

# Annual Report

For the year ending December 31, 2018

# 2018



**On the cover:** TD Community Plaza is home to many large community events, such as Coquitlam Celebrates Canada Day and the Kaleidoscope Arts Festival, as well as a variety of community festivals and events throughout the year. The amphitheatre space provides a flexible, year-round public space, with seating and layout that take advantage of the park's slopes and features, and provide barrier-free access to the stage area and seating. In 2018, the TD Bank Group and the City entered into a five-year sponsorship agreement to support capital improvements and amenities needed for the Plaza, as well as to enhance events and programming held at the venue.

# Annual Report

*For the year ending December 31, 2018*

# 2018

**Auditors:**

KPMG LLP

**Bank:**

ScotiaBank

**Prepared by:**

The Finance & Technology  
Department, with support  
from the Corporate  
Planning and Corporate  
Communications divisions,  
as well as management  
and staff of the City of  
Coquitlam



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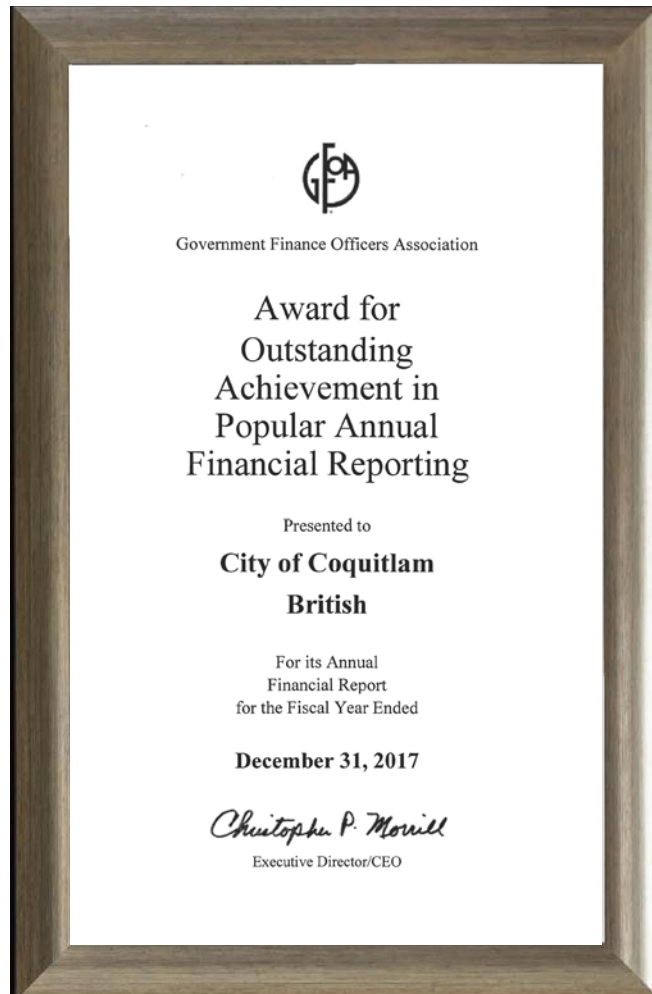
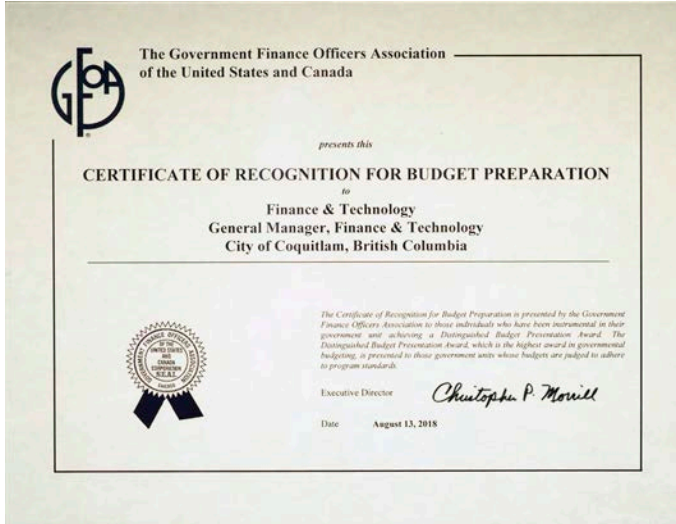
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# Awards & Recognition

The City of Coquitlam received the Government Finance Officers Association (GFOA) Canadian Award for Financial Reporting (2017), Outstanding Achievement in Popular Annual Financial Reporting Award (2017) and

Distinguished Budget Presentation Award (2018). We believe this current Annual Report continues to conform to the program requirements and we are submitting it to GFOA to determine its eligibility for an award.



# Awards & Recognition



*Coquitlam received a variety of awards in 2018 including these notable achievements:*

**BC Top Employer Award**

**Association of Consulting Engineers** – Awards for Engineering Excellence – Client of the Year

**BC Economic Development Association** – Community Project Award (Community More Than 20,000 Population) – Coquitlam Business LinQ

**International District Energy Association (IDEA)** – 2018 IDEA District Energy Leadership Award

**UBCM Community Excellence Awards** – Excellence in Asset Management – Asset Management Funding Framework

**WoodWorks! Community Award of Merit** – Rochester Park









# Coquitlam at a Glance

## A VIBRANT COMMUNITY

Coquitlam is an active, diverse community made up of healthy residents and a prosperous business community. One of the fastest-growing cities in all of Canada, Coquitlam's average population growth from 2012-2016 was 1.96% per year, making it the tenth fastest-growing Canadian city, and the third fastest-growing in BC, with a population of at least 100,000. Residents continue to be among the highest in the province in terms of overall health and education levels.

- 150,000** people call Coquitlam home
- 6,900+** licensed businesses operate in our community
- 98%** of residents rate the quality of life as "good" or "very good"
- 39.9** average age of Coquitlam residents (younger than the B.C. average)
- 44%** of Coquitlam residents were born outside of Canada (top three countries: China, South Korea, Iran)
- 70%** of residents age 25-65 hold a post-secondary degree, diploma or certificate

- 94.6:** percentage of Coquitlam School District students who complete high school
- 57,558:** total number of dwelling units in Coquitlam
- 72%** of residents own their home
- \$1,071,500:** average assessed value of residential property
- \$920,700:** average MLS selling price for a Coquitlam home (including apartments) at Dec. 31, 2018
- \$93,837:** average household income

# Coquitlam City Council



*Mayor*  
Richard Stewart



*Councillor*  
Brent Asmundson



*Councillor*  
Trish Mandewo



*Councillor*  
Craig Hodge



*Councillor*  
Dennis Marsden



*Councillor*  
Steve Kim



*Councillor*  
Teri Towner



*Councillor*  
Chris Wilson

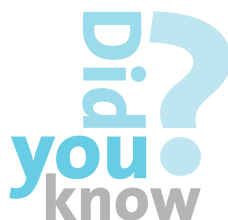


*Councillor*  
Bonita Zarrillo

Coquitlam City Council includes the Mayor and eight Councillors who are elected for a four-year term. Members of the current City Council were elected in October 2018 and took office on November 5, 2018.

City Council is responsible for local government leadership and decision-making — responsibilities that include establishing and implementing the priorities of the City of Coquitlam and for overseeing the overall administration of civic business.

The Mayor and Councillors also serve on many committees, boards and advisory groups on which they provide strategic input and direction on City initiatives, set budget priorities, and advise on regional issues.



In 2018, the City held...

**30**

In-Committee Meetings

**30**

Regular Council Meetings

**12**

Public Hearings

**49**

Meetings for Ten Advisory Committees

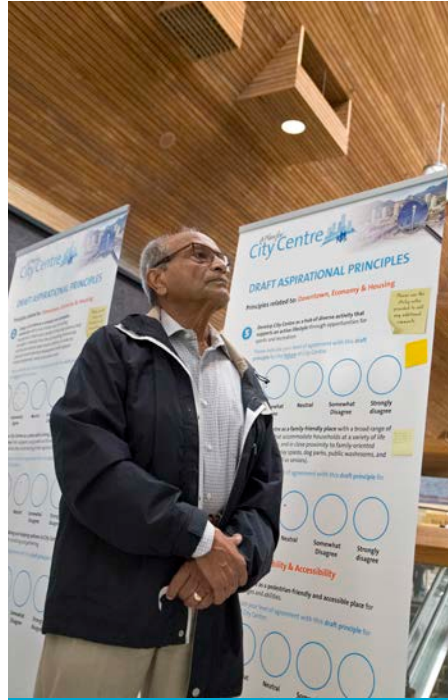
# Message from the Mayor



2018 Snow Response



Burke Mountain Pioneer Park Opening



City Centre Area Plan Public Consultation



Panorama Park Re-Opening



Housing Choices Review

As you may surmise from our 2018 Annual Report, growth, livability and planning for our community's future played a significant role in our work in 2018. And underlying this work was a focus on providing excellent service and value to the people of Coquitlam.

We are proud to share the results of our work with you and we also take pride in the results reflected back to us by our citizens. Our latest Citizen Satisfaction Survey, conducted by Ipsos Reid, shows that 98 per cent of residents rate Coquitlam's quality of life as good or very good. And in the fall, voters demonstrated their support by re-electing all seven incumbent Council members along with two new Councillors.

We hope our citizens also take pride in the provincial and national recognition their city has earned, including a national win in the Communities in Bloom competition, an award for excellence in asset management from the Union of BC Municipalities, and being named one of B.C.'s Top Employers.

Looking back at what we accomplished in 2018, there is no denying it was a banner year for parks and recreation services. Residents throughout Coquitlam enjoyed a range of new or revitalized parks amenities, including a playground, picnic shelter and other improvements at Mountain View Park; a playground, spray park and more at Rochester Park; the new Panorama Spray Park; the new sports field and diamond at Mackin Park; and the new Burke Mountain Pioneer Park, just to name a few.

We also completed the extensive interior and exterior renovations at Poirier Community Centre, began

construction on the new Riley Park in northeast Coquitlam and the expansion of Cottonwood Park in the Burquitlam-Lougheed area, and started the planning process for a variety of future projects.

Our capital investments didn't stop there. We repaved roads, added new sidewalks and pathways, expanded the Austin Service Centre, and made important upgrades to our water and sewer facilities – services that are hidden but no less crucial to the wellbeing of our citizens.

We also made strides on other critical issues for our community. We held our first Housing Forum, and saw tangible results from our focus on housing affordability. We engaged residents, businesses and stakeholders on the City Centre Area Plan, the Cemetery Plan, the Youth Strategy, the Housing Choices Review and other matters. We also supported economic development by opening the Business LinQ office at City Hall, a one-stop resource for people looking to start or grow a business in Coquitlam.

Overall 2018 was a great year, as we enhanced services to meet the needs of our growing community and set the stage for a vibrant future. On behalf of City Council and the City of Coquitlam, I am pleased to present our 2018 Annual Report.

Richard Stewart  
Mayor

# Organizational Structure

As of December 31, 2018



# City Departments

## City Manager's Office

As Council's primary staff liaison, the City Manager provides advice to Council and implements Council's decisions. He also oversees the broad requirements of the organization to ensure efficient services and effective governance.

The City Manager oversees all departments including the City Clerk's Office, which is responsible for Council meetings, public hearings, elections, corporate records and the City Archives.

## Deputy City Manager's Office

The Deputy City Manager is responsible for strategic and business planning and provides support to all other City departments to ensure alignment of City operations with the organization's strategic and business priorities.

The Deputy City Manager also directly oversees a number of City divisions, including Corporate Communications, Economic Development including Tourism, Fire/Rescue Services, Human Resources & Corporate Planning, Legal & Bylaw Services, and administrative support to the Mayor's Office.

This position is also the City's primary liaison to the local RCMP detachment. In addition, the Deputy City Manager is the Emergency Operations Centre Director and is responsible for managing the City's emergency response.

## Fire/Rescue

Coquitlam Fire/Rescue provides fire suppression, first responder services, specialized technical rescue, hazmat and wildfire response and fire prevention education to the community including fire and life-safety related building inspections in compliance with the BC Fire Code and the enforcement of City fire and life safety regulations.

In addition, the department also includes the City's Emergency Management Program to help support community emergency preparedness.

## Policing (RCMP – Coquitlam Detachment)

The sworn officers and municipal staff that make up the Coquitlam RCMP team provide 24/7 response to calls and investigations, as well as a wide range of crime prevention programs, and community outreach and education initiatives.

## Finance & Technology

The Finance & Technology Department supports the long-term financial sustainability of the City and provides systems support through information and communications technology. Finance & Technology provides long-term financial planning, develops the City's annual budget, calculates and collects property taxes and utilities payments, manages the City's investment portfolio, manages corporate purchasing, and conducts all statutory financial reporting. This department also supports all of the City's integrated software applications, data and telecommunications requirements, as well as QNet, a municipal corporation.

## Engineering & Public Works

The Engineering & Public Works Department is responsible for the City's infrastructure services, including transportation, water distribution, flood control, storm water management and sewage collection. This department oversees transportation planning and coordinates waste collection and disposal services. Responsibilities also include environmental stewardship, which is supported through public education, outreach and enforcement.

## Parks, Recreation & Culture Services

The Parks, Recreation & Culture Services Department operates civic recreational facilities and provides community recreation programs and services, as well as support for cultural events and festivals. This department is also responsible for planning, designing, operating and maintaining parks, sports fields, open green spaces, natural areas, and trails. In addition, Parks, Recreation & Culture Services provides cultural services both directly and through agreements with partner community organizations, including the Coquitlam Public Library, Evergreen Cultural Centre, Place des Arts, Place Maillardville, Coquitlam Heritage Society that operates Mackin House Museum, and others.

## Planning & Development

The Planning & Development Department prepares land use strategies, policies and community plans to guide Coquitlam's growth, in consultation with the public and working with City Council. This department is responsible for processing a wide range of development proposals including Official Community Plan amendments, rezoning, subdivision, development permit and building permit applications.

## Strategic Initiatives

The Strategic Initiatives Department manages the City's land and real estate holdings as well as oversees large infrastructure construction and improvement projects, including civic facilities and parks. This department is also responsible for civic facilities operations and management.



*“Coquitlam takes great pride in our award-winning parks, wide variety of programs for all ages, and opportunities to connect and gather in beautiful outdoor spaces. City staff are inspired every day to provide quality services toward a livable community where people can live, work and play.”*

**— Peter Steblin, City Manager**

# Integrated Planning Framework

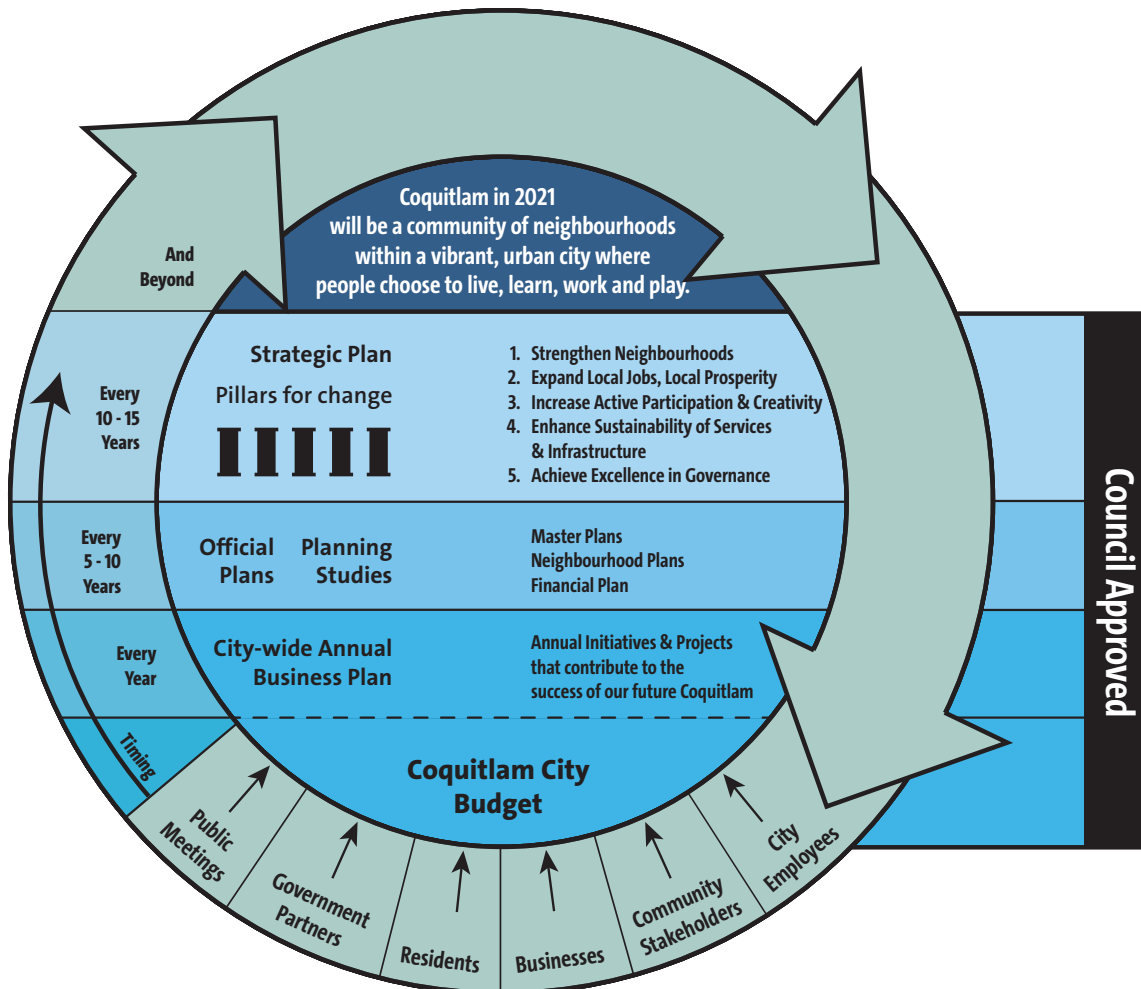
*Integrated planning is the foundation of everything we do. It is a way of ensuring that our actions and initiatives are contributing to our big-picture vision of Coquitlam as a vibrant urban city where people choose to live, learn, work and play.*

Coquitlam’s integrated planning framework comprises separate but complementary planning processes. These processes result in a set of integrated plans that support the overall vision and mission of the City, and they enable us to align activities and resources to achieve the strategic goals and annual business plan priorities set by Council.

The *Strategic Plan* is the highest-level statement of the City’s aspirations for the future. It is developed with a long timeframe in mind and is updated every four years following the municipal election. The *Strategic Plan* articulates Coquitlam’s vision, mission, values and broad strategic goals. We monitor our progress on the plan through an annual review of key performance measures.

The *Business Plan* translates high-level strategic goals into priorities for action. These priorities—and their associated work items—are established annually by Council. We monitor our progress on the business plan through reports to Council every four months and through annual reviews of operational performance measures.

The *Financial Plan* outlines the financial resources needed to support the *Strategic Plan*, *Business Plan* and the City’s operational business. Updated annually, the *Financial Plan* is a five-year plan that includes a budget for revenues, expenditures and capital projects.



# Strategic Planning

*Coquitlam's 2016 – 2019 Strategic Plan is goal-oriented and includes the City's vision, mission, values, strategic goals and directions, and anticipated outcomes and results. This plan forms the foundation for all other long-range planning for the City, including the Official Community Plan, Business Plan, Financial Plan, and other targeted plans related to transportation, land use and parks and recreation planning. The Strategic Plan includes the following components:*

## Vision

Coquitlam in 2021 will be a community of neighbourhoods within a vibrant city where people choose to live, learn, work and play.

## Mission

To sustain Coquitlam's high quality of life for current and future generations, we serve the public interest through leadership, innovation and a focus on community priorities and strengths.

## Values

Organizational values form the foundation for the City's decision-making framework and relationships with its stakeholders, employees, citizens and customers. By living its values, the City of Coquitlam will be an organization recognized for its excellence in City governance and employee, citizen and customer engagement.

Coquitlam has **four key values** to help achieve this goal:

1. Treat People Fairly
2. Build Organizational and Community Capacity
3. Inform, Involve and Inspire
4. Innovate to Sustain Community Quality-of-Life

## Strategic Goals

Coquitlam has identified **five strategic goals** to support its vision:

1. Strengthen Neighbourhoods
2. Expand Local Jobs, Local Prosperity
3. Increase Active Participation and Creativity
4. Enhance Sustainability of City Services and Infrastructure
5. Achieve Excellence in City Governance

## Strategic Planning Review Process

In 2006, Coquitlam's City Council developed a Strategic Plan that included a 15-year vision, mission, values and goals for the entire organization based upon input from the community, employees and other stakeholders. In late 2015 through to early 2016, the Plan was reviewed and updated to ensure it continues to align with Council's vision and priorities.



# Monitoring Success and Performance by Strategic Goal

*The City annually measures how we are doing in terms of meeting our five strategic goals. On the following pages, we highlight what we set out to accomplish and what we actually achieved in each area. Key performance indicators also provide data to help identify where we are on track and where we need to focus our efforts.*





**STRATEGIC GOAL 1:**

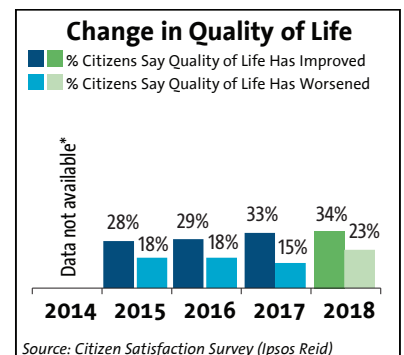
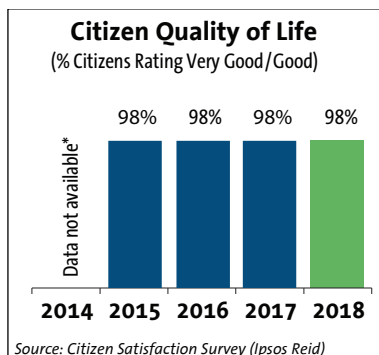
## Strengthen Neighbourhoods

**Strategic Outcome:** A community of clean, safe, green and inclusive neighbourhoods that are connected to a convenient and affordable transportation network and vibrant commercial centres where residents can pursue education,

recreation, sport and cultural interests that enhance their social well-being and strengthen their connection to each other and the community. Neighbourhoods that celebrate their uniqueness, history, heritage and character.

Key Performance Indicators	2014	2015	2016	2017	2018
Crime Rate (crimes per 1,000 people) <sup>1</sup>	57	61	58	50	N/A <sup>2</sup>
Police Calls for Service	37,419	44,308	43,429	41,816	40,575
Injuries/Fatalities from Collisions	346	339	297	178	169
Fire Incident Responses	6,128	6,932	7,329	7,237	6,431
Bylaw Enforcement Notices	15,384	17,070	20,689	19,422	20,327
Housing (new units added)					
Apartments	679	1,029	406	1,416	207
Townhouses	214	99	44	148	320
Single Family	235	269	312	248	507
Other <sup>3</sup>	236	221	285	245	227
<b>Total</b>	<b>1,364</b>	<b>1,618</b>	<b>1,047</b>	<b>2,057</b>	<b>1,261</b>
Tri-Cities Rental Vacancy Rate (apartments)	1.6%	1.2%	1.7%	1.4%	1.0%
Supportive and Subsidized Housing Units	2,661	2,793	2,717	2,657	2,657

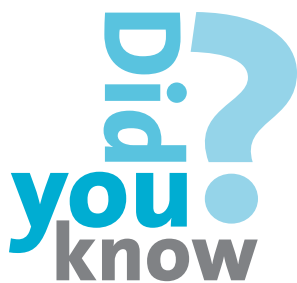
- <sup>1</sup> The crime rate is calculated by the Ministry of Public Safety and Solicitor General. Data is from the 2017 Police Resources Report, issued in December 2018. The crime rate is the number of Criminal Code offences (excluding drugs and traffic) reported for every 1,000 people.
- <sup>2</sup> The 2018 crime rate was not available at the time of publication.
- <sup>3</sup> Includes suites, duplex, triplex and quadruplex.



\* Data not available as the City did not conduct the Citizen Satisfaction Survey in 2014.

## What We Set Out to Achieve / What We Achieved

- 1. Develop complete, well connected neighbourhoods.**
  - Completed significant work on the City Centre Area Plan.
  - Completed new Streetscape Guidelines for Maillardville.
- 2. Enhance travel within and between neighbourhoods by building high quality transportation facilities and improving the quality of streets as a place for people.**
  - Completed an extension of David Avenue in the City's Northeast.
  - Facilitated improvements to Lougheed Highway next to the Riverview Lands.
- 3. Create a balanced system of facilities, parks and amenities to enhance connectivity and belonging within neighbourhoods.**
  - Completed multiple park construction projects including twinning the Coquitlam Crunch stairs, revitalization of four parks in the City's southwest, Smiling Creek Park and Fridge Field artificial turf replacement.
  - Began implementing Phase One of the Town Centre Park Master Plan.
- 4. Encourage a suitable mix of housing in our neighbourhoods.**
  - Continued to implement the Housing Affordability Strategy; nearly 5,000 dedicated market and non-market rental units are in process.
  - Implemented the Transit-Oriented Development Application Team (TODAT) to approve development along the City's rapid transit corridors.
- 5. Support the continued operations and refinement of the fire/safety, crime prevention and emergency response preparedness programs.**
  - Coquitlam Fire Rescue conducted over 5,000 fire inspections and responded to over 6,000 incidents.
  - Implemented Phase Two of the After the Fire Program.
  - Signal property crimes decreased for the fourth straight year, increasing public safety.
- 6. Protect and enhance the unique history, heritage and character of our neighbourhoods.**
  - The City Archives launched an online exhibit featuring students of Maillardville.
- 7. Facilitate cultural and recreational experiences that foster interaction, connection, and a sense of belonging to neighbourhoods and communities.**
  - Won national Communities in Bloom competition awards: first place Class of Champions and National Pollinator Friendly Community of the Year.
- 8. Collaborate with other organizations that support the physical and emotional health of our residents and enhance the overall social well-being of the community.**
  - Completed a Master Joint-Use Agreement with School District 43, guiding the shared use of sports fields, parking lots and amenities for the benefit of Coquitlam residents and students.
  - Cataloged and assessed Riverview Hospital Artifacts in anticipation of developing a public management plan.



In 2018...

**1,261**

new residential units added to Coquitlam's housing stock

**6,431**

fire incident responses

**5,000+**

fire inspections performed

**98%**

of residents say they have a good or very good quality of life, according to the Citizen Satisfaction Survey



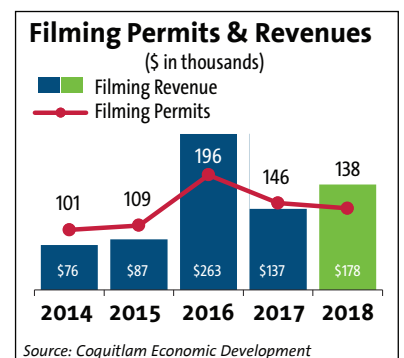
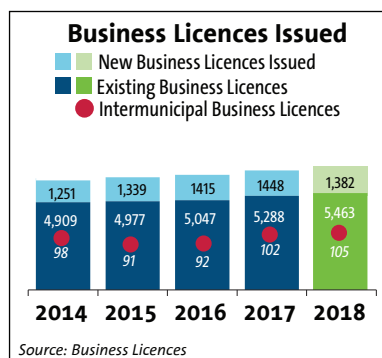
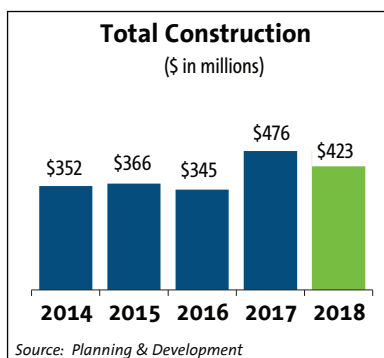
**STRATEGIC GOAL 2:**

## Expand Local Jobs, Local Prosperity

**Strategic Outcome:** A prosperous, diverse and vibrant local economy.

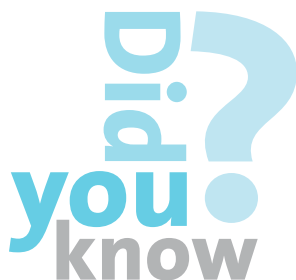
Key Performance Indicators	2014	2015	2016	2017	2018
Housing Starts <sup>1</sup>	1,598	971	1,625	2,130	1,103
Additional Industrial & Commercial m <sup>2</sup>	8,461	1,802	22,483	24,254	26,370
QNET Fibre Utilization (cumulative metres of fibre)	62,149	69,337	77,257	79,500	83,405
<b>Filming</b>					
Permits	101	109	196	146	138
Revenue (\$,000)	\$76	\$87	\$263	\$137	\$178
<b>Festivals and Events</b>					
Number	69	67	114 <sup>2</sup>	71	70
Participants	125,100	129,130	154,235	165,495	149,112

- 1 A 'start' for the Starts and Completions Survey as reported by the Canada Mortgage and Housing Corporation is defined as the beginning of construction work on a building, usually when the concrete has been poured for the footing around the structure.
- 2 Increased number due to Coquitlam 125 anniversary celebration events.



## What We Set Out to Achieve / What We Achieved

1. **Focus on neighbourhood commercial development and revitalization.**
  - Facilitated the addition of 26,370 square metres of new commercial and industrial space across the City.
2. **Foster local employment opportunities by working with other agencies and groups in promoting a business-friendly climate.**
  - Worked with the Tri-Cities Chamber of Commerce on a variety of initiatives like the 2018 Economic Summit and Small Business Week Business Showcase.
3. **Support the retention, expansion and attraction of business to strengthen Coquitlam's economic base.**
  - Held 237 business retention and expansion meetings conducted with local businesses and completed 403 requests for assistance.
  - Held 140 business attraction meetings with various businesses, government agencies and consulates and received 105 business attraction inquiries.
  - Issued 138 film permits, generating \$178,000 in revenue.
4. **Support a vital economy by moving people and goods efficiently and capitalize on major transportation infrastructure.**
  - Worked with the Ministry of Transportation and Infrastructure and the City of New Westminster on options to improve the Brunette Interchange.
  - Made significant progress on moving forward in principle on the City's municipal boundary roads.
5. **Facilitate vibrancy in sport, culture and recreation to enhance economic growth through partnerships, events, festivals, and business development.**
  - Worked with, promoted and participated in a variety of events, which attracted visitors to Coquitlam, such as the BC Highland Games & Scottish Festival, BC Uncorked Food & Wine Festival, Tri City International Food & Wine Festival, Coquitlam Craft Beer Festival, Fraser Pacific Rose Show, Coquitlam Christmas Craft Fair, Coquitlam Farmers Market, Canwest Games, Festival du Bois, Pacific Spring Showcase & Spring Classic Hockey Tournaments, Fraser Valley Food Truck Festival and the Canadian Collegiate Athletic Association Women's Soccer Nationals.
6. **Through a collaborative and holistic approach with citizens and businesses, create an inspiring public realm through public art, and natural and designed spaces, that enhance quality of life and encourages private sector investment.**
  - Held the free winter lights display with an estimated attendance of 375,000 who walked the 1.2-kilometre lakeside trail loop.
  - Finalized an agreement with TD Bank to sponsor the TD Community Plaza in Town Centre Park, generating \$250,000 in revenue over five years.
7. **Create trade and investment opportunities by building our international relationships and promoting our cultural diversity.**
  - Economic Development met with representatives from Global Affairs Canada, the Ministry of Jobs, Trade and Technology, BC Tech Association, the Canada Korea Business Association and various investment groups.
8. **Leverage community assets to drive investment and job creation.**
  - Increased business access to QNET, connecting 20 buildings and adding 3,905 metres of fibre.



In 2018...

**26,370**

square metres of new industrial or commercial space added

**1,382**

new business licences issued

**149,112**

people attended 70 City-sponsored festivals and events

**138**

film permits issued, generating over \$178,000 in revenues

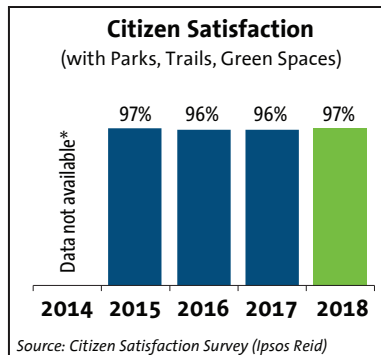
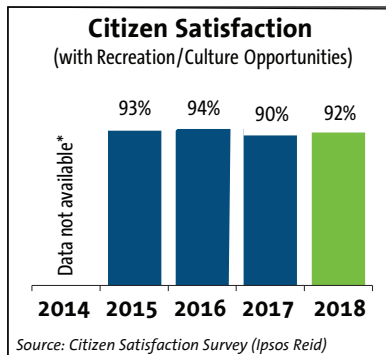


**STRATEGIC GOAL 3:**

## Increase Active Participation & Creativity

**Strategic Outcome:** A healthy community that includes the physical, spiritual and social wellness of our residents and community.

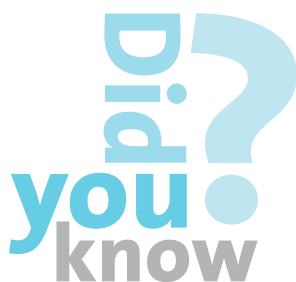
Key Performance Indicators	2014	2015	2016	2017	2018
Paid admissions to all City facilities	913,332	968,306	986,614	1,057,550	1,202,611
Registration in Low Cost/No Cost Programs	11,740	14,469	16,169	15,619	13,507
Parkland (hectares)	954	957	963	979	979
Evergreen Cultural Centre Patrons	81,450	79,400	82,500	85,000	86,500
Place des Arts Visitors	91,551	96,085	96,597	103,000	109,027
Library Visitors	764,097	810,000	828,409	853,985	877,317



\* Data not available as the City did not conduct the Citizen Satisfaction Survey in 2014.

## What We Set Out to Achieve / What We Achieved

- 1. Create a balanced offering of programs and services accessible to all ages, abilities, genders, interests, income levels and cultures.**
  - Increased participation by 13% in the City's Get Connected, Get Active financial assistance program for recreation participation.
  - Completed the development of a Seniors Services Strategy, creating a framework for the future participation of older adults and seniors in recreation, parks and culture.
- 2. Encourage all citizens to be active through a wide-range of recreational activities in our facilities, parks and trails.**
  - Registered over 705,000 participants in the City's recreation programs.
  - Over 3 million people visited City Centre Aquatic Complex and Poirier Sport & Leisure Complex.
  - Saw over 1 million paid admissions to City recreational facilities, an increase of 7% from 2017.
- 3. Enhance creativity and cultural experiences through programs, performances, multi-cultural events and festivals.**
  - Hosted 70 events through Coquitlam's events office, with nearly 150,000 participants.
  - Facilitated 96 block parties, and distributed over \$13,000 in block party grants.
- 4. Develop a sustainable system of parks and open space that contribute to the ecological, social and economic well-being of our community.**
  - Completed the Master Plan for Town Centre Park, enhancing a community amenity in Coquitlam's City Centre.
  - Continued tree planting initiatives with approximately 3,600 native shrubs and trees planted in City parks.
  - Restored approximately 5,800 square metres of natural areas in 2018.
  - Completed upgrades to four parks as part of the Southwest Park Revitalization (Park Blitz) program: Poirier Tot Lot, Cape Horn, Meadowbrook and Mariner parks.
  - Began construction on Riley Park.
- 5. Support a learning community where residents have access to life-long learning through formal and informal opportunities.**
  - Opened a pop-up Adventure Playground, providing an area of unstructured play for children three to 12. An estimated 6,000 children attended during the two-month pilot project.
  - Over 1,600 Coquitlam residents attended HEROS training to learn about personal emergency preparedness.
- 6. Develop transportation infrastructure and services to support a healthy environment.**
  - Completed improvements to the Hillcrest/Wilmot Greenway.
  - Amended the City's Park Wayfinding Strategy to improve directional signage in City parks.



In 2018...

**3,600**

native trees and shrubs planted in City parks

**3,000,000+**

visitors to the City Centre Aquatic Complex and Poirier Sport & Leisure Complex

**1,600 +**

residents participated in HEROS emergency preparedness training

**86,500**

visitors to the Evergreen Cultural Centre

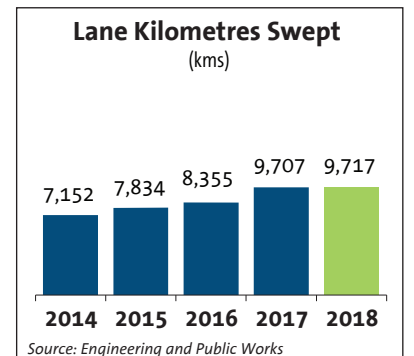
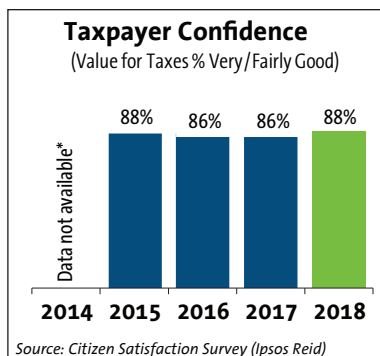


**STRATEGIC GOAL 4:**

## Enhance Sustainability of City Services & Infrastructure

**Strategic Outcome:** Greater capacity and better capability to deliver high-quality services that are built on social, environmental and economically sustainable service models.

Key Performance Indicators	2014	2015	2016	2017	2018
Spirit of Coquitlam Grants (\$,000)	\$370	\$404	\$485	\$427	\$392
Solid Waste (tonnes per single-family home)	0.43	0.31	0.33	0.31	0.34
Garbage Diversion (% recycled)	63%	73%	71%	71%	70%
Annual Water Consumption (litres per capita per day)	133	125	124	128	133
Animals Reclaimed from the Animal Shelter	375	350	288	311	274
Roads Swept (lane kms)	7,152	7,834	8,355	9,707	9,717
Corporate GHG Reduction					
GHG Reduction vs 2012 Base Year (tCO <sub>2</sub> e)	1,190	1,428	1,493	1,245	1,508
% Reduction year over year	20%	24%	25%	21%	25%

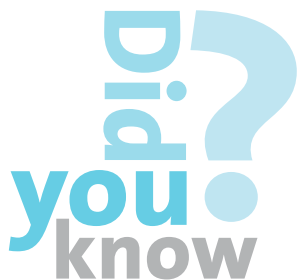
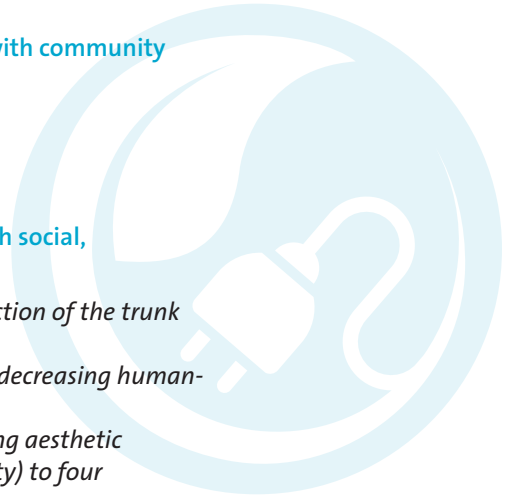


\* Data not available as the City did not conduct the Citizen Satisfaction Survey in 2014.



## What We Set Out to Achieve / What We Achieved

1. Explore service improvements through new opportunities for partnership with community organizations.
  - Continued work on the planning of the Burquitlam YMCA.
  - Completed the Place Maillardville cultural services agreement.
  - Continued work to renew the tri-partite Pinetree Agreement.
2. Set high standards and demonstrate responsible public stewardship through social, environmental and economic sustainability practices.
  - Finalized the Crouch Reservoir and made considerable progress on construction of the trunk water main.
  - Implemented changes to the curbside collection program with the goal of decreasing human-wildlife conflicts.
  - Completed Phase 1 of the Neighbourhood Enhancement Program, providing aesthetic maintenance (i.e. repainting poles, removing graffiti, improving accessibility) to four neighbourhoods including: Meadowbrook, Falcon, Eagle Ridge and Nestor.
3. Create an energy efficient community through conservation of environmental assets, resources and energy by increasing community and organizational awareness and stewardship.
  - Continued to see a diversion rate above 70%, resulting in 0.34 tonnes of solid waste per household.
  - Continued to work with the British Columbia Utility Commission on Fortis BC's abandonment of its gas pipeline along Como Lake Avenue.
4. Minimize the impact of City processes and infrastructure on the environment by reducing the City's air emissions, material consumption, energy and water usage.
  - Corporate Green House Gas (GHG) emissions continued to decrease, reaching an approximately 25% reduction compared to the base year (2007).
5. Manage the City's transportation system efficiently as the community evolves and prioritize walking, cycling, transit, and other sustainable modes of transportation.
  - Cleaned over 150 km of sewers and water mains, swept 9,717 km of streets and maintained an average pavement condition assessment (% good/very good) of 71%.
  - Completed the Coquitlam Crunch Trail and Expansion Plan.
6. Ensure sustainable, equitable and effective funding strategies to enable the City to provide a high quality and appropriate level of infrastructure services.
  - Updated the City's bylaws related to how boulevards within the City are to be landscaped and maintained.
  - Made significant progress on a biennial update of the City's Development Cost Charge update.
7. Support the continued viability and sustainability of community organizations in their implementation of services, events and programs to the community.
  - Provided over \$390,000 in total grants to the community to support events and experiences.



In 2018...

**\$392,000**

provided in Spirit of Coquitlam Grants in support of community-led projects

**70%**

of household waste diverted from the landfill

**88%**

of residents say they get good to fairly good value for tax dollars, according to the Citizen Satisfaction Survey

**25%**

Corporate Greenhouse Gas (GHG) emissions reduction compared to 2007



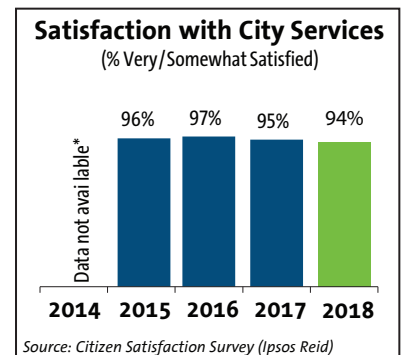
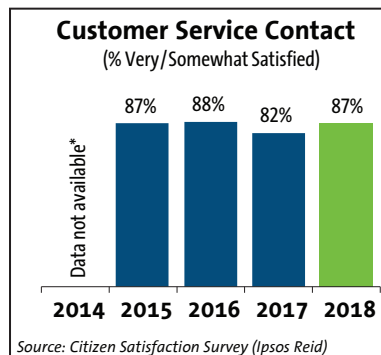
**STRATEGIC GOAL 5:**

## Achieve Excellence in City Governance

**Strategic Outcome:** A strong governance model that is based on the principles of openness, fairness and accountability and that ensures informed decision-making throughout the organization and draws on the energies of citizen participation.

Key Performance Indicators	2014	2015	2016	2017	2018
Parks, Recreation and Culture Volunteer Hours	49,923	46,189	53,188	44,566	24,352
Committee Volunteers	123	144	143	105 <sup>1</sup>	102
Employee Vacancy Rate (at December 31)	5.3%	4.8%	4.2%	5.2%	5.4%
Annual Employee Turnover Rate	9.7%	8.2%	7.2%	7.6%	6.3%
Business Improvement Initiatives Completed	47	51	58	70	79
Community Engagement					
Unique Website Visits	510,914	558,173	674,486	783,570	812,560
Facebook Likes	3,573	4,727	7,706	10,340	12,194
Twitter Followers	3,319	4,759	6,291	7,689	8,920
Instagram	182	553	1,507	2,693	3,812
YouTube Views	10,249	15,528	21,237	27,195	26,500

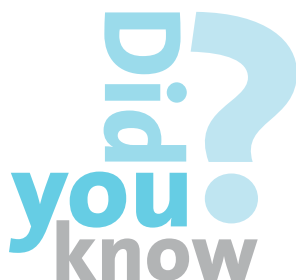
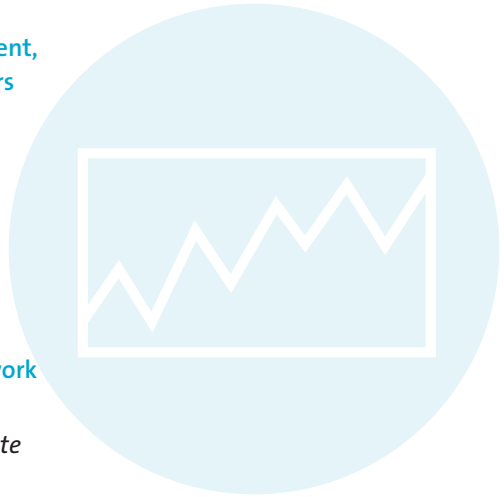
<sup>1</sup> The number of Council-appointed committees and boards was reduced from 15 to ten in 2017.



\* Data not available as the City did not conduct the Citizen Satisfaction Survey in 2014.

## What We Set Out to Achieve / What We Achieved

1. **Maintain prudent financial management policies regarding land management, asset replacement and long-range planning and budgeting so that taxpayers remain confident that tax dollars are being spent wisely.**
  - Implemented Phase 1 of the Community Amenity Enhancement Program, improving City infrastructure using development-related revenues.
  - Received WorkSafe BC Certificate of Recognition Rebate for \$222,273 and maintained an experience rating under industry standards, saving a further \$408,800 in insurance costs.
2. **Develop strategic partnerships and positive working relationships with the businesses, community groups and many government organizations who work with, for and in Coquitlam.**
  - Continued to develop media partnerships throughout the region to promote Coquitlam events and the Tourism office.
  - Diversified on-site programming by expanding partnerships with third party providers, enhancing the range of program experiences for all age groups.
  - Introduced Whoosh!, a mobile parking app connected to the City's parking lots.
3. **Support, encourage and empower employees by living the City's values, recognizing success and fostering a positive team environment.**
  - Conducted a speaker series for staff on a variety of topics to enhance leadership skills and abilities. Total attendance exceeded 200 participants.
  - Recognized as one of British Columbia's Top Employers.
4. **Encourage citizen and neighbourhood engagement so that residents contribute to the affairs of the whole community.**
  - 102 residents and organization representatives volunteered on the City's ten advisory committees and boards in 2018 providing input and advice on a wide range of City programs and policies.
  - Launched a review of the City's website, to be implemented in 2019.
5. **Improve customer service and enhance efficiency and effectiveness through innovation, high customer service standards, and a commitment to continuous improvement.**
  - Expanded use of the online snow reporting tool, allowing residents to submit service requests online and outside of normal operating hours.
  - Through the Business Improvement Committee, completed 79 items enhancing the customer experience and reducing red tape.
  - Introduced design examples as part of the development application process, reducing turnaround time in the application review process.
6. **Foster awareness of diverse cultural groups and encourage increased understanding of different cultures to further enrich the community.**
  - Supported 11 different community-led cultural events with a combined attendance of 17,725.
  - Featured 10 multicultural performances during the two largest City-run festivals and reached a combined audience of 75,000 people.



In 2018...

**24,352**

volunteer hours for recreation and culture activities in Coquitlam

**79**

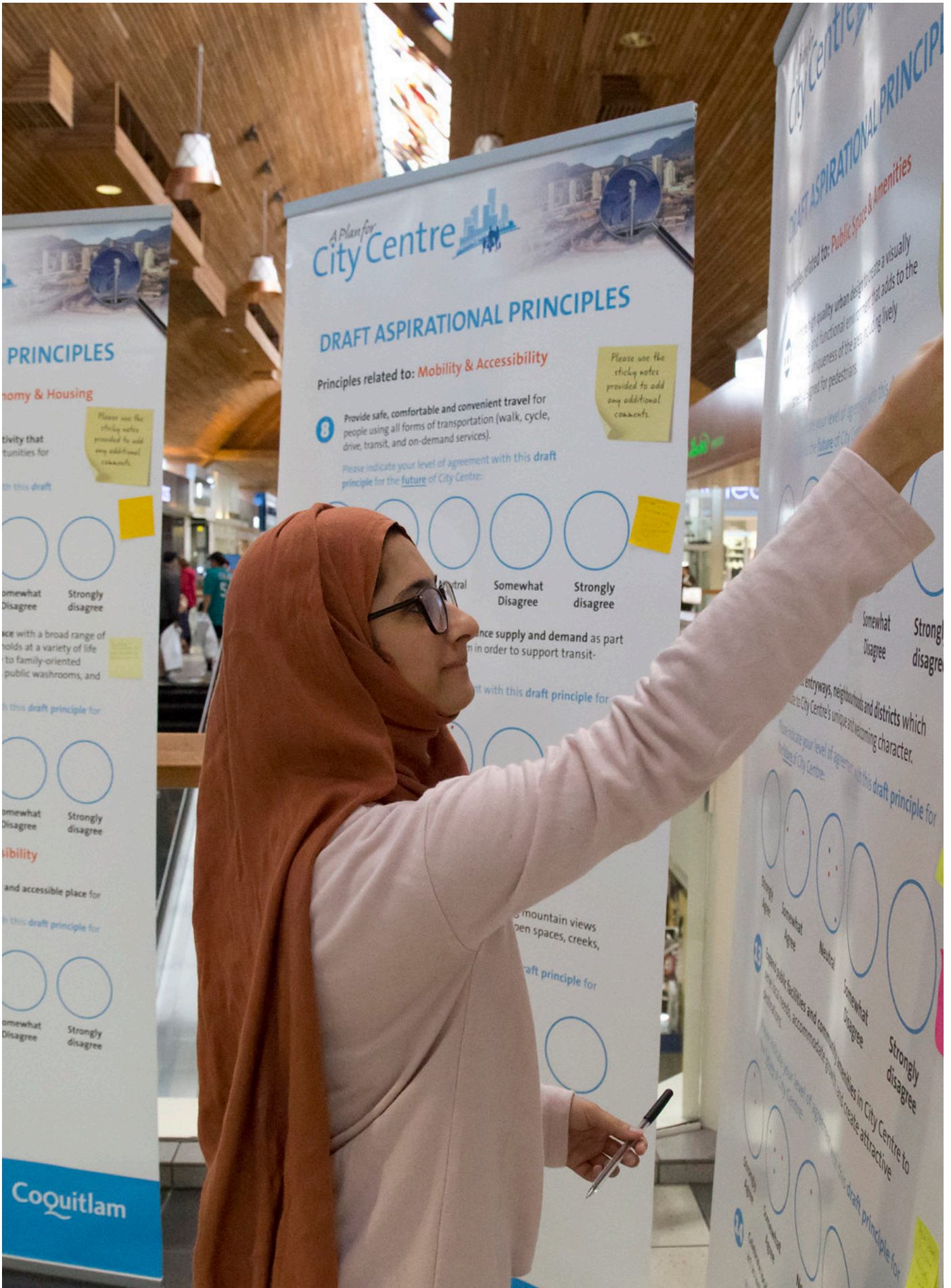
business improvement initiatives completed

**812,560**

visits to coquitlam.ca

**94%**

of residents satisfied with City services



# Looking Forward – 2019 Business Plan

*What are our priorities for the year ahead?*

*Our 2019 Business Plan is where we make the connection between strategy and action. Using our Strategic Plan as a guide, we develop the priorities that will be initiated and/or completed in the year ahead. The annual Business Plan priorities help Council and staff allocate resources to the most important City priorities each year.*

Strategic Goal 1:	Strategic Goal 2:	Strategic Goal 3:	Strategic Goal 4:	Strategic Goal 5:
<b>Strengthen Neighbourhoods</b>	<b>Expand Local Jobs, Local Prosperity</b>	<b>Increase Active Participation &amp; Creativity</b>	<b>Enhance Sustainability of City Services &amp; Infrastructure</b>	<b>Achieve Excellence in City Governance</b>
<ul style="list-style-type: none"> <li>➤ Housing Affordability Initiatives</li> <li>➤ Burke Mountain Neighbourhood Village</li> <li>➤ City Centre Amenity Strategy</li> <li>➤ Cannabis Enforcement Strategy</li> <li>➤ Southwest Housing Review</li> <li>➤ Community Engagement Strategy</li> <li>➤ Hazardous Material Response Plan</li> </ul>	<ul style="list-style-type: none"> <li>➤ Fortis BC Pipeline Impact Management</li> <li>➤ Brunette Interchange</li> <li>➤ Office Development Strategy</li> <li>➤ Neighbourhood Enhancement Program Phase Two</li> <li>➤ Public WiFi Expansion</li> </ul>	<ul style="list-style-type: none"> <li>➤ Community Amenity Enhancement Program</li> <li>➤ Place Maillardville</li> <li>➤ Cottonwood Park</li> <li>➤ Fraser Mills Community Centre</li> <li>➤ Riley Park</li> <li>➤ Brookmere Park</li> <li>➤ Southwest Parks Revitalization</li> </ul>	<ul style="list-style-type: none"> <li>➤ YMCA Facility</li> <li>➤ Burke Mountain Joint School/Park Site Planning</li> <li>➤ Northeast Works Yard</li> <li>➤ Austin Works Yard Expansion Phase One</li> <li>➤ Pinetree Agreement Review</li> <li>➤ Coquitlam Diking District</li> </ul>	<ul style="list-style-type: none"> <li>➤ Corporate Website Update</li> <li>➤ Business Improvement Committee Work Plan</li> <li>➤ City Lands Master Plan</li> <li>➤ Childcare Review</li> <li>➤ Technology Roadmap Initiatives</li> <li>➤ Strategic Plan Renewal</li> </ul>

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*The above list highlights some of the initiatives planned for 2019. The City of Coquitlam's complete 2019 Business Plan is available online at [coquitlam.ca/businessplan](http://coquitlam.ca/businessplan).*



# Annual Report

*For the year ending December 31, 2018*

# 2018

## Consolidated Financial Statements

**Auditors:**

KPMG LLP

**Bank:**

ScotiaBank

**Prepared by:**

The Finance  
& Technology  
Department of the  
City of Coquitlam





# Letter of Transmittal

May 7, 2019  
 Mayor and Council  
 City of Coquitlam

## Dear Mayor Stewart and Councillors:

I am pleased to present the Annual Report for the fiscal year ending December 31, 2018, which includes the Consolidated Financial Statements and Auditors' Report for the City of Coquitlam pursuant to Section 167 of the Community Charter. The preparation and presentation of the financial statements, and related information in the 2018 Annual Report, is the responsibility of the management of the City. The financial statements have been prepared in accordance with generally accepted accounting principles for Local Governments as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada and the Provincial Ministry of Municipal Affairs and Housing. The City of Coquitlam maintains a system of internal accounting controls designed to safeguard the assets of the organization and provide reliable financial information.

The audit firm of KPMG LLP was appointed by Council and is responsible for expressing an opinion as to whether the Consolidated Financial Statements, prepared by management, fairly present the financial position of the City of Coquitlam and the results of its 2018 operations. The auditors have given the City an unqualified audit opinion on the City's financial statements and these 2018 Audited Financial Statements were presented to the Finance Standing Committee of Council, which acts as the City's Audit Committee.

## Financial Overview

The Consolidated Financial Statements include the 2018 results for the City's General Fund, Utility Funds, Trust and Reserve Funds, as well as the Coquitlam Public Library and the Coquitlam Optical Network Corporation (QNet), which is a wholly owned municipal corporation of the City of Coquitlam.

The year 2018 resulted in a surplus on a consolidated basis and reflects the City's continued high level of growth and development. The successful delivery of public services and capital infrastructure projects continues to be expressed through the presented financial results as well as through residents' feedback as part of the annual Citizen Satisfaction Survey conducted by Ipsos Reid.

## Consolidated Statement of Financial Position (\$ in thousands)

	2018 Actual	2017 Actual	Change
Financial Assets	702,517	599,201	103,316
Financial Liabilities	179,481	183,593	(4,112)
<b>Net Financial Assets</b>	<b>523,036</b>	<b>415,608</b>	<b>99,204</b>
Inventory and Prepaid Expenses	2,425	2,076	349
Tangible Capital Assets	2,002,272	1,930,801	71,471
<b>Non-Financial Assets</b>	<b>2,004,697</b>	<b>1,932,877</b>	<b>71,820</b>
<b>Accumulated Surplus</b>	<b>2,527,733</b>	<b>2,348,485</b>	<b>171,024</b>

The City's financial position remains strong with an increase in the financial assets resulting from additions to capital and statutory reserves including the land sales reserve, affordable housing reserve and development-related revenues. This is offset by liabilities that include deferred revenues related to the collection of Development Cost Charges as well as monies on deposit for particular purposes, including performance security deposits from development. The City's long-term debt with the Municipal Finance Authority continues to decline through annual payments and the outstanding balance at the end of 2018 was \$17.2 million or approximately \$115 per capita, which is a decrease of \$10 from 2017. This debt is related to capital projects required under the Development Cost Charges Capital Program and Local Area Improvement Program and therefore the repayment is not supported by tax payers.

Under provincial legislation or Council resolution, the City has established a number of reserve funds, which are identified in Schedule G of the Financial Statements (p.65). These include the land sale reserve, asset and infrastructure replacement reserves and operating reserves. During 2018, the City's Reserve Fund balances increased to \$482 million primarily as a result of completed land sale transactions as well as the collection of additional development-related revenues. These funds support the City's capital program and fund infrastructure projects required to support development and the resulting population growth in the community. The operating reserves are intended to manage any unexpected fluctuations in operating budget expenditures such as extreme weather events or insurance claims.

The City invests its funds in a manner that will provide the optimal blend of investment security and return, while meeting the daily cash flow demands of the City's operations and complying with the statutory requirements of the Community Charter. Investment income increased in 2018 to \$12.7 million. The average balance held in external investments for 2018 was \$550 million, which produced a rate of return on the investment of 2.21%. When blended with the cash held on hand, the average rate of return on investments was 2.18%.

# Letter of Transmittal (continued)

The City's tangible capital assets increased by \$71.5 million from \$1.93 billion to \$2 billion, which includes \$30 million in contributed assets from development. The majority of these additional assets are related to new roads, parks, water, sewer and drainage, which are required to support the growing community.

The City's accumulated surplus of \$2.5 billion includes \$482 million in reserves and \$2 billion invested in tangible capital assets. In addition, operating surpluses totaling \$59 million are maintained for the purpose of preserving an appropriate balance to provide working capital, interest earnings and operating contingency fund for extraordinary events.

## Consolidated Statement of Operations (\$ in thousands)

	2018 Actual	2017 Actual	Change
Revenues	432,439	415,568	16,871
Expenses	253,191	242,686	10,505
<b>Annual Surplus</b>	<b>179,248</b>	<b>172,882</b>	<b>6,366</b>

The City's consolidated revenues for the year totaled \$432 million and represent an increase of \$17 million over 2017. Continuing growth in the community resulted in additional development-related revenues and contributions, as well as increased activity in City programs and services such as those delivered through community recreation facilities. Council also approved a 2.06% average property tax increase in 2018 to deliver new and enhanced services for the growing community. Land sale revenues reached \$76 million for the year and contributions from development included \$30 million worth of new capital assets.

Expenses increased slightly over last year due to extreme weather events, the amortization and costs associated with the addition of new assets and infrastructure and labour costs for firefighters who were deployed to assist with Provincial wildfires and which were reimbursed by the province.

The annual operating surplus reported on a consolidated basis is \$2.7 million. The surplus related to the General Fund is \$1 million, Water Fund is \$105 thousand and Sewer and Drainage Fund is \$1.6 million. These are offset by a small deficit in the Library, small surplus on QNet and reserve changes.

The following provides additional details of the financial results in the two major funds:

### General Fund

The City's General Fund is the primary fund for most municipal services including Police, Fire, Parks and Recreation, Engineering and Public Works, and Planning and Development. The General Fund ended the year with an

overall surplus of \$6.9 million and, in accordance with the Council approved Surplus Policy, the City contributed \$5.8 million to the Infrastructure Reserve and maintained an accumulated operating surplus of \$21 million.

The General Fund revenues for the year totaled \$350 million, which combined with additional funding from reserves, covered operating costs of \$196 million and net capital additions of approximately \$62 million. The key capital projects for the year included Austin Works Yard expansion, Smiling Creek Elementary School Park development and Fridge Field artificial turf replacement as well as development of the City-owned lands in Partington Creek and Smiling Creek. The General Fund has \$1.5 billion invested in tangible capital assets.

### Utility Funds

The City operates two major utilities, which are funded by user fees and levies. The Water Utility uses over 500 kilometres of pipes to deliver water purchased from the Metro Vancouver Water District (MVWD) and in 2018, the Utility provided water to approximately 48,000 households and commercial customers.

The Water Utility Fund ended the year with an operating surplus of \$105 thousand bringing the accumulated operating surplus for the Water Fund to \$23 million. During 2018, water revenues of \$32 million funded water operations at a cost of \$25 million, net capital additions of \$6.8 million and savings for future asset replacement. The largest projects of the year included construction of Crouch Reservoir. The Water Utility Fund has \$135 million invested in tangible capital assets.

The Sewer and Drainage Utility includes over 400 kilometers of pipes for the collection and transmission of sewerage to the Greater Vancouver Sewerage and Drainage District's (GVS&DD) Annacis Island Treatment Plant, as well as over 500 kilometers of sanitary pipes and over 540 kilometers of storm pipes and facilities to provide environmental and flood protection throughout the city. In 2018, the Utility collected and conveyed sewerage and run-off water from approximately 48,000 households and commercial customers.

The Sewer and Drainage Utility Fund ended the year with an operating surplus of \$1.6 million bringing the total accumulated operating surplus to \$13.5 million. During 2018, sewer and drainage revenues of \$40 million supported operations at a cost of \$31.5 million and net capital additions of \$2.7 million. The largest projects in the year were the Walnut Crescent storm sewer upgrade and replacement of the Green Acres Forcemain. The Sewer and Drainage Fund has \$317 million invested in tangible capital assets.

### Financial Sustainability

The City has a number of financial policies adopted by City Council aimed at safeguarding the City's long-term financial sustainability. These policies are a significant step toward

ensuring that municipal services and infrastructure will be provided for future generations. The following key policies have contributed to the positive results in 2018 and the City's strong financial position:

- **Surplus Policy** – The City's accumulated operating surplus is maintained at a constant percentage (15%) of the annual tax collection to ensure that over time it grows in proportion to the growth in the city. Any additional surplus earned will be transferred to an Infrastructure Reserve to support the City's future capital program. As a result of this policy, the City's operating surplus increased to \$59 million in 2018 (2017 - \$57 million).
- **Debt Policy** – The City's strategy is to minimize external debt borrowings and, if required, use existing reserves as a means to internally finance required capital expenditures. The City also adheres to the Municipal Debt Limit and Liability Servicing Limit requirements as outlined in the Community Charter. In addition, the City's Debt Retirement Policy directs operating budget savings achieved as a result of external debt retirement to future capital improvements in the city.
- **Land Sale Reserve Policy** – The City strives to create and maintain sustainable land-based resources, both land inventory and land sale reserve funds, for the benefit of the community now and in the future by adhering to principles of strategic land management in the City. The Land Sale Reserve Investment Fund is funded through a dividend of 5% of the sale of lands held for development and the interest earned on the City's Land Sale Reserve cash balance each year. This fund is allocated to specific projects in the city's capital plan to provide immediate benefit to Coquitlam residents. Currently this funding is directed towards enhancing a variety of parks and community amenities and supporting existing infrastructure.
- **Casino Revenue Policy** – Revenue received through the Casino Host Agreement is contributed to a Casino Reserve and allocated to a Community Capital Fund (12.5%), which in 2018 provided \$670,000 in grants to non-profit community organizations and to support community events during the year as well as Economic Development and Tourism initiatives and Local Area Services. The remainder (87.5%) is allocated to the Municipal Capital Funds, which funds priority facility and road infrastructure projects in the City's Five-Year Capital Plan.
- **Operating-Tied-to Capital Policy** – The City recognizes that investment in additional assets and infrastructure requires funding for the ongoing operating and maintenance of these new assets. Under this policy, a reasonable amount of operating and maintenance costs related to new capital infrastructure is included in the annual base budget to ensure funding is available to preserve the City's investment.

- **Asset Management** – The City has a robust system of asset management, which includes policies and reserves to ensure the long-term sustainability and ongoing replacement of the necessary infrastructure to support the community, including roads, utilities, buildings and park amenities.

### Looking Ahead

The municipal financial climate in British Columbia is generally positive. Towards the end of 2018, there was a notable cooling of the Metro Vancouver region's housing market which has continued into 2019. However, while the market for single family homes is down, demand for multi-family residential housing remains steady, resulting in ongoing new development in many areas of Coquitlam. This shift in the housing market, as well as regulatory changes at the provincial and federal level, may have impacts on the City's neighbourhood planning processes and Housing Affordability Strategy.

Ongoing construction in the city brings with it new taxation revenues which help to offset cost pressures in the budget. It also creates development revenues that provide capital funding to finance much needed growth-related infrastructure. On the other hand, public attitude toward development, the social impact of construction, and the growing population bring additional challenges for many City departments. These include increased demand for services, higher volumes of activity, new business complexities, and a greater level of community change which must be carefully considered and managed.

Moreover, as the community's expectations continue to rise, there is a growing demand for municipalities, including Coquitlam, to address societal issues such as affordable housing, child care and community social services. These areas are neither part of the mandate of local governments nor funded. However, Coquitlam Council has been responding to these issues by exploring ways to contribute without undue impact on the taxpayer.

In conclusion, the City's economic growth, low debt burden and careful financial management under the direction of City Council has formed a foundation for long-term financial sustainability and the ability to provide services to its residents now and into the future.

Respectfully submitted,



Michelle Hunt, CPA, CMA  
General Manager, Finance and Technology

# Independent Auditors' Report

## To the Mayor and Council of the City of Coquitlam

### Opinion

We have audited the consolidated financial statements of the City of Coquitlam (the "City"), which comprise:

- ▶ the consolidated statement of financial position as at December 31, 2018
- ▶ the consolidated statement of operations for the year then ended
- ▶ the consolidated statement of changes in net financial assets for the year then ended
- ▶ the consolidated statement of cash flows for the year then ended
- ▶ and notes and schedules to the consolidated financial statements, including a summary of significant accounting policies

(hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the City as at December 31, 2018, and its consolidated results of operations, its consolidated changes in net financial assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "**Auditors' Responsibilities for the Audit of the Financial Statements**" section of our auditors' report.

We are independent of the City in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the City's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the City or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the City's financial reporting process.

### Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 City's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the City's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the City to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion

The logo for KPMG LLP, featuring the letters 'KPMG' in a large, bold, blue font, with 'LLP' in a smaller, blue font to the right. A blue horizontal line is positioned below the text.

Chartered Professional Accountants

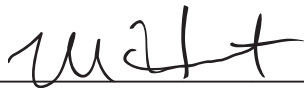
Vancouver, Canada  
April 24, 2019

# Consolidated Statement of Financial Position

December 31, 2018, with comparative figures for 2017

	2018	2017
<b>Financial Assets</b>		
Cash and cash equivalents (note 3)	\$ 90,773,763	\$ 59,074,736
Portfolio investments (note 3)	581,509,126	516,721,223
Accounts receivable (note 4)	29,490,788	23,405,540
Land held for resale	743,083	-
	702,516,760	599,201,499
<b>Liabilities</b>		
Accounts payable and accrued liabilities (note 5)	41,576,903	47,845,980
Deferred revenue (note 6)	74,351,759	74,822,936
Deposits (note 7)	37,268,759	33,676,086
Debt (note 8)	17,237,776	18,704,306
Employee future benefits (note 14)	9,045,400	8,543,800
	179,480,597	183,593,108
Net financial assets	523,036,163	415,608,391
<b>Non-Financial Assets</b>		
Inventories of supplies	746,432	827,424
Prepaid expenses	1,678,683	1,248,379
Tangible capital assets (note 9)	2,002,271,840	1,930,801,238
	2,004,696,955	1,932,877,041
<i>Commitments and contingencies (note 15)</i>		
Accumulated surplus (note 10)	\$ 2,527,733,118	\$ 2,348,485,432

See accompanying notes to consolidated financial statements.



City Treasurer

# Consolidated Statement of Operations

Year ended December 31, 2018, with comparative information for 2017

	2018 budget		2018		2017	
	(notes 2(a) and 20)					
Revenue:						
Taxation (note 11)	\$	163,614,624	\$	164,595,532	\$	157,321,046
Fees, rates and service charges		76,136,496		108,894,816		91,794,489
Grants and grants in lieu (note 12)		11,663,135		12,700,636		10,400,149
Investment income		6,391,839		12,700,791		9,363,173
Casino revenue		7,700,000		7,376,283		8,609,148
Municipal land sales		-		76,125,978		68,504,647
Developers' contributions (note 9(b))		-		30,448,412		58,777,541
Cost recoveries		4,799,543		17,295,838		8,864,114
Penalties and interest on taxes		952,500		1,043,319		946,085
Other		123,814		1,257,119		987,982
		271,381,951		432,438,724		415,568,374
Expenses:						
General government		22,148,870		21,448,235		19,287,167
Police protection		37,235,212		36,680,307		35,359,777
Fire protection		28,451,978		28,727,686		28,358,354
Other protection		3,145,150		2,879,450		2,722,770
Engineering		32,737,869		34,988,149		33,023,455
Solid waste		7,645,425		6,952,669		6,453,946
Planning and development		9,543,008		9,185,980		8,956,304
Parks, recreation and culture		55,212,890		55,645,024		53,652,632
Water utility		23,987,002		25,164,973		24,800,427
Sanitary and drainage utility		31,339,095		31,518,565		30,070,867
		251,446,499		253,191,038		242,685,699
Annual surplus		19,935,452		179,247,686		172,882,675
Accumulated surplus, beginning of year		2,348,485,432		2,348,485,432		2,175,602,757
Accumulated surplus, end of year	\$	2,368,420,884	\$	2,527,733,118	\$	2,348,485,432

See accompanying notes to consolidated financial statements.

## Consolidated Statement of Changes in Net Financial Assets

Year ended December 31, 2018, with comparative information for 2017

	2018 budget	2018	2017
	(notes 2(a) and 20)		
Surplus for the year	\$ 19,935,452	\$ 179,247,686	\$ 172,882,675
Reclassification of land held for resale	-	743,083	-
Acquisition of tangible capital assets	(80,560,895)	(83,458,738)	(58,938,463)
Contributed tangible capital assets from developers	-	(30,448,412)	(58,777,541)
Amortization of tangible capital assets	36,787,555	38,141,911	36,562,036
Gain on disposal of tangible capital assets	-	(73,767,693)	(68,371,142)
Proceeds on disposal of tangible capital assets	-	77,319,247	73,488,981
	(23,837,888)	107,777,084	96,846,546
Acquisition of inventories of supplies	-	(746,432)	(827,424)
Acquisition of prepaid expenses	-	(1,678,683)	(1,248,379)
Consumption of inventories of supplies	-	827,424	694,144
Use of prepaid expenses	-	1,248,379	926,599
	-	(349,312)	(455,060)
Change in net financial assets	(23,837,888)	107,427,772	96,391,486
Net financial assets, beginning of year	415,608,391	415,608,391	319,216,905
Net financial assets, end of year	\$ 391,770,503	\$ 523,036,163	\$ 415,608,391

See accompanying notes to consolidated financial statements.



## Consolidated Statement of Cash Flows

Year ended December 31, 2018, with comparative information for 2017

	2018	2017
Cash provided by (used in):		
Operating activities:		
Annual surplus	\$ 179,247,686	\$ 172,882,675
Items not involving cash:		
Amortization	38,141,911	36,562,036
Gain on disposal of tangible capital assets	(73,767,693)	(68,371,142)
Developers' contributions of tangible capital assets	(30,448,412)	(58,777,541)
Change in non-cash operating working capital:		
Decrease (increase) in accounts receivable	(6,085,248)	3,864,683
Decrease (increase) in land held for resale	-	258,407
Decrease (increase) in inventories of supplies	80,992	(133,280)
Increase in prepaid expenses	(430,304)	(321,780)
Increase (decrease) in accounts payable and accrued liabilities	(6,246,873)	5,008,019
Increase (decrease) in deferred revenue	(471,177)	13,311,794
Increase in deposits	3,592,673	4,049,398
Increase in employee future benefits	501,600	222,200
Net change in cash from operating activities	104,115,155	108,555,469
Capital activities:		
Cash used to acquire tangible capital assets	(83,458,738)	(58,938,463)
Proceeds on disposal of tangible capital assets	77,319,247	73,488,981
Net change in cash from capital activities	(6,139,491)	14,550,518
Financing activities:		
Repayment of debt	(1,466,530)	(1,490,822)
Principal payments on tangible capital lease obligations	(22,204)	(28,723)
Net change in cash from financing activities	(1,488,734)	(1,519,545)
Investing activities:		
Change in portfolio investments	(64,787,903)	(134,934,556)
Net change in cash and cash equivalents	31,699,027	(13,348,114)
Cash and cash equivalents, beginning of year	59,074,736	72,422,850
Cash and cash equivalents, end of year	\$ 90,773,763	\$ 59,074,736

See accompanying notes to consolidated financial statements.

# Notes to Consolidated Financial Statements

Year ended December 31, 2018

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## 1. Operations:

The City of Coquitlam (the “City”) is incorporated under the Local Government Act of British Columbia. The City’s principal activities include the provision of local government services to residents of the incorporated area. These services include administrative, protective, transportation, environmental, recreational, water and sewer.

## 2. Significant accounting policies:

These consolidated financial statements are prepared in accordance with Canadian public sector accounting standards as recommended by the Public Sector Accounting Board (“PSAB”) of the Chartered Professional Accountants Canada.

### (a) Basis of consolidation:

The consolidated financial statements are comprised of the City’s Operating, Capital and Reserve Funds consolidated with the Coquitlam Public Library (the “Library”) and the Coquitlam Optical Network Corporation (“QNet”). The Library financial statements are consolidated with the City’s, as the Library Board is appointed by the City. QNet is consolidated as it is a wholly owned municipal corporation. Interfund transactions, fund balances and activities have been eliminated on consolidation.

#### *Budget reporting:*

The budget information reported in the consolidated financial statements represents the 2018 component of the Financial Plan Bylaw adopted by City Council on December 11, 2017.

#### Operating Funds:

These funds include the General, Water Utility, and Sewer and Drainage Utility Operating Funds as well as the Library and QNet. They are used to record the operating costs of the services provided by the City.

#### Capital Funds:

These funds include the General, Water Utility and Sewer, and Drainage Utility Capital Funds as well as the Library and QNet. They are used to record the acquisition costs of tangible capital assets and any related debt outstanding.

#### Reserve Funds:

Under the Community Charter, City Council may, by bylaw, establish reserve funds for specified purposes. Money in a reserve fund, and interest earned thereon, must be expended by bylaw 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 amount to another reserve fund.

#### *Trust Funds:*

These funds account for assets which must be administered as directed by agreement or statute for certain beneficiaries. In accordance with PSAB recommendations on financial statement presentation for local governments, trust funds are not included in the City’s consolidated financial statements. Trust funds administered by the City are presented in note 17.

### (b) Basis of accounting:

The City follows the accrual method of accounting for revenues and expenses. Revenues are normally recognized in the year in which they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods and services and/or the creation of a legal obligation to pay.

### (c) Cash and cash equivalents:

Cash and cash equivalents include cash on hand, cash held in accounts with financial institutions and a high interest savings account which is highly liquid.

## 2. Significant accounting policies (continued):

(d) Portfolio investments:

Portfolio investments are recorded at amortized cost which approximates market value and are comprised of money market investments and bonds.

(e) Land held for resale:

Land held for resale includes properties which are ready and available to be sold and for which there is a market. They are valued at the lower of cost or expected net realizable value.

(f) Taxes receivable and related revenues:

Property tax billings are prepared by the City based on assessment rolls issued by the British Columbia Assessment Authority (BCAA). Tax rates are established annually by City Council, incorporating amounts to be raised for local services and amounts the City is required to collect on behalf of the Province of British Columbia for education taxes. Taxation revenue is recorded at the time tax billings are issued.

The City is entitled to collect interest and penalties on overdue taxes. This revenue is recorded in the period the interest and penalties are levied.

(g) Deferred revenue:

The City defers a portion of the revenue collected from permits, licences and other fees and recognizes this revenue in the year in which related inspections are performed or other related expenditures are incurred. The City also defers a portion of property taxes which is recognized in the taxation year to which it relates.

Development cost charges, collected to pay for capital costs due to development, are recorded as deferred revenue upon receipt. Development cost charges are recognized as revenue when the related development capital costs are incurred.

(h) Deposits:

Receipts restricted by the legislation of senior governments or by agreement with external parties are deferred and reported as deposits and are refundable under certain circumstances. When qualifying expenditures are incurred, deposits are recognized as revenue at amounts equal to the qualifying expenditures.

(i) Debt:

Debt is recorded net of related sinking fund balances.

(j) Government transfers:

Restricted transfers from governments are deferred and recognized as revenue as the related expenditures are incurred or the stipulations in the related agreement are met. Unrestricted transfers are recognized as revenue when received or if the amount to be received can be reasonably estimated and collection is reasonably assured.

(k) Non-financial assets:

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They are not intended for sale in the ordinary course of operations.

(i) Tangible capital assets:

Tangible capital assets have useful lives extending beyond the current year. They are initially recorded at cost which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets, excluding land, are amortized on a straight line basis over their estimated useful lives as follows:

## 2. Significant accounting policies (continued):

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

Asset	Useful life – Years
Buildings and building improvements	10 – 50
Park structures	10 – 60
Information technology	3 – 85
Vehicles, machinery and equipment	1 – 70
Water, sewer and drainage infrastructure	1 – 100
Roads infrastructure	1 – 75
Traffic	1 – 50

Annual amortization is charged commencing when the asset is available for use. Assets under construction are not amortized until the asset is available for productive use.

### (ii) Contributions of tangible capital assets:

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

### (iii) Natural resources, works of art and historic assets:

Natural resources, works of art and historic assets are not recognized as assets in the consolidated financial statements.

### (iv) Interest capitalization:

The City does not capitalize interest costs associated with the acquisition or construction of a tangible capital asset.

### (v) Leased tangible capital assets:

Leases that transfer substantially all of the benefits and risks incidental to ownership of property, are accounted for as leased tangible capital assets. All other leases are accounted for as operating leases and the related payments are charged to expenses as incurred.

### (vi) Inventories of supplies:

Inventories of supplies held for consumption are recorded at the lower of actual cost and replacement cost.

## (l) Contaminated Sites:

Contaminated sites are a result of contamination being introduced into air, soil, water, or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. Liabilities are recorded net of any expected recoveries.

A liability for remediation of contaminated sites is recognized when a site is not in productive use and the following criteria are met:

- (i) An environmental standard exists;
- (ii) Contamination exceeds the environmental standards;
- (iii) The City is directly responsible or accepts responsibility;
- (iv) It is expected that future economic benefits will be given up; and
- (v) A reasonable estimate of the amount can be made.

The liability is recognized as management's estimate of the cost of post-remediation including operation, maintenance and monitoring that are an integral part of the remediation strategy for a contaminated site.

# Notes to Consolidated Financial Statements

Year ended December 31, 2018

## 2. Significant accounting policies (continued):

### (m) Employee future benefits:

The City and its employees participate in the Municipal Pension Plan. The Municipal Pension Plan is a multi-employer contributory defined benefit pension plan. Payments in the year are expensed.

Sick leave benefits and retirement severance benefits are also available to the City's employees. The costs of these benefits are actuarially determined based on service and best estimates of retirement ages and expected future salary and wage increases. The obligation under these benefit plans are accrued based on projected benefits as the employees render services necessary to earn the future benefits

### (n) Use of accounting estimates:

The preparation of financial statements 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 reporting period. Significant areas requiring the use of management estimates relate to the determination of accrued sick benefits, allowance for doubtful accounts receivable, useful lives of tangible capital assets, and provision for contingencies. Actual results could differ from those estimates. Adjustments, if any, will be reflected in the financial statements in the period that the change in estimate is made, as well as in the period of settlement if the amount is different.

### (o) Segment disclosures:

A segment is defined as a distinguishable activity or group of activities of a government for which it is appropriate to separately report financial information to achieve the objectives of the standard. The City has provided definitions of segments used by the City as well as presented financial information in segmented format (note 19).

## 3. Cash and cash equivalents and portfolio investments:

	2018	2017
Operating funds, unrestricted	\$ 383,077,092	\$ 333,976,322
Reserve funds, internally restricted	214,894,231	169,428,603
Development cost charges and deposits, restricted	74,311,566	72,391,034
	\$ 672,282,889	\$ 575,795,959
	2018	2017
Cash and cash equivalents	\$ 90,773,763	\$ 59,074,736
Portfolio investments:		
Money market securities and bonds maturing within five years	581,509,126	516,721,223
	\$ 672,282,889	\$ 575,795,959

Average investment portfolio yield is 2.21% (2017 - 1.98%).

The City has available a revolving facility up to a maximum of \$5,000,000 which bears interest at an annual rate of bank prime less 0.50% per annum, and standby letters of credit up to a maximum of \$100,000, for its ongoing operating requirements. The City also has available a revolving facility of \$500,000 which bears interest at an annual rate of bank prime for its ongoing capital requirements. The City provided security for these facilities by way of a general security agreement. No amounts are outstanding under these banking facilities.

## Notes to Consolidated Financial Statements

Year ended December 31, 2018

### 4. Accounts receivable:

	2018	2017
Taxes	\$ 4,882,907	\$ 4,059,353
Accrued interest	6,577,800	4,837,793
Due from Federal, Provincial and Regional governments	5,275,726	4,420,750
Recreation fees	377,290	467,490
Casino funds receivable from Province of British Columbia	1,988,945	2,177,769
Development cost charges (note 6)	7,314,227	4,724,099
Local area service fees	344,767	525,991
Water, sewer and solid waste user charges	1,025,606	1,010,843
Other	1,703,520	1,181,452
	\$ 29,490,788	\$ 23,405,540

### 5. Accounts payable and accrued liabilities:

	2018	2017
Due to Federal, Provincial and Regional governments	\$ 19,588,501	\$ 22,368,784
Accounts payable	13,446,312	16,435,346
Wages payable	8,503,130	8,980,686
Tangible capital lease obligation	38,960	61,164
	\$ 41,576,903	\$ 47,845,980

### 6. Deferred revenue:

	Balance, December 31, 2017	Amounts received and Interest	Revenue recognized	Balance, December 31, 2018
Taxes and utilities	\$ 8,983,094	\$ 17,105,724	\$ 16,638,159	\$ 9,450,659
Parks and recreation fees	1,434,036	3,472,366	3,233,237	1,673,165
Business licenses	954,456	862,430	954,457	862,429
Federal, Provincial and Regional future capital works	18,455,610	12,271,804	15,053,683	15,673,731
Other future capital works	1,271,689	917,530	345,179	1,844,040
Development cost charges	43,439,047	14,767,069	13,849,082	44,357,034
Other	285,004	1,794,436	1,588,739	490,701
	\$ 74,822,936	\$ 51,191,359	\$ 51,662,536	\$ 74,351,759

Development cost charges are comprised of restricted cash and portfolio investments of \$37,042,807 (2017 - \$38,714,947) and restricted accounts receivable of \$7,314,227 (2017 - \$4,724,100).

# Notes to Consolidated Financial Statements

Year ended December 31, 2018

## 7. Deposits:

	Balance, December 31, 2017	Deposits, earnings and contributions	Refunds and expenditures	Balance, December 31, 2018
Public works performance deposits	\$ 21,507,663	\$ 9,640,473	\$ 8,515,778	\$ 22,632,358
Gravel remediation fund	813,927	16,176	-	830,103
Building performance bonds	3,676,482	1,062,179	915,284	3,823,377
Development permit bonds	3,569,832	2,686,542	2,106,459	4,149,915
Pinetree Community Centre contingency	38,632	16,618	-	55,250
Deposits on land sale	4,068,500	10,595,800	8,887,800	5,776,500
Other	1,050	5,475	5,269	1,256
	\$ 33,676,086	\$ 24,023,263	\$ 20,430,590	\$ 37,268,759

The City holds irrevocable letters of credit in the aggregate amount of \$84,392,392 (2017 - \$63,358,479) received from depositors to ensure their performance of works to be undertaken within the City. These amounts are not reflected in the financial statements.

## 8. Debt:

The City obtains debt instruments through the Municipal Finance Authority ("MFA") pursuant to security issuing bylaws under authority of the Community Charter to finance certain capital expenditures. Sinking fund balances managed by the MFA are netted against related debt. Gross amount of the debt and the amount of the sinking fund assets available to retire the debt are as follows:

	Gross debt	Sinking fund credit	Net debt 2018	Net debt 2017
General Fund	\$ 19,912,000	\$ 9,745,756	\$ 10,166,244	\$ 11,288,820
Water Utility Fund	5,930,000	1,089,955	4,840,045	5,075,460
Sewer and Drainage Utility Fund	2,734,000	502,513	2,231,487	2,340,026
	\$ 28,576,000	\$ 11,338,224	\$ 17,237,776	\$ 18,704,306

Interest rates on debt range from 1.75% to 7.20% (2017 - 2.10% to 7.20%). The weighted average interest rate for 2018 was 3.71% (2017 - 3.73%). The maturity dates range from 2019 to 2033.

Principal payments and sinking fund installments on net outstanding debt over the next five years and thereafter are as follows:

	General Fund	Sewer and Drainage Utility Fund	Water Utility Fund	Total
2019	\$ 976,595	\$ 111,704	\$ 242,284	\$ 1,330,583
2020	1,017,337	116,172	251,975	1,385,484
2021	852,715	120,819	262,054	1,235,588
2022	744,843	125,652	272,537	1,143,032
2023	673,661	125,652	272,537	1,071,850
2024 and thereafter	5,901,093	1,631,488	3,538,658	11,071,239
Total	\$ 10,166,244	\$ 2,231,487	\$ 4,840,045	\$ 17,237,776

## Notes to Consolidated Financial Statements

Year ended December 31, 2018

### 9. Tangible Capital Assets:

#### 2018

	Land & land holdings	Building & building improvements	Park structures	Information technology
Cost:				
Balance, beginning of year	\$898,563,298	\$211,948,079	\$87,163,979	\$29,897,111
Additions, net of transfers	56,490,236	9,031,261	10,969,613	2,402,526
Disposals	(1,163,113)	(185,996)	(1,740,987)	(1,018,528)
Transfers to land held for resale	(743,083)	-	-	-
Balance, end of year	953,147,338	220,793,344	96,392,605	31,281,109
Accumulated amortization:				
Balance, beginning of year	-	90,505,334	38,152,411	17,038,349
Disposals	-	(48,292)	(1,626,532)	(1,002,808)
Amortization expense	-	7,135,790	3,148,953	1,401,138
Balance, end of year	-	97,592,832	39,674,832	17,436,679
Net book value, end of year	\$953,147,338	\$123,200,512	\$56,717,773	\$13,844,430
Net book value, beginning of year	\$898,563,298	\$121,442,745	\$49,011,568	\$12,858,762

#### 2017

	Land & land holdings	Building & building improvements	Park structures	Information technology
Cost:				
Balance, beginning of year	\$848,600,786	\$208,967,610	\$78,916,485	\$29,188,612
Additions, net of transfers	51,951,074	3,325,704	9,202,628	1,272,913
Disposals	(1,988,562)	(345,235)	(955,134)	(564,414)
Balance, end of year	898,563,298	211,948,079	87,163,979	29,897,111
Accumulated amortization:				
Balance, beginning of year	-	83,730,810	37,264,746	15,848,112
Disposals	-	(119,689)	(775,254)	(532,207)
Amortization expense	-	6,894,213	1,662,919	1,722,444
Balance, end of year	-	90,505,334	38,152,411	17,038,349
Net book value, end of year	\$898,563,298	\$121,442,745	\$49,011,568	\$12,858,762
Net book value, beginning of year	\$848,600,786	\$125,236,800	\$41,651,739	\$13,340,500



# Notes to Consolidated Financial Statements

Year ended December 31, 2018

Vehicles, machinery & equipment	Water, sewer & drainage infrastructure	Roads infrastructure	Traffic	Assets under construction	Total
\$51,027,351	\$672,476,415	\$470,276,234	\$66,073,635	\$32,069,621	\$2,519,495,723
4,000,099	15,969,513	14,458,855	2,296,635	(1,711,588)	113,907,150
(2,159,093)	(2,000,102)	(2,717,605)	-	-	(10,985,424)
-	-	-	-	-	(743,083)
52,868,357	686,445,826	482,017,484	68,370,270	30,358,033	2,621,674,366
23,086,695	216,389,914	171,837,346	31,684,436	-	588,694,485
(1,927,470)	(1,002,256)	(1,826,512)	-	-	(7,433,870)
3,596,365	9,671,548	11,450,084	1,738,033	-	38,141,911
24,755,590	225,059,206	181,460,918	33,422,469	-	619,402,526
\$28,112,767	\$461,386,620	\$300,556,566	\$34,947,801	\$30,358,033	\$2,002,271,840
\$27,940,656	\$456,086,501	\$298,438,888	\$34,389,199	\$32,069,621	\$1,930,801,238

Vehicles, machinery & equipment	Water, sewer & drainage infrastructure	Roads infrastructure	Traffic	Assets under construction	Total
\$46,827,733	\$654,821,440	\$461,620,739	\$64,031,539	\$19,930,873	\$2,412,905,817
7,130,016	20,608,430	10,044,395	2,042,096	12,138,748	117,716,004
(2,930,398)	(2,953,455)	(1,388,900)	-	-	(11,126,098)
51,027,351	672,476,415	470,276,234	66,073,635	32,069,621	2,519,495,723
22,103,906	207,718,342	161,476,815	29,997,977	-	558,140,708
(2,689,824)	(1,029,930)	(861,355)	-	-	(6,008,259)
3,672,613	9,701,502	11,221,886	1,686,459	-	36,562,036
23,086,695	216,389,914	171,837,346	31,684,436	-	588,694,485
\$27,940,656	\$456,086,501	\$298,438,888	\$34,389,199	\$32,069,621	\$1,930,801,238
\$24,723,827	\$447,103,098	\$300,143,924	\$34,033,562	\$19,930,873	\$1,854,765,109

## Notes to Consolidated Financial Statements

Year ended December 31, 2018

### 9. Tangible capital assets (continued):

(a) Assets under construction:

Assets under construction with value of \$30,358,033 (2017 - \$32,069,621) have not been amortized. Amortization of these assets will commence when they are put into service

(b) Contributed tangible capital assets:

Contributed tangible capital assets have been recognized at fair value at the date of contribution. The value of contributed assets received is as follows

	2018	2017
Land and land holdings	\$ 21,224,892	\$ 42,864,980
Vehicles, machinery and equipment	818,395	228,605
Water infrastructure	1,296,016	2,844,772
Sewer infrastructure	(492,635)	3,643,657
Drainage infrastructure	4,394,976	4,862,535
Road infrastructure	2,564,545	3,618,681
Traffic	642,223	714,311
Developers' contributions revenue	\$ 30,448,412	\$ 58,777,541

(c) Works of art and historical treasures:

The City manages and controls various works of art and non-operational historical assets, including artifacts, paintings and sculptures located at City sites and public display areas. These assets are not recorded as tangible capital assets and are not amortized.

(d) Write-down of tangible capital assets:

There was no write-down of tangible capital assets during the year (2017 - nil).

### 10. Accumulated surplus:

	Reserves for operating purposes	Reserves for capital purposes	Surplus (deficit)	Invested in tangible capital assets	Total
	(Schedule G)	(Schedule G)			
General Fund (Schedules A, B)	\$ 28,442,578	\$ 204,699,421	\$ 21,056,865	\$ 1,528,670,301	\$ 1,782,869,165
Water Utility Fund (Schedules C, D)	52,284	10,064,405	23,005,821	135,018,407	168,140,917
Sewer and Drainage Fund (Schedules E, F)	592,757	23,257,280	13,583,632	317,206,768	354,640,437
Statutory Reserves	-	214,894,231	4,390,517	-	219,284,748
QNet	-	-	(3,645,220)	3,484,401	(160,819)
Library	-	474,198	781,395	1,703,077	2,958,670
2018	\$ 29,087,619	\$ 453,389,535	\$ 59,173,010	\$ 1,986,082,954	\$ 2,527,733,118
2017	\$ 25,834,574	\$ 353,415,873	\$ 56,673,225	\$ 1,912,561,760	\$ 2,348,485,432

# Notes to Consolidated Financial Statements

Year ended December 31, 2018

## 11. Taxation revenue:

Taxation revenue is comprised of the following. The City is also required to collect taxes on behalf of and transfer these amounts to the government agencies noted below:

	2018	2017
Tax collected:		
General purposes	\$ 140,195,383	\$ 134,042,781
Collections for other governments	100,158,466	93,602,755
Sewer parcel tax	24,400,149	23,278,265
	<u>264,753,998</u>	<u>250,923,801</u>
Less transfers to other governments:		
Province of British Columbia - school taxes	79,308,495	74,608,520
Greater Vancouver Regional District	2,700,883	2,306,125
B.C. Assessment Authority	2,606,150	2,436,988
South Coast British Columbia Transportation Authority	15,378,142	14,104,313
Austin Heights Business Improvement Association	152,529	136,187
MFA	12,267	10,622
	<u>100,158,466</u>	<u>93,602,755</u>
Taxation revenue	<u>\$ 164,595,532</u>	<u>\$ 157,321,046</u>

## 12. Government transfers:

Included in grants and grants in lieu revenue are the following government transfers:

	2018	2017
Federal	\$ 531,968	\$ 43,344
Provincial and Regional	8,308,387	6,428,554
	<u>\$ 8,840,355</u>	<u>\$ 6,471,898</u>

## 13. Pension plan:

The City and its employees contribute to the Municipal Pension Plan (the "Plan") a jointly trustee pension plan. The Board of Trustees, representing plan members and employers, is responsible for overseeing the Plan, including the investment of the assets and administration of benefits. The pension plan is a multi-employer contributory pension plan. Basic pension benefits are based on a formula. The Plan has about 197,000 active members and approximately 95,000 retired members. Active members include approximately 39,000 contributors from local governments, of which 1,120 (2017 – 1,104) are the City's employees.

The most recent valuation for the Plan as at December 31, 2015 indicated a \$2,224 million funding surplus for basic pension benefits. The next actuarial valuation will be performed as at December 31, 2018, with results available in 2019. 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 allocation the obligation, Plan assets and cost to individual entities participating in the Plan.

The City paid \$8,656,508 (2017 - \$8,289,910) for employer contributions to the Plan in 2018. Employees paid \$7,263,243 (2017 - \$6,865,096) for employee contributions to the Plan in 2018.

## Notes to Consolidated Financial Statements

Year ended December 31, 2018

### 14. Employee future benefits:

The City provides benefits for sick leave and certain other retirement benefit arrangements to its employees.

All employees accumulate sick leave entitlement on a monthly basis and can only use this entitlement for paid time off under certain circumstances. Retirement benefit payments represent the City's share of the cost to provide employees with various benefits upon retirement. The accrued benefit obligation and the net periodic benefit cost were estimated by an actuarial valuation completed in January 2019.

Information about liabilities for the City's employee benefit plans is as follows:

	Sick leave	Retirement benefit payments	2018 Total	2017 Total
Accrued benefit obligation:				
beginning of year	\$ 4,013,600	\$ 5,035,100	\$ 9,048,700	\$ 8,511,700
Current service cost	351,300	433,500	784,800	727,600
Interest cost	127,000	158,800	285,800	300,200
Benefits paid	(297,200)	(497,300)	(794,500)	(976,800)
Actuarial loss (gain)	(82,000)	2,800	(79,200)	486,000
Accrued benefit obligation, end of year	4,112,700	5,132,900	9,245,600	9,048,700
Unamortized actuarial gain (loss)	940,800	(1,141,000)	(200,200)	(504,900)
Accrued benefit liability, end of year	\$ 5,053,500	\$ 3,991,900	\$ 9,045,400	\$ 8,543,800

The significant actuarial assumptions adopted in measuring the City's accrued benefit obligation are as follows:

	2018	2017
Discount rates	3.3%	3.0%
Expected future inflation rates	2.5%	2.5%
Expected wage and salary increases	2.5%	2.5%
Expected average remaining service period	11.4 years	11.4 years

### 15. Commitments and contingencies:

- The City has entered into various agreements and contracts for services and construction with periods ranging from one to five years.
- The City has a contingent liability with respect to debentures of the Greater Vancouver Water District, Greater Vancouver Sewerage and Drainage District and Metro Vancouver, to the extent provided for in their respective Enabling Acts, Acts of Incorporation and Amending Acts. Management does not consider payment under this contingency to be likely and therefore no amounts have been accrued.
- The City is obligated to collect and transmit property taxes levied on Coquitlam taxpayers in respect of the following bodies:
  - Ministry of Education, Province of B.C.
  - Metro Vancouver
  - B.C. Assessment Authority
  - South Coast British Columbia Transportation Authority
  - MFA

## Notes to Consolidated Financial Statements

Year ended December 31, 2018

- (d) The City is a defendant in several lawsuits in various stages. The potential claims against the City resulting from such litigation and not covered by insurance are currently undeterminable. Management considers that any outcome would not materially affect the consolidated financial statements of the City.
- (e) Subsequent to January 1, 2012, the City self-insures liabilities up to \$1,500,000. Historical liabilities with an occurrence date prior to December 31, 2011 are insured by the Municipal Insurance Association of British Columbia.
- (f) The City obtains debt instruments through the MFA. The City is also required to execute demand notes in connection with each debenture whereby the City may be required to loan certain amounts to the MFA. The demand notes are contingent in nature and are not reflected in the accounts. Details of the contingent demand notes are as follows:

	2018	2017
Operating funds:		
General	\$ 667,510	\$ 745,314
Water utility	154,438	154,438
Sewer and drainage utility	71,168	71,168
	\$ 893,116	\$ 970,920

- (g) The City is a shareholder of the Emergency Communications for Southwest British Columbia Incorporated (E-Comm) whose services provided include: regional 9-1-1 call centre for Metro Vancouver; Wide Area Radio network; dispatch operations; and records management. The City has 2 Class A shares and 1 Class B share (of a total of 32 Class A and 21 Class B shares issued and outstanding as at December 31, 2018). As a Class A shareholder, the City shares in both funding the future operations and capital obligations of E-Comm (in accordance with a cost sharing formula), including any lease obligations committed to by E-Comm up to the shareholder's withdrawal date.
- (h) In 2015, the City entered into an agreement-in-principle with YMCA of Greater Vancouver and Concert Properties to build a community recreation complex in the Burquitlam neighbourhood of the City. The City's contribution to the project is estimated at \$25 million which will be recovered by community amenity contributions paid by developers.

### 16. Contractual rights:

The City's contractual rights arise from rights to receive payments under lease, license, rental, grant and other agreements. The City has contractual rights to receive the following amounts in the next five years and thereafter:

2019	\$ 9,296,825
2020	1,513,440
2021	1,476,872
2022	1,418,286
2023	1,042,351
Thereafter	2,931,510
	\$ 17,679,284

The City is entitled to receive revenue from certain other agreements from fibre optic arrangements. The revenue from these agreements is difficult to quantify and has not been included in the amounts noted above.

# Notes to Consolidated Financial Statements

Year ended December 31, 2018

## 17. Trust funds:

Trust fund balance sheet:

	2018		2017	
Assets:				
Investments	\$	2,988,252	\$	2,888,613
Due from City of Coquitlam		23,824		22,975
	\$	3,012,076	\$	2,911,588
Net assets:				
Cemetery perpetual care fund (a)	\$	2,234,147	\$	2,133,659
Gravel pit fund (b)		777,929		777,929
	\$	3,012,076	\$	2,911,588

### (a) Cemetery perpetual care fund:

The City operates the Robinson Memorial Park Cemetery and maintains a cemetery perpetual care fund in accordance with the Cremation, Interment and Funeral Services Act.

### (b) Gravel pit fund:

The City is holding funds in trust for a third party to be used for the future remediation of land. Interest earned since March 1993 accrues to the City.

## 18. Related party transactions:

The City provides facilities to the following non-profit organizations at no cost:

- Evergreen Cultural Centre
- Mackin House Museum
- Place des Arts
- Societe Place Maillardville Society

These non-profit organizations provide services to the community.

## 19. Segmented information:

The City is a diversified municipal government institution that provides a wide range of services to its citizens, including General Government Services, Protection Services, Engineering Services, Solid Waste Services, Planning and Development Services, Recreation and Culture Services, Water Supply Services, and Sewer and Drainage Services. For management reporting purposes, the City's operations and activities are organized and reported by Service Areas. Service Areas were created for the purpose of recording specific activities to attain certain objectives in accordance with regulations, restrictions and limitations.

City Services are provided by departments and their activities are reported in these Service Areas. Departments disclosed in the segmented information, along with the services they provide, are as follows:

**General Government Services – Mayor & Council, City Manager and Deputy City Manager, Corporate Services, Corporate Planning, Clerk's Office, Strategic Initiatives, Legal Services, Financial Services, Information Technology, QNet, Communications, and Human Resources Departments**

The Departments within General Government Services are responsible for adopting bylaws; adopting administrative policy; levying and collecting taxes and utilities; acquiring, disposing and managing City assets; support of the City's integrated software, Internet and intranet applications; ensuring effective financial management and communication; monitoring performance; and ensuring that high quality City service standards are met.

## 19. Segmented information (continued):

### ***Protection Services – Police, Fire/Rescue, Emergency Planning, Licensing, and Bylaw Enforcement***

The mandate of the Protection Services areas is to enforce laws, prevent crime, and maintain peace, order, and security by protecting life, property and the environment through the provision of emergency response, ensuring safety for the public.

### ***Engineering Services***

Engineering & Public Works Department is responsible for the systems that enable the community to use transportation facilities, including roads and signal systems.

### ***Solid Waste Services***

The Solid Waste Department is responsible for the garbage collection, and green waste collection.

### ***Planning and Development Services***

The Planning and Development Department is responsible for preparing land use plans, bylaws and policies for sustainable development of the City and for reviewing and approving new development.

### ***Recreation and Culture – Parks, Recreation & Culture Services and Public Library***

The Parks, Recreation and Culture area is responsible for providing, facilitating the development of, and maintaining high quality parks, recreation facilities and cultural services, including public libraries.

### ***Water Supply Services***

The Water Utility Division operates and distributes over 18 million cubic meters of drinking water, maintains water mains, pump stations and storage reservoirs.

### ***Sewer and Drainage Services***

The Sewer and Drainage Division is responsible for the disposal of sanitary sewage and drainage, as well as the network of sewer mains, storm sewers and pump stations.

# Notes to Consolidated Financial Statements

Year ended December 31, 2018

## 19. Segmented information (continued):

	General Government (including QNet)	Protection	Engineering	Solid Waste	Planning and Development
Taxation	\$ 140,195,383	\$ -	\$ -	\$ -	-
User rates	-	-	-	-	-
Fees and service charges	2,611,366	3,722,611	7,052,644	-	33,353,650
Rents and leases	1,334,378	9,487	-	-	-
Solid waste levies	-	-	-	8,192,038	-
Inspection and other fees	13,930	-	-	-	-
Grants	452,717	1,473,111	2,413,663	-	-
Grants, in lieu of taxes	3,775,428	-	-	-	-
Investment income	7,087,382	-	-	-	-
Casino revenue	7,376,283	-	-	-	-
Municipal land sale	76,125,978	-	-	-	-
Developer built/gifted assets	25,250,056	-	-	-	-
Cost recoveries	4,574,996	4,308,324	1,739,420	-	50,656
Penalties and interest on taxes	897,959	-	-	52,867	-
Other	1,048,611	10,976	-	-	15,121
<b>Total Revenue</b>	<b>\$ 270,744,467</b>	<b>\$ 9,524,509</b>	<b>\$ 11,205,727</b>	<b>\$ 8,244,905</b>	<b>\$ 33,419,427</b>



# Notes to Consolidated Financial Statements

Year ended December 31, 2018

Recreational and Cultural (including Library)	Water Supply	Sewer & Drainage	Reserves & Other Funds	2018 Total	2017 Total
\$ -	\$ -	\$ 24,400,149	\$ -	\$ 164,595,532	\$ 157,321,046
-	25,134,194	5,730,160	-	30,864,354	32,120,024
14,272,975	787,171	3,669,730	-	65,470,147	47,921,545
1,968,573	-	-	-	3,312,438	3,167,548
-	-	-	-	8,192,038	7,633,658
-	463,547	578,362	-	1,055,839	951,714
387,289	4,011,942	186,486	-	8,925,208	6,562,198
-	-	-	-	3,775,428	3,837,951
61,636	768,888	616,272	4,166,613	12,700,791	9,363,173
-	-	-	-	7,376,283	8,609,148
-	-	-	-	76,125,978	68,504,647
-	1,296,016	3,902,340	-	30,448,412	58,777,541
929,703	6,144	576,245	5,110,350	17,295,838	8,864,114
92,493	-	-	-	1,043,319	946,085
79,669	1,295	1,447	100,000	1,257,119	987,982
\$ 17,792,338	\$ 32,469,197	\$ 39,661,191	\$ 9,376,963	\$ 432,438,724	\$ 415,568,374

## Notes to Consolidated Financial Statements

Year ended December 31, 2018

### 19. Segmented information (continued):

	General Government (including QNet)	Protection	Engineering	Solid Waste	Planning and Development
Salaries and benefits	\$ 16,413,824	\$ 35,017,225	\$ 10,829,870	\$ 580,270	\$ 8,202,808
Consulting and professional services	955,489	28,306,742	3,154,619	3,215,095	324,662
Amortization	2,124,796	1,977,530	15,526,579	-	-
Regional District utility charges	-	-	18,124	-	-
Supplies and equipment	4,003,772	2,246,827	10,479,994	317,318	448,363
Grants and sponsorship	182,805	15,500	-	-	188,219
Utilities	18,481	257,577	1,273,809	-	-
Garbage collection and disposal	-	26,436	129,524	2,356,403	-
Maintenance	2,259,751	102,825	537,276	-	283
Debt interest payments	-	-	590,293	-	-
Insurance and claims	1,099,113	19,081	307,050	-	-
Courses and meetings	367,227	103,628	91,624	3,503	112,162
Telephone and communications	234,067	84,324	27,136	271	13,248
Advertising and media	292,613	10,529	8,891	55,197	4,975
Legal	133,807	46,980	-	-	-
Internal allocations	(6,985,174)	9,000	(8,004,719)	423,301	(116,325)
Other	347,664	63,239	18,079	1,311	7,585
<b>Total expenses</b>	<b>\$ 21,448,235</b>	<b>\$ 68,287,443</b>	<b>\$ 34,988,149</b>	<b>\$ 6,952,669</b>	<b>\$ 9,185,980</b>
<b>Annual surplus (deficit)</b>	<b>\$ 249,296,232</b>	<b>\$ (58,762,934)</b>	<b>\$ (23,782,422)</b>	<b>\$ 1,292,236</b>	<b>\$ 24,233,447</b>

# Notes to Consolidated Financial Statements

Year ended December 31, 2018

Recreational and Cultural (including Library)	Water Supply	Sewer & Drainage	Reserves & Other Funds	2018 Total	2017 Total
\$ 25,725,674	\$ 2,594,852	\$ 2,960,165	\$ -	\$ 102,324,688	\$ 98,914,151
3,030,160	329,770	3,495,316	-	42,811,853	41,242,831
8,450,632	3,022,334	7,040,040	-	38,141,911	36,562,036
-	14,080,647	12,225,909	-	26,324,680	24,767,331
7,473,988	1,748,871	1,743,332	-	28,462,465	27,078,400
7,709,574	-	-	-	8,096,098	7,885,217
2,231,141	428,068	155,075	-	4,364,151	4,314,643
214,013	61,457	233,632	-	3,021,465	2,512,032
8,039	21	9,513	-	2,917,708	2,525,678
-	228,325	105,282	-	923,900	1,044,435
68	55,244	12,725	-	1,493,281	1,342,528
98,045	29,268	42,947	-	848,404	871,676
55,974	13,802	12,969	-	441,791	582,711
73,587	13,206	-	-	458,998	487,116
-	-	-	-	180,787	43,103
(261,983)	2,495,889	3,210,456	-	(9,229,555)	(8,715,747)
836,112	63,219	271,204	-	1,608,413	1,227,558
\$ 55,645,024	\$ 25,164,973	\$ 31,518,565	\$ -	\$ 253,191,038	\$ 242,685,699
\$ (37,852,686)	\$ 7,304,224	\$ 8,142,626	\$ 9,376,963	\$ 179,247,686	\$ 172,882,675

## Notes to Consolidated Financial Statements

Year ended December 31, 2018

### 20. Budget data:

The budget data presented in these consolidated financial statements is based upon the 2018 operating and capital budgets approved by City Council on December 11, 2017. The chart below reconciles the approved budget to the budget figure reported in these consolidated financial statements.

	<b>Budget Amount</b>
Operating budget:	
Revenue	\$ 271,381,951
Expenses	(239,700,856)
Capital budget carried forward from prior years	(11,745,643)
	<u>(251,446,499)</u>
Annual surplus per consolidated statement of operations	19,935,452
Less capital expenses	(80,650,895)
Add capital funding from reserves	60,715,443
Approved budget	<u>\$ -</u>

### 21. Comparative Information:

Certain comparative information has been reclassified to conform with the financial statement presentation adopted for the current year.

# General Fund –Statement of Financial Position

December 31, 2018, with comparative information for 2017

# Schedule A

	2018	2017
<b>Financial Assets</b>		
Cash, cash equivalents and portfolio investments	\$ 318,766,785	\$ 273,136,920
Accounts receivable	20,696,905	17,271,758
Land held for resale	743,083	-
Deposit, MFA	255,305	302,215
	340,462,078	290,710,893
<b>Liabilities</b>		
Accounts payable and accrued liabilities	37,652,993	42,405,133
Employee future benefits	8,871,600	8,391,800
Deferred revenue	22,198,175	23,830,222
Debt	10,166,244	11,288,820
	78,889,012	85,915,975
Net financial assets	261,573,066	204,794,918
<b>Non-Financial Assets</b>		
Inventories of supplies	664,573	746,015
Prepaid expenses	1,586,077	1,165,203
Tangible capital assets	1,519,045,449	1,457,346,568
	1,521,296,099	1,459,257,786
Accumulated surplus	\$ 1,782,869,165	\$ 1,664,052,704

	2018 Budget	2018	2017
<b>Revenue:</b>			
Taxation	\$ 139,418,707	\$ 140,195,383	\$ 134,042,781
Grants	7,687,010	4,442,821	5,482,364
Grants, in lieu of taxes	3,685,000	3,775,428	3,837,951
Fees and service charges	28,376,879	60,970,999	43,426,997
Solid waste levies	8,312,993	8,192,038	7,633,658
Rents	2,567,832	2,702,815	2,585,385
Investment income	5,711,895	7,208,540	5,580,751
Penalties and interest on taxes	855,500	950,826	869,255
Casino revenue	7,700,000	7,376,283	8,609,148
Developers' contributions	-	25,250,056	47,424,245
Cost recoveries	4,760,043	11,471,583	8,151,715
Other	68,314	1,055,359	896,984
Municipal land sales	-	76,125,978	68,504,647
	209,144,173	349,718,109	337,045,881
<b>Expenses:</b>			
General government	16,743,841	16,091,942	15,066,165
Police protection	36,867,598	36,328,050	35,040,566
Fire protection	25,436,994	25,633,867	25,589,892
Other protection	3,065,650	2,792,081	2,637,699
Engineering	14,634,514	14,991,434	14,246,367
Solid waste	7,645,425	6,952,669	6,453,946
Planning and development	9,250,506	8,893,478	8,435,551
Parks, recreation and culture	43,231,002	43,685,168	42,879,833
Debt interest payments	624,851	590,293	710,798
Retroactive and severance pay	1,619,245	1,494,231	922,703
Amortization	26,500,000	27,399,106	25,846,876
Tangible capital assets adjustments	9,974,823	10,848,291	9,177,962
	195,594,449	195,700,610	187,008,358
	13,549,724	154,017,499	150,037,523
Transfer from Land Sale Reserve	13,098,289	42,909,029	15,467,366
Transfer to Vehicle Replacement Reserve	(2,330,027)	(2,321,725)	(2,393,077)
Transfer to Land Sale Reserve	(2,500,035)	(79,754,003)	(71,944,350)
Transfer from Reserve Funds	3,816,451	3,965,661	5,275,057
Annual surplus	25,634,402	118,816,461	96,442,519
Accumulated surplus, beginning of year	1,664,052,704	1,664,052,704	1,567,610,185
Accumulated surplus, end of year	\$ 1,689,687,106	\$ 1,782,869,165	\$ 1,664,052,704

# Water Utility Fund – Statement of Financial Position

December 31, 2018, with comparative information for 2017

## Schedule C

	2018	2017
<b>Financial Assets</b>		
Cash, cash equivalents and portfolio investments	\$ 32,742,027	\$ 34,326,688
Accounts receivable	713,089	720,436
Deposit, MFA	68,689	67,177
	33,523,805	35,114,301
<b>Liabilities</b>		
Accounts payable and accrued liabilities	2,359,564	4,173,129
Deferred revenue	244,561	-
Debt	4,840,045	5,075,460
	7,444,170	9,248,589
Net financial assets	26,079,635	25,865,712
<b>Non-Financial Assets</b>		
Inventories of supplies	57,972	60,672
Tangible capital assets	142,003,310	135,190,911
	142,061,282	135,251,583
Accumulated surplus	\$ 168,140,917	\$ 161,117,295

# Water Utility Fund – Statement of Operations

# Schedule D

Year ended December 31, 2018, with comparative information for 2017

	2018 Budget	2018	2017
<b>Revenue:</b>			
User rates	\$ 24,601,434	\$ 25,134,194	\$ 26,137,705
Grants	-	4,011,942	571,495
Water connection fees	1,005,770	787,171	1,025,973
Inspection and other fees	377,000	463,547	307,612
Investment income	390,261	768,888	658,157
Developers' contributions	-	1,296,016	2,844,772
Sinking fund surplus	-	1,296	9,500
Cost recoveries	-	6,144	5,733
	26,374,465	32,469,198	31,560,947
<b>Expenses:</b>			
Administration	4,695,989	4,321,847	4,326,980
Water supply	12,251,538	14,092,502	13,514,791
Pumping	1,040,839	1,051,040	959,462
Maintenance	2,870,331	2,231,710	2,255,308
Debt interest payments	228,305	228,326	228,355
Amortization	2,900,000	3,022,334	2,889,590
Tangible capital assets adjustments	-	217,215	625,941
	23,987,002	25,164,974	24,800,427
	2,387,463	7,304,224	6,760,520
Transfer to Statutory Reserves	(268,513)	(280,602)	(311,247)
Annual surplus	2,118,950	7,023,622	6,449,273
Accumulated surplus, beginning of year	161,117,295	161,117,295	154,668,022
Accumulated surplus, end of year	\$ 163,236,245	\$ 168,140,917	\$ 161,117,295



December 31, 2018, with comparative information for 2017

	2018	2017
<b>Financial Assets</b>		
Cash, cash equivalents and portfolio investments	\$ 29,913,962	\$ 24,997,344
Accounts receivable	244,475	162,819
Deposit, MFA	31,653	30,957
	30,190,090	25,191,120
<b>Liabilities</b>		
Accounts payable and accrued liabilities	1,006,347	816,990
Deferred revenue	7,318,430	7,461,836
Debt	2,231,487	2,340,026
	10,556,264	10,618,852
Net financial assets	19,633,826	14,572,268
<b>Non-Financial Assets</b>		
Inventories of supplies	23,886	20,737
Tangible capital assets	334,982,725	332,262,359
	335,006,611	332,283,096
Accumulated surplus	\$ 354,640,437	\$ 346,855,364

# Sewer and Drainage Utility Fund – Statement of Operations

## Schedule F

Year ended December 31, 2018, with comparative information for 2017

	2018 Budget	2018	2017
Revenue:			
Sewer parcel tax	\$ 24,195,917	\$ 24,400,149	\$ 23,278,265
User rates	6,478,237	5,730,160	5,982,319
Grants	-	186,486	203,964
Fees and service charges	3,416,571	3,669,730	3,427,578
Inspection and other fees	350,000	578,362	568,091
Investment income	273,683	616,272	436,561
Developers' contributions	-	3,902,340	8,506,192
Sinking fund surplus	-	1,449	10,616
Cost recoveries	6,500	576,245	14,730
	34,720,908	39,661,193	42,428,316
Expenses:			
Administration	6,100,427	5,709,828	5,012,329
Collection and disposal	3,404,502	3,390,938	3,018,339
Pumping	984,262	708,096	724,982
Greater Vancouver Sewerage & Drainage District	12,230,768	11,703,863	10,783,726
Debt interest payments	105,259	105,282	105,282
Amortization	6,700,000	7,040,040	7,156,319
Tangible capital assets adjustments	1,813,877	2,860,518	3,269,890
	31,339,095	31,518,565	30,070,867
	3,381,813	8,142,628	12,357,449
Transfer to reserves	(323,145)	(357,555)	(346,431)
Annual surplus	3,058,668	7,785,073	12,011,018
Accumulated surplus, beginning of year	346,855,364	346,855,364	334,844,346
Accumulated surplus, end of year	\$ 349,914,032	\$ 354,640,437	\$ 346,855,364

## Reserve Fund Balances

## Schedule G

Year ended December 31, 2018, with comparative information for 2017

	General Fund	Sewer and Drainage Fund	Water Utility Fund	2018 Total	2017 Total
Reserves for operating purposes:					
Insurance reserve	\$ 12,790,953	\$ -	\$ -	\$ 12,790,953	\$ 12,224,140
Waste utility reserve	4,730,552	-	-	4,730,552	3,686,459
Soil removal fees reserve	986,139	-	-	986,139	825,253
Work in progress reserve	821,500	-	-	821,500	339,327
Public safety reserve	1,151,857	-	-	1,151,857	1,122,027
Tax appeals reserve	1,121,574	-	-	1,121,574	1,218,543
Building maintenance reserve	770,586	592,757	52,284	1,415,627	1,599,585
Commodity tax payable reserve	500,000	-	-	500,000	500,000
Cemetery reserve	233,416	-	-	233,416	232,427
Other operating reserves	1,701,140	-	-	1,701,140	1,468,845
WCB/Powersmart reserve	516,248	-	-	516,248	412,087
Specified area reserve	1,116,645	-	-	1,116,645	1,056,180
Election reserve	354,837	-	-	354,837	500,000
Extreme weather reserve	1,000,000	-	-	1,000,000	169,833
Economic development reserve	466,408	-	-	466,408	479,868
Tree risk management reserve	180,723	-	-	180,723	-
<b>Total reserves for operating purposes</b>	<b>\$ 28,442,578</b>	<b>\$ 592,757</b>	<b>\$ 52,284</b>	<b>\$ 29,087,619</b>	<b>\$ 25,834,574</b>

## Reserve Fund Balances

Year ended December 31, 2018, with comparative information for 2017

## Schedule G (continued)

	General Fund	Sewer and Drainage Fund	Water Utility Fund
Reserves for capital purposes:			
Specific projects - in progress reserve	\$ 14,870,092	\$ 5,123,833	\$ 939,089
Infrastructure reserve	13,759,172	-	-
Equipment and component replacement reserve	13,222,602	17,784,466	8,463,981
Restricted debt reserve	1,563,307	307,474	259,812
Debt reserve	75,485	41,507	401,523
Local area service reserve	2,535,782	-	-
Casino revenue reserve - municipal capital	17,108,085	-	-
Casino revenue reserve - community	487,573	-	-
Internal financing reserve	587,172	-	-
Land sale investment reserve	12,782,900	-	-
Affordable housing reserve	11,995,747	-	-
Density bonus reserve	39,771,702	-	-
Community amenity contribution reserve	10,159,106	-	-
Waste utility reserve	495,455	-	-
Building replacement reserve	33,474,551	-	-
Road replacement reserve	12,559,433	-	-
DCC matching reserve	11,131,012	-	-
Frontage Works Reserve	2,523,706	-	-
Park & ride reserve	4,030,243	-	-
Waste bin asset replacement reserve	1,566,296	-	-
	\$ 204,699,421	\$ 23,257,280	\$ 10,064,405
Statutory reserves:			
Land sale statutory reserve	-	-	-
Vehicle replacement statutory reserve	-	-	-
Water utility statutory reserve	-	-	-
Parkland statutory reserve	-	-	-
Multi-modal infrastructure reserve	-	-	-
Parking in lieu reserve	-	-	-
Capital street works statutory reserve	-	-	-
	-	-	-
<b>Total</b>	<b>\$ 204,699,421</b>	<b>\$ 23,257,280</b>	<b>\$ 10,064,405</b>

	Statutory Reserves	Library	2018 Total	2017 Total
\$	-	\$ 474,198	\$ 21,407,212	\$ 20,409,341
	-	-	13,759,172	12,540,777
	-	-	39,471,049	31,772,202
	-	-	2,130,593	2,106,270
	-	-	518,515	1,452,712
	-	-	2,535,782	2,243,318
	-	-	17,108,085	11,866,677
	-	-	487,573	140,048
	-	-	587,172	574,650
	-	-	12,782,900	9,297,192
	-	-	11,995,747	10,580,354
	-	-	39,771,702	23,465,827
	-	-	10,159,106	4,073,659
	-	-	495,455	484,971
	-	-	33,474,551	30,540,246
	-	-	12,559,433	12,296,631
	-	-	11,131,012	8,899,293
	-	-	2,523,706	-
	-	-	4,030,243	-
	-	-	1,566,296	1,203,102
\$	-	\$ 474,198	\$ 238,495,304	\$ 183,947,270
	187,550,843	-	187,550,843	146,729,320
	17,705,419	-	17,705,419	16,598,161
	840,366	-	840,366	822,437
	8,709,824	-	8,709,824	5,276,327
	20,218	-	20,218	8,000
	65,203	-	65,203	32,000
	2,358	-	2,358	2,358
	214,894,231	-	214,894,231	169,468,603
\$	214,894,231	\$ 474,198	\$ 453,389,535	\$ 353,415,873



# Annual Report

*For the year ending December 31, 2018*

# 2018

## Financial Statements of Coquitlam Public Library Board

**Auditors:**  
KPMG LLP

**Prepared by:**  
The Coquitlam Public  
Library Board

# Independent Auditors' Report

To the Chair and Members of Coquitlam Public Library

## Opinion

We have audited the financial statements of the Coquitlam Public Library (the "Library"), which comprise:

- the statement of financial position as at December 31, 2018
- the statement of operations for the year then ended
- the statement of changes in net financial assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Library as at December 31, 2018, and its results of operations, its changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

## Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the ***"Auditors' Responsibilities for the Audit of the Financial Statements"*** section of our auditors' report.

We are independent of the Library in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

## Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Library's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Library or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Library's financial reporting process.

## Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.



Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Library's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Library's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause Library to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Chartered Professional Accountants  
Vancouver, Canada  
February 27, 2019

**Coquitlam Public Library**

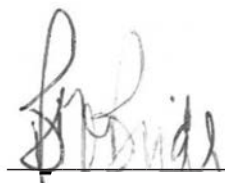
**Statement of Financial Position**

December 31, 2018, with comparative information for 2017

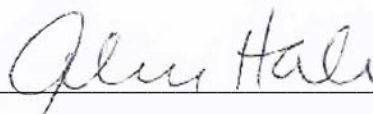
	2018	2017
<b>Financial Assets</b>		
Cash	\$ 1,178,692	\$ 1,053,512
Temporary investments (note 3)	459,841	455,535
Accounts receivable	76,665	39,615
	<u>1,715,198</u>	<u>1,548,662</u>
<b>Liabilities</b>		
Accrued salaries and benefits (note 9)	479,120	364,490
Accounts payable and accrued liabilities	64,166	126,648
Deferred revenue	151,000	-
Obligation for leased tangible capital asset (note 4)	38,960	61,164
	<u>733,246</u>	<u>552,302</u>
Net financial assets	981,952	996,360
<b>Non-Financial Assets</b>		
Tangible capital assets (note 5)	1,742,037	1,738,059
Prepaid expenses	83,681	74,888
	<u>1,825,718</u>	<u>1,812,947</u>
Commitment (note 10)		
Accumulated surplus (note 6)	\$ 2,807,670	\$ 2,809,307

See accompanying notes to financial statements.

Approved on behalf of the Library Board:



Director



Director

Statement of Operations

Year ended December 31, 2018, with comparative information for 2017

	2018 Budget		2018		2017
	(note 11)				
Revenue:					
Grants (note 7)	\$ 5,405,163	\$	5,397,996	\$	5,278,457
Interest	16,000		34,052		20,003
Fines and fees	97,000		92,493		76,830
Photocopying services	-		42,247		40,996
Book sales	8,500		10,288		8,867
Fundraising activities	15,000		524		9,842
Other	32,000		14,959		18,101
	5,573,663		5,592,559		5,453,096
Expenses:					
Amortization	545,140		539,744		534,117
Building and grounds maintenance	165,000		157,733		157,008
Conferences and courses	59,250		58,240		54,147
Insurance	36,600		34,673		34,422
InterLINK assessment (note 10)	63,000		59,530		62,126
Magazines and online subscriptions	275,500		279,654		221,847
Professional fees	45,000		54,104		68,287
Promotion and publicity	38,000		41,988		43,904
Salaries and benefits	3,796,000		3,868,435		3,736,753
Supplies and equipment	92,000		71,589		67,782
Telecommunications, computer charges and utilities	293,000		310,953		300,561
Transportation	37,000		37,509		31,377
Rental, administration and other	86,813		80,044		95,823
	5,532,303		5,594,196		5,408,154
Annual surplus (deficit)	41,360		(1,637)		44,942
Accumulated surplus, beginning of year	2,809,307		2,809,307		2,764,365
Accumulated surplus, end of year	\$ 2,850,667	\$	2,807,670	\$	2,809,307

See accompanying notes to financial statements.

Statement of Changes in Net Financial Assets

Year ended December 31, 2018, with comparative information for 2017

	2018 Budget	2018	2017
	(note 11)		
Annual surplus (deficit)	\$ 41,360	\$ (1,637)	\$ 44,942
Acquisition of tangible capital assets	(586,500)	(543,722)	(528,081)
Amortization of tangible capital assets	545,140	539,744	534,117
	-	(5,615)	50,978
Acquisition of prepaid expenses	-	(83,681)	(74,888)
Use of prepaid expenses	-	74,888	49,913
Change in net financial assets	-	(14,408)	26,003
Net financial assets, beginning of year	996,360	996,360	970,357
Net financial assets, end of year	\$ 996,360	\$ 981,952	\$ 996,360

See accompanying notes to financial statements.

## Statement of Cash Flows

Year ended December 31, 2018, with comparative information for 2017

	2018	2017
Cash provided by (used in):		
Operating activities:		
Annual surplus (deficit)	\$ (1,637)	\$ 44,942
Amortization, an item not involving cash	539,744	534,117
Changes in non-cash operating working capital:		
Increase in accounts receivable	(37,050)	(4,419)
Increase in prepaid expenses	(8,793)	(24,975)
Increase (decrease) in accrued salaries and benefits	114,630	(96,512)
Increase (decrease) in accounts payable and accrued liabilities	(62,482)	2,763
Increase in deferred revenue	151,000	-
	695,412	455,916
Capital activities:		
Cash used to acquire tangible capital assets	(543,722)	(528,081)
Principal payments under obligations for leased tangible capital assets	(22,204)	(28,723)
	(565,926)	(556,804)
Investing activities:		
Increase in temporary investments	(4,306)	(155,535)
Net change in cash	125,180	(256,423)
Cash, beginning of year	1,053,512	1,309,935
Cash, end of year	\$ 1,178,692	\$ 1,053,512

See accompanying notes to financial statements.

## Notes to Financial Statements

Year ended December 31, 2018

### 1. Operations:

The Coquitlam Public Library (the “Library”), which is funded primarily by the City of Coquitlam (the “City”), was established in 1977 pursuant to the Library Act of British Columbia (Part 2) as a Municipal Public Library. The Library is governed by a nine member municipally appointed Board of Trustees (the “Board”). The Board, on behalf of the residents and taxpayers of the City, oversees the management and operation of the Library and further serves as a policy making body for the organization.

### 2. Significant accounting policies:

These financial statements are prepared in accordance with Canadian public sector accounting standards, and include the following specific policies:

(a) Budget information:

Budget information, presented in these financial statements, is based on the 2018 operating and capital budgets developed by management. The 2018 budget was approved by the Board on January 24, 2018. Note 11 reconciles the budget developed by management to the budget figures reported in the financial statements.

(b) Temporary investments:

Temporary investments are recorded at cost which approximates market value.

(c) Deferred revenue:

Contributions restricted for the acquisition of tangible capital assets and program related expenditures are deferred and recorded as revenue in the period that the funds are spent.

(d) 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.

(e) Tangible capital assets:

Tangible capital assets are recorded at cost, which includes amounts that are directly attributable to the acquisition, construction, development or betterment of the asset. The cost, less residual value of the tangible capital assets, is amortized on either a straight-line basis or declining balance basis over their estimated useful lives as follows:

Asset	Basis	Rate
Automotive	Straight line	5 to 10 years
Leasehold improvements	Straight line	5 years
Library collections	Straight line	5 years
Security equipment	Straight line	5 years
Computer equipment	Declining balance	30%
Furniture and equipment	Declining balance	7% to 20%
Leased tangible capital assets	Straight line	Lease term

## Notes to Financial Statements (continued)

Year ended December 31, 2018

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

Land and buildings acquired for library purposes, but funded by the City, are recorded in the City's financial statements and are not included in these financial statements.

Amortization commences when the asset is available for use.

(i) Contributions of tangible capital assets:

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

(ii) Leased tangible capital assets:

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

(f) Functional and object reporting:

The operations of the Library are comprised of a single function, library operations. As a result, the expenses of the Library are presented by object in the statement of operations.

(g) Employee future benefits:

The Library and its employees make contributions to the Municipal Pension Plan. These contributions are expensed as incurred.

Sick leave benefits and retirement severance benefits are also available to the Library's employees. The costs of these benefits are actuarially determined based on service and best estimates of retirement ages and expected future salary and wage increases. The obligation under these benefit plans are accrued based on projected benefits as the employees render services necessary to earn the future benefits. Actuarial gains and losses are amortized over the period equal to the employees' average remaining service life of 11.4 years.

(h) Government transfers:

Restricted transfers from governments are deferred and are recognized as revenue in the year in which the related expenditures are incurred or the stipulations in the related agreement are met. Unrestricted transfers are recognized as revenue when received.

(i) Fines and fees revenue:

The Library recognizes fines and fees as revenue upon receipt.

(j) Use of estimates:

The preparation of the financial statements 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 reporting period. Significant areas requiring the use of management estimates relate to the determination of accrued sick and retirement benefits and useful lives of tangible capital assets. Actual results could differ from those estimates. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the year in which they become known.

### 3. Temporary investments:

The temporary investments balance of \$459,841 (2017 - \$455,535) is comprised of guaranteed investment certificates earning interest at 1.40% to 1.65% (2017 - 1.20% to 1.35%) and maturing in 2019.

Notes to Financial Statements (continued)

Year ended December 31, 2018

4. Obligations for leased tangible capital assets:

The tangible capital lease obligation for the Library's photocopier is as follows:

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2019	\$	22,456
2020		16,723

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Total minimum lease payments		39,179
Less amount representing interest (at Municipal Finance Authority borrowing rate of 1.00%)		219

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Present value of minimum capital lease payments	\$	38,960
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## Notes to Financial Statements (continued)

Year ended December 31, 2018

## 5. Tangible capital assets:

Cost	Balance, December 31, 2017	Additions	Disposals	Balance December 31, 2018
Automotive	\$ 61,480	\$ -	\$ -	\$ 61,480
Leasehold improvements	88,856	30,087	-	118,943
Library collections	2,060,562	434,012	296,365	2,198,209
Security equipment	191,687	8,414	-	200,101
Computer equipment	707,138	71,209	58,000	720,347
Furniture and equipment	1,304,825	-	-	1,304,825
Assets under capital lease	118,966	-	-	118,966
	\$ 4,533,514	\$ 543,722	\$ 354,365	\$ 4,722,871

Accumulated amortization	Balance, December 31, 2017	Amortization Expense	Disposals	Balance December 31, 2018
Automotive	\$ 43,774	\$ 6,248	\$ -	\$ 50,022
Leasehold improvements	84,163	2,507	-	86,670
Library collections	1,134,872	362,715	296,365	1,201,222
Security equipment	142,840	14,528	-	157,368
Computer equipment	545,560	59,155	58,000	546,715
Furniture and equipment	784,748	72,955	-	857,703
Assets under capital lease	59,498	21,636	-	81,134
	\$ 2,795,455	\$ 539,744	\$ 354,365	\$ 2,980,834

Net book value	Balance, December 31, 2017	Balance December 31, 2018
Automotive	\$ 17,706	\$ 11,457
Leasehold improvements	4,693	32,273
Library collections	925,690	996,988
Security equipment	48,847	42,733
Computer equipment	161,578	173,632
Furniture and equipment	520,077	447,122
Leased tangible capital assets	59,468	37,832
	\$ 1,738,059	\$ 1,742,037

## Notes to Financial Statements (continued)

Year ended December 31, 2018

**6. Accumulated surplus:**

Accumulated surplus consists of fund surplus and reserve funds as follows:

	2018		2017	
Invested in tangible capital assets	\$	1,703,077	\$	1,676,895
Operating surplus		630,395		796,254
Capital reserves		474,198		336,158
	\$	2,807,670	\$	2,809,307

**7. Grants revenue:**

	2018 Budget		2018		2017	
City of Coquitlam	\$	5,114,038	\$	5,114,037	\$	4,974,082
Province of British Columbia		282,500		275,347		289,289
Community Service Clubs		7,500		7,487		13,961
Other		1,125		1,125		1,125
	\$	5,405,163	\$	5,397,996	\$	5,278,457

**8. Pension Plan:**

The Library and its employees contribute to the Municipal Pension Plan (“the Plan”), a jointly trustee pension plan. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the Plan, including the 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 197,000 active members and approximately 95,000 retired members. Active members include approximately 39,000 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, 2015 indicated a \$2.224 billion funding surplus for basic pension benefits on a going concern basis. The next actuarial valuation will be performed as at December 31, 2018 with results available in 2019. Employers participating in the Plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the Plan records accrued liabilities and accrued assets for the Plan in aggregate with the result that there is no consistent and reliable basis for allocating the obligation, assets and cost to the individual employers participating in the Plan.

The Library paid \$279,986 (2017 - \$291,679) for employer contributions to the Plan in 2018. Employees paid \$237,883 (2017 - \$240,900) for employee contributions to the Plan in 2018.

**9. Employee future benefits:**

The Library provides benefits for sick leave and certain other retirement benefit arrangements to its employees.

All employees accumulate sick leave entitlement on a monthly basis and can only use this entitlement for paid time off under certain circumstances. Retirement benefit payments represent the Library’s share of the cost to provide employees with various benefits upon retirement. The accrued benefit obligation and the net periodic benefit cost were estimated by an actuarial valuation completed in November 2016, extrapolated to December 31, 2018.

The total expenses recorded in the financial statements in respect of obligations under these plans amount to \$38,500 (2017 - \$37,300).

## Notes to Financial Statements (continued)

Year ended December 31, 2018

**9. Employee future benefits (continued):**

Information about liabilities for the Library's employee benefit plans is as follows:

	Sick leave	Retirement benefit payments	2018 Total	2017 Total
Accrued benefit obligation:				
Balance, beginning of year	\$ 124,100	\$ 92,400	\$ 216,500	\$ 208,800
Current service cost	9,300	7,200	16,500	15,400
Interest cost	3,900	2,900	6,800	7,300
Benefits paid	(6,700)	(10,000)	(16,700)	(17,000)
Actuarial loss (gain)	(2,900)	1,400	(1,500)	2,000
Benefit obligation, end of year	127,700	93,900	221,600	216,500
Unamortized actuarial gain (loss)	14,000	(62,200)	(47,800)	(64,500)
Accrued sick and retirement liability	\$ 142,100	\$ 31,700	\$ 173,800	\$ 152,000

The accrued sick and retirement liabilities are included as part of accrued salaries and benefits on the statement of financial position.

The significant actuarial assumptions adopted in measuring the Library's accrued benefit obligation are as follows:

	2018	2017
Discount rates	3.3%	3.0%
Expected future inflation rates	2.5%	2.5%
Expected wage and salary increases	2.5%	2.5%

**10. Commitment:**

The Library is a member of InterLINK, which provides interlibrary loans for Coquitlam Public Library patrons from 16 other participating libraries in other municipalities. The Library has a contractual agreement with InterLINK to pay the annual assessment fee which, for 2018, was \$59,530 (2017 - \$62,126). The annual assessment fee for 2019 and subsequent years cannot currently be determined.

Notes to Financial Statements (continued)

Year ended December 31, 2018

**11. Budget data:**

The budget data presented in these financial statements is based upon the 2018 budget developed by management. The 2018 budget was approved by the Board on January 24, 2018. The chart below reconciles the budget developed by management to the budget figures reported in these financial statements.

Revenue:	
Operating budget	\$ 5,405,163
Expenses:	
Operating	4,818,663
Capital	1,131,640
	<u>5,950,303</u>
Annual deficit per budget	(545,140)
Add: capital expenditures recorded as tangible capital assets	586,500
Annual surplus per statement of operations	<u>\$ 41,360</u>

# Annual Report

*For the year ending December 31, 2018*

# 2018

## Financial Statements of Coquitlam Optical Network Corporation (QNet)

**Auditors:**  
KPMG LLP

**Prepared by:**  
The Finance  
& Technology  
Department of the  
City of Coquitlam

# Independent Auditors' Report

## To the Board of Directors of Coquitlam Optical Network Corporation (QNET)

### Opinion

We have audited the financial statements of Coquitlam Optical Network Corporation (QNET) (the "Company"), which comprise:

- the statement of financial position as at December 31, 2018
- the statement of operations for the year then ended
- the statement of changes in net debt for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2018, and its results of operations, its changes in net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "**Auditors' Responsibilities for the Audit of the Financial Statements**" section of our auditors' report.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

### Other Information

Management is responsible for the other information. Other information comprises the information, other than the financial statements and the auditors' report thereon, included in the annual report.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the information, other than the financial statements and the auditors' report thereon, included in the annual report as at the date of this auditors' report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditors' report.

We have nothing to report in this regard.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

## Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The logo for KPMG LLP, featuring the letters 'KPMG' in a large, blue, handwritten-style font, with 'LLP' in a smaller, blue, sans-serif font to the right. A blue horizontal line is drawn below the text.

Chartered Professional Accountants

Vancouver, Canada  
April 16, 2019

**Coquitlam Optical Network Corporation (QNet)**

**Statement of Financial Position**

December 31, 2018, with comparative information for 2017

	2018	2017
<b>Financial Assets</b>		
Cash	\$ 15,785	\$ 6,323
Accounts receivable	89,780	86,464
	<u>105,565</u>	<u>92,787</u>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	149,551	50,424
Deferred revenue	233,558	91,833
Due to City of Coquitlam (note 4)	4,390,517	4,639,986
	<u>4,773,626</u>	<u>4,782,243</u>
Net debt	(4,668,061)	(4,689,456)
<b>Non-Financial Assets</b>		
Tangible capital assets (note 3)	4,498,319	4,263,341
Prepaid expenses	8,925	8,288
	<u>4,507,244</u>	<u>4,271,629</u>
Accumulated deficit	\$ (160,817)	\$ (417,827)
Accumulated deficit is comprised of:		
Share capital	\$ 1	\$ 1
Accumulated deficit	(160,818)	(417,828)
	<u>\$ (160,817)</u>	<u>\$ (417,827)</u>

*Economic dependence (note 7)  
See accompanying notes to financial statements.*

Approved on behalf of the Board:

Pete Steblin,  
City Manager & QNet Board Chair



**Coquitlam Optical Network Corporation (QNet)**

**Statement of Operations**

*Year ended December 31, 2018, with comparative information for 2017*

	<b>2018 Budget</b>		<b>2018</b>		<b>2017</b>
	(note 9)				
Revenue:					
Fibre lease	\$ 458,980	\$	422,223	\$	398,063
Rack lease	186,800		187,400		184,100
Installation fees	4,000		13,930		76,011
Cost recovery	33,000		131,516		35,568
Revenue sharing	-		73,244		53,868
Developer's contribution	-		-		2,332
Other	-		-		19,622
	<u>682,780</u>		<u>828,313</u>		<u>769,564</u>
Expenses:					
General and administrative	383,538		337,042		236,842
Amortization	142,415		140,687		135,133
Interest (note 4)	86,768		93,574		88,237
	<u>612,721</u>		<u>571,303</u>		<u>460,212</u>
Annual surplus	70,059		257,010		309,352
Accumulated deficit, beginning of year	(417,828)		(417,828)		(727,180)
Accumulated deficit, end of year	\$ (347,769)	\$	(160,818)	\$	(417,828)

*See accompanying notes to financial statements.*

## Coquitlam Optical Network Corporation (QNet)

### Statement of Changes in Net Debt

Year ended December 31, 2018, with comparative information for 2017

	2018 Budget	2018	2017
	(note 9)		
Annual surplus for the year	\$ 70,059	\$ 257,010	\$ 309,352
Acquisition of tangible capital assets	(285,435)	(375,665)	(229,961)
Amortization of tangible capital assets	142,415	140,687	135,133
Increase in prepaid expenses		(637)	(2,512)
Change in net debt	(72,961)	21,395	212,012
Net debt, beginning of year	(4,689,456)	(4,689,456)	(4,901,468)
Net debt, end of year	\$ (4,762,417)	\$ (4,668,061)	\$ (4,689,456)

See accompanying notes to financial statements.

## Coquitlam Optical Network Corporation (QNet)

### Statement of Cash Flows

Year ended December 31, 2018, with comparative information for 2017

	2018	2017
Cash provided by (used in):		
Operating activities:		
Annual surplus	\$ 257,010	\$ 309,352
Amortization of tangible capital assets, an item not involving cash	140,687	135,133
Changes in non-cash operating working capital balances:		
Prepaid expenses	(637)	(2,512)
Accounts receivable	(3,316)	56,641
Accounts payable and accrued liabilities	99,127	(61,950)
Deferred revenue	141,725	91,833
Net change in cash from operating activities	634,596	528,497
Capital activities:		
Cash used to acquire tangible capital assets	(375,665)	(229,961)
Financing activities:		
Decrease in due to City of Coquitlam	(249,469)	(293,508)
Change in cash	9,462	5,028
Cash, beginning of year	6,323	1,295
Cash, end of year	\$ 15,785	\$ 6,323

See accompanying notes to financial statements.

## Notes to Financial Statements

Year ended December 31, 2018

### 1. Operations:

Coquitlam Optical Network Corporation (QNet) (the “Company”) was incorporated on November 12, 2008 under the British Columbia Business Corporations Act. The Company’s business involves providing open access to optical fibre networks. It is a wholly municipal-owned subsidiary of the City of Coquitlam (the “City”) and operates its business within the City municipality boundaries. The Company is a local government corporation and is exempt from income taxes.

### 2. Significant accounting policies:

These financial statements have been prepared by management in accordance with Canadian public sector accounting standards:

(a) Revenue recognition:

The Company recognizes revenue when services are provided to customers, the price is fixed or determinable, and collectability is reasonably assured. Amounts received in advance of the services being provided are recorded as deferred revenue and recognized as revenue when the services are provided.

(b) Non-financial assets:

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They are not intended for sale in the ordinary course of operations.

(i) Tangible capital assets:

Tangible capital assets have useful lives extending beyond the current year and are recorded at cost, which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value of the tangible capital assets, is amortized on a straight-line basis over their estimated useful lives as follows:

Asset	Rate
Software	8 years
Data centre equipment	5 - 25 years
Building entrance - civil	85 years
Building entrance - fibre	25 years
Arterial fibre - civil	85 years
Arterial fibre - fibre	25 years
Leasehold improvements and leased equipment	over term of lease

## Notes to Financial Statements (continued)

Year ended December 31, 2018

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

(b) Non-financial assets (continued):

(i) Tangible capital assets (continued):

The Company does not capitalize interest costs.

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

Leases that transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as leased tangible capital assets. Amortization is provided over the term of the lease.

(ii) Impairment of tangible capital assets:

Tangible capital assets are written down when conditions indicate that they no longer contribute to the Company's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for as expenses in the statement of operations.

(c) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that could 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 reporting period. Significant areas requiring the use of management estimates relate to the determination of allowance for doubtful accounts, useful lives for amortization of tangible capital assets, and provisions for contingencies. Actual results could differ from those estimates.

(d) Functional and object reporting:

The operations of the Company are comprised of a single function, optical fibre networks operations. As a result, the expenses of the Company are presented by object in the statement of operations.

(e) Financial instruments:

Financial instruments are recorded at fair value on initial recognition and are subsequently recorded at cost or amortized cost, unless management is required or has elected to carry the instruments at fair value. The Company 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 straight-line method.

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 Company 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 Company expects to realize by exercising its rights to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

## Notes to Financial Statements (continued)

Year ended December 31, 2018

## 3. Tangible Capital Assets

December 31, 2018	Software	Data centre equipment	Building entrance - fibre	Building entrance - civil
Cost:				
Balance, beginning of year	\$ 84,050	\$ 951,603	\$ 483,680	\$ 635,628
Additions, net of transfers	-	-	127,779	132,026
Balance, end of year	84,050	951,603	611,459	767,654
Accumulated amortization:				
Balance, beginning of year	83,773	430,211	73,202	37,089
Amortization expense	277	53,806	20,232	10,071
Balance, end of year	84,050	484,017	93,434	47,160
Net book value, end of year	\$ -	\$ 467,586	\$ 518,025	\$ 720,494
Net book value, beginning of year	\$ 277	\$ 521,392	\$ 410,478	\$ 598,539

December 31, 2017	Software	Data centre equipment	Building entrance - fibre	Building entrance - civil
Cost:				
Balance, beginning of year	\$ 84,050	\$ 951,603	\$ 406,730	\$ 585,051
Additions, net of transfers	-	-	76,950	50,577
Balance, end of year	84,050	951,603	483,680	635,628
Accumulated amortization:				
Balance, beginning of year	82,108	375,478	55,717	26,548
Amortization expense	1,665	54,733	17,485	10,541
Balance, end of year	83,773	430,211	73,202	37,089
Net book value, end of year	\$ 277	\$ 521,392	\$ 410,478	\$ 598,539
Net book value, beginning of year	\$ 1,942	\$ 576,125	\$ 351,013	\$ 558,503

There was no write-down of tangible capital assets during the year (2017-nil).

	Arterial fibre - civil	Arterial fibre - fibre	Leasehold improvements and leased equipment	Assets under construction	Total
\$	1,824,504	\$ 287,965	\$ 932,876	\$ 5,109	\$ 5,205,415
	63,525	33,290	-	19,045	375,665
	1,888,029	321,255	932,876	24,154	5,581,080
	125,951	50,302	141,546	-	942,074
	20,658	12,311	23,332	-	140,687
	146,609	62,613	164,878	-	1,082,761
\$	1,741,420	\$ 258,642	\$ 767,998	\$ 24,154	\$ 4,498,319
\$	1,698,553	\$ 237,663	\$ 791,330	\$ 5,109	\$ 4,263,341

	Arterial fibre - civil	Arterial fibre - fibre	Leasehold improvements and leased equipment	Assets under construction	Total
\$	1,758,056	\$ 222,359	\$ 932,876	\$ 34,729	\$ 4,975,454
	66,448	65,606	-	(29,620)	229,961
	1,824,504	287,965	932,876	5,109	5,205,415
	108,135	40,741	118,214	-	806,941
	17,816	9,561	23,332	-	135,133
	125,951	50,302	141,546	-	942,074
\$	1,698,553	\$ 237,663	\$ 791,330	\$ 5,109	\$ 4,263,341
\$	1,649,921	\$ 181,618	\$ 814,662	\$ 34,729	\$ 4,168,513

Notes to Financial Statements (continued)

Year ended December 31, 2018

**4. Due to City of Coquitlam:**

The amount due to City of Coquitlam at December 31, 2018 of \$4,390,517 (2017 – \$4,639,986) is related to funding for the purchase of tangible capital assets and funding for operating expenses of the Company. These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration negotiated and agreed to by the related parties.

During 2011, the Company entered into a lease agreement to lease leasehold improvements and equipment from the City until December 15, 2051. Included in the amount due to City of Coquitlam is \$932,876 (2017 – \$932,876) for the use of leasehold improvements and equipment for the term of the lease.

Amounts due to City of Coquitlam are unsecured, bear interest at the City’s average borrowing cost of 2.18% (2017 – 1.86%) and have no set terms of repayment. The City has waived its right to repayment until at least January 1, 2020.

**5. Related party transactions**

During the year, certain employees of the City performed administrative services for the Company, including purchasing, accounting, clerical and other operational-type services. The Company also used the City’s rack space and ducts. The Company was not charged by the City for these services for the year ended December 31, 2018 (2017 – nil). Management costs and direct infrastructure services related to the Company of \$173,367 (2017 – \$96,479) were charged from the City and are included in general and administrative expenses in the financial statements.

The City uses fibre and the data center owned by the Company at no charge (2017 – nil).

**6. Contractual rights:**

The Company has entered into lease agreements with customers, and will receive the following amounts:

2019	\$	602,896
2020		580,296
2021		560,896
2022		545,496
2023		483,296
Thereafter		2,380,888
	<b>\$</b>	<b>5,153,768</b>

The Company is entitled to receive revenue from certain other agreements with customers. The revenue from these agreements is difficult to quantify and has not been included in the amounts noted above.

**7. Economic dependence:**

The Company’s operations are currently partially funded by the City and accordingly, operations of the Company for the foreseeable future are dependent upon the continued financial support of the City.



Notes to Financial Statements (continued)

Year ended December 31, 2018

**8. Financial risk management:**

The Company has exposure to credit risk, interest rate risk and liquidity risk. The Board of Directors ensures that the Company has identified its major risks and ensures that management monitors and controls them. Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Such risks arise principally from the Company’s accounts receivable balance. Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has interest rate risk on its balances Due to the City of Coquitlam. Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due.

It is management’s opinion that the Company is not exposed to significant credit, interest rate and liquidity risks.

There has been no change to the risk exposure from 2017.

**9. Budget data:**

The budget data presented in these financial statements is based upon the 2018 budget approved by the Board of Directors on April 5, 2018. The chart below reconciles the approved budget figures reported in these financial statements.

Revenue:		
Operating budget	\$	682,780
Expenses:		
Operating budget		470,306
Capital budget		427,850
		898,156
Annual deficit per budget		(215,376)
Add: tangible capital assets purchases included in capital budget		285,435
Annual budgeted surplus per statement of operations	\$	70,059



# Annual Report

*For the year ending December 31, 2018*

# 2018

Statistical Analysis

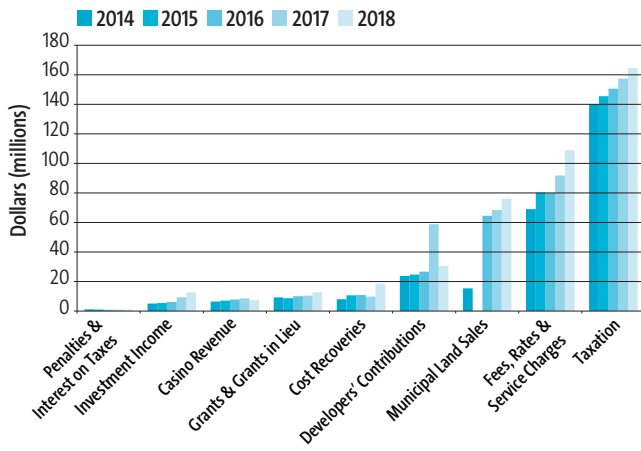


# Statistical Analysis

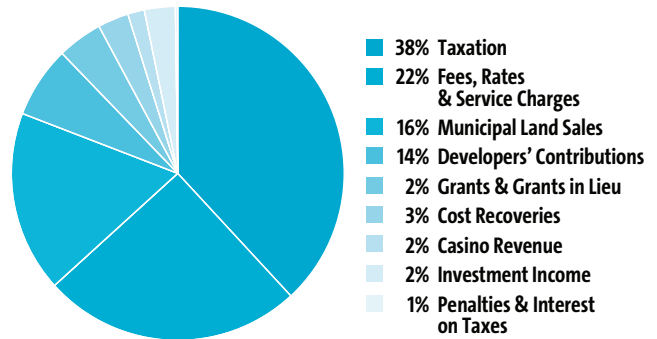
**NOTE:** All data provided by the City of Coquitlam except where noted.

## Revenues

Revenue by Source (\$) 2014–2018



Revenue by Source (%) 2018

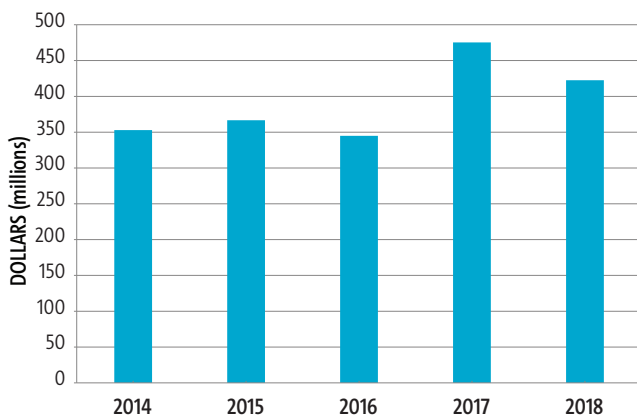


## Revenues

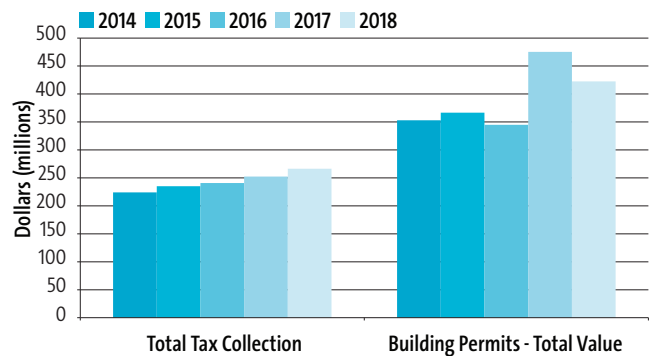
Last Five Fiscal Years Comparison

	2018	2017	2016	2015	2014
Taxation	\$ 164,595,532	\$ 157,321,046	\$ 150,632,497	\$ 145,483,212	\$ 140,092,846
Penalties & Interest on Taxes	1,043,319	946,085	876,274	1,068,680	1,167,074
Fees, rates & Service Charges	108,894,816	91,794,489	79,976,946	80,197,289	69,060,029
Developer's Contribution	30,448,412	58,777,541	26,676,296	24,728,377	23,797,423
Investment Income	12,700,791	9,363,173	6,255,790	5,457,671	5,129,766
Grants & Grants in Lieu	12,700,636	10,400,149	10,070,555	8,738,513	9,286,386
Municipal Land Sales	76,125,978	68,504,647	64,560,489	135,218	15,409,337
Casino Revenue	7,376,283	8,609,148	7,856,414	7,096,803	6,442,834
Cost Recoveries	18,552,957	9,852,096	10,894,759	10,680,469	8,005,187
<b>Total Revenue</b>	<b>\$ 432,438,724</b>	<b>\$ 415,568,374</b>	<b>\$ 357,800,020</b>	<b>\$ 283,586,232</b>	<b>\$ 278,390,882</b>

Total Value of Building Permits (\$)  
2014–2018



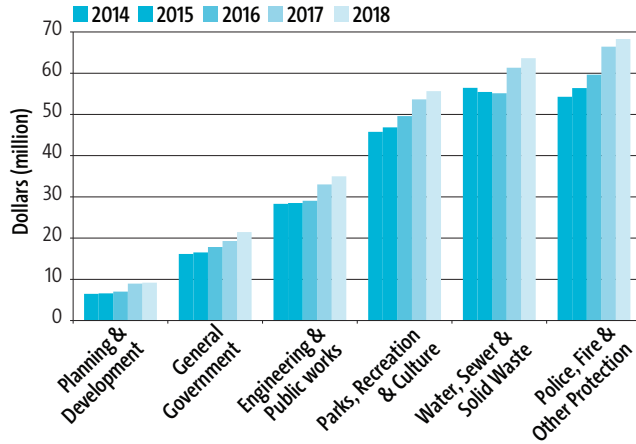
Building Permits and Total Tax Collection (\$)  
2014–2018



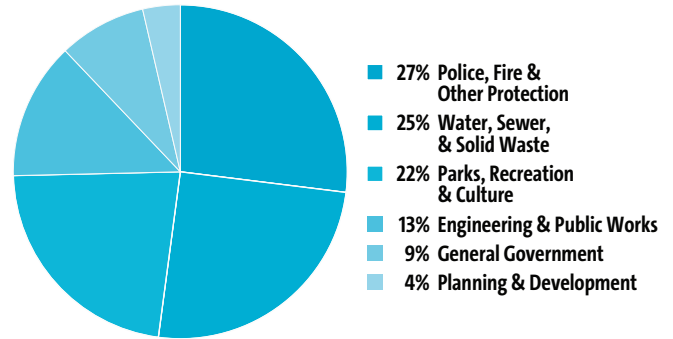
# Statistical Analysis

## Expenses

**Expenses by Function  
(\$ 2014–2018)**



**Expenses by Function  
(%) 2018**

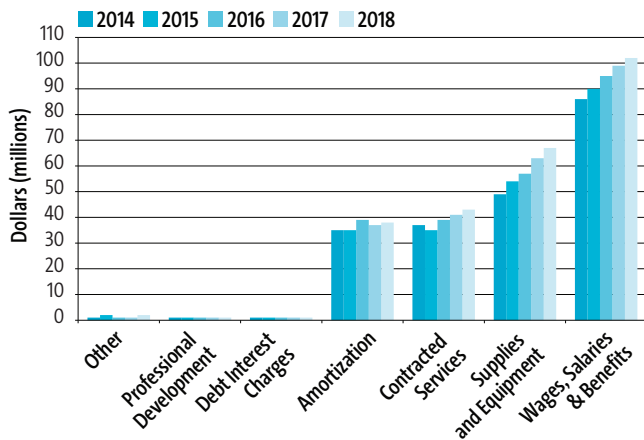


## Expenses

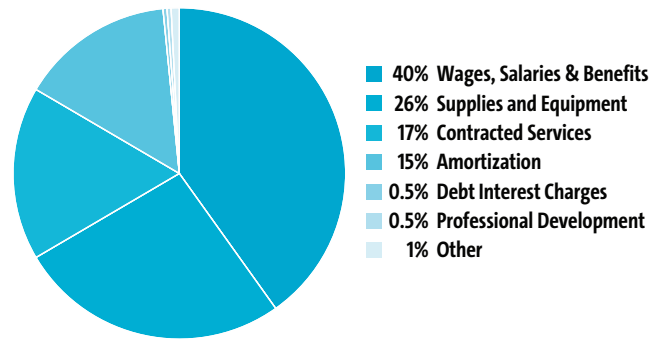
Last Five Fiscal Years Comparison

	2014	2015	2016	2017	2018
General Government	\$16,517,296	\$17,822,271	\$18,869,206	\$19,287,167	\$21,448,235
Police, Fire & Other Protection	56,385,569	59,636,629	63,708,950	66,440,901	68,287,443
Engineering	28,516,245	29,059,110	31,871,645	33,023,455	34,988,149
Planning & Development	6,604,996	7,018,966	7,885,805	8,956,304	9,185,980
Parks, Recreation and Culture	46,852,652	49,603,564	52,192,605	53,652,632	55,645,024
Water, Sewer & Solid Waste	55,437,872	55,135,207	57,382,444	61,325,240	63,636,207
<b>Total Expenses by Functions</b>	<b>\$210,314,630</b>	<b>\$218,275,747</b>	<b>\$231,910,655</b>	<b>\$242,685,699</b>	<b>\$253,191,038</b>

**Expenses by Account  
(\$ 2014–2018)**



**Expenses by Account  
(%) 2018**



**Expenses**

Last Five Fiscal Years Comparison

	2014	2015	2016	2017	2018
Wages, Salaries and Benefits	\$86,202,279	\$89,961,577	\$95,016,047	\$98,914,151	\$102,324,688
Professional Development	801,903	870,432	889,280	871,676	848,404
Contracted Services	36,614,364	34,730,899	38,503,991	41,242,831	42,811,853
Supplies and Equipment	48,692,025	54,095,687	56,538,162	62,823,012	66,547,390
Other	1,234,067	2,181,508	1,236,704	1,227,558	1,608,413
Debt Interest Charges	1,327,007	1,302,057	1,036,455	1,044,435	923,900
Amortization	35,442,985	35,133,587	38,690,016	36,562,036	38,126,390
<b>Total Expenses by object</b>	<b>\$210,314,630</b>	<b>\$218,275,747</b>	<b>\$231,910,655</b>	<b>\$242,685,699</b>	<b>\$253,191,038</b>

**Total Number of City Employees, 2014–2018**

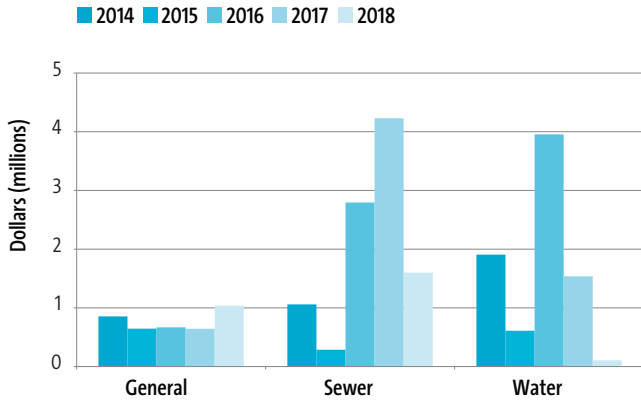
Year	Number of FTE Not Including RCMP Members	Number of FTE Including RCMP Members
2014	959	1093
2015	988	1119
2016	1014	1165
2017	1029	1183
2018	1048	1199

*Note: Full-Time Equivalent (FTE) includes full-time, part-time and auxiliary staff*

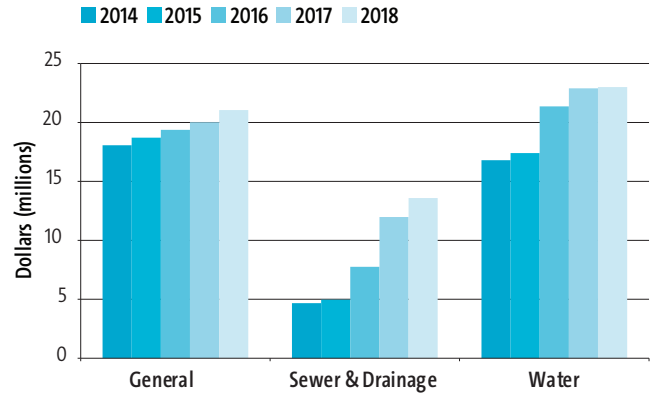
# Statistical Analysis

## Surplus

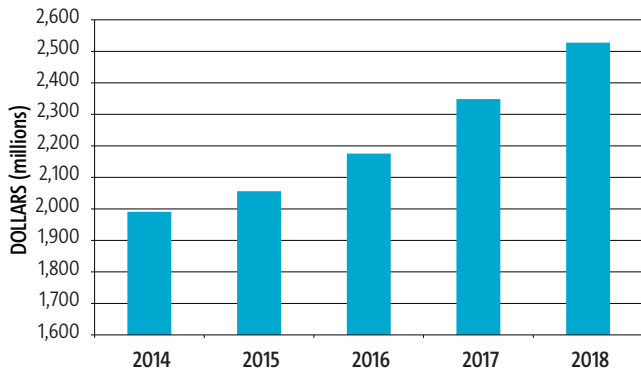
**Surplus for the Year**  
(\$) 2014–2018



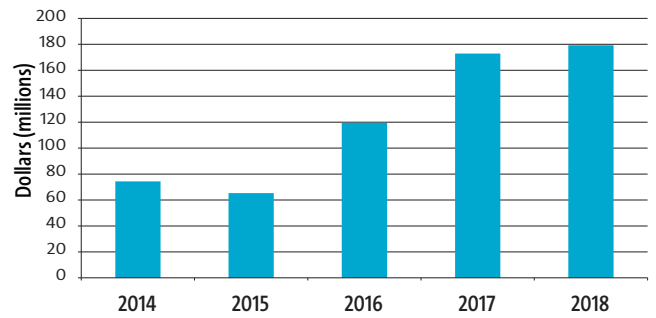
**Accumulated Operating Surplus**  
(General, Water and Sewer & Drainage)  
(\$) 2014–2018



**Accumulated Consolidated Surplus**  
(\$) 2014–2018

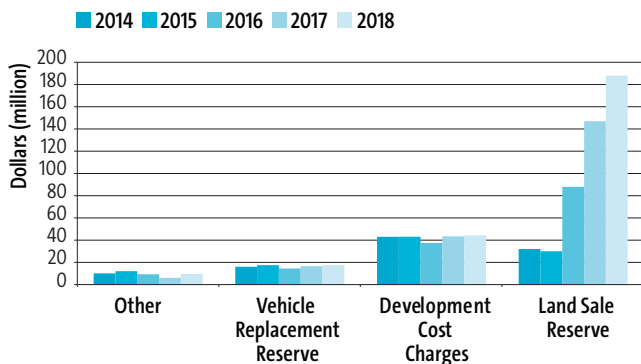


**Annual Consolidated Surplus**  
(\$) 2014–2018



## Reserves

**Summary of Statutory Reserve Funds**  
(\$) 2014–2018

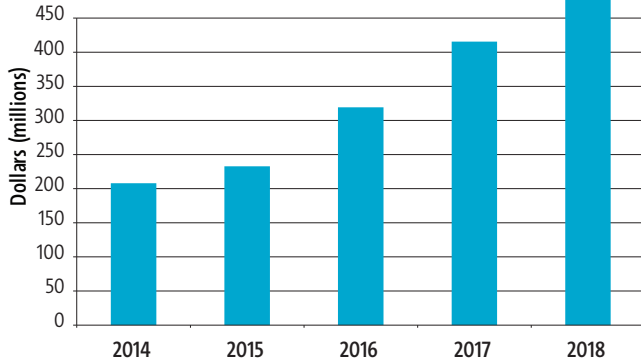




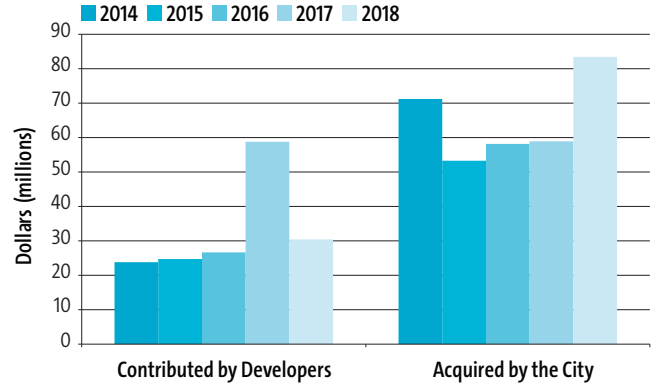
# Statistical Analysis

## Assets

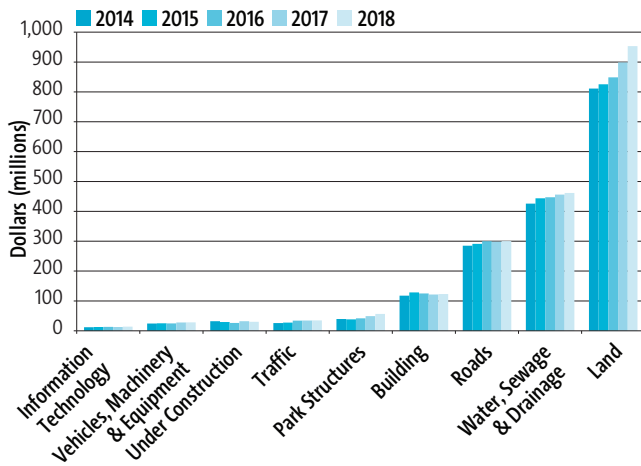
**Net Financial Assets  
(\$ 2014–2018)**



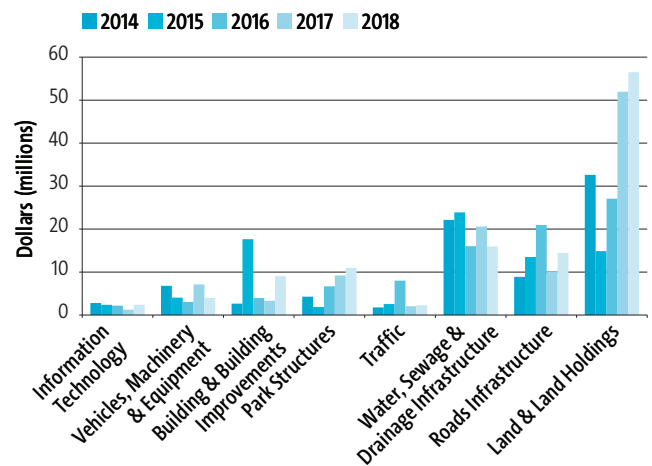
**Total Assets Acquisition  
(\$ 2014–2018)**



**Net Book Value of Tangible Capital Assets  
(\$ 2014–2018)**



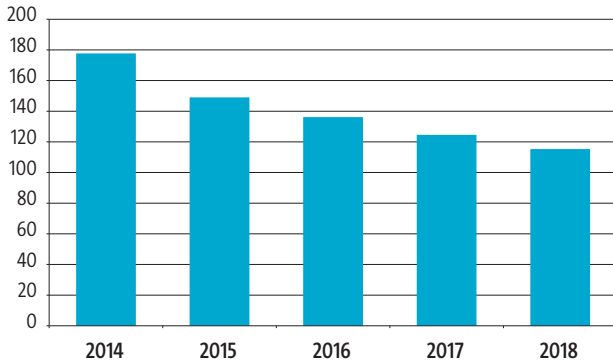
**Assets Acquisition by Category  
(\$ 2014–2018)**



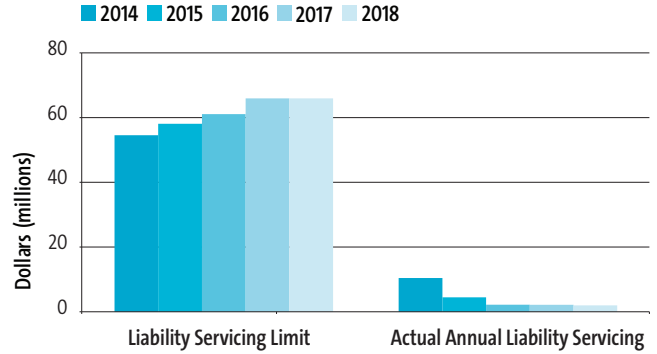
# Statistical Analysis

## Debt

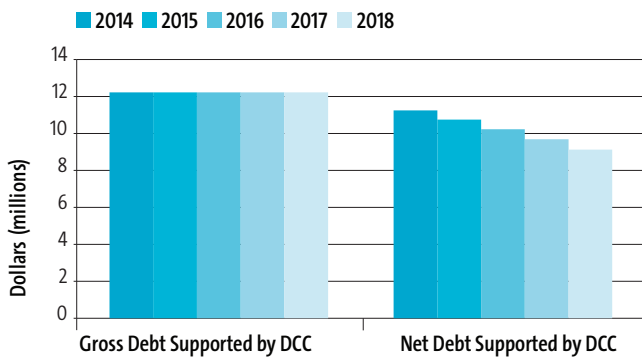
**Coquitlam Debt per Capita (\$)** 2014–2018



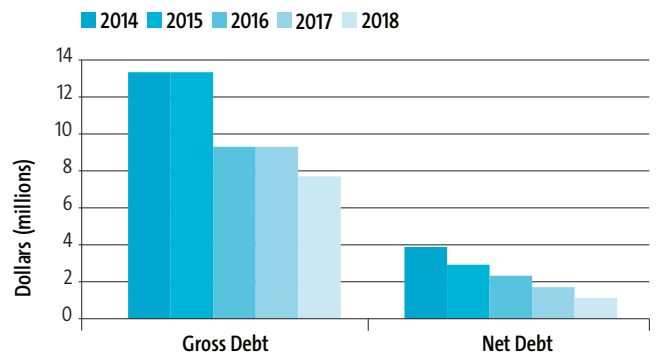
**Liability Servicing Limit and Actual Annual Liability Servicing (\$)** 2014–2018



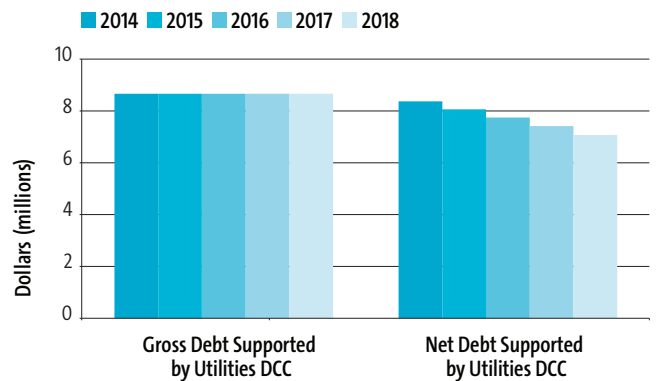
**Gross & Net Long Term Debt Supported by Development Cost Charges (\$)** 2014–2018



**Gross & Net Long-Term Debt Supported by Local Improvement Levies (\$)** 2014–2018

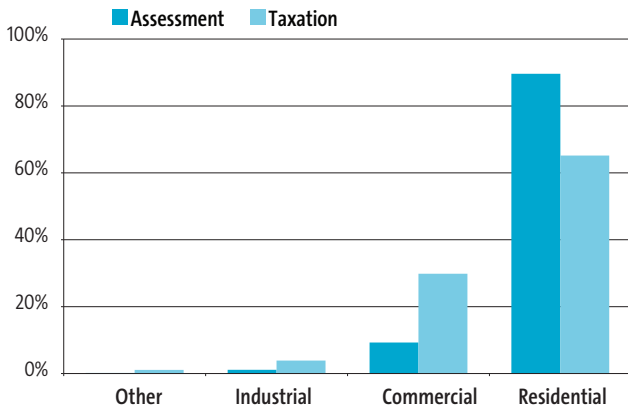


**Gross & Net Long-Term Debt Supported by Utilities Department Cost Charges (\$)** 2014–2018

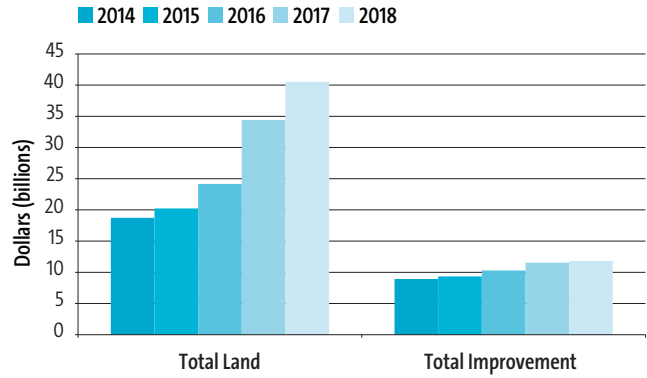


# Property Assessment & Taxation

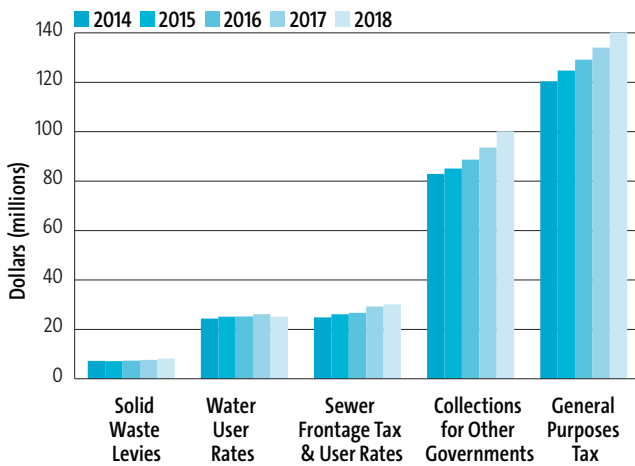
**Assessment & Taxation By Property Class (\$ 2018)**



**Assessed Values for General Municipal Purposes (\$) 2014–2018**

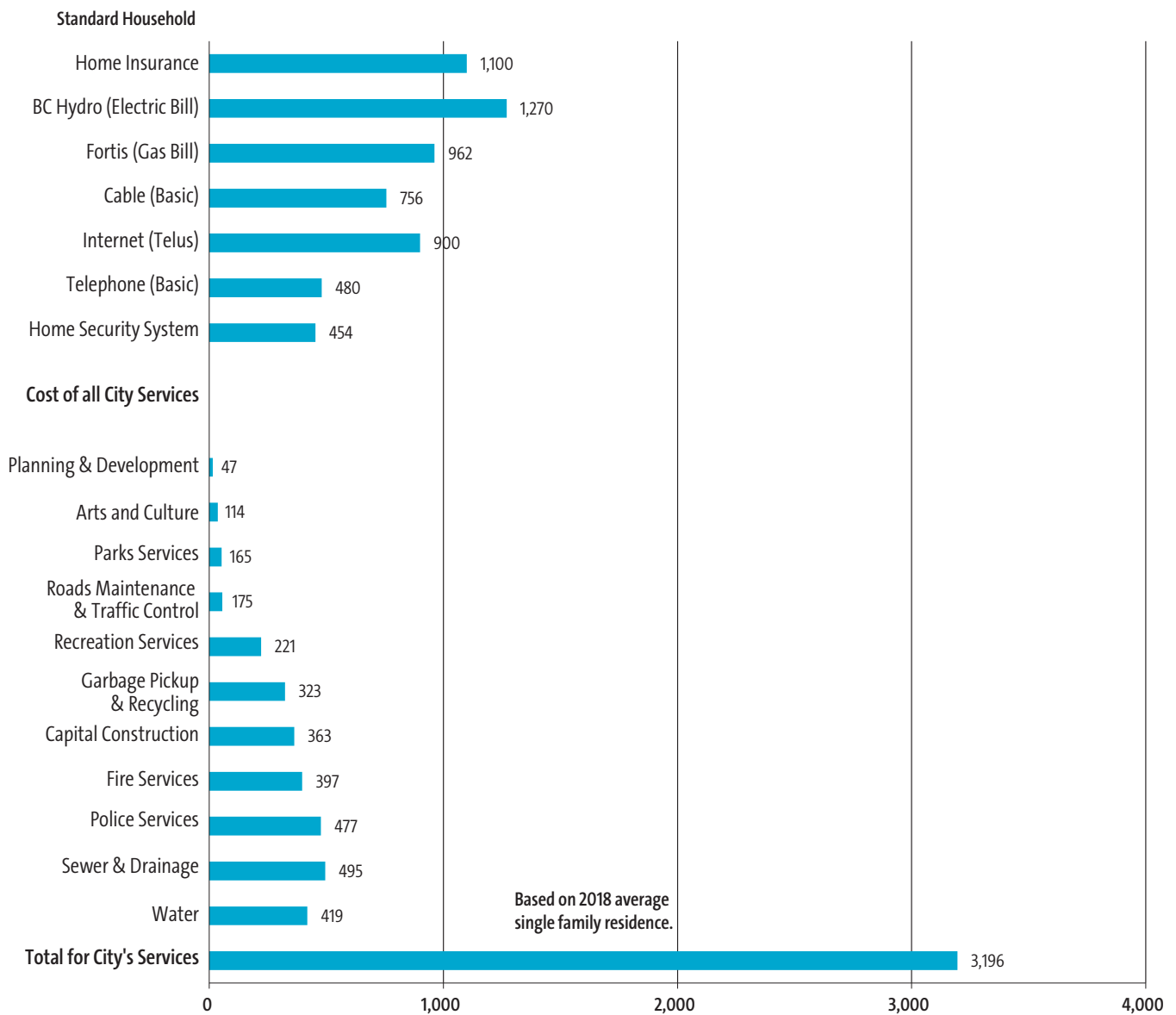


**Property Tax Collection, Other Major Levies & Collections (\$) 2014–2018**



# Statistical Analysis

## Comparison of the Average 2018 Annual Tax Bill for all City Services to Other Standard Household Costs



Based on 2018 average single-family residence.

## 2018 Principal Corporate Taxpayers (over \$250,000)

Corporate taxpayers over \$250,000		
Registered Owner	Primary Property	Taxes Levied
Pensionfund Realty Ltd.	Shopping Centre	\$ 6,638,910
Loblaws Properties West Inc.	Shopping Centre	3,591,789
Fraser Mills Properties Ltd.	Industrial	2,206,142
Burquitlam Building Ltd.	Shopping Centre	2,150,612
BC Hydro & Power Authority	Electric Power Systems	1,900,494
Ikea Properties Ltd.	Miscellaneous	1,347,685
Great Canadian Casinos Inc.	Stores & Service Commercial	1,294,439
Sun Life Assurance Co of Canada	Shopping Centre	1,163,143
Busung Investment Co Ltd.	Shopping Centre	1,132,502
Coquitlam Inn & Convention Centre Ltd.	Motel & Auto Court	1,120,945
Pinetree Village Holdings Inc.	Shopping Centre	1,108,155
Coquitlam College Inc.	Community College	1,025,364
Fortis Energy Inc.	Gas Distribution Systems	810,034
Sunnyland Enterprises Ltd.	Shopping Centre	784,577
Lafarge Canada Inc.	Concrete Mixing Plants	733,532
West Mall Hotels Ltd.	Hotel	695,486
655870 BC Ltd.	Storage & Warehousing	665,742
Double Kappa Holdings Ltd.	Vacant Land	659,258
ONNI Pinetree Way Holdings Corp.	Vacant Land	601,105
McDonald's Restaurants of Canada	Fast Food Restaurants	590,335
Domtar Inc.	Miscellaneous & Industrial	554,079
Spire LP (Lougheed Super Centre) Ltd.	Community Shopping Centre	550,711
Polygon Development 314 Ltd.	Civic Institute - Vacant	516,980
Concert Cottonwood Lands Ltd.	Multi Family Apartment Block	512,664
Anthem 566 Lougheed Developments GP Ltd.	Shopping Centre	476,255
Home Depot Holdings Inc.	Stores & Service Commercial	472,282
1051578 BC LTD	Shopping Centre Neighbourhood	465,409
No. 186 Seabright Holdings Ltd.	Warehouse Storage	463,104
Bosa Blue Sky Properties (Lougheed Heights 3) Inc.	Multi Family High Rise	453,083
WKR Inc.	Storage & Warehousing	431,234
Brenhill Developments Ltd.	Theatre Buildings	427,151
MVP (Golden) Properties Inc.	Storage & Warehousing	414,196
Kebet Holdings Ltd.	Storage & Warehousing	407,449
Aragon (Austin Station) Properties Ltd.	Shopping Centre	383,382
1046561 BC LTD	Storage & Warehousing	377,241
South Coast BC Transportation Auth.	Parking-Lot	376,434
BDC (Austin I) Holdings Ltd.	Food Market	376,215
LM Hightpoint Homes Ltd.	Shopping Centre/Vacant	372,538

# Statistical Analysis

Corporate taxpayers over \$250,000		
Registered Owner	Primary Property	Taxes Levied
Polygon Windsor Gate Ltd.	Multi Family High Rise	369,637
Pacific Reach Home Furnishings	Stores & Service Commercial	360,785
Viam Holdings Ltd.	Strata Apartment	346,942
Broadway Towers Holdings Ltd.	Shopping Centre	343,807
424116 BC Ltd.	Apartment (High Rise)	342,210
Unimet Investments Ltd.	Developer	337,962
Investors Group Trust Co. Ltd.	Shopping Centre	335,641
John Volken Foundation Inc.	Warehouse Showroom Store	335,314
C L S West Canada Developments Ltd.	Shopping Centre	334,035
32 Fawcett Investments Ltd.	Warehouse Distribution	333,311
B U K Investments Ltd.	Auto. Paint Shop. Garage, Etc.	332,937
Honeysuckle Developments Inc.	Manufacturing Operation	331,714
Rebio Enterprise Ltd.	Shopping Centre	321,193
KKBL No 629 Ventures Ltd.	Misc. & (Industrial Other)	319,610
Toys R Us (Canada) Ltd.	Retail Sales	314,483
BDC (Austin II) Holdings Ltd.	Food Market	314,037
Apollo Sheet Metal Holdings Ltd.	Storage & Warehousing	309,736
Mason Investments Ltd.	Strata Warehouse	309,079
Henderson Civic Centre Ltd.	Shopping Centre	305,629
Van Dyck Holdings (2005) Ltd.	Multi Family Apartment Block	303,806
0854995 BC Ltd.	Warehouse, Storage	302,837
Anthem 1020 Austin Holdings Ltd.	Shopping Centre	301,625
554305 BC Ltd.	Stores & Offices	292,971
ONNI Development (Glen Drive) Corp.	Stores & Offices	292,442
Robco Enterprises Ltd.	Mobile Home Park/Stores & Offices	292,300
Intergulf Development (Como Lake) Corp.	Strata-Lot Res. (Condo)	288,889
Telus Communications Inc.	Public Utility Use (Telephone)	286,815
ONNI Holdings Ltd.	Storage & Warehousing	284,296
COCA-COLA Canada Bottling Ltd.	Warehouse, Storage	280,496
655868 BC Ltd.	Storage & Warehousing	275,140
Crown Provincial	Gravel Pit	274,831
634510 BC LTD	Warehouse, Storage	273,645
Dayhu Investments Ltd.	Warehouse Showroom Store	269,656
LM Alderson Homes Ltd.	Automobile Dealership	265,119
Squire Motor Inn Ltd.	Hotel	263,827
390200 BC LTD	Shopping Centre - Neighbourhood	263,596
BC Telephone Co.	Telephone	263,583
925834 Ontario Inc.	Stores & Service Commercial	263,140
Nextus Developments Ltd.	Auto Paint Shop Garages etc.	260,648

## Corporate taxpayers over \$250,000

Registered Owner	Primary Property	Taxes Levied
Hermes Holdings Ltd.	Warehouse Showroom Store	256,202
437909 BC Ltd.	Auto. Paint Shop. Garage	254,285
Rivers Inlet Enterprises Inc.	Stratified Rental Townhouse	251,899
		\$ 50,910,766

### Permissive Tax Exemptions

The intent of the Taxation Exemption Bylaw is to grant property taxation exemptions to the following categories of land and/or improvements:

<b>Burquitlam Senior Housing Society</b> .....	<b>\$26,559</b>	This list does not include statutory exemptions provided by the province or the permissive exemptions provided by the City of Coquitlam under section 224 subsection (2) (f) [buildings for public worship] and the City's properties.
Accommodations for senior residents on limited incomes		
<b>Colony Farm Community Gardens Society</b> .....	<b>\$5,186</b>	
Gardening opportunities for community and related activities		
<b>Community Living Society Inc.</b> .....	<b>\$2,426</b>	
Supports people with disabilities		
<b>Community Living Society Inc.</b> .....	<b>\$2,426</b>	
Supports people with disabilities		
<b>Greater Vancouver Water District</b> .....	<b>\$20,669</b>	
Land leased to the City of Coquitlam		
<b>Kinsight Community Society</b> .....	<b>\$2,719</b>	
Supports healthy development of all people		
<b>Kinsight Community Society</b> .....	<b>\$2,697</b>	
Supports healthy development of all people		
<b>Nature Trust of British Columbia</b> .....	<b>\$4,314</b>	
Land conservation organization		
<b>Nature Trust of British Columbia</b> .....	<b>\$25,061</b>	
Land conservation organization		
<b>Nature Trust of British Columbia</b> .....	<b>\$947</b>	
Land conservation organization		
<b>Nature Trust of British Columbia</b> .....	<b>\$66,745</b>	
Land conservation organization		
<b>Nature Trust of British Columbia</b> .....	<b>\$51,783</b>	
Land conservation organization		
<b>Royal Canadian Legion Branch No. 263</b> .....	<b>\$42,601</b>	
Support for veterans, members and the community		
<b>Sisters of The Immaculate Heart of Mary Society</b> .....	<b>\$2,594</b>	
Education based daycare centre		
<b>Societe du Foyer Maillard</b> .....	<b>\$36,299</b>	
Bilingual nursing homes for seniors		

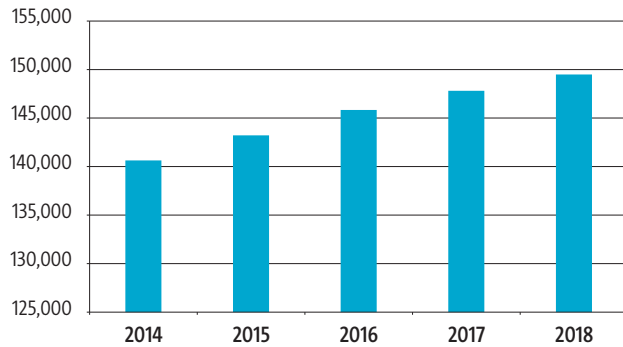
The tax figures provided above are estimates only.

# Statistical Analysis

## Coquitlam Demographics

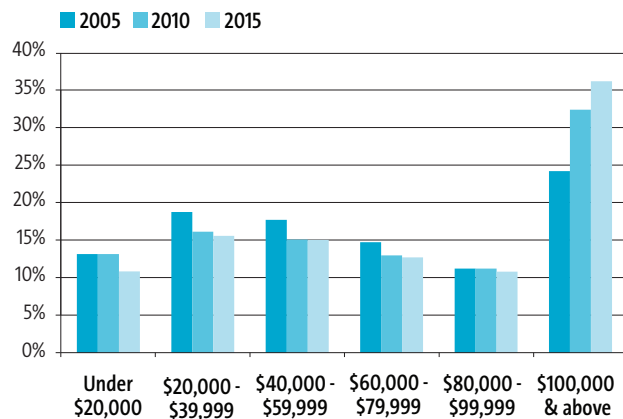
### Population Estimate 2014–2018

(Source: BC Stats)



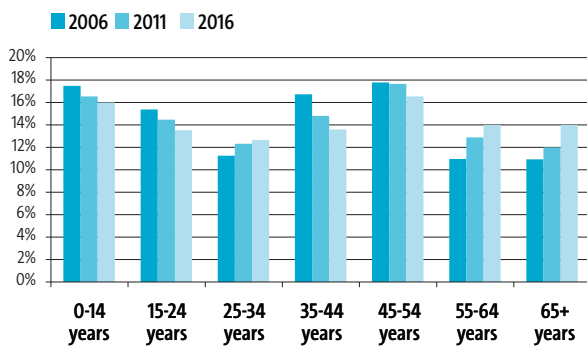
### Household Income in Coquitlam 2005, 2010 & 2015

(Source: Statistics Canada)



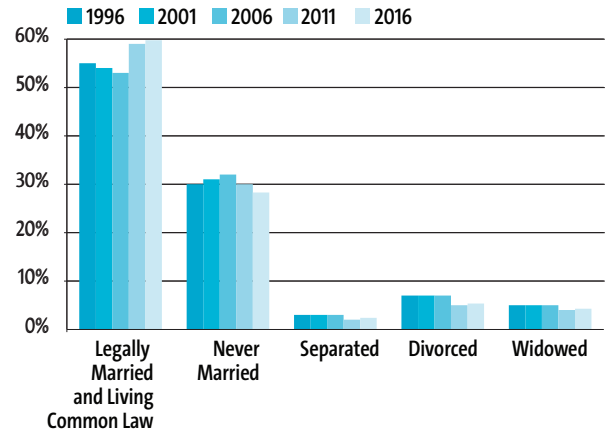
### Coquitlam's Population by Age as a Percentage of Population

(Source: Statistics Canada 2006, 2011 & 2016 Censuses)



### Coquitlam Residents by Marital Status 1996–2016

(Source: Statistics Canada, 2016 Census)



### Top Ten Languages Spoken at Home in Coquitlam

(Source: Statistics Canada)

Language	2016 (%)
English	68.7%
Mandarin	8.4%
Korean	5.4%
Cantonese	4.9%
Persian (Farsi)	3.9%
Spanish	1.0%
Russian	1.0%
Tagalog (Pilipino, Filipino)	0.8%
Chinese (not otherwise specified)	0.6%
Arabic	0.5%
All Other (less than 500)	4.8%

*Definition of Home Language: Refers to the language spoken most often or on a regular basis at home.*



**Major Employers in Coquitlam with 150 or more Employees**

**Institutional,  
Commercial and  
Industrial Employers**

**Name**

Education .....	School District #43
Education .....	Douglas College
Local Government .....	City of Coquitlam
Retail Sales .....	The Real Canadian Superstore (2 stores)
Retail Sales .....	Ikea
Casino .....	Hard Rock Casino
Manufacturer .....	Factors Group of Nutritional Companies Inc
Restaurant Sales.....	McDonald’s Restaurants (6 restaurants)
Warehouse .....	WN Pharmaceuticals Ltd.
Manufacturer .....	Superior Poultry Processors Ltd
Retail Sales .....	Canada Safeway
Retail & Wholesale Sales/Warehouse .....	Leavitt Machinery
Manufacturer .....	Jack Cewe Ltd.
Restaurant Sales.....	Tim Hortons (4 restaurants)
Retail Sales .....	Shoppers Drug Mart (6 stores)
Golf Courses .....	Westwood Plateau Golf & Country Club
Warehouse .....	McKesson Canada
Retail Sales .....	Home Depot Canada
Theatre/Concert Hall .....	Cineplex SilverCity (Theatres)
Contractor/Industrial Services .....	Waste Management of Canada Corporation
Retail Sales .....	Value Village
Industrial Services .....	Smithrite Disposal Ltd
Retail Sales .....	Save-on-Foods
Retail Sales .....	T & T Supermarket
Manufacturer .....	Associated Labels and Packaging
Restaurant Sales.....	Cactus Club Café
Retail Sales .....	Winners and Homesense

*Note: Information on employment numbers (over 150) is provided by the business licence applicant and may or may not be the most current.*



**City of Coquitlam**

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# Coquitlam

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