousands of dollars)

	Rate	**Principal Outstanding Dec. 31, 2012**	Principal Outstanding Dec. 31, 2011	FUTURE PAYMENTS (Including Principal and Interest) 2013	2014	2015	2016	2017
General Debt								
Capital								
Capital Lease - Municipal Finance Authority	2.000	**4,635**	4,650	904	815	617	288	20
Other Controlled Entities								
Initiatives Prince George Development Corporation								
Line of Credit	prime +1%	**141**	-	141	-	-	-	-
TOTAL SHORT-TERM DEBT		**4,776**	4,650	1,045	815	617	288	20

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, 2012**	Principal Outstanding Dec. 31, 2011	FUTURE PAYMENTS (a) (Including Principal and Interest) 2013	2014	2015	2016	2017
General Debt												
6192/6080	59	Nov 10/94	Multiplex Centre	Nov 10/14	5.000	**746**	1,093	401	401 Predicted Future Stop Payments in 2014.			
6192/6080/1	60	Apr 12/95	Multiplex Centre	Apr 12/15	4.750	**1,431**	1,864	509	509	354 (b)		
6192/6080/2&3	61	Dec 1/95	Multiplex Centre	Dec 1/15	3.000	**535**	697	148	148	148 (b)		
6404/6080/1	61	Dec 1/95	Multiplex Centre	Dec 1/15	3.000	**874**	1,138	241	241	241 (b)		
6495/6080	63	Jun 1/96	Multiplex Centre	Jun 1/16	5.715	**429**	524	132	132	132	89	
6700/6080	65	Apr 24/97	Aquatic Centre	Apr 24/17	4.550	**669**	784	146	146	146	146	102
6783/6080/1	66	Nov 5/97	Aquatic Centre	Nov 5/17	4.820	**1,146**	1,344	259	259	259	259	259
6848/6080	68	Mar 24/98	Aquatic Centre	Mar 24/18	4.650	**896**	1,021	169	169	169	169	169
7425/7214	79	Jun 3/03	Leland Rd Paving	Jun 3/13	5.491	**9**	17	7 Predicted Future Stop Payments in 2013.				
7489/7361A	81	Apr 22/04	Snow Disposal	Apr 22/24	4.860	**36**	38	4	4	4	4	4
0000/7601	85	Oct 25/04	Terasen Lease In/Out	Dec 2/21	4.975	**26,707**	29,014	3,748	3,748	3,757	3,757	3,757
0000/7601A	87	Oct 25/04	Terasen Lease In/Out	Oct 30/21	3.550	**12,354**	13,423	1,454	1,454	1,454	1,454	1,454
0112/7361	93	Apr 6/05	Snow Disposal	Apr 6/25	5.100	**706**	751	81	80	79	78	76
0112/7486	93	Apr 6/05	Road Rehabilitation	Apr 6/25	5.100	**1,443**	1,535	166	164	161	158	156
0112/7506	93	Apr 6/05	City Yard	Apr 6/25	5.100	**327**	348	38	37	37	36	35
2005/7361	95	Oct 13/05	Snow Disposal	Oct 13/25	4.770	**309**	326	34	34	34	34	34
2005/7486	95	Oct 13/05	Exhibition Grounds	Oct 13/25	4.770	**673**	712	74	74	74	74	74
2005/7598	95	Oct 13/05	Exhibition Grounds	Oct 13/25	4.770	**86**	91	10	10	10	10	10
2006/7486	97	Apr 19/06	Road Rehabilitation	Apr 19/26	4.660	**811**	853	84	84	84	84	84
2006/7748/1	99	Oct 19/06	Exhibition Grounds	Oct 19/26	4.430	**65**	67	6	6	6	6	6
2007/7505G	101	Aug 1/07	RCMP New Facility	Aug 1/27	4.520	**2,301**	2,412	222	222	222	222	222
2008/7922	103	Apr 23/08	Road Rehabilitation	Apr 23/18	4.650	**1,276**	1,461	256	256	256	256	256
2516/7970	105	Apr 21/09	Cameron Street Bridge	Jun 3/29	4.900	**2,238**	2,329	206	206	206	206	206
2516/8011	105	Apr 21/09	Cemetery Redevelopment	Jun 3/29	4.900	**116**	121	11	11	11	11	11
2592/7970	110	Apr 08/10	Cameron Street Bridge	Apr 08/30	4.500	**3,215**	3,337	271	271	271	271	271
2697/8284	118	Apr 11/12	River Rd. Reconstruction	Apr 11/32	3.400	**3,876**	-	262	262	262	262	262
2477/7505	121	Apr 04/12	RCMP New Facility	Apr 04/32	2.900	**9,787**	-	612	612	612	612	612
2760/8011	121	Apr 04/12	RCMP New Facility	Apr 04/32	2.900	**1,317**	-	82	82	82	82	82
						74,378	65,300	9,633	9,622	9,071	8,280	8,142
Storm Sewer Debt												
6848/6724	68	Mar 24/98	Storm Sewer	Mar 24/18	4.650	**168**	191	32	32	32	32	32
6955/6724	69	Oct 14/98	Storm Sewer	Oct 14/18	4.650	**264**	301	50	50	50	50	50
						432	492	82	82	82	82	82
General Fund Debt						**74,810**	65,792	9,715	9,704	9,153	8,362	8,224
Capital Lease - Concert Realty Services Ltd (Westel)					9.500	**4,440**	4,589	585	585	585	585	585
Capital Lease - Bank of Nova Scotia					2.250	**572**	709	572 Predicted Future Stop Payments in 2013.				
Capital Lease - Municipal Finance Authority					2.000	**5,498**	6,864	1,090	865	491	262	77
Capital Lease - Fortis BC					5.460	**1,922**	2,083	273	273	273	273	273
Total General Capital Fund Debt						**87,242**	80,037	12,235	11,427	10,502	9,482	9,159

(a) Future payments do not include actuarial amounts. (b) Predicted Future Stop Payments in 2016.

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, 2012**	Principal Outstanding Dec. 31, 2011	FUTURE PAYMENTS (a) (Including Principal and Interest) 2013	2014	2015	2016	2017
5857/5418	55	May 12/93	Water System	May 12/13	8.500	**1**	3	1 Predicted Future Stop Payments in 2013.				
5878/5712	55	May 12/93	Water System	May 12/13	8.500	**223**	436	212 Predicted Future Stop Payments in 2013.				
6287/6209	60	Apr 12/95	Water System	Apr 12/15	4.750	**52**	68	19	19	13 (b)		
6495/6190	63	Jun 1/96	Water System	Jun 1/16	5.715	**512**	625	157	157	157	106 (c)	
6495/6308	63	Jun 1/96	Water System	Jun 1/16	5.715	**132**	161	40	40	40	27 (c)	
6495/6901	63	Jun 1/96	Water System	Jun 1/16	5.715	**36**	43	11	11	11	7 (c)	
7425/7037	79	Jun 3/03	Water System	Jun 3/23	5.491	**614**	655	78	78	78	78	78
7425/7212	79	Jun 3/03	Water System	Jun 3/23	5.491	**145**	154	18	18	18	18	18
7489/7212	81	Apr 22/04	Water System	Apr 22/24	4.860	**37**	40	4	4	4	4	4
7489/7361	81	Apr 22/04	Water System-Hart Nech	Apr 22/24	4.860	**107**	113	12	12	12	12	12
0112/7361	93	Apr 6/05	Hart Nechako Supply	Apr 6/25	5.100	**706**	751	81	80	79	78	76
2005/7361A	95	Oct 13/05	Hart Nechako Supply	Oct 13/25	4.770	**2,647**	2,800	293	293	293	293	293
2005/7598A	95	Oct 25/05	Hart Nechako Supply	Oct 25/25	4.770	**1,027**	1,087	114	114	114	114	114
2006/7598	97	Apr 19/06	Hart Nechako Supply	Apr 19/26	4.660	**121**	127	13	13	13	13	13
2006/7748	97	Apr 19/06	Hart Nechako Supply	Apr 19/26	4.660	**3,057**	3,218	315	315	315	315	315
2006/7361	99	Oct 19/06	Cranbrook Hill Reservoir	Oct 19/26	4.430	**897**	944	90	90	90	90	90
2006/7748	99	Oct 19/06	Cranbrook Hill Reservoir	Oct 19/26	4.430	**16**	17	2	2	2	2	2
2007/7361W	101	Aug 1/07	Foothills Blvd Main	Aug 1/27	4.520	**680**	713	65	65	65	65	65
2007/7486W	101	Aug 1/07	Foothills Blvd Main	Aug 1/27	4.520	**915**	959	88	88	88	88	88
2008/7924	104	Nov 20/08	PW805 to Ferry	Nov 20/28	5.150	**562**	587	56	56	56	56	56
2697/8287	118	Apr 11/12	Simon Fraser Bridge Pipe	Apr 11/32	3.400	**759**	-	51	51	51	51	51
Total Water Capital Fund Debt						**13,246**	13,501	1,720	1,506	1,499	1,417	1,275

(a) Future payments do not include actuarial amounts.

(b) Predicted Future Stop Payments in 2015.

(c) Predicted Future Stop Payments in 2016.

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, 2012**	Principal Outstanding Dec. 31, 2011	FUTURE PAYMENTS (a) (Including Principal and Interest) 2013	2014	2015	2016	2017
6186/5711	59	Nov 10/94	Sanitary Sewer	Nov 10/14	5.000	**47**	69	25	25	Predicted Future Stop Payments in 2014.		
6338/6104	61	Dec 1/95	Sanitary Sewer	Dec 1/15	3.000	**497**	647	137	137	137 (b)		
6404/5711/2	61	Dec 1/95	Sanitary Sewer	Dec 1/15	3.000	**160**	209	44	44	44 (b)		
6404/6105	61	Dec 1/95	Sanitary Sewer	Dec 1/15	3.000	**21**	27	6	6	6 (b)		
6404/6113	61	Dec 1/95	Sanitary Sewer	Dec 1/15	3.000	**55**	72	15	15	15 (b)		
6495/5711	63	Jun 1/96	Sanitary Sewer	Jun 1/16	5.715	**185**	226	57	57	57	38 (c)	
6495/6309	63	Jun 1/96	Sanitary Sewer	Jun 1/16	5.715	**188**	229	58	58	58	39 (c)	
6495/6341	63	Jun 1/96	Sanitary Sewer	Jun 1/16	5.715	**10**	12	3	3	3	2 (c)	
6625/6104	64	Sep 25/96	Sewage Treatment Plant	Sep 25/16	4.430	**797**	973	209	209	209	209 (c)	
6625/6105	64	Sep 25/96	Sanitary Sewer	Sep 25/16	4.430	**6**	7	1	1	1	1 (c)	
6625/6309	64	Sep 25/96	Sanitary Sewer	Sep 25/16	4.430	**13**	16	3	3	3	3 (c)	
6783/6104/1	66	Nov 5/97	Sanitary Sewer	Nov 5/17	4.820	**151**	177	34	34	34	34	34
7425/7036	79	Jun 3/03	Sanitary Sewer	Jun 3/23	5.491	**634**	676	81	81	81	81	81
7425/7089	79	Jun 3/03	Sanitary Sewer	Jun 3/23	5.491	**448**	479	57	57	57	57	57
7425/7211	79	Jun 3/03	Sanitary Sewer	Jun 3/23	5.491	**120**	128	15	15	15	15	15
7425/7213	79	Jun 3/03	Sanitary Sewer	Jun 3/23	5.491	**175**	186	22	22	22	22	22
7425/7361	79	Jun 3/03	Sanitary Sewer	Jun 3/23	5.491	**66**	71	9	9	9	9	9
7489/7211	81	Apr 22/04	Sanitary Sewer	Apr 22/24	4.860	**128**	136	14	14	14	14	14
2006/7361/1	99	Oct 19/06	Blackburn Treatment Plant	Oct 19/26	4.430	**62**	65	6	6	6	6	6
2007/7361S	101	Aug 1/07	Blackburn Treatment Plant	Aug 1/27	4.520	**194**	204	19	19	19	19	19
Total Sewer Capital Fund Debt						**3,957**	4,609	815	815	790	549	257
TOTAL LONG-TERM DEBT						**104,445**	98,147	14,770	13,748	12,791	11,448	10,691

(a) Future payments do not include actuarial amounts.

(b) Predicted Future Stop Payments in 2015.

(c) Predicted Future Stop Payments in 2016.

DOWNTOWN REVITALIZATION TAX EXEMPTION APPROVED APPLICATIONS - 2012

		Exemption Amount
1	Garth and Susan Frizzell 1272-1260 3rd Avenue - Office Improvements	$3,210
2	L & M - 1210 - 4th Avenue	$8,090
3	Shooters 611 Brunswick St	$14,856
4	Tony Roma's - 508 George Street	$13,902
5	422221 BC Ltd - 411 Quebec Street	$1,995
6	Landi Products Ltd - 492 Victoria Street	$586
7	Lortro Developments Ltd - 365 George Street	$2,386
8	B&B Music 1085 3rd Avenue	$13,794
9	Commonwealth Capital 1448 6th Avenue	$3,839
10	Otter Properties	$95,644
	Total	$158,300

2012 Assessment, 2012 Tax Rate, 2011 Bylaw

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 2012.

Group	Legal Description	Civic Address	Permissive Tax Exemption
AiMHi - Prince George Association for Community Living	Lot 44 District Lot 8172 Plan 18944	2471 Lisgar Cres	1,933.26
AiMHi - Prince George Association for Community Living	Lot B District Lot 2610 Plan 22059	475 Brigade Dr	1,142.03
AiMHi - Prince George Association for Community Living	Lot A District Lot 2610 Plan 22059	483 Brigade Dr	1,162.30
AiMHi - Prince George Association for Community Living	Lot 73 District Lot 2507 Plan 22108	386 Green Pl	3,071.39
AiMHi - Prince George Association for Community Living	Lot 1 District Lot 8174 Plan 27831	2690 Ospika Blvd	2,299.65
AiMHi - Prince George Association for Community Living	Lot 37 District Lot 1427 Plan 15089	501 Radcliffe Dr	1,694.72
AiMHi - Prince George Association for Community Living	Lot 2 District Lot 2003 Plan Pgp36193	6899 O'Grady Rd	2,346.42
AiMHi - Prince George Association for Community Living	Lot 35 District Lot 2608 Plan 20043	4440 1st Avenue	947.14
AiMHi - Prince George Association for Community Living	Lot 36 District Lot 2608 Plan 20043	4444 1st Avenue	942.47
AiMHi - Prince George Association for Community Living	Lot 85 District Lot 938 Plan 9107	2720 Hammond Avenue	1,668.22
AiMHi - Prince George Association for Community Living	Lot 11 Block K District Lot 936 Plan 10005	1873 Garden Drive	1,640.93
AiMHi - Prince George Association for Community Living	Lot 56 District Lot 938 Plan 9107	2655 Hammond Avenue	1,282.34
AiMHi - Prince George Association for Community Living	Lot 67 District Lot 2507 Plan 15185	1250 Parsnip Crescent	1,618.33
AiMHi - Prince George Association for Community Living	Lot 11 District Lot 482 Plan 22883	341 Mullett Crescent	1,584.03
AiMHi - Prince George Association for Community Living	Lot 44 District Lot 754 Plan 22374	7742 Lemoyne Place	1,573.11
AiMHi - Prince George Association for Community Living	Lot 41 District Lot 777 Plan 17401	2161 MacDonald Avenue	1,769.56
AiMHi - Prince George Association for Community Living	Lot 112 District Lot 2507 Plan 20829 & DI 2610.	4212 Ness Avenue	1,568.44
AiMHi - Prince George Association for Community Living	Lot 19 District Lot 937 Plan 13198	167 Patterson Street	1,608.19
AiMHi - Prince George Association for Community Living	Lot 3 Block 81 District Lot 937 Plan 752 Lot 4, Block 81, Plan 752, District Lot 937, Cariboo Land District.	269 Kelly Street	1,320.54
AiMHi - Prince George Association for Community Living	Lot 70 District Lot 1427 Plan 21638	127 Duncan Place	1,695.50
AiMHi - Prince George Association for Community Living	Lot 50 District Lot 2426 Plan 20751	10057 Kelly Road	1,980.81
AiMHi - Prince George Association for Community Living	Lot 25 District Lot 2507 Plan 21450	4255 Trapper Ave	2,042.40
AiMHi - Prince George Association for Community Living	Lot 12, 13 Block 110 District Lot 343 Plan 1268 Lot F ,G, Block 110, Plan 1268, District Lot 343, Cariboo Land District, Assigned ... (71605M)	1686 -1680 Burden Street	1,824.13
AiMHi - Prince George Association for Community Living	Lot 1 District Lot 777 Plan 18598	2440 Abbott Crescent	1,272.99
AiMHi - Prince George Association for Community Living	Lot 66 District Lot 2507 Plan 20258	4249 Davie Ave	1,980.03
AiMHi - Prince George Association for Community Living	Lot 15 District Lot 913 Plan 16511	128 Aitken Crescent	1,360.30
AiMHi - Prince George Association for Community Living	Lot 276 District Lot 2611 Plan 21607	4057 Campbell Ave	1,559.08
AiMHi - Prince George Association for Community Living	Lot 7 District Lot 482 Plan 22902	4703 Freimuller Ave	1,894.28
AiMHi - Prince George Association for Community Living	Lot A District Lot 2507 Plan Bcp35414	950 Kerry St	29,195.15
AiMHi - Prince George Association for Community Living	Block 6 District Lot 933 Plan 727 Parcel B, (PI 20543).	930 LaSalle Ave	2,833.63
AiMHi - Prince George Association for Community Living	Lot A District Lot 2608 Plan 19970	4404 1st Ave	933.11
AiMHi - Prince George Association for Community Living	Lot 68 District Lot 8178 Plan 20375	2896 Sycamore Cres	1,695.50
AWAC-An Association Advocating for Women and Children	Lot 2 District Lot 343 Plan Bcp1317	144 George St	14,605.79
Canadian Cancer Society	Lot 1 District Lot 343 Plan 18364	1100 Alward St	15,098.67
Canadian Mental Health Association	Lot 3 District Lot 933 Plan 24282	2652 Moss Ave	1,604.30
Canadian Mental Health Association	Lot 18, 19 Block 23 District Lot 933 Plan 727, Cariboo Land District	2734 Norwood St	2,760.15
Canadian Red Cross Society, The	Lot 1 PGP, 2 Block 172 District Lot 343 Plan 1268, Cariboo Land District	1399 Sixth Ave	21,522.59
Carefree Society	Lot 9-11 Block 26 District Lot 933 Plan 727, Cariboo Land District.	2832 Queensway St	2,526.85
Carney Hill Neighbourhood Centre Society	Block 6 District Lot 932 Plan Pgp796 Parcel A, (Pn13508)	2105 Pine St	1,152.94

2012 Assessment, 2012 Tax Rate, 2011 Bylaw

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 2012.

Group	Legal Description	Civic Address	Permissive Tax Exemption
Carrier Sekani Family Services	Lot 1-5 Block 148 District Lot 343 Plan 1268, Cariboo Land District.	987 4th Ave	16,100.87
Carrier Sekani Family Services	Lot 8-10 Block 137 District Lot 343 Plan 1268, Cariboo Land District.	835 3rd Ave	4,123.77
Carrier Sekani Family Services	Lot 15 District Lot 482 Plan 22883	357 Mullet Cr	2,026.81
Cerebral Palsy Assoc(Child Development Centre)	Lot A District Lot 777 Plan 21321 Ex Statutory R/W Pl 29528	1687 Strathcona Ave	11,302.40
Easter Seal House Society	District Lot 936 Plan 28388 Parcel 1	1685 Carney Street	1,951.19
Emmaus Place Society	Lot 5 District Lot 2003 Plan 13729	6373 Hillcrest Place	1,798.40
Fraser Fort George Museum Society	Lot A District Lot 343 Plan Pgp46330 & Dl 417	333 Becott Pl	99,868.53
Hart Highlands Winter Club	Lot A District Lot 4047 Plan 16588 Except Plan 17497, Exc Pl 26390, 26391, 28850	3740 Winslow Dr	3,341.11
Hart Highlands Winter Club	Lot B District Lot 4047 Plan 17956	6168 Crown Dr	826.31
Hart Pioneer Centre Association	Lot 1 District Lot 4047 Plan Pgp42458	6986 Hart Highway	4,293.02
Intersect Youth & Family Services Society	Lot 18-20 Block 44 District Lot 343 Plan 1268, Cariboo Land District, (11170M).	1294 - 1288 3rd Ave	15,312.26
Le Cercle Des Canadiens Francais de Prince George	Lot 1 District Lot 343 Plan 17963	1752 Fir St	4,325.88
Nature Trust of British Columbia	Lot 1 District Lot 2113 Plan 34582	9927 Ferguson Lake Rd	157.47
Nature Trust of British Columbia	Lot 2 District Lot 2421 Plan 34582	9915 Ferguson Lake Rd	512.94
Nature Trust of British Columbia	District Lot 2097 Except Plan 27069 28358 Pgp36539, See Expl Pl36407	North Nechako Rd	350.01
Northern John Howard Society of BC	Lot 23 Block 21 District Lot 343 Plan 1268	150 - 154 Quebec St	4,657.75
Phoenix Transition Society	Block 204 District Lot 343 Plan 1268 Parcel C, (Pg10105)	1780 11th Ave	1,072.65
Phoenix Transition Society	Lot 21-22 Block 204 District Lot 343 Plan 1268 Exc The Westerly 3 Feet, Cariboo Land District	1770 11th Ave	1,676.01
Phoenix Transition Society	Lot 3-4 Block 207 District Lot 343 Plan 1268, Cariboo Land District	1775 - 11th Ave	1,376.67
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	2,245.08
Prince George Activator Society	Lot 17-19 Block 28 District Lot 343 Plan 1268, Cariboo Land District.	770 - 760 Second Ave	4,061.41
Prince George Alano Society	District Lot 343 Plan Bcp19859 Parcel A	725 Alward St	2,187.39
Prince George & District Elizabeth Fry Society	Block 93 District Lot 343 Plan 1268 Parcel B, (Pb14013)	1220 Lethbridge St	2,170.24
Prince George Golf & Curling Club	District Lot 8173 Plan Bcp10189 Parcel 1, Except Plan Bcp25199, & Dls 8176 8179 8180	2515 Recreation Pl	149,169.52
Prince George Hospice Society	Lot 1 District Lot 913 Plan Pgp46312	1506 Ferry Ave	6,704.86
Prince George Hospice Society	Lot 26 District Lot 913 Plan 7787 Except Plan 21497, Exc Pl Pgp46312	3089 Clapperton St	3,585.89
Prince George Knight's Society	Lot 130 District Lot 754 Plan 23862 Except Plan 24257	7201 Domano Blvd	23,280.54
Prince George Masonic Temple Ltd	Lot 2 Block 154 District Lot 343 Plan 1268 Lot 1, Block 154, Plan 1268, District Lot 343, Cariboo Land District.	480 450 Vancouver St	3,405.89
Prince George Native Friendship Centre	Block 126 District Lot 343 Plan 1268 Parcel F, (Pk13048)	1945 3rd Ave	2,580.28
Prince George Native Friendship Centre	Lot 47 District Lot 2608 Plan 19520	122 - 110 Anderson St	2,369.80
Prince George Native Friendship Centre	Lot 1 District Lot 343 Plan Bcp1317	138 George St	12,256.38
Prince George Native Friendship Centre	Block 48 District Lot 343 Plan 1268 Parcel A, Except Plan 17548, See Pl 16928 & Ct 108909M.	1600 3rd Ave	47,891.88
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	2,633.29
Prince George Native Friendship Centre	Lot 6 Block 23 District Lot 343 Plan 1268	191 George St	1,531.23
Prince George Native Friendship Centre	Lot 4 & 5 Block 23 District Lot 343 Plan 1268, Cariboo Land District	171 George St	3,180.53
Prince George Receiving Home Society	Lot 33-38 District Lot 343, Plan 18815, Cariboo Land District	1777 Yew St	2,056.43
Prince George Rod & Gun Club	Block A District Lot 1604	9444 Hartman Rd	3,681.69
St John Council for BC Properties	Lot 18-20 Block 36 District Lot 343 Plan 1268, Cariboo Land District	470 3rd Ave	7,557.55

2012 Assessment, 2012 Tax Rate, 2011 Bylaw

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 2012.

Group	Legal Description	Civic Address	Permissive Tax Exemption
St John Society(BC&Yukon)	Block 36 District Lot 343 Plan 1268 Parcel A, (Ps23038)	450 3rd Ave	4,163.23
St. Patrick's House Society	Lot 18 District Lot 343 Plan 18815	1735 Yew St	1,872.46
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	7,754.71
Seventh Day Adventist Church(BC Confernce)(School)	District Lot 3050 Plan 8332 Parcel A, (F15212).	3310 Sutherland Rd	3,588.19
Timbers Community Church(Christian & Missionary Alliance	Lot 6 Block 130 District Lot 343 Plan 1268	1553-1557 3rd Ave	2,305.05
Yalenka Ukrainian Cultural Society	Lot B District Lot 343 Plan Pgp35939	933 Patricia Blvd	4,464.52
Non-Profit Total			**622,483.36**

Group	Legal Description	Civic Address	
Association for Christian Education of Prince George (Cedar Christian School)	District Lot 1574 Plan Pgp35585 Parcel 1, Except Plan Pgp44869, & Dl 3050.	701 N. Nechako Rd	4,090.94
Association for Christian Education of Prince George (Cedar Christian School)	Dl1574, Exc. Plan 5659 & Exc. Plan 6123,8540,12288,27425&Pgp44719	677 N. Nechako Rd	10,416.28
Westwood Mennonite Brethern Church(BC Conference of the Mennonite Brethren Churches)	District Lot 8174 Plan Bcp31092 Parcel 1	2658 Ospika Blvd S	5,854.35
Seventh-Day Adventist Church-BC Corporation of the	Lot 1 District Lot 2507 Plan 22703 See Explan R/W Pl 31439	4388 15th Ave	888.68
Calvary United Pentecostal Church	Lot A District Lot 2507 Plan 17170	1011 Ospika Blvd S	576.08
Central Fellowship Baptist Church	Lot A District Lot 1426 Plan 19306 Except Plan 23321, & Exc Pl Bcp39433.	2840 Clapperton St	841.90
Lakewood Alliance(Christian and Missionary Alliance)	Lot 1 District Lot 2610 Plan 16227	4001 5th Ave	2,190.51
Christian Reformed Church of Prince George	Block 328 District Lot 343 Plan 1268 Parcel A, Pcl A (B15357).	1905 Willow St	5,706.24
Church of the Nazarene Canada Pacific	Lot 192 District Lot 936 Plan 15185	1424 Liard Dr	512.16
College Heights Baptist Church	Lot A District Lot 753 Plan 23249	5401 Moriarty Cres	2,525.71
First Baptist Church(Conv of Baptist Churches of BC)	Block 56 District Lot 937 Plan Pgp48070 Parcel 1	483 Gillett St	1,512.31
East Hart Congregation of Jehovah's Witnesses, Trustees For	Lot B District Lot 4047 Plan 17869	6720 Dagg Rd	414.72
Evangelical Free Church of Prince George	Lot 17 District Lot 482 Plan 22108	4590 5th Ave	873.09
Faith Alive Fellowship Inc	Lot 2 District Lot 4040 Plan 8831	3400 Hart Hwy	447.46
Fort George Baptist Church	Lot 1-4 Block A District Lot 936 Plan 10005, Cariboo Land District.	1600 Johnson St	653.26
Grace Anglican Church-Fraser Basin Property Soc	Lot 1 District Lot 2611 Plan 32510	2640 Goheen St	873.09
Fraser Basin Property Society (St. Michael's and All Angels' Church)	Lots 9- 12 Block 161 District Lot 343 Plan 1268 Cariboo Land District	1505 5th Ave	795.13
Fraser Basin Property Society (St. Michael's and All Angels' Church)	Block 161 District Lot 343 Plan 1268 Parcel A, (Pl35282)	1553 5th Avenue	1,314.31
Gateway Christian Ministries of Prince George	Lot 6 District Lot 343 Plan 18815	1919 17th Ave	2,681.62
Gateway Christian Ministries of Prince George	Lot B District Lot 343 Plan 22292	2055 20th Ave	4,381.02
Salvation Army Community Church, The	Lot 22 District Lot 2507 Plan 16227 & Dl 2610.	777 Ospika Blvd	795.13
Guru Nanak Darbar Sikh Society	District Lot 905 Plan Bcp25530 Parcel 1	4298 Davis Rd	2,268.46
Gurugobind Singh Temple Association	Lot 1-10, Block 51, Plan 752, District Lot 937, Cariboo Land District, Except Plan 17731	443 Kelly St S	542.56
Hartland Baptist Church, Inc	District Lot 4047 Plan Bcp8052 Parcel 1, Aka Lots 25-26 (U24043)/Lot 1 Pl31141 & Lot 24 Pl27039	6599 Driftwood Rd	935.45
Greek Orthodox Church(Hellenic Community)	Lot 101 District Lot 2507 Plan 20916	511 Tabor Blvd S	1,036.79
Heritage Free Presbyterian Church	Lot 9 District Lot 4047 Plan 17497 Except Plan 18389 19548	4020 Balsum Rd	607.26
Kelly Road Gospel Chapel	Lot 6 District Lot 4047 Plan 11058	7046 Kelly Rd S	495.01
Knox United Church	Lot 11-16 Block 153, District Lot 343, Cariboo Land District, Plan 1268	1448 5th Ave	2,190.51

2012 Assessment, 2012 Tax Rate, 2011 Bylaw

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 2012.

Group	Legal Description	Civic Address	Permissive Tax Exemption
Our Saviour's Lutheran Church	Lot A District Lot 8171 Plan 32714 & DI 8174	3590 Dufferin Ave	1,067.97
Overcoming Faith Centre Inc	Lot 1 District Lot 2003 Plan Pgp37292	4520 Wheeler Road	1,543.49
Prince George City Church	Lot 1 Block 59 District Lot 343 Plan Bcp3891	439 Cassiar Street	1,429.13
Prince George Mission	Lot B District Lot 2507 Plan Pgp46838	4110 15th Ave	1,373.93
All Nations Church	Lot 1-3 Block 163 District Lot 343 Plan 1268, Cariboo Land District.	1395 5th Avenue	1,134.23
Hart Pentecostal Church (Pentecostal Assemblies of Canada)	Lot 43 District Lot 4047 Plan 11088 Ex Pn 40815 & Ex R/W Pl 29887	6912 Hart Hwy	337.54
Prince George Pentecostal Church	Lot 44 District Lot 2610 Plan 16510	497 Ospika Blvd S	1,987.83
Church of Jesus Christ of Latter Day Saints-President Lethbridge Stake	Lot A District Lot 2610 Plan 16764	4180 5th Ave	1,052.38
Prince George Christian Outreach Building Society	Lot 12 Block 43 District Lot 343 Plan 1268	1164 3rd Ave	2,479.21
Prince George Gospel Chapel	Lot 11-12 Block 239 District Lot 343 Plan 1268, Parcel A Cariboo Land District, (See B7858).	1590 Queensway St	857.50
Roman Catholic Episcopal Pr Rupert - Immaculate Conception	Lot 1 District Lot 1605 Plan Pgp36549 Except Plan Pgp43062, & DI 2003	3285 Cathedral Ave	3,721.70
Roman Catholic Episcopal Pr Rupert - Immaculate Conception	Lot A District Lot 2003 Plan Pgp43062	3288 Cathedral Avenue	91.99
Roman Catholic Episcopal Pr Rupert - Christ our Saviour	Lot 48 District Lot 4048 Plan 20605 Except Plan 23818	4514-4510 Austin Rd West	1,496.72
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	5,386.41
Roman Catholic Episcopal Pr Rupert - Sacred Heart	Lot 1 District Lot 343 Plan Bcp1869	887 785 Patricia Blvd	120.05
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	1,225.64
Roman Catholic Episcopal Pr Rupert - St Mary's	Lot 2 District Lot 1429 Plan 19663	1125 Freeman St	1,200.49
Sovereign Grace Fellowship	District Lot 7645 Plan 8285 Parcel A, Except Plan 29483, 115262M	1990 Houghtaling Rd	298.56
Kingdom Hall of Jehovah's Witnesses, Trustees of Spruceland Congregation	Lot A District Lot 2507 Plan Pgp38016	4350 15th Avenue	919.86
St. Andrew's United Church, Trustees for the Congregation of	Lot 1 District Lot 937 Plan 16091	3555 5th Ave	1,894.28
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	1,629.24
St. Giles Presbyterian Church, Trustees of the Congregation of	Lot 1 District Lot 343 Plan 14198	1500 Edmonton St	919.86
St. Michael's Ukrainian Greek Orthodox Church, Trustees of	Lot 1 District Lot 8182 Plan 23648	2793 Range Rd	501.24
Ukrainian Catholic Eparchy of New Westminster(St. George's Ukrainian Catholic Church)	Lot 45 District Lot 8171 Plan 19517	2413 Devonshire Cres	576.86
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	1,145.93
Guru Nanak Darbar Sikh Society	Lot A District Lot 905 Plan 30226 See Inland Natural Gas R/W Plan 28726	4292 Davis Rd	1,122.54
Westside Family Fellowship Society	Lot 1 District Lot 1599 Plan 31597 Ex Stat R/W Plan 32425	3791 Highway 16 W	6,334.91
Zion Lutheran Church and Christian School of Prince George	Lot 1 District Lot 1427 Plan 21753	180 Tabor Blvd	1,457.74
Public Worship Total			**99,727.24**
6 & 4 Slowpitch League Society	Lot A District Lot 4051 Plan Bcp20972 Lot 1, Plan Bcp4772, District Lot 7634, Cariboo Land District	2757 3303 North Nechako Rd (North Nechako Park)	36,704.04
BC Muslim Association	Lot 2 District Lot 482 Plan Bcp24787	4668 5th Avenue	24,874.20
Blackburn Community Association	Lot 1 District Lot 1543 Plan 19672	2455 Blackburn Rd S	4,302.29
Blackburn Community Association	Lot 1 District Lot 1543 Plan 19672	2451 Blackburn Rd S	1,997.83
Caledonia Nordic Ski Club	Block C District Lot 4340 Lease/Permit/Licence # 701493, Purpose Of Operating & Maintaining Ski Lodge & Community Trails (Modified From "Ski Trails").	8141 Otway Rd	5,215.13
Central BC Railroad Preservation & Museum Society	Lot 26 District Lot 1511 Plan 25047 Portion Of Lot 26 & DI 7813	850 River Rd	14,597.67
Community Gardens PG Society	Lot 2 District Lot 777 Plan 19518	1540 Milburn Rd	698.47

2012 Assessment, 2012 Tax Rate, 2011 Bylaw

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 2012.

Group	Legal Description	Civic Address	Permissive Tax Exemption
Community Gardens PG Society	Lot 1 District Lot 777 Plan 19518	1502 Milburn Rd	480.20
Dusty Trail Riders Club	District Lot 1594 Part Sw 1/4, Except Plan 19036, Exc Pl 20849, 20957, 26318, Bcp1167	10597 Blackwater Road	1,340.81
Elder Citizens Recreation Association	District Lot 343 Plan Pgp35927 Parcel A	1692 10th Ave	16,081.93
Emergency Measures Program-Search and Rescue Corp	Lot A District Lot 4040 Plan 14962	4057 Hart Highway	3,560.26
Fraternal Order of Eagles	District Lot 4047 Plan Bcp17734 Parcel 1.	6742 Dagg Rd	1,909.10
Hart Community Centre Society	Lot A District Lot 4048 Plan 28335 Part Ne 1/4	4900 West Austin Rd	26,089.98
Kinsmen Club of Prince George	Lot A District Lot 2610 Plan 30007	777 Kinsmen Pl	9,323.31
Nechako Karate Club Advisory	Lot 1-6, Block 26, Plan 727, District Lot 933, Cariboo Land District	1175 Village Ave	3,568.48
North Cariboo Senior Soccer League-Exhibition Park	District Lot 2508 Plan Pgp43052 Parcel 1, Except Plan Bcp14702	4222 18th Ave	15,950.29
Prince George Gymnastics Society-Exhibition Park	District Lot 2508 Plan 33840 Parcel 1, Pt Of Pcl 1	2187 Ospika Blvd	5,775.68
PG Horseshoe Club - Recreational Place Park	Lot 2 District Lot 777 Plan 17961 Except Plan 19756 21708 22207 Pgp43681, & Dl1430.	2122 Del Laverdure Way	7,583.64
Prince George Auto Racing Association	Block C District Lot 2155	3645 Highway 16 East	3,741.69
Prince George Baseball Assoc-Senior Div	Lot 2 District Lot 777 Plan 17961 Except Plan 19756, & Dl 1430 Exc Pls 21708 22207 R/W Pl Pgp35832 Pgp43681.	2445 Del Laverdure Way	33,808.53
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 Pl Pgp40268.	2880 15th Ave	10,038.40
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	3,128.17
Prince George & District Senior Citizens Activity Centre Society	Lot 7-10 Block 153 District Lot 343 Plan 1268, Cariboo Land District.	425 Brunswick St	9,266.22
Prince George Horse Society-Exhibition Park Barns	District Lot 2508 Plan 33840 Parcel 1, & DL 2611, Block C, District Lot 2508, Cariboo Land District	4199 18th Ave	14,694.39
Prince George Ladies Fastball (Chuck Cawdell Field-Freeman Park)	Lot 1 District Lot 1429 Plan 21372	2825 12th Ave (Freeman Park)	2,456.84
Prince George Master Lacrosse	Lot 2 District Lot 777 Plan 17961 Except Plan 19756, & Dl 1430 Exc Pls 21708 22207 R/W Pl Pgp35832 Pgp43681	2440 Massey Dr (Carrie Jane Gray Park)	446.68
Prince George Minor Girls Softball-Freeman park	Lot 1 District Lot 1429 Plan 21372	2825 12th Ave (Freeman Park)	1,867.50
Prince George Tennis Club-Recreation Place Park	District Lot 8180 Except Plan B3608, Exc Pl 6932, 7274, 22207, H735, H700, Pgp43039.	2833 Recreation Pl	5,485.82
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	10,915.13
Prince George Youth Baseball Heather Rd Park-Prep Division	Lot 1 District Lot 4048 Plan 23271 Except Plan 29327, Exc Pl Pgp38268.	4833 Heather Rd (Diamond#1)	1,418.76
Prince George Youth Baseball Heather Rd Park-Junior Division	Lot 1 District Lot 4048 Plan 23271 Except Plan 29327, Exc Pl Pgp38268.	4833 Heather Rd (Diamond#2)	3,672.02
Prince George Youth Baseball-Heather Rd Park-Volunteer Park	Lot A District Lot 4048 Plan 26729	4855 Heather Rd (Volunteer Park)	7,075.20
Prince George Youth Baseball-Harry Loder-Rainbow Park	Lot 520 District Lot 936 Plan 15185	3655 Rainbow Dr (Harry Loder Park)	1,650.74
Prince George Youth Baseball Rotary-Carrie Jane Gray	Lot 2 District Lot 777 Plan 17961 Except Plan 19756, & Dl 1430 Exc Pls 21708 22207 R/W Pl Pgp35832 Pgp43681	2440 Massey Dr (Carrie Jane Gray Park)	1,559.15
Prince George Minor Girls Softball-John Dinsmore Field-Freeman Park	Lot 1 District Lot 1429 Plan 21372	2825 12th Ave (Freeman Park)	2,020.78
Prince George Youth Baseball-Fort George Park-Gyro Field	Lot 1 District Lot 343 Plan 32450 Except Plan Pgp46330.	755 20th Avenue	971.47
Prince George Youth Baseball-Balsum Park-Joe Martin Ball Field	Lot A District Lot 4047 Plan 17956 Except Plan 23955	4055 Balsum Rd	1,095.57
Prince George Youth Soccer Assoc.	Lot 1 District Lot 2508 Plan 17575	4111 15th Ave	27,213.96
REAPS - Fort George Park (Composting area)	Lot 1 District Lot 343 Plan 32450 Except Plan Pgp46330	750 20th Avenue	81.11
REAPS - Fort George Park	District Lot 343 Plan 1268 Parcel X(Pl17962), Except Plan 17963.	1950 Gorse St	1,242.07
Royal Canadian Legion Connaught Gymnasium Youth Centre	Lot 1 District Lot 343 Plan 31887 See R/W 22849K	1491 17th Ave	6,852.17
Spruce City Mens Fastball -Carrie Jane Gray Park	Lot 2 District Lot 777 Plan 17961 Except Plan 19756, & Dl 1430 Exc Pls 21708 22207 R/W Pl Pgp35832 Pgp43681.	2440 Massey Dr (Carrie Jane Gray Park)	3,167.01

2012 Assessment, 2012 Tax Rate, 2011 Bylaw

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 2012.

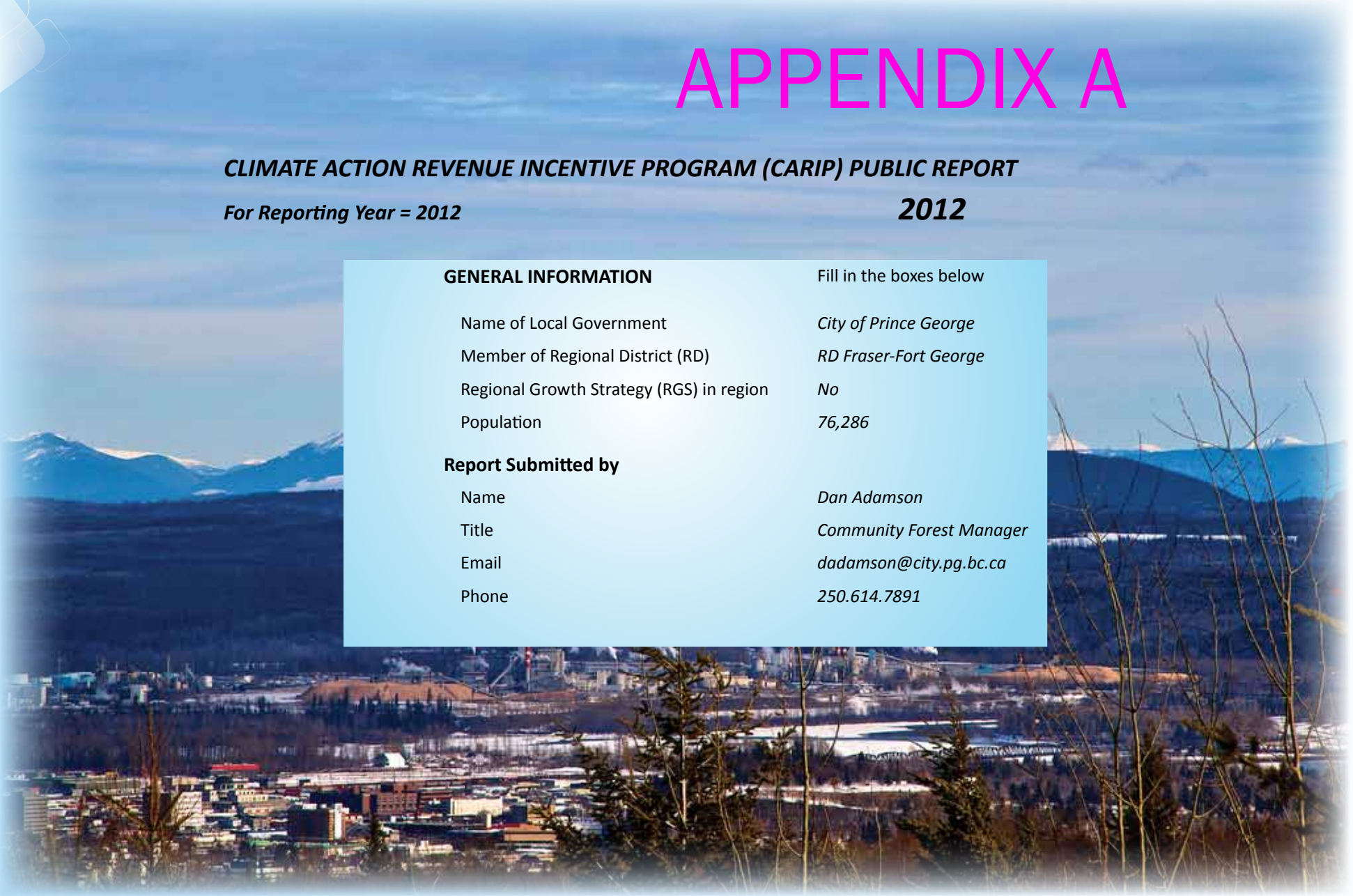
Group	Legal Description	Civic Address	Permissive Exemption
Spruce City Minor Boys Softball-Ron Wiley Fld,& minor boys park, at Carrie Jane Grey	Lot 2 District Lot 777 Plan 17961 Except Plan 19756, & Dl 1430 Exc Pls 21708 22207 R/W Pl Pgp35832 Pgp43681.	2440 Massey Dr (Carrie Jane Gray Park)	1,108.79
Prince George Minor Girls Softball-Carrie Jane Grey	Lot 2 District Lot 777 Plan 17961 Except Plan 19756, & Dl 1430 Exc Pls 21708 22207 R/W Pl Pgp35832 Pgp43681.	2440 Massey Dr (Carrie Jane Gray Park)	596.00
Spruce City Wildlife Association	Block 1 District Lot 1511 Plan 1391 Parcel A, Aka Lots 11-19 (U41172).	1384 River Road	4,025.22
Super Trak BMX Society-Carrie Jane Gray Park	Lot 2 District Lot 777 Plan 17961 Except Plan 19756, & Dl 1430 Exc Pls 21708 22207 R/W Pl Pgp35832 Pgp43681	2323 Del Laverdure Way	944.30
Two Rivers Gallery(Prince George Regional Art Gallery Association)	Block 186 District Lot 343 Plan 1268 Parcel A, Except Plan 32230, (Pl18353)	725 Civic Plaza	98,856.06
Vanway Community Association	District Lot 1599 Plan 15792 Parcel A	7736 Dow Rd	1,332.27
YMCA	Lot A District Lot 1430 Plan 21708 R/W Pl 21720 21783.	2020 Massey Dr	44,425.26
Tenant Total			**485,210.58**
GRAND TOTAL			**1,207,421.18**

APPENDIX A

CLIMATE ACTION REVENUE INCENTIVE PROGRAM (CARIP) PUBLIC REPORT

For Reporting Year = 2012 ***2012***

GENERAL INFORMATION	Fill in the boxes below
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	*76,286*
Report Submitted by	
Name	*Dan Adamson*
Title	*Community Forest Manager*
Email	*dadamson@city.pg.bc.ca*
Phone	*250.614.7891*



For Reporting Year 2012

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 redcution from 2002 levels by 2012 and 2% community reduction from 2002 levels by 2012. The updated OCP has been approved 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.		

1.3 REDUCE

Supportive Community-Wide Actions

Please describe the supportive community-wide actions you have taken in 2012 (or propose to take in 2013) to contribute to reducing GHG emissions and energy consumption in your community.

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.

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

Actions reported in theses categories in 2010 and 2011 can be found here:

Supportive Community-Wide Actions	**Actions Taken in 2012**	**Proposed Actions for 2013**
Broad Planning (e.g. creation/revision of OCPs, CEPs, transportation plans)	*OCP with targets approved*	
Building and Lighting (e.g. developed green building policy, increased density in the downtown)		

Supportive Community-Wide Actions	Actions Taken in 2012	Proposed Actions for 2013
Energy Generation (e.g. signed on to provincial 'solar ready' regulation, explored options for bioheating for buildings)		
Green Space (e.g. developed urban forestry policy, adopted park acquisition policy)		
Transportation (e.g. developed sustainable transportation plan, completed bicycle master 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)		
Other Actions	*Developing property tax insert; hosting and supporting Climate Smart Business session; review potential for upgrades to Downtown Revitalization Tax Exemption Bylaw*	

Direct Community-Wide Actions

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.

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

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

Actions reported in theses categories in 2010 and 2011 can be found here:

Community-Wide Direct Actions	Actions Taken in 2012	Proposed Actions for 2013
Buildings (e.g. implement use of sustainability checklists and development permit guidelines for new buildings)		
Energy Generation (e.g. implement district energy, geothermal, solar)	*Completed District Energy System using wood waste and converting to heat for several City owned buildings and facilities.*	*Work with building owners close to the DES to implement additional hook-ups to the DES. New RCMP building to be hooked up to the DES.*
Transportation (e.g. implement bike lanes, pedestrian paths, upgrade transit service and infrastructure, improve roads, parking fees etc.)		
Waste (e.g. introduce composting and recycling programs)		
Water/Sewer (e.g. implement water conservation and reduction initiatives)	*Ongoing work and promotion of the Water Conservation Plan.*	

Green Space (e.g. plant trees, conserve forest etc.)

Other Actions

1.4 COMMUNITY-WIDE INNOVATION

Answer

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.

Climate Action Revenue Incentive Program (CARIP) PUBLIC REPORT

For Reporting Year 2012

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 identified 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)?	*Excel spreadsheets.*

2.2 REDUCE

Supportive Corporate Actions

Please describe the ***supportive corporate actions*** you have taken in 2012 or propose to take in 2013 to contribute to reducing GHG emissions and energy consumption within your corporate boundary.

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.

If your actions do not fit into the categories provided, please describe them under “other actions”.

Lists of actions reported in theses categories in 2010 and 2011 can be found here: http://www.cscd.gov.bc.ca/lgd/greencommunities/carip.htm

Supportive Corporate Actions	Actions Taken in 2012	Proposed Actions for 2013
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.*	*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)*		
Other Actions		

Direct Corporate Actions

Please describe the ***direct corporate actions*** you have taken in 2012 and propose to take in 2013 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 corporate 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”.

List of actions reported in theses categories in 2010 and 2011 can be found here:

Direct Corporate Actions	Actions Taken in 2012	Proposed Actions for 2013
Building and Lighting (e.g. energy efficiency retrofits to municipal buildings)	*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.Other retrofits include: first year operation of district energy system; furnace replacement in 18th Ave Yard and Studio2880; energy efficient ice maker in Civic Center; efficient boiler upgrade in Ospika Fire Hall; LED sign upgrade in Aquatic Center; lightinh upgrade in waste water facility and 2nd Ave parkade; install dimmer technology in street lights. Total savings from retrofit and upgrade projects estimated at 158,486 KWh and 33,740 GJ in natural gas.*	*City Hall exterior light upgrade, demand control ventilation and A/C unit replacement; hook-up of electric DHW to District Energy System and rink lighting upgrade in Coliseum; DHW / Zamboni water upgrade, demand control ventilation and control system replacement in CN Center; Furnace upgrade in Elk Center; Parkade lighting upgrades; demand control ventilation in Kin Center and Harkins Library. Total energy reduction from proposed projects is estimated at 749,207 KWh. The new RCMP Building will require optimization to ensure energy components work to LEED Gold as targetted.*
Energy Generation (e.g. implemented heat recovery systems, solar)		
Fleet (e.g. anti-idling policies for fleet vehicles, purchasing of hybrid)	*Purchase of a 100% electic vehicle as a community program. Converting five light duty vehicles from gas to propane. Purchase and install a hybid 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.*	
Waste (e.g. introduction of composting and recycling programs and education)	*Continuing discussions with RDFFG on a recycling program.*	
Water/Sewer (e.g. initiated water conservation and reduction initiatives)		
Green Space (e.g. planting of trees)	*In 2012 we had the construction of Duchess Park which included the construction of an all inclusive playground for children with all types of mobility levels. The new washroom being built at Fort George Park will be wheelchair accessible and should be completed in May 2013. As well the 50 trees were planted in the new Duchess Park and another 25 were planted thought out the downtown, most were replacements for vandalized trees.*	
Other Actions	*In Fort George Park we started installing an irrigation system which will be connected to the Sentinel system, which is a computer system that automatically controls the irrigation system for water conservation, should be completed in May 2013. The new washroom in Fort George Park also has motion censored faucets installed to save on water should be completed in May 2013.*	

2.3 CORPORATE INNOVATION	Answer
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.	

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.

NOTE: If your list proves larger than the space provided above, feel free to adjust the column width/row height accordingly.

NOTE: To adjust cells go to the far left (numbers) or top (letters)

CLIMATE ACTION REVENUE INCENTIVE PROGRAM (CARIP) PUBLIC REPORT
Carbon Neutral Progress Reporting

Emissions/Offsets	Tonnes CO2e	
	Enter Values in Yellow Boxes	
Annual corporate emissions using SMARTTool or equivalent inventory tool		(+)
Emissions from services delivered directly by the local government	**5301.4**	
Emissions from contracted services	**1146.5**	
Less: GHG reductions being claimed for this reporting year from Option 1 - GHG reduction project	**0**	(-)
Energy Efficient Building Retrofits and Fuel Switching		
Solar Thermal		

Household Organic Waste Composting

Low Emissions Vehicles

Less:
GHG reductions being claimed for this reporting year from Option 2 - GHG reduction projects

Please list all Option 2 Projects Implemented (insert title of the projects(s) as per project plan template. If you have more than two Option 2 projects you can add more lines at the bottom of this sheet)

	0	(-)
Option 2 Project A		
Option 2 Project B		
Sum of Other Option 2 Projects (if you have added projects below)	0	

Less:
Offsets purchased for this reporting year (Option 3). Please identify your offset provider in the offset provider information section below.

		(-)
	6447.9	=

Balance of corporate emissions for this reporting year.
(If the corporate emissions balance is zero, your local government is carbon neutral for this reporting year)

Making Progress on Your Carbon Neutral Commitment

If your community has not achieved carbon neutrality for this reporting year please describe the actions that you intend to take next year to move you toward your carbon neutral goal.

Will continue to make energy efficiency upgrades through the BC Hydro Corporate Energy Manager, and increase use of the District Energy System.

Additional "Option 2" Projects

Option 2 Project C

Option 2 Project D

Option 2 Project E

Option 2 Project F

Option 2 Project G

Option 2 Project H

Offset Provider Information

(i) Please Identify the name(s) of your offset provider(s) (use yellow box to the right):

(ii-a) The offsets being claimed in this CARIP Report were purchased from the offset provider(s) indicated above prior to making this CARIP report public (please indicate yes or no in yellow box):

OR

(ii-b) There is a signed agreement in place between the reporting local government and the offset provider(s) indicated above to purchase the offsets by no later than June 1, 2013 (please indicate yes or no in the yellow box):

APPENDIX B

INITIATIVES PRINCE GEORGE

2012 ANNUAL REPORT

www.initiativespg.com

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Board of Directors & Staff

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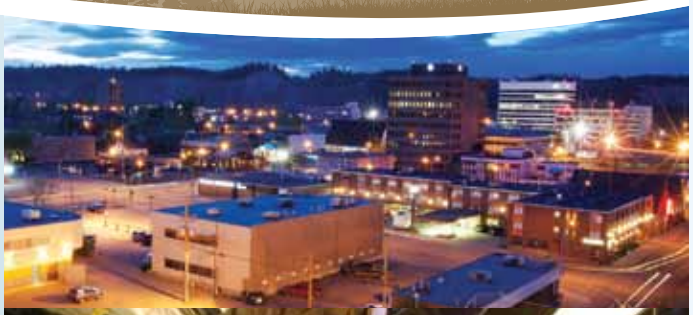


STRATEGIC OBJECTIVES

Initiatives Prince George (IPG) is the municipally owned economic development corporation for the City of Prince George. IPG aims to facilitate the growth and diversification of the Prince George economy in order to create new opportunities for local and incoming businesses as well as to increase the tax base, thus raising the standard of living for residents. IPG's marketing programs target investment and promote trade development for Prince George businesses. IPG also takes a proactive role in assisting investors to further developments that will have strategic value for the city.

Strategic Objectives:

- Demonstrating leadership on a provincial and national level, as well as strengthening the breadth and commitment of our partnerships;
- Positioning the city as a preferred community for people to live, work, invest, learn, play and retire;
- Diversifying, solidifying and growing local businesses;
- Increasing the size and skills of our workforce; and
- Enhancing the health, vitality and beauty of our downtown.

Paul Alberts

MESSAGE FROM THE CHAIR

Mark Feldinger
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 2012.

I would like to thank all of our Board members, an active and dedicated group of business and community leaders, who guide the organization and believe strongly in its endeavour to facilitate the growth and diversification of the Prince George economy. I would also like to acknowledge the contributions of the ex-officio members of our Board and to express our appreciation to their employers for allowing them to share their time and expertise for the betterment of IPG and the city of Prince George. In addition, the members of Progress Prince George deserve our sincere gratitude for their generosity with their time, their ideas and their dedication to our city.

The Board also acknowledges and appreciates our hard working and committed staff; a small group of people who do a remarkable job of promoting Prince George, attracting investment and identifying new opportunities for Prince George businesses.

The Board would also like to celebrate the many partnerships that IPG is honoured to share with all of the economic and community development organizations in Prince George. We would specifically like to congratulate the Lheidli T'enneh for the establishment of their new economic development office and we look forward to working together to accomplish our shared goals.

Throughout 2012, the Board worked diligently towards improving our corporate governance structures and reporting to our shareholder, as well as to the community at large. We are delighted with our accomplishments and with the support of the City of Prince George. We look forward to the opportunity to further the economic development goals of the City during 2013 and beyond.

Sincerely,

Mark Feldinger
Chair, Initiatives Prince George 2012 Board of Directors

Alex Zander Photography

Alex Zander Photography

MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

Heather Oland
Chief Executive Officer,
Initiatives Prince George

2012 was a year of robust economic activity in Prince George. I have been honoured to work with our staff, our Board, our many partners, the City of Prince George and the Prince George business community throughout the past year and am delighted to have the opportunity to outline our accomplishments during 2012, as well as to highlight our objectives for 2013.

During 2012, IPG continued to move towards achieving the economic development goals of the City by facilitating the growth and diversification of the Prince George economy in order to improve quality of life, raise the standard of living for city residents, increase the tax base and create new opportunities for local businesses.

The principle objectives of the 2012 Business Plan were to: position and market Prince George in provincial, national and global markets; further the development of Prince George as Canada's Northern Pacific Gateway transportation hub; focus on business and labour recruitment, retention and expansion; and continue efforts towards downtown revitalization.

Some selected highlights of the accomplishments of 2012 include:

- Engagement with local firms to create a business directory and identify growth plans and factors constraining growth.
- Collaboration with partners to provide a number of procurement and education sessions for local businesses.
- Engagement with external firms to promote the capabilities of the local supply chain.
- Continued marketing of industrial development opportunities in Prince George and the region.
- Collaboration with partners to undertake a feasibility analysis for establishing the Prince George Airport as the Export Centre for the trade of regional perishable goods to Asia.
- Renewal of the "On the Move" newsletter to include the very successful Sector Showcase.

Continued on page 6

MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

- Launch of the Dreams Opportunity Affordability labour recruitment campaign.
- Development of labour recruitment materials, including a career opportunities web portal on the IPG website to connect potential employees with local job opportunities.
- Development of education sessions to help employers explore options for their recruitment needs.
- Collaboration with partners to launch the "Trades: It's a Smart Move" education campaign.
- Completion of a market analysis to identify gaps and potential business targets for the downtown.
- Familiarization tours for delegates including Governor-Generals, Consul-Generals, International Trade Representatives from a number of countries and private investment firms.

IPG's *2013 Business Plan: Target, Deliver, Achieve* focuses on: strengthening partnerships; promoting Prince George as a preferred place to work, live and invest; and engaging with businesses to identify opportunities and mitigate challenges. Emerging opportunities in the immediate region and throughout the north are driving economic growth in Prince George and the city is well positioned to capitalize on its role as the service, supply, education, health and cultural centre for northern BC.

I would like to thank the IPG Board of Directors for their ongoing support and leadership. Together with the Board and our team of hard working, dedicated staff, I look forward to the opportunity to facilitate the continued growth of Prince George as we capitalize on the opportunities before us in the year ahead.

Heather Oland
Chief Executive Officer, Initiatives Prince George

Paul Alberts

Alex Zander Photography

2012 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 2012:

Population 2012: 76,286 Five year average annual growth: + 0.8%	2012 was the sixth consecutive year that the city has experienced population growth; this trend follows a 10-year interval between 1997 and 2006 in which the population changed at an annual average of - 0.7%.
Employment 2012: 50,400 Five year average annual growth: + 1.0%	During 2012, the number of employed persons in the city was at the highest level on current record and was 5.9% higher than the average over the previous five years.
Business Location Counts 2012: 5,951 Five year average annual growth: - 0.4%	A number of sectors saw an increase in the number of businesses in 2012, including Forestry, Mining, Construction, Retail Trade, Transportation and Professional Services.
Building Permits 2012: $117.6M Five year average annual growth: + 3.8%	Commercial, Industrial or Residential permits made up the majority of building permits issued over the past five years. In 2012, 88.1% of total permits issued were private sector permits.
Average House Price 2012: $252,391 Five year average annual growth: + 1.0%	The average price of a single detached dwelling was 5.1% higher in 2012 than in 2007. Unit sales were relatively stable over this period.
Passengers, Prince George Airport (YXS) 2012: 418,589 Five year average annual growth: + 0.7%	The Prince George Airport set a new annual record for passenger numbers in 2012, breaking the previous record set in 2008. The new record was achieved even though YXS offered more service to Vancouver during 2008 as well as non-stop flights to Seattle and Calgary for six months of the year.

SUMMARY OF FINANCIAL RESULTS

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 of December 31, 2012 and for the year then ended which we expressed an opinion without reservation in our report dated March 15, 2013. 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, BC
March 15, 2013

Dean Mason & Company
Chartered Accountants

SUMMARY DIVISIONAL FINANCIAL RESULTS

FOR THE YEAR ENDING DECEMBER 31, 2012

	GENERAL OPERATIONS (COMBINED)	REAL ESTATE	CAPITAL	CITY CENTRE VENTURES INC.	TOTAL
City of Prince George	$ 1,024,904	$ —	$ —	$ —	$ 1,024,904
External Revenue	235,338	423,784	—	—	659,122
	1,260,242	423,784	—	—	1,684,026
Operating & Program Expenses	1,158,425	743,513	—	—	1,901,938
Operating Surplus (deficit) before Amortization and Financing	$ 101,817	$ (319,729)	$ —	$ —	$ (217,912)
Net Amortization	—	—	31,375	—	31,375
Financing	—	—	—	—	—
	$ —	$ —	$ 31,375	$ —	$ 31,375
Gain on disposal of property, plant and equipment	—	—	—	—	—
Net Surplus (deficit) for the Year	$ 101,817	$ (319,729)	$ (31,375)	—	$ (249,287)

SUMMARY STATEMENT OF OPERATIONS* FOR THE YEAR ENDING DECEMBER 31, 2012	2012	2011
City of Prince George	$ 1,024,904	$ 1,024,904
External Revenue	659,122	401,237
	1,684,026	1,426,141
Operating & Program Expenses	1,901,938	1,478,903
Operating Surplus before Amortization and Financing	$ (217,912)	$ (52,762)
Net Amortization	31,375	30,519
Financing	—	—
	$ 31,375	$ 30,519
	—	(4,916)
Net Surplus (deficit) for the Year	$(249,287)	$(88,194)
	2012	2011
Assets		
Current Assets	$ 497,093	$ 535,001
Long-term Assets	728,720	782,087
Total Assets	$ 1,225,813	$ 1,317,088
Liabilities		
Current Liabilities	$ 272,880	$ 93,068
Long-term Liabilities		21,800
Total Liabilities	$ 272,880	$ 114,868
Share capital and Net Assets		
Authorized 100,000 Common shares		
Issued 3 Common shares	3	3
Fund Balances	872,628	1,121,915
Equity in City Centre Ventures Inc.	80,308	80,308
	$ 952,939	$ 1,202,226
Total Liabilities, Share Capital and Net Assets	$ 1,225,813	$ 1,317,088

* Auditor: Dean Mason & Company

THANK YOU TO THE MEMBERS OF PROGRESS PRINCE GEORGE

The first Progress Prince George committee was established in 2003, with the objectives of benchmarking Prince George's performance in economic, social and environmental performance indicators and providing strategic advice on ways to improve the economic 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 2012 members of Progress PG for giving their time to provide input into ways to improve the city in a variety of important areas.

– Mayor Shari Green and Greg Stewart, Co-Chairs, 2012 Progress Prince George

2012 PROGRESS PRINCE GEORGE

Mayor Shari Green (Co-Chair)
City of Prince George

Greg Stewart (Co-Chair)
President
Sinclar Group Forest Product Ltd.

Baljit Sethi
Executive Director
Immigrant & Multicultural Services Society of Prince George

Betty Ann Shiels
Partner
Deloitte-Chartered Accountants

Bob Affleck
Manager Employee / Labour Relations
Spectra Energy

Bob Martin
Retired

Bob Redden
President
EDI Environmental Dynamics Inc.

Christy Smith
Manager of Community and Aboriginal Affairs
Taseko Mines

Clint Dahl
Realtor
Royal LePage Prince George

Doug Bell
Principal
Wendy's Restaurant

Doug Willoughby, CA
General Manager
Spruce Credit Union

Elaine Kienzle
Realtor
Doucette Realty Ltd.

Gerry Kutney
Proprietor
Sixth Element Sustainable Management

John Gibson
Chief Executive Officer
Prince George Airport Authority

Keith Dennison
Chair
Living and Working Committee

Kirk Gable
Realtor
Doucette Realty Ltd.

Lorne Calder
Chief Financial Officer
Integris Credit Union

Lu Verticchio
Director of Advertising
The Prince George Citizen

Regina Toth
Councillor
Lheidli T'enneh

Rob van Adrichem
Vice-President of External Relations
University of Northern British Columbia

Scott Brown
Territory Sales
National Energy & Equipment Inc.

Tracy Calogheros
Executive Director
The Exploration Place Museum and Science Centre

UNBC

2012 INITIATIVES PRINCE GEORGE BOARD OF DIRECTORS & STAFF

BOARD OF DIRECTORS

Mark Feldinger (Chair)
Senior Vice President,
Forestry/Environment and Energy
Canfor Corporation

Glen Wonders (Past Chair)
General Manager-Mining
Allnorth Consultants

Steve Nycholat (Vice-Chair)
Division Manager – Prince George
Allnorth Consultants Ltd.

Rosalind Thorn (Governance Chair)
President
Prince George Construction Association

David George (Treasurer)
Principal
SpeeDee Printers & Stationers Ltd.

Byng Giraud
Vice President, Corporate Affairs
Imperial Metals Corporation

Dr. Charles Jago
Chair
University of Northern British Columbia

Greg Stewart
President
Sinclar Group Forest Products Ltd.

Ken Kilcullen
General Manager
Jim Pattison Broadcast Group

EX-OFFICIO MEMBERS

Cathy Ulrich
Chief Executive Officer
Northern Health Authority

Dr. George Iwama
President
University of Northern British Columbia

Jennifer Brandle-McCall
Chief Executive Officer
Prince George Chamber of Commerce

Kathleen Soltis
Acting City Manager
City of Prince George

Jim Martin
Chief Administrative Officer
Regional District of Fraser-Fort George

John Bowman
President
College of New Caledonia

STAFF

Heather Oland
Chief Executive Officer

Tara Bogh
Manager, Economic Development

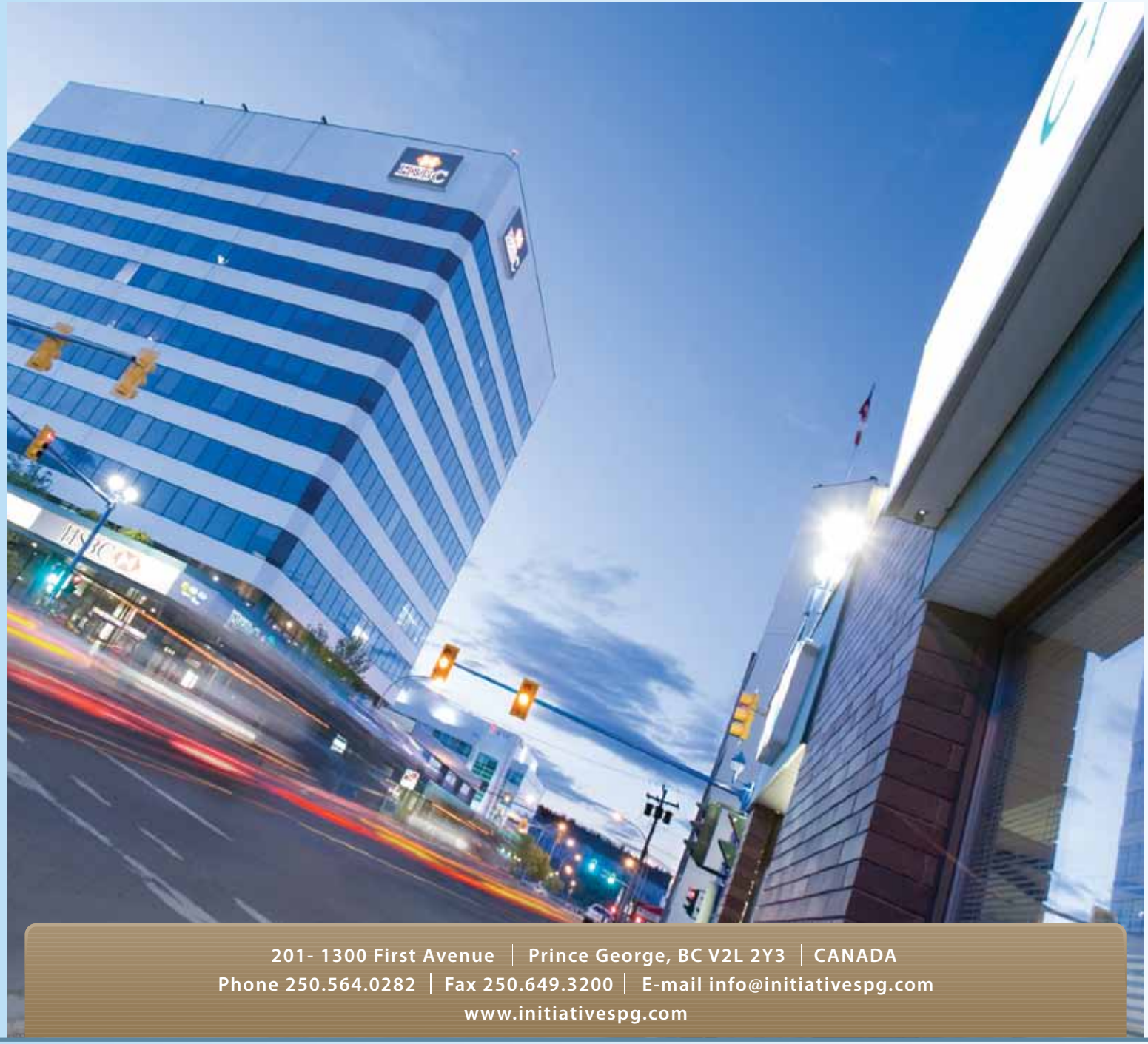
Melissa Barcellos
Economic Development Officer

Dave Jephcott
Business Development Program Manager

Christina Doll
Manager, Marketing and Communications

Sarah Kirk
Manager, Administration

Jill Mooney
Administrative Coordinator



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APPENDIX C

Financial Statements of

PRINCE GEORGE

TOURISM PRINCE GEORGE SOCIETY

Year ended December 31, 2012

KPMG LLP
Chartered Accountants
177 Victoria Street, Suite 400
Prince George BC V2L 5R8
Canada

Telephone (250) 563-7151
Fax (250) 563-5693
Internet www.kpmg.ca

INDEPENDENT AUDITORS' REPORT

To the Directors of Tourism Prince George Society

We have audited the accompanying financial statements of Tourism Prince George Society, which comprise the statement of financial position as at December 31, 2012, the statements of operations, changes in net assets and cash flows for the year then ended, and notes, comprising 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.

Auditors' 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 our 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, we consider 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 in our audit is sufficient and appropriate to provide a basis for our audit opinion.

KPMG LLP is a Canadian limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.
KPMG Canada provides services to KPMG LLP.

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 year ended December 31, 2012, current assets and net assets at December 31, 2012.

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, 2012 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Report on other legislative requirements

As required by the Society Act (British Columbia), we report that, in our opinion, the accounting policies applied in preparing these financial statements have been applied on a basis consistent with that of the preceding period.

KPMG LLP

Chartered Accountants

April 24, 2013

Prince George, Canada

TOURISM PRINCE GEORGE SOCIETY

Statement of Financial Position

December 31, 2012, with comparative information for 2011

	2012	2011
Assets		
Current assets:		
Cash and cash equivalents	$ 148,131	$ 133,190
Restricted investments (note 2)	351,140	353,352
Accounts receivable	241,210	328,523
Inventory	8,257	5,684
Prepaid expenses	50,277	29,694
	799,015	850,443
Capital assets (note 3)	191,319	124,422
	$ 990,334	$ 974,865
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities (note 4)	$ 161,261	$ 182,050
Deferred revenue	51,325	43,905
Scheduled cash payments for obligation under capital lease (note 5)	20,000	20,000
	232,586	245,955
Obligation under capital lease (note 5)	20,000	40,000
	252,586	285,955
Net assets:		
Invested in capital assets (note 6)	151,319	64,422
Internally restricted (note 7)	351,140	353,352
Unrestricted	235,289	271,136
	737,748	688,910
	$ 990,334	$ 974,865

See accompanying notes to financial statements.

On behalf of the Board:

_____ Director _____ Director

TOURISM PRINCE GEORGE SOCIETY

Statement of Operations

Year ended December 31, 2012, with comparative information for 2011

	2012	2011
Revenues:		
Advertising	$ 46,733	$ 65,289
City of Prince George grant - service agreement	327,000	327,000
Federal government of Canada	18,368	7,280
Golden Raven program	-	100,000
Hotel room tax grant	691,728	665,190
Merchandise sales	15,663	10,249
Northern lights festival	29,110	26,191
Other	2,029	2,670
Partnership programs	43,497	38,915
Province of British Columbia	22,917	20,000
	1,197,045	1,262,784
Expenditures:		
General and administrative, Schedule 1	1,104,255	961,921
Golden Raven program	-	97,798
Mr. PG relocation	34,266	-
Northern lights festival	12,225	15,254
	1,150,746	1,074,973
Excess of revenues over expenditures before the undernoted items	46,299	187,811
Other income (expense):		
Loss on disposal of capital assets	(2,693)	-
Interest	5,232	3,735
	2,539	3,735
Excess of revenues over expenditures	$ 48,838	$ 191,546

See accompanying notes to financial statements.

TOURISM PRINCE GEORGE SOCIETY

Statement of Changes in Net Assets

Year ended December 31, 2012, with comparative information for 2011

	Invested in Capital Assets	Internally Restricted	Unrestricted	Total 2012	Total 2011
Balance, beginning of year	$ 64,422	$ 353,352	$ 271,136	$ 688,910	$ 497,364
Net earnings	(64,674)	2,411	111,101	48,838	191,546
Invested in capital assets (note 6)	151,571	-	(151,571)	-	-
Transfers	-	(4,623)	4,623	-	-
Balance, end of year	$ 151,319	$ 351,140	$ 235,289	$ 737,748	$ 688,910

See accompanying notes to financial statements.

TOURISM PRINCE GEORGE SOCIETY

Statement of Cash Flows

Year ended December 31, 2012, with comparative information for 2011

	2012	2011
Cash provided by (used in):		
Operations:		
Excess of revenues over expenditures	$ 48,838	$ 191,546
Items not involving cash:		
Loss on disposal of capital assets	2,693	-
Amortization	61,980	26,612
	113,511	218,158
Changes in non-cash operating working capital:		
Accounts receivable	87,313	(89,690)
Inventory	(2,573)	336
Prepaid expenses	(20,583)	(18,268)
Accounts payable and accrued liabilities	(20,788)	81,172
Deferred revenue	7,420	20,255
	164,300	211,963
Financing:		
Payment of obligation under capital lease	(20,000)	(20,000)
Investing:		
Purchase of capital assets	(131,571)	(61,034)
Increase in cash and cash equivalents	12,729	130,929
Cash and cash equivalents, beginning of year	486,542	355,613
Cash and cash equivalents, end of year	$ 499,271	$ 486,542
Cash and cash equivalents consists of:		
Cash and cash equivalents	$ 148,131	$ 133,190
Restricted investments	351,140	353,352
	$ 499,271	$ 486,542

See accompanying notes to financial statements.

TOURISM PRINCE GEORGE SOCIETY

Notes to Financial Statements

Year ended December 31, 2012, with comparative information for 2011

Nature of operations:

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.

1. Significant accounting policies:

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The Society's significant accounting policies are as follows:

(a) Investments:

Restricted investments are stated at fair value and consist of short-term GIC's. In determining fair values, adjustments have not been made for transaction costs. The difference between the fair value and cost of investments at the beginning and end of each year is reflected under the internally restricted column in the statement of changes in net assets.

(b) Inventory:

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

(c) Capital assets:

Capital assets are stated at cost, less accumulated amortization. Amortization is provided using the declining balance method and following annual rates:

Asset	Rate
Computer	55%
Equipment under capital lease	20%
Furniture and fixtures	20%
Vehicles	30%

Capital assets that no longer contribute to the Society's ability to provide services, its carrying amount is written down to its residual value.

TOURISM PRINCE GEORGE SOCIETY

Notes to Financial Statements (continued)

Year ended December 31, 2012

1. Significant accounting policies (continued):

(d) 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.

(e) Use of estimates:

The preparation of the financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Significant items subject to such estimates and assumptions include the carrying amounts of capital assets and equipment under capital lease. Actual results could differ from those estimates.

(f) Financial instruments:

Financial instruments are recorded at fair value on initial recognition and are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Society has not elected to carry any such financial instruments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the effective interest rate method.

TOURISM PRINCE GEORGE SOCIETY

Notes to Financial Statements (continued)

Year ended December 31, 2012

1. Significant accounting policies (continued):

(d) 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.

(e) Use of estimates:

The preparation of the financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Significant items subject to such estimates and assumptions include the carrying amounts of capital assets and equipment under capital lease. Actual results could differ from those estimates.

(f) Financial instruments:

Financial instruments are recorded at fair value on initial recognition and are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Society has not elected to carry any such financial instruments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the effective interest rate method.

TOURISM PRINCE GEORGE SOCIETY

Notes to Financial Statements (continued)

Year ended December 31, 2012

1. Significant accounting policies (continued):

(f) Financial instruments (continued):

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Society determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Society expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future year, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

2. Restricted investments:

	2012	2011
Term deposits	$ 351,140	$ 353,352

Term deposits at December 31, 2012 include guaranteed investment certificates held at a rate of 1.30% (1.20% in 2011) and valued at fair value. Maturity dates vary between January 27, 2013 and February 12, 2013. These investments are internally restricted by the Board of Directors.

TOURISM PRINCE GEORGE SOCIETY

Notes to Financial Statements (continued)

Year ended December 31, 2012

3. Capital assets:

	Cost	Accumulated amortization	2012 Net book value	2011 Net book value
Computer	$ 117,473	$ 33,420	$ 84,053	$ 4,722
Furniture and fixtures	27,893	4,123	23,770	10,706
Vehicles	43,522	17,626	25,896	36,994
	188,888	55,169	133,719	52,422
Equipment under capital lease	100,000	42,400	57,600	72,000
	$ 288,888	$ 97,569	$ 191,319	$ 124,422

Included in amortization expense is $14,400 (2011 – $18,000) related to equipment under capital lease.

4. Accounts payable and accrued liabilities:

	2012	2011
Trade payables and accrued liabilities	$ 133,913	$ 115,426
Government remittances	6,878	6,773
Sales tax payable	20,045	59,439
Workers' Compensation Board	425	412
	$ 161,261	$ 182,050

5. Obligation under capital lease:

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

TOURISM PRINCE GEORGE SOCIETY

Notes to Financial Statements (continued)

Year ended December 31, 2012

5. Obligation under capital lease (continued):

2013	$ 20,000
2014	20,000
Total minimum lease payments	40,000
Less scheduled cash repayments for obligation under capital lease	20,000
	$ 20,000

6. Invested in capital assets:

The amount invested in capital assets is calculated as follows:

	2012	2011
Capital assets	$ 191,319	$ 124,422
Financed by:		
Current portion of obligation under capital lease	(20,000)	(20,000)
Obligation under capital lease	(20,000)	(40,000)
	(40,000)	(60,000)
	$ (151,319)	$ (64,422)

	2012	2011
The change in net assets invested in capital assets is calculated as follows:		
Deficiency of revenue over expenditures:		
Amortization of capital assets	$ (61,980)	$ (26,612)
Loss on disposal of capital assets	(2,693)	-
	(64,674)	(26,612)
Investment in capital assets:		
Purchase of capital assets	131,571	61,034
Repayment of obligation under capital lease	20,000	20,000
	151,571	81,034
	$ 86,897	$ 54,422

TOURISM PRINCE GEORGE SOCIETY

Notes to Financial Statements (continued)

Year ended December 31, 2012

7. Internally restricted net assets:

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.

8. Commitments:

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 three years are:

2013	$	1,800
2014		1,800
2015		1,050
	$	4,650

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 $17,000. The minimum lease and administrative and information technology payments in each of the next five years are:

2013	$	113,551
2014		113,551
2015		17,000
2016		17,000
2017		17,000
	$	278,102

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:

2013	$	10,000
2014		10,000
	$	20,000

TOURISM PRINCE GEORGE SOCIETY

Notes to Financial Statements (continued)

Year ended December 31, 2012

9. Economic dependence:

The Society is dependent upon the provision of funding from the City of Prince George and hotel room tax as it is a major source of revenue. The loss of this relationship would have a significant impact on the Society's operations.

10. Financial risks and concentration of risk:

The Society manages its investment portfolio to earn investment income and invests according to a Statement of Investment Policy approved by the Board. The Society is not involved in any hedging relationships through its operations and does not hold or use any derivative financial instruments for trading purposes.

The Society believes that it is not exposed to significant interest-rate, market, credit or cash flow risk arising from its financial instruments.

Additionally, the Society believes it is not exposed to significant liquidity risk as all investments are held in instruments that are highly liquid and can be disposed of to settle commitments.

11. Comparative information:

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year excess of revenues over expenditures.

TOURISM PRINCE GEORGE SOCIETY

Schedule 1 - General and Administrative

Year ended December 31, 2012, with comparative information for 2011

	2012	2011
Administrative fees	$ 10,652	$ 10,000
Advertising	197,978	128,501
Amortization	61,980	26,612
Bank charges and interest	8,267	4,026
Board expenses	8,931	7,858
Business and community development	37,365	64,581
Consulting fees	-	17,827
Donations	-	4,100
Insurance	9,240	5,355
Internet and computer services	9,347	7,165
Janitorial	5,274	5,303
Marketing memberships	5,916	7,914
Merchandise purchases	9,314	5,782
Office expenses	21,661	18,693
Print, video and photo	54,913	99,587
Professional fees	35,155	26,331
Rent	34,875	34,803
Repairs and maintenance	51,222	55,335
Special marketing projects	48,648	-
Telephone	11,352	10,979
Tradeshow, sales and meetings	76,934	69,616
Training and professional development	4,263	6,187
Vehicle, mileage and parking	6,751	2,505
Wages and benefits	377,650	308,061
Website	16,567	34,800
	$ 1,104,255	$ 961,921

APPENDIX D

Financial statements of

Prince George Public Library

December 31, 2012

Deloitte.

Deloitte LLP
500 - 299 Victoria Street
Prince George BC V2L 5B8
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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, 2012, 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, 2012 and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Member de / Member of Deloitte Touche Tohmatsu Limited

Prince George Public Library
April 24, 2013
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.

Deloitte LLP

Chartered Accountants

Prince George, British Columbia
April 24, 2013

PRINCE GEORGE PUBLIC LIBRARY
STATEMENT OF OPERATIONS
year ended December 31, 2012

	2012 Budget (Unaudited) (Note 9)	2012 Actual	2011 Actual
Revenue			
Grants			
Municipal Funding Sources	$ 3,671,890	$ 3,671,890	$ 3,621,890
Provincial Funding Sources			
Resource sharing grant	8,000	10,696	10,072
Per capita grant	212,917	211,167	211,167
Fundraising - Schedule 2	-	114,464	160,081
Internally Generated Sources (Note 5)	165,100	143,046	170,096
	4,057,907	4,151,263	4,173,306
Expenses			
Acquisitions	17,150	15,977	14,542
Amortization - Schedule 1	-	409,558	405,413
Circulation	2,025	1,183	4,907
Fundraising - Schedule 2	-	114,464	160,081
General and administrative	677,743	688,196	684,048
Materials	212,490	205,855	161,620
Program delivery	2,726,064	2,665,130	2,693,589
Repairs and maintenance	91,100	121,372	94,765
Stationery and supplies	8,050	7,237	6,342
	3,734,622	4,228,972	4,225,307
Other expense			
Loss on disposal of tangible capital assets	-	16,748	33,292
	3,734,622	4,245,720	4,258,599
ANNUAL DEFICIT	$ 323,285	$ (94,457)	$ (85,293)

PRINCE GEORGE PUBLIC LIBRARY
STATEMENT OF ACCUMULATED SURPLUS
year ended December 31, 2012

	Invested in Capital Assets	Unrestricted	2012	2011
Balance, beginning of year	$ 1,429,254	$ 9,364	$ 1,438,618	$ 1,490,232
Annual deficit	-	(94,457)	(94,457)	(85,293)
Capital asset additions				
Funded by deferred contributions	308,462	-	308,462	33,679
Funded by operations	321,506	(321,506)	-	-
Loss and disposal of tangible capital assets	(16,748)	16,748	-	-
Amortization of tangible capital assets	(409,558)	409,558	-	-
Balance, end of year	$ 1,632,916	$ 19,707	$ 1,652,623	$ 1,438,618

PRINCE GEORGE PUBLIC LIBRARY
STATEMENT OF CHANGES IN NET FINANCIAL DEBT
year ended December 31, 2012

	2012 Budget (Unaudited) (Note 9)	2012	2011
ANNUAL DEFICIT	$ 323,285	$ (94,457)	$ (85,293)
Acquisition of tangible capital assets	(323,285)	(321,506)	(346,348)
Loss on disposal of tangible capital assets	-	16,748	33,292
Amortization of tangible capital assets	-	409,558	405,413
(Use) purchase of prepaid expenses	-	(57)	6,856
	-	10,286	13,920
NET FINANCIAL DEBT, BEGINNING OF YEAR	(15,188)	(15,188)	(29,108)
NET FINANCIAL DEBT, END OF YEAR	$ (15,188)	$ (4,902)	$ (15,188)

PRINCE GEORGE PUBLIC LIBRARY
STATEMENT OF FINANCIAL POSITION
as at December 31, 2012

	2012	2011
FINANCIAL ASSETS		
Cash and temporary investments (Note 3)	$ 596,705	$ 784,186
Accounts receivable	8,856	30,591
	605,561	814,777
LIABILITIES		
Due to the City of Prince George (Note 4)	268,789	251,499
Accounts payable and accrued liabilities	73,035	84,226
Vacation and sick time payable	72,369	92,022
Deferred contributions - Schedule 2	196,270	402,218
	610,463	829,965
NET FINANCIAL DEBT	(4,902)	(15,188)
NON-FINANCIAL ASSETS		
Prepaid expense	24,609	24,552
Tangible capital assets - Schedule 1	1,632,916	1,429,254
	1,657,525	1,453,806
ACCUMULATED SURPLUS	$ 1,652,623	$ 1,438,618

COMMITMENTS (Note 7)

CONTINGENCIES (Note 8)

APPROVED BY THE BOARD

Chairperson

Secretary
Vice Chair

PRINCE GEORGE PUBLIC LIBRARY
STATEMENT OF CASH FLOWS
year ended December 31, 2012

	2012	2011
OPERATING TRANSACTIONS		
Annual deficit	$ (94,457)	$ (85,293)
Items not affecting cash		
Amortization	409,558	405,413
Loss on disposal of tangible capital assets	16,748	33,292
	331,849	353,412
Changes in non-cash assets and liabilities		
Decrease (increase) in accounts receivable	21,735	(15,514)
(Increase) decrease in prepaid expenses	(57)	6,856
Increase in due to the City of Prince George	17,290	109,249
(Decrease) increase in accounts payable and accrued liabilities	(11,191)	20,312
(Decrease) increase in vacation and sick time payable	(19,653)	7,412
Decrease in deferred contributions	(205,948)	(21,103)
	134,025	460,624
CAPITAL TRANSACTION		
Tangible capital asset additions funded by operations	(321,506)	(346,348)
INVESTING TRANSACTIONS		
Purchase of temporary investments	(4,333)	(458,215)
Disposal of temporary investments	275,000	-
	270,667	(458,215)
INCREASE (DECREASE) IN CASH	83,186	(343,939)
CASH, BEGINNING OF YEAR	325,971	669,910
CASH, END OF YEAR (Note 3)	$ 409,157	$ 325,971

PRINCE GEORGE PUBLIC LIBRARY
NOTES TO THE FINANCIAL STATEMENTS
year ended December 31, 2012

1. DESCRIPTION OF BUSINESS

The Prince George Public Library (the "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 financial statements of the Library have been prepared in accordance with accounting standards and include the following significant policies:

Temporary investments

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

Capital expenditure and related debt

Land and buildings used by 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).

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 determined 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.

Leases

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to the ownership of 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, 2012

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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.

Use of estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards 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 useful lives of tangible capital assets, 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 INVESTMENTS

	2012	2011
Cash	$ 409,157	$ 325,971
Temporary investments	187,548	458,215
	$ 596,705	$ 784,186

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:

	2012	2011
Vacation and sick time payable	$ 72,369	$ 92,022
Deferred contributions	196,270	402,218
	$ 268,639	$ 494,240

PRINCE GEORGE PUBLIC LIBRARY
NOTES TO THE FINANCIAL STATEMENTS
year ended December 31, 2012

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:

	2012	2011
Operating grant received	$ 3,671,890	$ 3,621,890
Rent paid for facilities	484,454	483,840
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

	2012 Budget	2012 Actual	2011 Actual
Late charges	$ 110,100	$ 86,769	$ 119,214
Interest income	2,500	2,164	4,945
Lost and damaged materials	27,500	29,861	25,067
Miscellaneous	20,500	18,937	16,277
Photocopier	4,500	5,315	4,593
	$ 165,100	$ 143,046	$ 170,096

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, 2012 of $54,020 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, 2012

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 $177,317 (2011 - $178,524) for employer contributions to the Plan in fiscal 2012.

9. BUDGET

The financial statements include the unaudited annual budget as approved by the Library Board. As required by legislation, the Board approved a balanced budget. The budget allowed for an operating surplus of $325,285 which was to be used to fund tangible capital asset additions for the year, thus resulting in a balanced budget for the year.

The legislation does not require the funding of non-cash items such as amortization or liability accruals, thus there is not legislative requirement to include these items in the budget. However, these items are recognized as expenses in the Statement of Operations.

10. CAPITAL MANAGEMENT

The Library does not have any externally imposed capital requirements.

PRINCE GEORGE PUBLIC LIBRARY
TANGIBLE CAPITAL ASSETS
As at December 31, 2012

SCHEDULE 1

	Work in Progress	Building	Furniture	Equipment	Computer Infrastructure	Library Collection	Other	Totals 2012	Totals 2011
Cost									
Balance, beginning of the year	$ 14,258	$ 25,447	$ 671,713	$ 333,564	$ 537,639	$ 1,498,709	$ 18,191	$ 3,099,521	$ 3,096,374
Add:									
Additions	-	226,559	89,291	15,195	61,876	251,305	-	644,226	380,027
Less:									
Disposals	14,258	-	85,335	4,799	19,136	295,450	-	418,978	376,880
Balance, end of year	-	252,006	675,669	343,960	580,379	1,454,564	18,191	3,324,769	3,099,521
Accumulated amortization									
Balance, beginning of the year	-	17,812	407,279	183,432	298,385	758,666	4,693	1,670,267	1,608,442
Add:									
Amortization	-	5,472	24,724	31,288	67,019	279,699	1,356	409,558	405,413
Accummulated amortization on disposals	-	-	68,671	4,731	19,136	295,434	-	387,972	343,588
Balance, end of year	-	23,284	363,332	209,989	346,268	742,931	6,049	1,691,853	1,670,267
Net carrying amount of Capital Assets	$ -	$ 228,722	$ 312,337	$ 133,971	$ 234,111	$ 711,633	$ 12,142	$ 1,632,916	$ 1,429,254
Net carrying amount of Capital Assets - 2011	$ 14,258	$ 7,635	$ 264,434	$ 150,132	$ 239,254	$ 740,043	$ 13,498		

PRINCE GEORGE PUBLIC LIBRARY
CHANGES IN DEFERRED CONTRIBUTIONS
year ended December 31, 2012

SCHEDULE 2

	Deferred Contributions December 31, 2011	Contributions Received During the year	Transfer to Operations	Expenditures During the Year	Deferred Contributions December 31, 2012
Administration	$ -	$ 8,022	$ -	$ 1,000	$ 7,022
Beyond Hope Conference	1,500	-	-	-	1,500
Books for Babies	-	19,400	(388)	19,788	-
Building Fund	2,361	563	-	8	2,916
Digitization	2,714	31,500	-	31,213	3,001
CLA Heritage Page	42	3,310	-	3,352	-
Friends of the Library	217	6,500	6,500	-	217
Growth and Trust	180,019	26,527	132,285	-	74,261
Industry Canada (CAP)	-	17,085	12,860	4,225	-
Knowledge Garden	1,485	10,031	-	3,037	8,479
Law Matters	-	2,375	2,375	-	-
Local History	1,890	325	-	87	2,128
Miscellaneous	-	16,720	12,220	277	4,223
Miscellaneous Other Donations	41,808	4,769	-	4,025	42,552
PLSB - Equity Grant	4,500	4,500	4,888	479	3,633
Public Art	181	-	-	-	181
Raise a Reader	-	1,100	-	1,100	-
Reading Without Rules	110	5,000	(4,500)	7,879	1,731
Special Events	12,622	18,782	-	21,228	10,176
Summer Reading	-	3,408	-	3,408	-
SkyLab	152,769	37,061	142,222	13,358	34,250
	$ 402,218	$ 216,978	$ 308,462	$ 114,464	$ 196,270

CITY OF
PRINCE GEORGE

www.princegeorge.ca