

Annual Report

For the year ending December 31, 2019

2019



On the cover:

The Coquitlam Crunch
“Doing the Crunch” is a popular fitness challenge for many local Coquitlam residents. Hikers and fitness walkers enjoy the natural setting and spectacular views of the City on this uphill 2.2 km climb which follows the BC Hydro right-of-way and extends to the top of Westwood Plateau — a 242 metre elevation gain. In 2019, the Crunch saw several improvement projects, including trail maintenance and landscaping improvements, along with the addition of new washroom facilities and outdoor water fountain with faucet for filling water bottles and pet bowls.

Annual Report

For the year ending December 31, 2019

2019

Auditors:

KPMG LLP

Bank:

ScotiaBank

Prepared by:

Financial Services
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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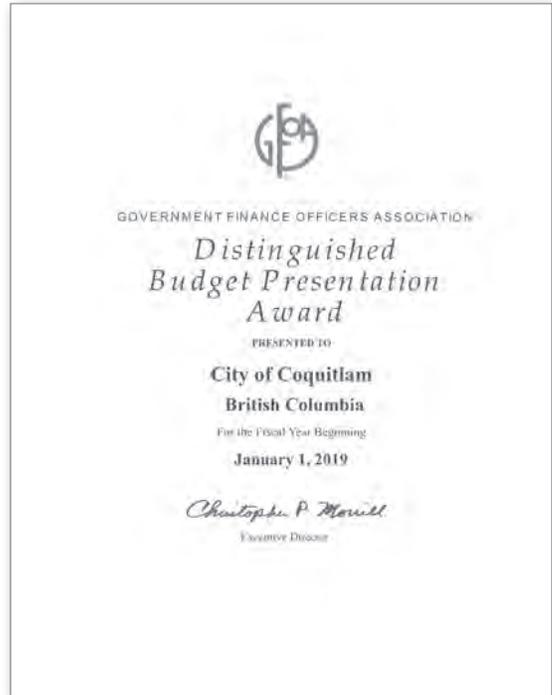
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Awards & Recognition

The City of Coquitlam received the Government Finance Officers Association (GFOA) Canadian Award for Financial Reporting (2018), Outstanding Achievement in Popular Annual Financial Reporting Award (2018) and Distinguished Budget Presentation Award (2019). 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 also received the following awards in 2019:

- BC Top Employer Award**
- BC Municipal Safety Association (BCMSA) Organizational Safety Excellence Award**
- Communities in Bloom Award – International Challenge, Large Category**







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

6,950 licensed businesses operate in our community

98% of residents rate the quality of life as "good" or "very good"

40.2 average age of Coquitlam residents

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

95.2% percentage of Coquitlam School District students who complete high school

60,930 total number of dwelling units in Coquitlam

72% of residents own their home

\$1,121,000 average assessed value of residential property

\$898,400 average MLS selling price for a Coquitlam home (including apartments) at Dec. 31, 2019

\$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

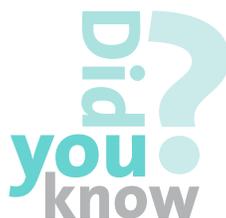


Councillor
Bonita Zarrillo

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 2019, the City held...

30

In-Committee Meetings

30

Regular Council Meetings

13

Public Hearings

38

Meetings for Seven Advisory Committees

Message from the Mayor



As we prepared this report in spring 2020, it seemed much of our work in 2019 continued to lay the strong foundation our City needs in order to be resilient in the face of challenges. While we may not have imagined the current scenario, we've always known it was important to be ready for anything, be it an economic downturn, a natural disaster – or, as it turned out, a global pandemic.

In this context, I present our 2019 Annual Report on behalf of City Council and the City of Coquitlam. The work you'll read about on these pages is structured around five strategic goals designed to create a resilient, robust community that supports a high quality of life and where people choose to live, learn, work and play. Here are some of our accomplishments of the last year, framed around those five goals.

Strengthen neighbourhoods: We worked to strengthen neighbourhoods as we developed our draft City Centre Area Plan and finalized a partnership agreement to bring a YMCA and other amenities to Burquitlam. We also made more progress on our Housing Affordability Strategy – which has led to thousands of new rental units. And we saw fewer police and fire calls along with vehicle collision injuries and fatalities.

Expand local jobs, local prosperity: Housing starts were up almost 50 per cent from 2018, and we added more than 16,000 square metres of commercial, industrial and institutional space. We also launched a tourism website, introduced the TCP Eats food vendor program at Town Centre Park, and increased business access to our QNet fibre optic network.

Increase active participation and creativity: Our facilities saw more than a million paid admissions last year, and more people enjoyed recreation thanks to our financial assistance program. More than 167,000 people attended 82 civic events and festivals throughout the year – up 12 per cent from 2018 – and we engaged the community in numerous enhancement projects that led to an international Communities in Bloom win.

Enhance sustainability of services and infrastructure: One of 2019's success stories was our new CoquitlamConnect app, which provides free access to City news, events, parks and facility information, jobs, Wi-Fi spots, online services and more. We expanded public Wi-Fi, and made progress on an environmental sustainability strategy and adding more City electric vehicle charging stations. We also allocated surplus 2018 funds to transportation infrastructure, safety and multi-modal alternatives.

Achieve excellence in City governance: We continued building Coquitlam's robust financial position with our cautious and methodical approach, and consulted with the community on key projects such as the draft City Centre Area Plan, the new *Strategic Plan*, Child Care Strategy, Commercial Zoning Review, Northeast Community Recreation Centre and Oakdale land-use options. We also used technology to improve staff productivity, and were proud to be named one of B.C.'s top employers for the third year in a row.

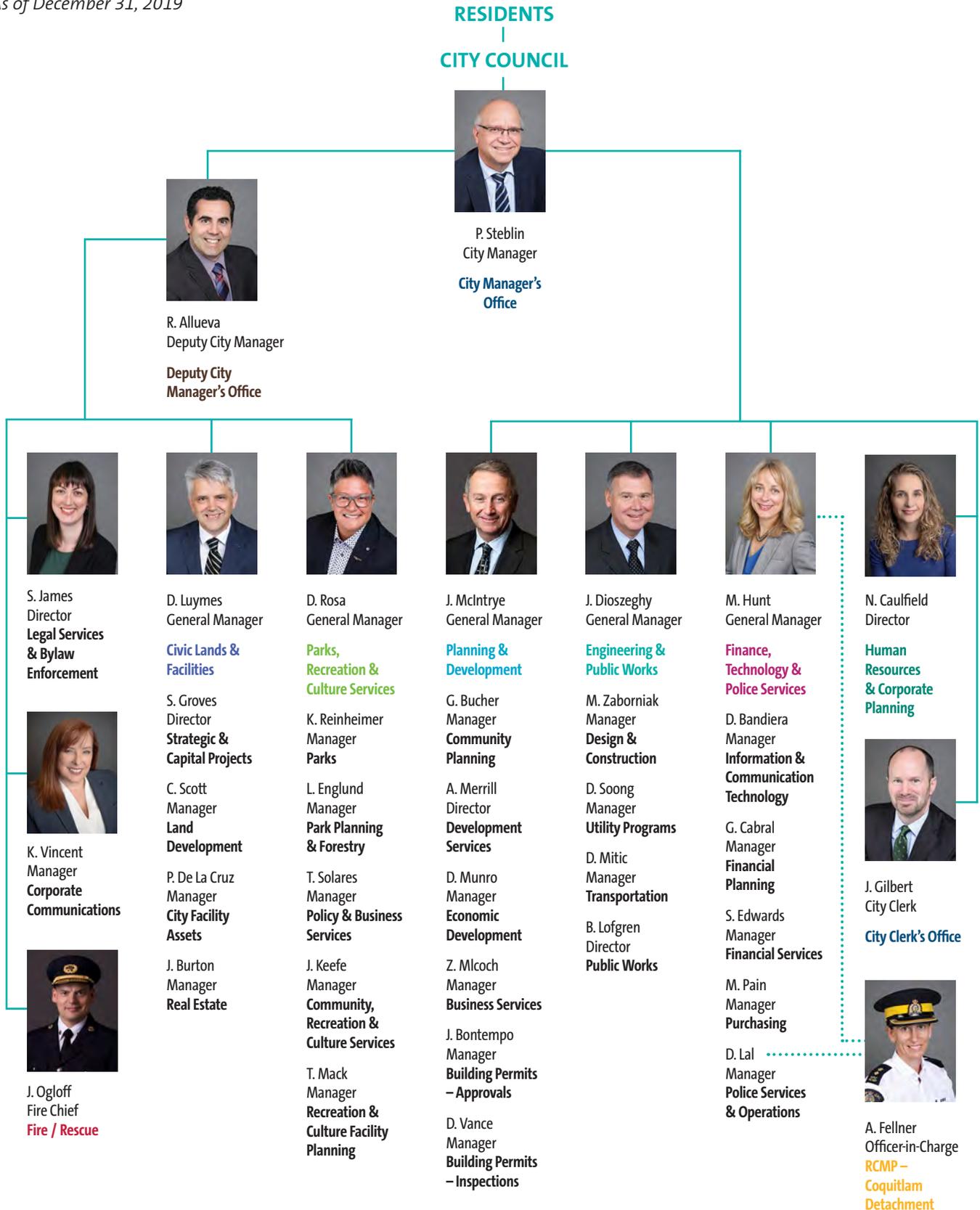
At the end of 2019 we adopted a new 2020–2032 *Strategic Plan* to lead our community forward. The year-long renewal process included extensive public input, a review of regional best practices, and other research and long-term planning. The *Strategic Plan* includes an updated vision, strategic goals and organizational values to reflect evolving community attitudes, emerging priorities and changes to the City government, and outlines deliverables and key performance indicators for the City.

This is just a sample of the 2019 accomplishments that will serve our City well, now and in the future. Please read through this report to learn more.

Richard Stewart
Mayor

Organizational Structure

As of December 31, 2019



City Departments

City Manager's Office

The City Manager's Office in municipal government operates much like an executive office in a corporation, with the City Manager as Chief Administrative Officer. Key responsibilities include:

- Overseeing the broad requirements of the organization
- Providing advice to Council and executing its decisions
- Working with the Deputy City Manager and all departments to ensure effective and efficient delivery of City services

The City Manager's Office includes the City Clerk's Office and Human Resources & Corporate Planning divisions.

City Clerk's Office

The City Clerk's Office is the primary communications link between City Council, staff and the community. Key responsibilities include:

- Preparing agendas and minutes for Council and Committee meetings
- Managing corporate records, including City bylaws
- Providing administrative support to Council and its Committees
- Conducting local government elections

Human Resources & Corporate Planning

Human Resources manages the corporate programs that impact employees, such as:

- Employee recruitment, selection and evaluation
- Labour relations and collective bargaining
- Staff training and development
- Occupational health and safety
- Payroll and benefits

Corporate Planning

Key responsibilities include:

- Working with Council, staff and the public to establish the vision, mission and values for the community and City
- Developing the *Strategic Plan*, which guides all other long-range planning for the City
- Coordinating the business planning process, which sets out the organization's goals, objectives and priorities

Deputy City Manager

The Deputy City Manager is the second-in-command, acting for the City Manager in his absence. Other key responsibilities include:

- Leading a variety of corporate initiatives, such as strategic planning and business planning
- Providing support to all departments in their delivery of projects and initiatives
- Assisting with the function of the City Manager's Office

The Deputy City Manager's office includes the Corporate Communications and Legal and Bylaw Services divisions, and oversees the Fire/Rescue Services, Parks, Recreation and Culture Services, and Civic Lands and Facilities departments.

Corporate Communications

Key responsibilities include:

- Supporting effective internal and external communications, including advertising, marketing, media relations, community engagement and consultation, and strategic multi-media advice
- Managing the City Print Shop
- Managing the City website and social media channels, including content development and design

Legal Services & Bylaw Enforcement

Key responsibilities include:

- Providing legal counsel and overseeing all City legal matters
- Managing bylaw enforcement and business licensing
- Operating Coquitlam's Animal Shelter and animal-care services, including volunteer coordination at the facility
- Preparing the City to effectively safeguard citizens, respond to and recover from major emergencies and natural disasters, with the Division Director serving as the Emergency Operations Centre (EOC) Director

City Departments (continued)

Fire/Rescue Services

Coquitlam Fire/Rescue Services responds to emergencies and protects the safety of citizens and property throughout the community. Key responsibilities include:

- Fighting structure and wildland fires
- Responding to medical emergencies, motor-vehicle incidents and requests for public assistance
- Providing specialized and technical rescues, such as those involving heights, industry, confined space, trench and water
- Responding to hazardous materials incidents
- Delivering fire prevention and education programs such as school education, fire extinguisher training, fire reduction instruction, juvenile fire-setter interventions and public relations events
- Conducting more than 5,000 inspections each year in multi-family, industrial, institutional and commercial buildings for compliance to the Fire Code and related life-safety regulations
- The department operates from four firehalls distributed throughout Coquitlam.

Engineering & Public Works

Engineering & Public Works plans, designs, constructs, operates and maintains the City's infrastructure and provides core City services such as transportation, water distribution, flood control, waste collection, storm water management and sewage collection. This work is carried out by the following divisions:

- Design & Construction
- Environmental Services
- Infrastructure Planning
- Public Works
- Transportation

Design & Construction

Key responsibilities include:

- Coordinating and implementing the City's road and utility capital projects
- Overseeing the Engineering Customer Service team

Environmental Services

Key responsibilities include:

- Developing and implementing environmental programs, policies and objectives
- Managing the solid waste collection contract
- Providing services to conserve energy and water, reduce waste, protect the environment, and monitor greenhouse gas emissions

Infrastructure Planning

Key responsibilities include:

- Planning for construction and replacement of water, sewer and drainage infrastructure
- Implementing utility programs, policies and objectives
- Managing the City's assets, surveying and mapping
- Overseeing integrated watershed management plans

Public Works

Key responsibilities include:

- Operating and maintaining the City's roads, water, sewer and drainage systems
- Maintaining the corporate fleet of vehicles and equipment

Transportation

Key responsibilities include:

- Planning the City's transportation services
- Coordinating traffic operations such as signals, streetlights and signs
- Managing on-street parking and City-owned parking lots

Finance, Technology & Police Services

Finance, Technology & Police Services manages the City's finances, provides information and communications technology, and coordinates Coquitlam's policing services. The Department's General Manager is also the City's RCMP liaison. Work is carried out by the following divisions:

- Financial Planning
- Financial Services
- Information & Communications Technology
- Payroll
- Purchasing
- Revenue Services
- Civilian Police Services

Financial Planning

Key responsibilities include:

- Preparing the City's annual Five-Year *Financial Plan*, including the operating, utility and capital budgets
- Conducting financial analysis for corporate-wide initiatives, such as business planning

Financial Services

Key responsibilities include:

- Overseeing statutory reporting requirements, including preparing audited year-end Financial Statements and the Annual Report
- Providing internal financial reporting systems
- Overseeing Accounts Payable and Accounts Receivable

Information & Communications Technology (ICT)

Key responsibilities include:

- Managing and supporting the City's information and communication hardware and software
- Planning for hardware and software acquisitions
- Supporting QNet, the City's fibre optics network

Payroll

Key responsibilities include:

- Preparing employee pay, T4s and Records of Employment
- Remitting and reporting statutory and non-statutory deductions

Purchasing

Key responsibilities include:

- Procuring goods and services for the City
- Overseeing the Stores section, which manages inventory for Parks, Public Works and Facilities

Revenue Services

Key responsibilities include:

- Collecting and managing City revenues, including property taxes, utility charges, grants-in-lieu of taxes, homeowner grants and local improvement charges
- Collecting property taxes for other authorities, including school and regional taxes
- Managing City investments and ensuring cash flow

Civilian Police Services

Key responsibilities include:

- Supporting the operations of the Coquitlam RCMP detachment and its RCMP officers
- Providing services such as special event policing, crime-prevention programs, community outreach and education, and media relations

Coquitlam RCMP

Coquitlam RCMP works in partnership with the City to make Coquitlam a healthy, vibrant and safe community for residents, businesses and visitors.

The detachment provides policing and community safety-related services to Coquitlam along with Port Coquitlam, Anmore and Belcarra. The sharing of costs and services allows for effective, efficient and affordable policing services. The Coquitlam RCMP team is made up of police officers, civilian staff and volunteers. Key responsibilities include:

- Reactive and response-oriented policing, including responses to calls and the work of support sections such as Major Crimes and Victim Services

- Strategic and proactive policing, through teams such as the Uniformed Crime Reduction Unit, the Community Response Team and Youth Section, and in partnership with stakeholders in local government and community organizations
- Regional and integrated policing, involving coordination with other law-enforcement agencies to more effectively address borderless public safety issues (such as organized crime and gang violence) and to access specialized services (such as police service dogs and forensic-identification services)

Parks, Recreation & Culture Services

Parks, Recreation and Culture (PRC) Services is one of the most diverse areas within the City, with responsibility for the planning and delivery of PRC services, programs and events at City parks and community centres.

Work is carried out by the following divisions:

- Community Recreation & Culture Services
- Park Services
- Park Planning & Urban Forestry
- Policy & Business Services
- Recreation & Culture Facilities Planning

The Department also liaises with community organizations and cultural groups to deliver programs and events.

Community Recreation, Arts & Culture Services

Key responsibilities include:

- Providing a range of PRC services including aquatics, arena and racquet sports, recreation programs, festivals and events, and arts and heritage

Park Services

Key responsibilities include:

- Managing the City's landscaping, fields and parks
- Promoting community beautification
- Providing outdoor recreation and Park Spark programs

Park Planning & Urban Forestry

Key responsibilities include:

- Planning and designing future parks
- Overseeing GIS mapping
- Managing the City's cemetery, trails, urban forest and green spaces
- Administration of Tree Management Bylaw

City Departments (continued)

Policy & Business Services

Key responsibilities include:

- Developing policies and conducting strategic and business planning
- Managing facility bookings and point-of-sale systems
- Securing strategic partnerships and corporate sponsorship

Recreation & Culture Facilities Planning

Key responsibilities include:

- Collaboratively developing strategic and capital plans for existing and future recreation and culture facilities
- Managing the planning phase for new and upgraded recreation, culture and community facilities

Planning & Development

Planning & Development guides Coquitlam's growth, working with the public and other stakeholders to ensure development reflects the community's priorities and meets legislative and safety requirements. The Department also oversees economic development in the City.

Work is carried out by the following divisions:

- Building Permits
- Business Services
- Community Planning
- Development Services
- Economic Development

Building Permits

Key responsibilities include:

- Provide plan and inspection review services to encourage compliance with codes, bylaws and standards
- Shape the City's policies and procedures related to buildings and building environment to encourage compliance with codes, bylaws and standards

Business Services

Key responsibilities include:

- Coordinating departmental strategic planning and business improvements to streamline and improve the efficiency of application processes
- Acting as a liaison between all departments to support service enhancements

Community Planning

Key responsibilities include:

- Developing plans (such as the Official Community Plan) and strategies for shaping growth to meet land use, transportation, environmental, social, cultural, infrastructure, business, neighbourhood and other needs
- Conducting public consultation, stakeholder engagement and research to support planning functions

Development Services

Key responsibilities include:

- Processing applications for Official Community Plan amendments, rezoning, subdivision, and development variance permits, in compliance with City plans and bylaws
- Steering and providing advice on development matters to the City and Council from a policy perspective
- Managing servicing and infrastructure upgrades associated with new development

Economic Development

Key responsibilities include:

- Implementing the City's Economic Action Plan and Tourism, Technology and Film strategies to increase the City's economic vitality and support businesses
- Marketing the City and attracting investors, tourists and film productions
- Delivering the Coquitlam Business Connects program to support and retain businesses
- Building relationships with key stakeholders such as provincial/federal government agencies, international trade offices, real estate firms, industry associations and others

Civic Lands & Facilities

The Civic Lands & Facilities Department provides vision, leadership and strategic direction in managing the City's land portfolio, facilities and projects of corporate interest. Key responsibilities include:

- Conducting long-term asset planning and delivering new amenities, such as parks and facilities
- Consulting and working with other City areas on cross-departmental initiatives
- Optimizing the City's real-estate assets and managing development activities in a way that creates cohesive and lasting communities
- Providing centralized project management for facilities construction projects
- Overseeing the planning, operations and technical services of City facilities
- Ensuring that any new strategies will maintain City facilities adequately to meet the current and future needs of the City and community





Integrated Planning Framework

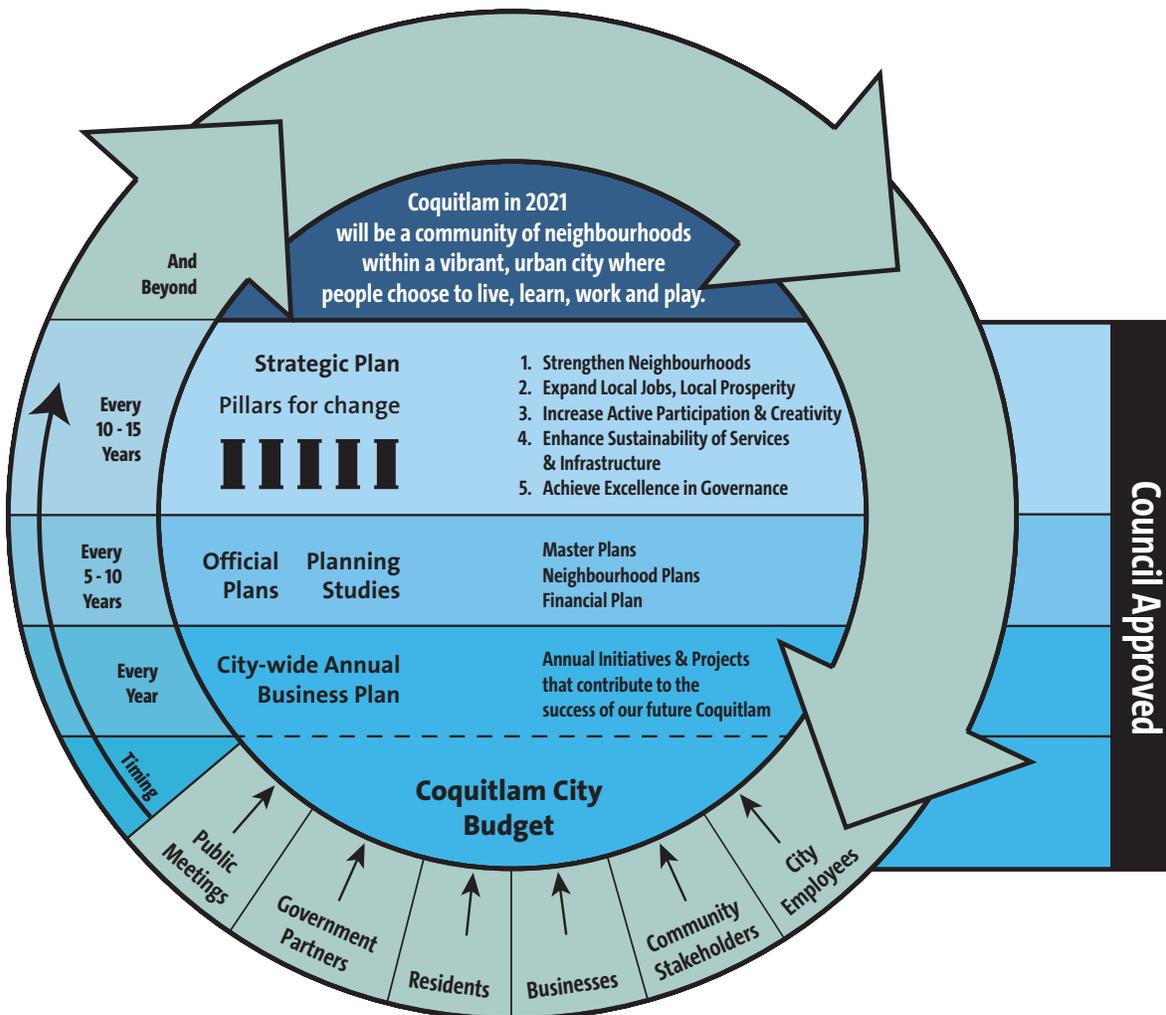
Integrated planning is the foundation of everything we do. It is a way of ensuring that our actions and initiatives are contributing to our big-picture vision of Coquitlam as a vibrant urban city where people choose to live, learn, work and play.

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 2019, the City operated under the 2016–2019 *Strategic Plan* and the 15-year vision, mission, organizational values and strategic goals adopted in 2006. Significant work was done to renew the Plan throughout 2019; the 2020–2023 *Strategic Plan*, adopted in December, looks forward to 2032 and includes an updated vision, strategic goals and organizational values, and sets out key performance indicators and organizational deliverables. The renewal process included extensive public input, a review of regional best practices, and other research and long-term planning. For more information about the 2020–2023 *Strategic Plan*, visit coquitlam.ca/strategicplan.

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.





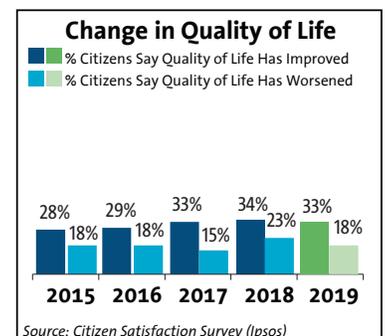
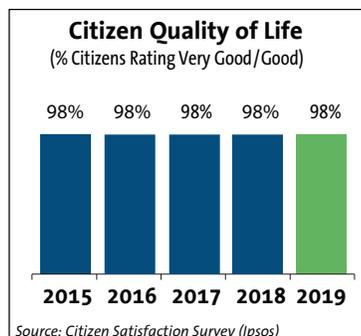
STRATEGIC GOAL 1:

Strengthen Neighbourhoods

Strategic Outcome: A community comprised 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	2015	2016	2017	2018	2019
Crime Rate (crimes per 1,000 people) ¹	61	58	50	50	N/A ²
Police Calls for Service	<i>Not available</i>	28,500	27,396	26,971	25,287
Injuries/Fatalities from Collisions	339	297	178	169	139
Fire Incident Responses	6,932	7,329	7,237	6,431	6,221
Bylaw Enforcement Notices	17,070	20,689	19,422	20,327	17,297
Housing (new units added)					
Apartments	1,029	406	1,416	507	1,532
Townhouses	99	44	148	320	298
Single Family	269	312	248	207	108
Other ³	221	285	245	227	135
Total	1,618	1,047	2,057	1,261	2,073
Tri-Cities Rental Vacancy Rate (apartments)	1.2%	1.7%	1.4%	1.0%	2.2%
Supportive and Subsidized Housing Units	2,793	2,717	2,657	2,657	2,657

- The crime rate is calculated by the Ministry of Public Safety and Solicitor General.*
- The 2019 crime rate was not available at the time of publication.*
- Includes suites, duplex, triplex and quadruplex.*



What We Set Out to Achieve / What We Achieved

1. Develop complete, well connected neighbourhoods.

- › Completed significant work on the City Centre Area Plan. A draft area plan was presented to Council in 2019 outlining the future of Coquitlam's downtown.

2. Enhance travel within and between neighbourhoods by building high quality transportation facilities and improving the quality of streets as a place for people.

- › Finalized 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 Riley Park, Cottonwood Park Phase 1A, Brookmere Park, revitalization of four parks in the City's southwest, and Mobilio Turf Field replacement.
- › Implemented Phase One of the Town Centre Park Master Plan, including the festival lawn site.

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.

- › Conducted over 5,500 fire inspections and responded to over 6,000 fire incidents.
- › Engaged over 11,000 residents in public education campaigns related to fire safety and activities.
- › Implemented programs related to traffic safety and impaired driving enforcement.

6. Protect and enhance the unique history, heritage and character of our neighbourhoods.

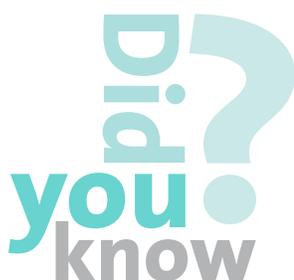
- › Opened a new location for the City's archives. Key features of the new space include a 550-square-foot storage vault and a gallery wall and display cabinet.

7. Facilitate cultural and recreational experiences that foster interaction, connection, and a sense of belonging to neighbourhoods and communities.

- › Won international Communities in Bloom competition awards: first place silver, five bloom awards in the large community category for the innovative use of a utility right-of-way and the Coquitlam Crunch.
- › Facilitated 82 events through the events office, with over 160,000 participants.

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

- › Worked with the recipients of the provincial Community Housing Fund on three projects that will bring a total of 207 housing units for families, seniors and people with disabilities.
- › Partnered with the Rotary Club to deliver upgrades to Mountain View Park and Hartley Field in southwest Coquitlam.



In 2019...

2,073

new residential units added to Coquitlam's housing stock

6,221

fire incident responses

5,000+

fire inspections performed

98%

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



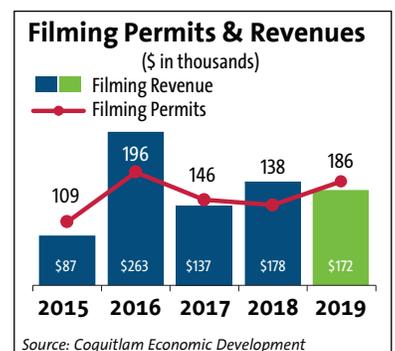
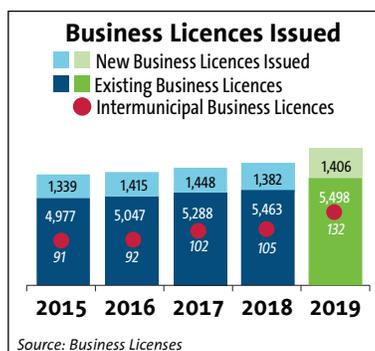
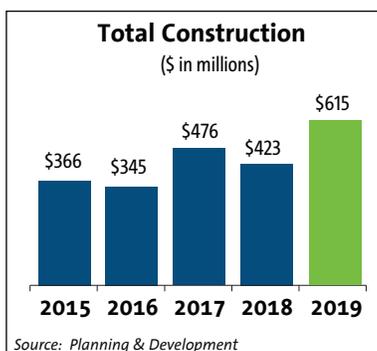
STRATEGIC GOAL 2:

Expand Local Jobs, Local Prosperity

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

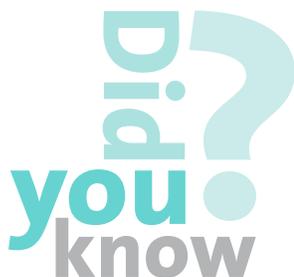
Key Performance Indicators	2015	2016	2017	2018	2019
Housing Starts ¹	971	1,625	2,130	1,103	1,635
Additional Industrial, Institutional & Commercial m ²	8,205	34,996	24,254	26,370	16,364
QNET Fibre Utilization	69,337	77,257	79,500	83,405	87,246
Filming					
Permits	109	196	146	138	186
Revenue (in 000s)	\$87	\$263	\$137	\$178	\$172
Festivals and Events					
Number	67	114 ²	71	70	82
Participants	129,130	154,235	165,495	149,112	167,475

- 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 events.



What We Set Out to Achieve / What We Achieved

1. **Focus on neighbourhood commercial development and revitalization.**
 - › Facilitated the addition of 16,364 square metres of new commercial, industrial and institutional space across the City.
2. **Foster local employment opportunities by working with other agencies and groups in promoting a business-friendly climate.**
 - › Launched the City's Tourism website, a central resource for residents and visitors featuring engaging local content, and ideas for great places to eat, stay and play in Coquitlam.
3. **Support the retention, expansion and attraction of business to strengthen Coquitlam's economic base.**
 - › Implemented a new online economic development tool that allows businesses to search for data on the local economy, customers, competitors and the workforce. Data is sourced from, among others, Statistics Canada, Canada Revenue Agency, Innovation, Science and Economic Development Canada, the City of Coquitlam, and data insight firms such as Dun & Bradstreet and Neustar.
 - › Issued 186 film permits, generating \$172,000 in revenue.
4. **Support a vital economy by moving people and goods efficiently and capitalize on major transportation infrastructure.**
 - › Continued to work 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.**
 - › Introduced the "TCP Eats" program and the Rocky Point Ice Cream trial in Town Centre Park during the summer months with the aim of meeting the growing demand for more food options at the City's largest and busiest park with minimal cost.
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 sponsorship agreement with Coquitlam Centre for the Summer Concert Series.
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 focused on doing business in Coquitlam.
8. **Leverage community assets to drive investment and job creation.**
 - › Increased business access to QNET, connecting eight buildings and adding 3,841 metres of fibre.
 - › Launched the Community Info Hub in the city centre, promoting local businesses, events and activities and City programs and assets.



In 2019...

16,364

square metres of new industrial or commercial space added

1,406

new business licences issued

167,475

people attended 82 City-sponsored festivals and events

186

film permits issued, generating \$172,000 in revenues

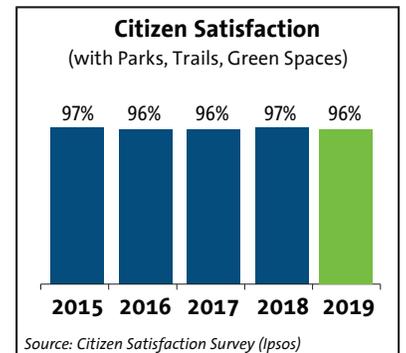
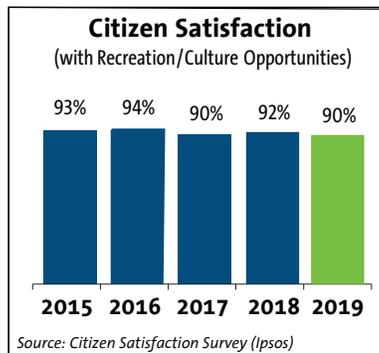


STRATEGIC GOAL 3:

Increase Active Participation & Creativity

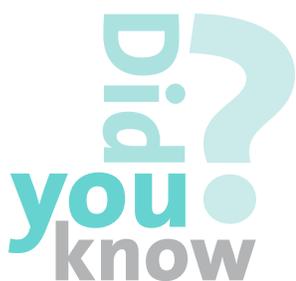
Strategic Outcome: A healthy community that includes the physical, spiritual and social wellness of our residents and community.

Key Performance Indicators	2015	2016	2017	2018	2019
Paid admissions to all City facilities	825,318	831,206	875,322	1,015,673	1,011,648
Registration in Low Cost/No Cost Programs	14,469	16,169	15,619	13,507	13,366
Parkland (hectares)	957	963	979	979	997
Evergreen Cultural Centre Patrons	79,400	82,500	85,000	86,500	110,000
Place des Arts Visitors	96,085	96,597	103,000	109,027	108,205
Library Visitors	810,000	828,409	853,985	877,317	953,238



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 8% in the City's Get Connected, Get Active financial assistance program for recreation participation.
 - › Completed the development of a Youth Strategy, creating a framework for the future participation of youth in recreation, parks and culture.
 - › Identified recreation and cultural priorities in the City's southwest and northeast and began planning for new facilities in these neighbourhoods.
 - › Completed design work on the new Place Maillardville.
- 2. Encourage all citizens to be active through a wide-range of recreational activities in our facilities, parks and trails.**
 - › Over 3 million people visited City Centre Aquatic Complex, Pinetree Community Centre and Poirier Sport & Leisure Complex.
 - › Saw over 1 million paid admissions to City recreational facilities.
- 3. Enhance creativity and cultural experiences through programs, performances, multicultural events and festivals.**
 - › Hosted 82 events through Coquitlam's events office, with over 165,000 participants.
 - › Facilitated 87 block parties, and distributed over \$12,000 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.**
 - › Continued tree planting initiatives with approximately 3,600 native shrubs and trees planted in City parks.
 - › Restored approximately 3,600 square metres of natural areas in 2019.
 - › Completed the three-year Southwest Park Revitalization program which saw twelve City parks upgraded since 2017.
 - › Began construction on phase 1B of Cottonwood Park.
- 5. Support a learning community where residents have access to life-long learning through formal and informal opportunities.**
 - › Opened a pop-up Youth Park featuring portable outdoor furniture, a temporary sand volleyball court, mobile bike track, basketball hoops and a new sports lending library with gear for ball hockey, pickleball, lacrosse and basketball, providing a convenient and engaging opportunity for youth.
 - › Held the Coquitlam's Sports Fair, bringing together a wide-range of Coquitlam sport associations to help residents discover new ways to stay active, try a new sport and learn about Coquitlam's sports community.
- 6. Develop transportation infrastructure and services to support a healthy environment.**
 - › Continued to develop the City's Strategic Transportation Management Plan. Since the plan's inception in 2012, Coquitlam has added 42-kilometres of new sidewalks, 11-kilometres of multi-use paths, 12-kilometres of shared bike facilities and seven kilometres of bike lanes.



In 2019...

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

82

events hosted through Coquitlam's events office with over 165,000 participants

110,000

visitors to the Evergreen Cultural Centre



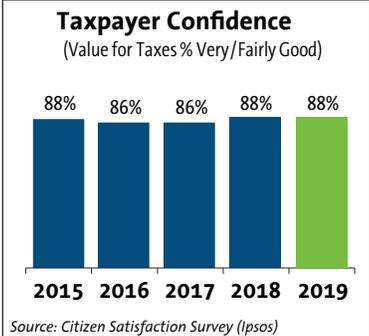
STRATEGIC GOAL 4:

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.

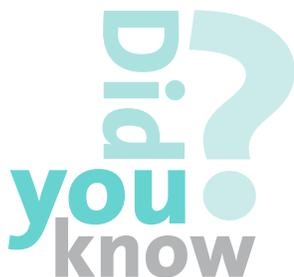
Key Performance Indicators	2015	2016	2017	2018	2019
Spirit of Coquitlam Grants (\$,000)	\$404	\$486	\$428	\$393	\$363
Solid Waste (tonnes per single-family home)	0.31	0.33	0.31	0.34	0.34
Garbage Diversion (% recycled)	73%	71%	71%	70%	71%
Annual Water Consumption (litres per capita per day)	125	124	128	133	135
Animals Reclaimed from the Animal Shelter	350	288	311	274	282
Roads Swept (lane kms)	7,834	8,355	9,707	9,717	10,419
Corporate GHG Reduction					
GHG Reduction vs 2012 Base Year (tCO ₂ e) ¹	1,428	1,493	1,245	1,508	1,081
% Reduction year over year	24%	25%	21%	25%	18%

¹ GHG data updated in 2019 to reflect a standard protocol. The current year will always be an estimate due to data being received later than reporting date.



What We Set Out to Achieve / What We Achieved

1. Explore service improvements through new opportunities for partnership with community organizations.
 - › Finalized the tripartite YMCA agreement with the YMCA of Greater Vancouver and Concert Properties.
 - › Partnered with the Coastal Painted Turtle Project to create a nesting beach at Lost Lake in Mundy Park.
2. Set high standards and demonstrate responsible public stewardship through social, environmental and economic sustainability practices.
 - › Completed the Neighbourhood Enhancement Program, providing aesthetic maintenance (i.e. repainting poles, removing graffiti, improving accessibility) to neighbourhoods throughout Coquitlam.
 - › Completed a new cemetery services plan that addresses immediate space needs and guides the City's cemetery service for the next 30 years.
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 18% 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.
 - › Swept 10,419 km of streets and maintained an average pavement condition assessment (% good/very good) of 70%.
 - › Completed design on Harper Park, a 10.8-acre park site in northeast Coquitlam with an extensive trail network.
6. Ensure sustainable, equitable and effective funding strategies to enable the City to provide a high quality and appropriate level of infrastructure services.
 - › Partnered with Flo to deliver ten public charging stations for electric vehicles in Coquitlam. The charging stations will be installed beginning in early 2020.
 - › Completed the biennial update of the City's Development Cost Charge update.
 - › Cleaned over 180 km of sewers and water mains.
7. Support the continued viability and sustainability of community organizations in their implementation of services, events and programs to the community.
 - › Provided over \$360,000 in total grants to the community to support events and experiences.
 - › Updated the Community Signs Program, establishing fixed-frames at six locations throughout the City where community groups can advertise events and opportunities.



In 2019...

\$363,000

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

71%

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

18%

Corporate Greenhouse Gas (GHG) emissions reduction compared to 2007



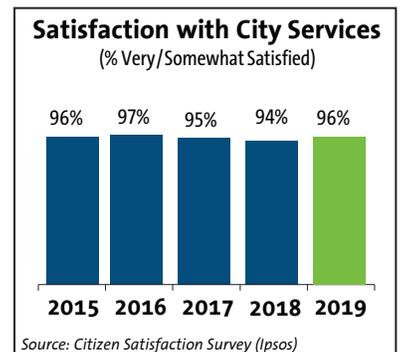
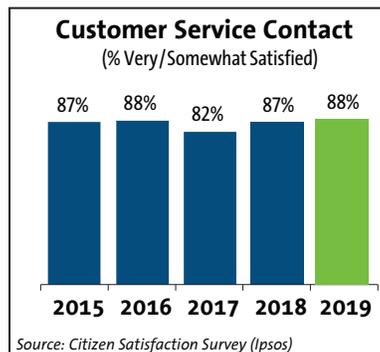
STRATEGIC GOAL 5:

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.

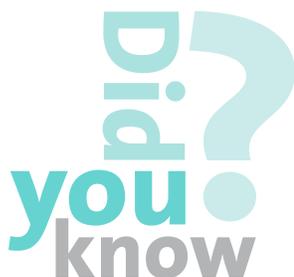
Key Performance Indicators	2015	2016	2017	2018	2019
Parks, Recreation and Culture Volunteer Hours	46,189	53,188	44,566	24,352 ¹	24,929
Committee Volunteers	144	143	105 ²	102	92 ³
Employee Vacancy Rate (at December 31)	4.8%	4.2%	5.2%	5.4%	5.8%
Annual Employee Turnover Rate	8.2%	7.2%	7.6%	6.3%	5.7%
Business Improvement Initiatives Completed	51	58	70	79	60
Community Engagement					
Website Visits	565,326	667,899	770,971	812,560	1,241,880
Facebook Likes	4,727	7,706	10,340	12,194	14,340
Twitter Followers	4,759	6,291	7,689	8,920	10,100
Instagram	553	1,507	2,693	3,812	6,059
YouTube Views	15,528	21,237	27,195	26,500	50,343

- 1 A new tracking system was instituted in 2018 to track volunteer hours and will be used going forward.
- 2 The number of City-appointed committees and boards was reduced from fifteen to ten in 2017.
- 3 The Strategic Investment Advisory Panel was disbanded in 2019.



What We Set Out to Achieve / What We Achieved

- 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.**
 - Completed Phase 1 of the Community Amenity Enhancement Program, improving City infrastructure using development-related revenues.
 - Received WorkSafe BC Certificate of Recognition Rebate for \$215,143 and maintained an experience rating under industry standards, saving a further \$349,600 in insurance costs.
 - Received UBCM Community Excellence Award for Asset Management Funding Framework.
- 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.
- 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.
 - Received the BC Municipal Safety Association (BCMSA) Organizational Safety Excellence Award.
- Encourage citizen and neighbourhood engagement so that residents contribute to the affairs of the whole community.**
 - 92 residents and organization representatives volunteered on the City's nine advisory committees and boards in 2019 providing input and advice on a wide range of City programs and policies.
 - Completed a new Strategic Plan for 2020–2032 following one of the most successful public input processes held in the City of Coquitlam.
- Improve customer service and enhance efficiency and effectiveness through innovation, high customer service standards, and a commitment to continuous improvement.**
 - Through the Staff Committee on Business Improvements and Customer Service, completed 60 items enhancing the customer experience and reducing red tape.
 - Expanded the number of locations where residents can pay property taxes during tax season and introduced payment options at other City Hall counters.
- Foster awareness of diverse cultural groups and encourage increased understanding of different cultures to further enrich the community.**
 - Held the Coquitlam Cultural Summit, bringing together local arts leaders and creative thinkers from Coquitlam and the Lower Mainland. The Summit included two keynote addresses, roundtable talks and immersive live arts experiences designed to explore current trends, ideas and themes in the arts, culture and heritage sectors.
 - Provided multicultural awareness and training to staff and updated the language bank.



In 2019...

24,929

volunteer hours for recreation and culture activities in Coquitlam

60

business improvement initiatives completed

1,241,880

visits to coquitlam.ca

96%

of residents satisfied or very satisfied with City services



CITY OF COQUITLAM

2020 Business Plan

The annual Business Plan helps Council and staff allocate resources to the most important City priorities each year. The Business Plan uses the Strategic Plan as a guide to develop the priorities that will be initiated or completed in the year ahead.

Safe & Complete Neighbourhoods



Neighbourhood Planning

- A** Four Corners Master Plan
 - Housing Affordability Initiatives
 - Burke Mountain Neighbourhood Village
- B** City Centre Area Plan
 - Burke Mountain Land Sales and Marketing
 - Partington Creek Neighbourhood Plan Density Review
 - Hazel/Coy Neighbourhood Plan
- C** Burke Mountain Discovery Centre
 - Southwest Housing Review
 - Corridor Development Strategy
 - Housing Choices Expansion and Single-Family Review
 - Whiting Way/Appian Way Future Planning Area
 - Place Maillardville Seniors' Housing Feasibility
 - Heritage Management Strategy

Protective Services

- B** Enhanced Road Safety Initiatives
 - Community Mental Health Response
- C** RCMP Strategic Plan Renewal
 - RCMP Safe Place Initiative

Local Economy & Local Jobs



Transportation Improvements, Initiatives & Issues

- A** Fortis BC Pipeline Impact Management
 - Trans Mountain Pipeline Impact Management
 - City-Wide Parking Review
- B** Cedar Drive Utility and Road Planning
 - Pitt River & Colony Farm Roads Grade Separation Impact Management
 - Pipeline Road Improvements
 - Local Road and Lane Paving Strategy
- C** Ride-Hailing Implementation
 - Municipal Boundary Road Initiatives

Business Development & Attraction

- A** Property Tax Initiatives
 - Small Business Taxes
 - Payment Options
 - Online Homeowner Grant
- B** Economic Development Strategies
- C** Commercial Zones Review

Healthy Community & Active Citizens



Community Amenities

- A** Northeast Recreation Centre Planning
 - Place Maillardville Construction
 - Southwest Arts & Heritage Centre Planning
 - Arena Services Strategy Initiatives
- B** Major Recreation & Cultural Facilities Strategy
 - Public Safety Building and Buchanan Square Upgrades
- C** CCAC Fitness Centre Expansion and Upgrade
 - PSLC Arena Three Expansion
 - Spani Pool Renewal Study
 - Sydney Avenue Development Site (Burquitlam Lions)
 - Sports Field Strategy Update

Parks, Trails & Green Space Planning & Construction

- B** Blue Mountain Park
 - Sheffield Park
 - Town Centre Park Improvements
 - Cottonwood Park
- C** Coquitlam Crunch Trail Improvements
 - Glen Park Phase Three



Vision for 2032

Coquitlam: Sustaining a high quality of life for current and future generations, where people choose to live, learn, work and play.

Mission

To serve the public interest through open, fair and accountable local government with a focus on leadership, innovation and community priorities and strengths.

Sustainable Services, Environment & Infrastructure



Environmental Sustainability

- A** Environmental Sustainability Plan
- Water Conservation Strategy

Service Improvements & Partnerships

- A** YMCA Facility
- Coquitlam Metro Vancouver Water Main #4

- B** Burke Mountain Joint School /Park Site Planning
- Centennial Turf Field

- C** Coquitlam Diking District
- Brunette Interchange

City Assets & Infrastructure

- A** Austin Works Yard Renewal
- B** Neighbourhood Enhancement Projects
 - Parks Revitalization
 - Public Works
- C** Innovation Centre Usage Study
- City Radio System

Excellence in City Governance



Customer Service Initiatives

- A** Development Application Process Review
 - Corporate Website Update
 - PRC Management System Replacement
- B** HR2020 Initiatives
 - Business Improvement Committee Work Plan

Policy Updates & Regulatory Reviews

- B** Civic Lands Portfolio Strategy
 - Community Social Development Initiatives
 - Childcare Strategy
 - Supportive Housing
 - Multiculturalism
 - Collective Bargaining
 - Development Application Financial Contribution Review
- C** Wood Frame Building Regulations
 - Finance Review—Operating Tied to Growth
 - Cannabis Regulatory Framework
 - Public Works Service Level Review
 - Community Engagement Strategy

LEGEND

Priorities:

- A** **Priority:** Initiatives that are most strongly supported as top priorities for the current year because they meet the majority of the following criteria:
 - considerable budget impact;
 - human resource effort;
 - significant Council or community interest;
 - dependence on external partners;
 - mandatory or legislated.
- B** **Priority:** Initiatives that are supported as priorities because they meet some of the above criteria, however, they may be deferred if circumstances throughout the year dictate.
- C** **Priority:** Initiatives that are important but may be deferred if time and resources are not available.

Departments by Colour

- CITY MANAGER/DEPUTY CITY MANAGER & INCLUDES FIRE/RESCUE
- ENGINEERING & PUBLIC WORKS
- FINANCE, TECHNOLOGY & POLICE SERVICES
- PARKS, RECREATION & CULTURE
- PLANNING & DEVELOPMENT
- CIVIC LANDS & FACILITIES

Annual Report

For the year ending December 31, 2019

2019

Consolidated Financial Statements

Auditors:

KPMG LLP

Bank:

ScotiaBank

Prepared by:

The Finance, Technology
& Police Services
Department of the
City of Coquitlam

Letter of Transmittal

May 7, 2020

Mayor and Council,
City of Coquitlam
3000 Guildford Way,
Coquitlam, BC V3B 7N2

Dear Mayor Stewart and Councillors:

I am pleased to present the Annual Report for the fiscal year ending December 31, 2019, 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 2019 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 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 as the City's auditor and KPMG 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 2019 operations. The auditors have given the City an unqualified audit opinion on the City's financial statements and these 2019 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 2019 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 was a wholly owned municipal corporation of the City of Coquitlam. As at December 31, 2019 all assets and liabilities were transferred to the City of Coquitlam and QNet was dissolved on January 30, 2020.

The year 2019 resulted in a surplus on a consolidated basis and reflects the City's continued high level of community growth and development. The successful delivery of public services and capital infrastructure projects continues to be expressed both 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)

	2019 Actual	2018 Actual	Change
Financial Assets	828,707	702,517	126,190
Liabilities	196,260	179,481	16,779
Net Financial Assets	632,447	523,036	109,411
Inventory and Prepaid Expenses	2,245	2,425	(180)
Tangible Capital Assets	2,108,006	2,002,272	105,734
Non-Financial Assets	2,110,251	2,004,697	105,554
Accumulated Surplus	2,742,698	2,527,733	214,965

The City's financial position remains strong with an increase in financial assets resulting from additions to capital and statutory reserves including the land sales reserve, affordable housing reserve and development-related revenues that are used to fund city infrastructure and amenities. The financial assets are 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 2019 was \$15.9 million or approximately \$106 per capita, which is a decrease of \$10 per capita from 2018. 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 taxpayers.

Under provincial legislation or Council resolution, the City has established a number of capital and operating reserve funds, which are identified in Schedule G of the Financial Statements (p. 69–71). During 2019, the City's Reserve Fund balances increased to \$590 million primarily as a result of completed land sale transactions as well as the collection of additional development-related revenues. These capital reserves fund the City's capital program and future infrastructure projects that support community development and the City's population growth. 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 in compliance with the statutory requirements of the *Community Charter*. Investment income increased in 2019 to \$17.9 million. The average balance held in external investments for 2019 was \$644 million, which produced a rate of return on the investment of 2.67%. When blended with the cash held on hand, the average rate of return on investments was 2.64%.

Letter of Transmittal (continued)

The City's tangible capital assets increased by \$105.7 million from \$2 billion to \$2.1 billion, which includes \$69 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 \$2.7 billion includes \$590 million in reserves and \$2.1 billion invested in tangible capital assets. In addition, operating surpluses totaling almost \$61 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)

	2019 Actual	2018 Actual	Change
Revenues	479,368	432,439	46,929
Expenses	264,403	253,191	11,212
Annual Surplus	214,965	179,248	35,717

The City's consolidated surplus for the year was \$215 million which includes unbudgeted revenues that are allocated directly to capital reserves, and do not contribute to operations.

The City's consolidated revenues for the year totaled \$479 million and represents an increase of \$46 million over 2018. Continuing growth in the community resulted in additional unbudgeted 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 2.56% average property tax increase in 2019 to deliver new and enhanced services for the growing community. Land sale revenues reached \$58 million for the year and contributions from development included \$69 million worth of new capital assets. Expenses increased slightly over last year due to extreme weather events, amortization and costs associated with the addition of new assets and infrastructure.

The annual operating surplus reported on a consolidated basis is \$1.6 million. The surplus related to General Fund is \$800,000, Water Fund is \$550,000 and Sewer and Drainage Fund is \$580,000. These are offset by small surpluses in the Library and reserve changes as well as the dissolution of QNet at the end of 2019.

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 \$5.4 million and, in accordance with the City's Surplus Policy, the City contributed \$4.6 million to the Infrastructure Reserve and maintained an accumulated operating surplus of \$21.8 million.

The General Fund revenues for the year totaled \$393 million, which combined with additional funding from reserves, covered operating costs of \$203.5 million and net capital additions of approximately \$96 million. The key capital projects for the year included Burke Mountain Pioneer Park, City land servicing in the Smiling Creek and Riley Park areas as well as frontage works and road rehabilitation. The General Fund has \$1.6 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 Greater Vancouver Water District (GVWD) and in 2019, the Utility provided water to almost 49,000 households and commercial customers.

The Water Utility Fund ended the year with an operating surplus of \$550,000 bringing the accumulated operating surplus for the Water Fund to \$23.5 million. During 2019, water revenues of \$32.6 million funded water operations at a cost of \$27 million, net capital additions of \$5.5 million and savings for future asset replacement. The largest projects of the year included the completion of the Plateau Pump Station and water main replacement program. The Water Utility Fund has \$139 million invested in tangible capital assets.

The Sewer and Drainage Utility includes over 500 kilometers of pipes for the collection and transmission of sewerage to the Greater Vancouver Sewerage and Drainage District's (GVSD) Annacis Island Treatment Plant, as well as over 540 kilometers of storm pipes and facilities to provide environmental and flood protection throughout the city. In 2019, the Utility collected and conveyed sewerage and run-off water from almost 49,000 households and commercial customers.

The Sewer and Drainage Utility Fund ended the year with an operating surplus of \$580,000 bringing the total accumulated operating surplus to \$14 million. During 2019, sewer and drainage revenues of \$47 million supported operations at a cost of \$34 million and net capital additions of \$8.4 million. The most significant capital project of the year was the construction of the Austin Creek diversion. The Sewer and Drainage Fund has \$323 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 position. The following key policies have contributed to the positive results in 2019 and the City's strong financial position, which has become increasingly significant in the last few months:

- *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 is transferred to an Infrastructure Reserve to support the City's future capital program. As a result of this policy, the City's general fund accumulated operating surplus, which serves as the City's emergency fund, increased to \$21.8 million in 2019 (2018 – \$21 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 be directed 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 for 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 benefit to Coquiltam 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 2019 provided \$950,000 in grants to non-profit community organizations and to support community events during the year as well as Economic Development and Tourism initiatives. The remainder (87.5%) is allocated to the Municipal Capital Fund, which funds priority facility and 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 to support sustainable service delivery. This 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

With the outbreak of COVID-19 in Spring 2020, and subsequent interruption of the City's operations and services, the City is anticipating a variety of financial impacts including decreases in the collection of both taxation and non-taxation revenues, delays in the completion of capital projects, utilization of reserves and reduction to the accumulated operating surpluses. As highlighted above, these operating surpluses have been maintained for emergencies such as these in addition to other capital and operating reserves. The 2020 Financial Plan Bylaw was adopted in December 2019, before the COVID-19 outbreak, and the City has taken steps to mitigate losses and manage cash flows. Throughout 2020 the financial impact of COVID-19 will be monitored however, it is anticipated that the 2020 financial results will be greatly affected.

In conclusion, the City's ongoing 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. This will assist the City in continuing our support of the community through the COVID-19 pandemic response and recovery.

Respectfully submitted,



Michelle Hunt, CPA, CMA
General Manager, Finance, Technology & Police Services

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, 2019
- ▶ 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, 2019, 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 22, 2020

Consolidated Statement of Financial Position

(Expressed in thousands of dollars)

Year ended December 31, 2019, with comparative information for 2018

	2019	2018
Financial Assets		
Cash and cash equivalents (note 3)	\$ 131,469	\$ 90,774
Investments (note 3)	654,593	581,509
Accounts receivable (note 4)	39,948	29,491
Land held for resale	2,697	743
	828,707	702,517
Liabilities		
Accounts payable and accrued liabilities (note 5)	49,519	41,577
Deferred revenue (note 6)	81,543	74,352
Deposits (note 7)	39,904	37,269
Debt (note 8)	15,894	17,238
Employee future benefits (note 14)	9,400	9,045
	196,260	179,481
Net financial assets	632,447	523,036
Non-Financial Assets		
Inventories of supplies	719	746
Prepaid expenses	1,526	1,679
Tangible capital assets (note 9)	2,108,006	2,002,272
	2,110,251	2,004,697
<i>Commitments and contingencies (note 15)</i>		
<i>Subsequent event (note 21)</i>		
Accumulated surplus (note 10)	\$ 2,742,698	\$ 2,527,733

See accompanying notes and schedules to consolidated financial statements.



City Treasurer

Consolidated Statement of Operations

(Expressed in thousands of dollars)

Year ended December 31, 2019, with comparative information for 2018

	2019 budget		2019		2018
	(notes 2(a) and 20)				
Revenue:					
Taxation (note 11)	\$	171,924	\$	171,378	\$ 164,596
Fees, rates and service charges		84,242		114,045	108,849
Grants and grants in lieu (note 12)		12,340		13,318	12,701
Investment income		8,596		17,960	12,701
Casino revenue		7,700		7,861	7,376
Municipal land sales		35,000		57,882	76,126
Developer contributed assets (note 9(b))		20,000		69,190	30,448
Other contributions		-		15,327	46
Cost recoveries		3,974		9,516	17,296
Penalties and interest on taxes		931		1,054	1,043
Other		1,630		1,837	1,257
		346,337		479,368	432,439
Expenses:					
General government		20,796		20,585	21,448
Police protection		38,721		36,543	36,680
Fire protection		29,046		29,131	28,728
Other protection		3,106		3,011	2,879
Engineering		36,834		35,475	34,988
Solid waste		7,677		7,225	6,953
Planning and development		10,558		11,096	9,186
Parks, recreation and culture		58,850		60,320	55,645
Water utility		25,350		26,985	25,165
Sanitary and drainage utility		33,191		34,032	31,519
		264,129		264,403	253,191
Annual surplus		82,208		214,965	179,248
Accumulated surplus, beginning of year		2,527,733		2,527,733	2,348,485
Accumulated surplus, end of year	\$	2,609,941	\$	2,742,698	\$ 2,527,733

See accompanying notes and schedules to consolidated financial statements.

Consolidated Statement of Changes in Net Financial Assets (Expressed in thousands of dollars)

Year ended December 31, 2019, with comparative information for 2018

	2019 budget		2019		2018
	(notes 2(a) and 20)				
Surplus for the year	\$ 82,208	\$	214,965	\$	179,248
Reclassification of land held for resale	-		2,697		743
Acquisition of tangible capital assets	(121,170)		(80,273)		(83,459)
Contributed tangible capital assets from developers	(20,000)		(69,190)		(30,448)
Amortization of tangible capital assets	37,531		39,537		38,142
Gain on disposal of tangible capital assets	(35,000)		(60,427)		(73,768)
Proceeds on disposal of tangible capital assets	-		61,922		77,320
	(56,431)		109,231		107,778
Acquisition of inventories of supplies	-		(719)		(746)
Acquisition of prepaid expenses	-		(1,526)		(1,679)
Consumption of inventories of supplies	-		746		827
Use of prepaid expenses	-		1,679		1,248
	-		180		(350)
Change in net financial assets	(56,431)		109,411		107,428
Net financial assets, beginning of year	523,036		523,036		415,608
Net financial assets, end of year	\$ 466,605	\$	632,447	\$	523,036

See accompanying notes and schedules to consolidated financial statements.

Consolidated Statement of Cash Flows

(Expressed in thousands of dollars)

Year ended December 31, 2019, with comparative information for 2018

	2019	2018
Cash provided by (used in):		
Operating activities:		
Annual surplus	\$ 214,965	\$ 179,248
Items not involving cash:		
Amortization	39,537	38,142
Gain on disposal of tangible capital assets	(60,427)	(73,768)
Developers' contributions of tangible capital assets	(69,190)	(30,448)
Changes in non-cash operating working capital:		
Increase in accounts receivable	(10,457)	(6,085)
Decrease in land held for resale	743	-
Decrease in inventories of supplies	27	81
Decrease (increase) in prepaid expenses	153	(431)
Increase (decrease) in accounts payable and accrued liabilities	7,964	(6,249)
Increase (decrease) in deferred revenue	7,191	(471)
Increase in deposits	2,635	3,593
Increase in employee future benefits	355	502
Net change in cash from operating activities	133,496	104,114
Capital activities:		
Cash used to acquire tangible capital assets	(80,273)	(83,459)
Proceeds on disposal of tangible capital assets	61,922	77,320
Net change in cash from capital activities	(18,351)	(6,139)
Financing activities:		
Repayment of debt	(1,344)	(1,466)
Principal payments on tangible capital lease obligations	(22)	(22)
Net change in cash from financing activities	(1,366)	(1,488)
Investing activities:		
Change in investments	(73,084)	(64,787)
Net change in cash and cash equivalents	40,695	31,700
Cash and cash equivalents, beginning of year	90,774	59,074
Cash and cash equivalents, end of year	\$ 131,469	\$ 90,774

See accompanying notes and schedules to consolidated financial statements.

Notes to Consolidated Financial Statements

(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2019

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 of 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.

On March 26, 2019, the QNet Board of Directors approved the dissolution of QNet along with the transfer of all its assets, liabilities and operating responsibilities to the City. As at December 31, 2019, QNet transferred all its assets, liabilities and operating responsibilities to the City. QNet was dissolved on January 30, 2020.

Budget reporting:

The budget information reported in the consolidated financial statement represents the 2019 component of the Financial Plan Bylaw adopted by City Council on March 4, 2019.

Operating Funds:

These funds include the General, Water Utility, and Sewer and Drainage Utility Operating Funds as well as the Library. 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. 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.

Notes to Consolidated Financial Statements (continued)

(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2019

2. Significant accounting policies (continued):

(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.

(d) Investments:

Investments are recorded at cost which approximates market value and are comprised of guaranteed investment certificates.

(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 school taxes. Taxation revenue is recorded at the time tax billings are issued. Amounts collected on behalf of the Province of British Columbia are recorded in the City's financial statements on a net basis.

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.

Notes to Consolidated Financial Statements (continued)

(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2019

2. Significant accounting policies (continued):

(k) Non-financial assets (continued):

(i) Tangible capital assets:

Tangible capital assets have useful lives extending beyond the current year. They 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, excluding land, are amortized on a straight line basis over their estimated useful lives as follows:

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.

Notes to Consolidated Financial Statements (continued)

(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2019

2. Significant accounting policies (continued):

(l) Contaminated Sites (continued):

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. The City has no liabilities recorded for contaminated sites.

(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. The actuarial gain/loss is amortized over a period equal to the employees' average remaining service period.

(n) Use of accounting estimates:

The preparation of consolidated 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 consolidated 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 consolidated 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 related PSAB 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 investments:

	2019	2018
Operating funds, unrestricted	\$ 455,437	\$ 383,077
Reserve funds, internally restricted	254,572	214,894
Development cost charges and deposits, restricted	76,053	74,312
	\$ 786,062	\$ 672,283
	2019	2018
Cash and cash equivalents	\$ 131,469	\$ 90,774
Investments:		
Guaranteed investment certificates maturing within five years	654,593	581,509
	\$ 786,062	\$ 672,283

Average investment portfolio yield is 2.67% (2018 – 2.21%).

Notes to Consolidated Financial Statements (continued)

(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2019

3. Cash and cash equivalents and investments (continued):

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.

4. Accounts receivable:

	2019	2018
Taxes	\$ 5,274	\$ 4,883
Accrued interest	8,823	6,578
Due from Federal, Provincial and Regional governments	6,637	5,276
Recreation fees	244	377
Casino funds receivable from Province of British Columbia	2,126	1,988
Development cost charges (note 6)	11,348	7,314
Local area service fees	234	345
Water, sewer and solid waste user charges	1,190	1,026
Other	4,072	1,704
	\$ 39,948	\$ 29,491

5. Accounts payable and accrued liabilities:

	2019	2018
Due to Federal, Provincial and Regional governments	\$ 19,313	\$ 19,589
Accounts payable	20,837	13,446
Wages payable	9,352	8,503
Tangible capital lease obligation	17	39
	\$ 49,519	\$ 41,577

6. Deferred revenue:

	Balance, December 31, 2018	Amounts received and Interest	Revenue recognized	Balance, December 31, 2019
Taxes and utilities	\$ 9,451	20,457	17,638	\$ 12,270
Parks and recreation fees	1,673	3,673	3,480	1,866
Business licenses	862	840	862	840
Federal, Provincial and Regional future capital works	15,674	13,002	11,980	16,696
Other future capital works	1,844	805	695	1,954
Development cost charges	44,357	67,856	64,716	47,497
Other	491	1,876	1,947	420
	\$ 74,352	\$ 108,509	\$ 101,318	\$ 81,543

Development cost charges are comprised of restricted cash and investments of \$36,149,169 (2018 – \$37,042,807) and restricted accounts receivable of \$11,347,640 (2018 – \$7,314,227).

Notes to Consolidated Financial Statements (continued)
 (Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2019

7. Deposits:

	Balance, December 31, 2018	Deposits, earnings and contributions	Refunds and expenditures	Balance, December 31, 2019
Public works performance deposits	\$ 22,632	\$ 12,538	\$ 10,804	\$ 24,366
Gravel remediation fund	830	22	-	852
Building performance bonds	3,824	826	1,065	3,585
Development permit bonds	4,150	2,842	1,863	5,129
Pinetree Community Centre contingency	55	7	-	62
Deposits on land sale	5,777	6,108	5,987	5,898
Other	1	15	4	12
	\$ 37,269	\$ 22,358	\$ 19,723	\$ 39,904

The City holds irrevocable letters of credit in the aggregate amount of \$121,605,742 (2018 – \$84,392,392) received from depositors to ensure their performance of works to be undertaken within the City. These amounts are not reflected in the consolidated 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 2019	Net debt 2018
General Fund	\$ 17,892	\$ 8,712	\$ 9,180	\$ 10,166
Water Utility Fund	5,930	1,335	4,595	4,840
Sewer and Drainage Utility Fund	2,734	615	2,119	2,232
	\$ 26,556	\$ 10,662	\$ 15,894	\$ 17,238

Interest rates on debt range from 1.67% to 3.85% (2018 – 1.75% to 7.20%). The weighted average interest rate for 2019 was 3.74% (2018 – 3.71%). The maturity dates range from 2020 to 2033.

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

	General Fund	Water Utility Fund	Sewer and Drainage Utility Fund	Total
2020	\$ 1,017	\$ 252	\$ 116	\$ 1,385
2021	853	262	121	1,236
2022	745	273	126	1,144
2023	674	283	131	1,088
2024	699	295	136	1,130
2025 and thereafter	5,192	3,230	1,489	9,911
Total	\$ 9,180	\$ 4,595	\$ 2,119	\$ 15,894

Notes to Consolidated Financial Statements (continued)
 (Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2019

9. Tangible Capital Assets:

2019

	Land & land holdings	Building & building improvements	Park structures	Information technology
Cost:				
Balance, beginning of year	\$953,147	\$220,793	\$96,393	\$31,281
Additions, net of transfers	70,512	8,785	11,745	2,435
Disposals	(2)	(173)	(1,396)	(12)
Transfers to land held for resale	(2,697)	-	-	-
Balance, end of year	1,020,960	229,405	106,742	33,704
Accumulated amortization:				
Balance, beginning of year	-	97,593	39,674	17,437
Disposals	-	(100)	(1,280)	(1)
Amortization expense	-	7,011	3,397	1,436
Balance, end of year	-	104,504	41,791	18,872
Net book value, end of year	\$1,020,960	\$124,901	\$64,951	\$14,832
Net book value, beginning of year	\$953,147	\$123,200	\$56,719	\$13,844

2018

	Land & land holdings	Building & building improvements	Park structures	Information technology
Cost:				
Balance, beginning of year	\$898,563	\$211,948	\$87,164	\$29,897
Additions, net of transfers	56,489	9,031	10,970	2,403
Disposals	(1,162)	(186)	(1,741)	(1,019)
Transfers to land held for resale	(743)	-	-	-
Balance, end of year	953,147	220,793	96,393	31,281
Accumulated amortization:				
Balance, beginning of year	-	90,505	38,152	17,038
Disposals	-	(48)	(1,627)	(1,002)
Amortization expense	-	7,136	3,149	1,401
Balance, end of year	-	97,593	39,674	17,437
Net book value, end of year	\$953,147	\$123,200	\$56,719	\$13,844
Net book value, beginning of year	\$898,563	\$121,443	\$49,012	\$12,859

Notes to Consolidated Financial Statements (continued)
 (Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2019

Vehicles, machinery & equipment	Water, sewer & drainage infrastructure	Roads infrastructure	Traffic	Assets under construction	Total
\$52,868	\$686,446	\$482,017	\$68,371	\$30,358	\$2,621,674
3,743	34,474	16,592	5,459	(4,282)	149,463
(2,017)	(1,176)	(1,642)	-	-	(6,418)
-	-	-	-	-	(2,697)
54,594	719,744	496,967	73,830	26,076	2,762,022
24,756	225,060	181,460	33,422	-	619,402
(1,817)	(561)	(1,164)	-	-	(4,923)
3,853	10,518	11,583	1,739	-	39,537
26,792	235,017	191,879	35,161	-	654,016
\$27,802	\$484,727	\$305,088	\$38,669	\$26,076	\$2,108,006
\$28,112	\$461,386	\$300,557	\$34,949	\$30,358	\$2,002,272
Vehicles, machinery & equipment	Water, sewer & drainage infrastructure	Roads infrastructure	Traffic	Assets under construction	Total
\$51,027	\$672,476	\$470,276	\$66,074	\$32,070	\$2,519,495
4,000	15,970	14,459	2,297	(1,712)	113,907
(2,159)	(2,000)	(2,718)	-	-	(10,985)
-	-	-	-	-	(743)
52,868	686,446	482,017	68,371	30,358	2,621,674
23,087	216,390	171,837	31,684	-	588,693
(1,927)	(1,002)	(1,827)	-	-	(7,433)
3,596	9,672	11,450	1,738	-	38,142
24,756	225,060	181,460	33,422	-	619,402
\$28,112	\$461,386	\$300,557	\$34,949	\$30,358	\$2,002,272
\$27,940	\$456,086	\$298,439	\$34,390	\$32,070	\$1,930,802

Notes to Consolidated Financial Statements (continued)

(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2019

9. Tangible Capital Assets (continued):

(a) Assets under construction:

Assets under construction with value of \$26,076,691 (2018 – \$30,358,033) 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:

	2019	2018
Land and land holdings	\$ 50,958	\$ 21,225
Park structures	11	-
Information technology	215	-
Vehicles, machinery and equipment	-	818
Water infrastructure	3,110	1,296
Sewer infrastructure	3,415	(493)
Drainage infrastructure	7,110	4,395
Road infrastructure	3,161	2,565
Traffic	1,210	642
Developers' contributions revenue	\$ 69,190	\$ 30,448

(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 (2018 – nil).

10. Accumulated surplus:

	Reserves for operating purposes (Schedule G)	Reserves for capital purposes (Schedule G)	Surplus	Invested in tangible capital assets	Total
General Fund (Schedules A, B)	\$ 29,797	\$ 264,412	\$ 21,865	\$ 1,628,083	\$ 1,944,157
Water Utility Fund (Schedules C, D)	53	11,152	23,557	138,637	173,399
Sewer and Drainage Fund (Schedules E, F)	632	29,356	14,166	322,918	367,072
Statutory Reserves	-	254,572	-	-	254,572
Library	-	562	1,152	1,784	3,498
2019	\$ 30,482	\$ 560,054	\$ 60,740	\$ 2,091,422	\$ 2,742,698
2018	\$ 29,088	\$ 453,390	\$ 59,172	\$ 1,986,083	\$ 2,527,733

Notes to Consolidated Financial Statements (continued)

(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2019

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. Those amounts are recorded in the City's financial statements on a net basis.

	2019	2018
Tax collected:		
General purposes	\$ 145,428	\$ 140,195
Collections for other governments	111,672	100,158
Sewer and drainage frontage tax	25,950	24,401
	283,050	264,754
Less transfers to other governments:		
Province of British Columbia – school taxes	88,676	79,308
Metro Vancouver	2,904	2,701
BCAA	2,732	2,606
South Coast British Columbia Transportation Authority	17,175	15,378
Austin Heights Business Improvement Association	171	153
MFA	14	12
	111,672	100,158
Taxation revenue	\$ 171,378	\$ 164,596

12. Government transfers:

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

	2019	2018
Federal	\$ 1,114	\$ 532
Provincial and Regional	8,261	8,308
	\$ 9,375	\$ 8,840

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 assets and administration of benefits. The Plan is a multi-employer contributory defined benefit pension plan. Basic pension benefits are based on a formula. As at December 31, 2018, the Plan has about 205,000 active members and approximately 101,000 retired members. Active members include approximately 40,000 contributors from local governments, of which 1,159 (2018 – 1,120) are the City's employees.

The most recent actuarial valuation for the Plan as at December 31, 2018 indicated a \$2,866 million funding surplus for basic pension benefits. The next actuarial valuation will be performed as at December 31, 2021, with results available in 2022. Defined contribution plan accounting is applied to the Plan, as the Plan exposes the participating entities to actuarial risks associated with the current and former employees of other entities, with the result that there is no consistent and reliable basis for allocating the obligation, Plan assets and cost to individual entities participating in the Plan.

Notes to Consolidated Financial Statements (continued)

(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2019

13. Pension plan (continued):

The City paid \$8,989,276 (2018 – \$8,656,508) for employer contributions to the Plan in 2019. Employees paid \$7,511,703 (2018 – \$7,263,243) for employee contributions to the Plan in 2019.

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 as at December 31, 2019 by an actuarial valuation completed in January 2020.

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

	Sick leave		Retirement benefit payments		2019 Total		2018 Total	
Accrued benefit obligation:								
beginning of year	\$	4,113	\$	5,133	\$	9,246	\$	9,049
Current service cost		346		428		774		785
Interest cost		142		177		319		286
Benefits paid		(324)		(606)		(930)		(795)
Actuarial loss (gain)		487		924		1,411		(79)
Accrued benefit obligation, end of year		4,764		6,056		10,820		9,246
Unamortized actuarial gain (loss)		437		(1,857)		(1,420)		(201)
Accrued benefit liability, end of year	\$	5,201	\$	4,199	\$	9,400	\$	9,045

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

	2019	2018
Discount rates	2.6%	3.3%
Expected future inflation rate	2.5%	2.5%
Expected wage and salary increase	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.

Notes to Consolidated Financial Statements (continued)

(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2019

15. Commitments and contingencies (continued):

- (c) 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
 - BCAA
 - South Coast British Columbia Transportation Authority
 - MFA
- (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) 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:

	2019	2018
Operating funds:		
General	\$ 668	\$ 668
Water utility	154	154
Sewer and drainage utility	71	71
	\$ 893	\$ 893

- (f) The City is a shareholder of the E-COMM Emergency Communications for 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 34 Class A and 20 Class B shares issued and outstanding as at December 31, 2019). 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.
- (g) The City has entered into agreements with the YMCA of Greater Vancouver and Concert Properties to build a YMCA facility, Community Police Station, Park and Ride and a community park in the Burquitlam neighborhood of the City. The City’s contribution to the project is estimated at \$55,000,000 which will be funded by development revenue and capital reserves, and is included in the five year capital budget. The project is expected to be completed in 2022.

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:

2020	\$ 9,263
2021	2,273
2022	2,203
2023	1,826
2024	1,640
Thereafter	2,604
	\$ 19,809

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 (continued)

(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2019

17. Trust funds:

Trust fund balance sheet:

	2019		2018	
Assets:				
Investments	\$	3,123	\$	2,988
Due from City of Coquitlam		67		24
	\$	3,190	\$	3,012
Net assets:				
Cemetery perpetual care fund (a)	\$	2,412	\$	2,234
Gravel pit fund (b)		778		778
	\$	3,190	\$	3,012

(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 cultural groups 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, City Lands and Facilities, 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.

Notes to Consolidated Financial Statements (continued)

(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2019

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

Solid Waste Services

Solid Waste Services 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 Services – Parks, Recreation and Culture Services and Public Library

The 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 (continued)
 (Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2019

19. Segmented information (continued):

	General Government (including QNet)	Protection	Engineering	Solid Waste	Planning and Development
Taxation	\$ 145,428	\$ -	\$ -	\$ -	-
User rates	-	-	-	-	-
Fees and service charges	3,958	3,503	4,940	-	33,707
Rents and leases	1,213	7	-	-	-
Solid waste levies	-	-	-	8,217	-
Inspection and other fees	-	-	-	-	-
Grants	925	1,457	6,199	-	19
Grants, in lieu of taxes	3,890	-	-	-	-
Investment income	10,796	-	-	-	-
Casino revenue	7,861	-	-	-	-
Municipal land sale	57,882	-	-	-	-
Developer contributed assets	55,554	-	-	-	-
Other contributions	-	-	220	-	9,011
Cost recoveries	756	3,302	2,772	-	92
Penalties and interest on taxes	1,000	-	-	54	-
Other	572	6	1,136	-	12
Total Revenue	\$ 289,835	\$ 8,275	\$ 15,267	\$ 8,271	\$ 42,841

Notes to Consolidated Financial Statements (continued)
 (Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2019

	Recreational and Cultural (including Library)	Water Supply	Sewer & Drainage	Reserves & Other Funds	2019 Total	2018 Total
\$	-	\$ -	\$ 25,950	\$ -	\$ 171,378	\$ 164,596
	-	26,431	6,779	-	33,210	30,864
	19,070	1,315	2,178	-	68,671	65,425
	2,004	-	-	-	3,224	3,312
	-	-	-	-	8,217	8,192
	-	332	391	-	723	1,056
	371	295	162	-	9,428	8,925
	-	-	-	-	3,890	3,776
	50	907	356	5,851	17,960	12,701
	-	-	-	-	7,861	7,376
	-	-	-	-	57,882	76,126
	-	3,111	10,525	-	69,190	30,448
	6,096	-	-	-	15,327	46
	1,129	172	436	857	9,516	17,296
	-	-	-	-	1,054	1,043
	111	-	-	-	1,837	1,257
\$	28,831	\$ 32,563	\$ 46,777	\$ 6,708	\$ 479,368	\$ 432,439

Notes to Consolidated Financial Statements (continued)
 (Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2019

19. Segmented information (continued):

	General Government (including QNet)	Protection	Engineering	Solid Waste	Planning and Development
Salaries and benefits	\$ 18,276	\$ 35,603	\$ 11,705	\$ 509	\$ 9,438
Consulting and professional services	724	28,022	2,814	3,204	866
Amortization	2,078	2,071	14,298	-	-
Regional District utility charges	-	-	18	-	-
Supplies and equipment	1,131	2,188	14,221	298	737
Grants and sponsorship	487	49	-	-	11
Utilities	17	264	1,184	-	-
Garbage collection and disposal	1	24	154	2,753	-
Maintenance	2,394	112	407	-	-
Debt interest payments	-	-	514	-	-
Insurance and claims	1,266	21	473	-	-
Courses and meetings	437	141	99	2	125
Telephone and communications	249	90	37	2	24
Advertising and media	253	24	16	34	20
Legal	223	16	-	-	-
Internal allocations	(7,192)	3	(10,482)	423	(126)
Other	241	57	17	-	1
Total expenses	\$ 20,585	\$ 68,685	\$ 35,475	\$ 7,225	\$ 11,096
Annual surplus (deficit)	\$ 269,250	\$ (60,410)	\$ (20,208)	\$ 1,046	\$ 31,745

Notes to Consolidated Financial Statements (continued)
 (Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2019

Recreational and Cultural (including Library)	Water Supply	Sewer & Drainage	Reserves & Other Funds	2019 Total	2018 Total
\$ 28,611	\$ 3,019	\$ 3,347	\$ -	\$ 110,508	\$ 102,326
3,274	633	3,369	-	42,906	42,812
10,184	3,471	7,458	-	39,560	38,142
-	14,649	14,239	-	28,906	26,325
7,466	1,647	1,665	-	29,353	28,462
7,731	-	35	-	8,313	8,096
2,270	391	152	-	4,278	4,364
231	73	314	-	3,550	3,021
25	-	5	-	2,943	2,918
-	228	105	-	847	924
-	56	12	-	1,828	1,493
147	41	66	-	1,058	848
97	17	18	-	534	442
62	8	-	-	417	459
-	-	-	-	239	181
(556)	2,577	3,149	-	(12,204)	(9,230)
778	175	98	-	1,367	1,608
\$ 60,320	\$ 26,985	\$ 34,032	\$ -	\$ 264,403	\$ 253,191
\$ (31,489)	\$ 5,578	\$ 12,745	\$ 6,708	\$ 214,965	\$ 179,248

Notes to Consolidated Financial Statements (continued)
 (Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2019

20. Budget data:

The budget data presented in these consolidated financial statements is based upon the 2019 operating and capital budgets approved by Council on March 4, 2019. The chart below reconciles the approved budget to the budget figure reported in these consolidated financial statements.

	Budget Amount
Operating budget:	
Revenue	\$ 346,337
Expenses	(256,183)
Capital budget carried forward from prior years	(7,946)
	<u>(264,129)</u>
Annual surplus per consolidated statement of operations	82,208
Less capital expenses	(121,170)
Add capital funding from reserves	38,962
Approved budget	<u>\$ -</u>

21. Subsequent Event:

Subsequent to December 31, 2019, the COVID-19 outbreak was declared a pandemic by the World Health Organization. This situation presents uncertainty over the City's future cash flows and may interrupt the City's future operations. Potential impacts on the City's business could include future decreases in revenue, delays in completing capital projects and additional utilization of reserves. As the situation is dynamic and the ultimate duration and magnitude of the impact on the economy are not known, an estimate of the financial effect on the City is not practicable at this time.

General Fund – Statement of Financial Position
(Expressed in thousands of dollars)

Schedule A

December 31, 2019, with comparative information for 2018

	2019	2018
Financial Assets		
Cash, cash equivalents and investments	\$ 385,636	\$ 318,767
Accounts receivable	26,993	20,697
Land held for resale	2,697	743
Deposit, MFA	261	255
	415,587	340,462
Liabilities		
Accounts payable and accrued liabilities	44,161	37,653
Employee future benefits	9,203	8,872
Deferred revenue	26,270	22,198
Debt	9,180	10,166
	88,814	78,889
Net financial assets	326,773	261,573
Non-Financial Assets		
Inventories of supplies	626	665
Prepaid expenses	1,394	1,586
Tangible capital assets	1,615,364	1,519,045
	1,617,384	1,521,296
Accumulated surplus	\$ 1,944,157	\$ 1,782,869

General Fund – Statement of Operations
(Expressed in thousands of dollars)

Schedule B

Year ended December 31, 2019, with comparative information for 2018

	2019 Budget	2019	2018
Revenue:			
Taxation	\$ 145,979	\$ 145,429	\$ 140,195
Grants	8,498	8,681	4,443
Grants, in lieu of taxes	3,650	3,891	3,775
Fees and service charges	35,912	65,022	60,925
Solid waste levies	8,334	8,217	8,192
Rents	2,744	3,224	2,703
Investment income	7,753	10,796	7,209
Penalties and interest on taxes	901	1,054	951
Casino revenue	7,700	7,861	7,376
Municipal land sales	35,000	57,882	76,125
Developer contributed assets	10,000	55,555	25,250
Other contributions	-	15,327	46
Cost recoveries	3,967	8,051	11,472
Other	1,568	1,781	1,056
	272,006	392,771	349,718
Expenses:			
General government	17,747	18,436	16,092
Police protection	38,434	36,251	36,328
Fire protection	27,642	27,614	25,634
Other protection	3,019	2,919	2,792
Engineering	14,990	15,745	14,991
Solid waste	7,677	7,225	6,953
Planning and development	9,990	10,528	8,893
Parks, recreation and culture	46,779	47,844	43,685
Debt interest payments	523	514	590
Retroactive and severance pay	420	-	1,494
Amortization	27,000	27,902	27,399
Tangible capital assets adjustments	10,806	8,546	10,849
	205,027	203,524	195,700
	66,979	189,247	154,018
Transfer from Land Sale Reserve	36,708	32,102	42,909
Transfer to Vehicle Replacement Reserve	(2,234)	(2,123)	(2,322)
Transfer to Land Sale Reserve	(39,814)	(61,818)	(79,754)
Transfer from Reserve Funds	-	3,881	3,966
Annual surplus	61,639	161,288	118,817
Accumulated surplus, beginning of year	1,782,869	1,782,869	1,664,052
Accumulated surplus, end of year	\$ 1,844,508	\$ 1,944,157	\$ 1,782,869

Water Utility Fund – Statement of Financial Position
 (Expressed in thousands of dollars)

Schedule C

December 31, 2019, with comparative information for 2018

	2019	2018
Financial Assets		
Cash, cash equivalents and investments	\$ 32,926	\$ 32,742
Accounts receivable	880	713
Deposit, MFA	70	69
	33,876	33,524
Liabilities		
Accounts payable and accrued liabilities	3,442	2,360
Deferred revenue	-	245
Debt	4,595	4,840
	8,037	7,445
Net financial assets	25,839	26,079
Non-Financial Assets		
Inventories of supplies	63	58
Tangible capital assets	147,497	142,003
	147,560	142,061
Accumulated surplus	\$ 173,399	\$ 168,140

Water Utility Fund – Statement of Operations
 (Expressed in thousands of dollars)

Schedule D

Year ended December 31, 2019, with comparative information for 2018

	2019 Budget	2019	2018
Revenue:			
User rates	\$ 25,262	\$ 26,430	\$ 25,134
Grants	-	295	4,012
Water connection fees	974	1,315	787
Inspection and other fees	406	332	464
Investment income	543	907	769
Developer contributed assets	5,000	3,111	1,296
Sinking fund surplus	-	-	1
Cost recoveries	-	172	6
	32,185	32,562	32,469
Expenses:			
Administration	4,686	4,708	4,322
Water supply	13,483	14,649	14,093
Pumping	1,138	981	1,051
Maintenance	2,728	2,449	2,232
Debt interest payments	228	228	228
Amortization	3,000	3,471	3,022
Tangible capital assets adjustments	87	498	217
	25,350	26,984	25,165
	6,835	5,578	7,304
Transfer to Statutory Reserves	(307)	(319)	(281)
Annual surplus	6,528	5,259	7,023
Accumulated surplus, beginning of year	168,140	168,140	161,117
Accumulated surplus, end of year	\$ 174,668	\$ 173,399	\$ 168,140

Sewer and Drainage Utility Fund – Statement of Financial Position
 (Expressed in thousands of dollars)

Schedule E

December 31, 2019, with comparative information for 2018

	2019	2018
Financial Assets		
Cash, cash equivalents and investments	\$ 34,753	\$ 29,914
Accounts receivable	332	244
Deposit, MFA	32	32
	35,117	30,190
Liabilities		
Accounts payable and accrued liabilities	1,524	1,006
Deferred revenue	7,776	7,318
Debt	2,119	2,232
	11,419	10,556
Net financial assets	23,698	19,634
Non-Financial Assets		
Inventories of supplies	31	24
Tangible capital assets	343,343	334,983
	343,374	335,007
Accumulated surplus	\$ 367,072	\$ 354,641

Sewer and Drainage Utility Fund – Statement of Operations
 (Expressed in thousands of dollars)

Schedule F

Year ended December 31, 2019, with comparative information for 2018

	2019 Budget		2019		2018
Revenue:					
Sewer parcel tax	\$ 25,945	\$	25,950	\$	24,400
User rates	6,561		6,779		5,730
Grants	-		161		186
Fees and service charges	2,633		2,178		3,670
Inspection and other fees	520		391		578
Investment income	300		356		616
Developer contributed assets	5,000		10,524		3,902
Sinking fund surplus	-		-		2
Cost recoveries	7		436		577
	40,966		46,775		39,661
Expenses:					
Administration	5,607		5,264		5,188
Collection and disposal	3,603		4,333		3,391
Pumping	889		823		708
Greater Vancouver Sewerage & Drainage District	14,870		14,239		12,226
Debt interest payments	105		105		105
Amortization	6,800		7,458		7,040
Tangible capital assets adjustments	1,317		1,810		2,861
	33,191		34,032		31,519
	7,775		12,743		8,142
Transfer to reserves	(277)		(312)		(357)
Annual surplus	7,498		12,431		7,785
Accumulated surplus, beginning of year	354,641		354,641		346,856
Accumulated surplus, end of year	\$ 362,139	\$	367,072	\$	354,641

Reserve Fund Balances (Expressed in thousands of dollars)

Schedule G

Year ended December 31, 2019, with comparative information for 2018

	General Fund	Sewer and Drainage Utility Fund	Water Utility Fund	2019 Total	2018 Total
Reserves for operating purposes:					
Insurance reserve	\$ 13,244	\$ -	\$ -	\$ 13,244	\$ 12,791
Waste utility reserve	5,571	-	-	5,571	4,731
Soil removal fees reserve	1,063	-	-	1,063	986
Work in progress reserve	685	-	-	685	822
Public safety reserve	1,163	-	-	1,163	1,151
Tax appeals reserve	488	-	-	488	1,122
Building maintenance reserve	776	632	53	1,461	1,416
Commodity tax payable reserve	500	-	-	500	500
Cemetery reserve	234	-	-	234	233
Other operating reserves	1,936	-	-	1,936	1,701
WCB/Powersmart reserve	626	-	-	626	516
Specified area reserve	1,146	-	-	1,146	1,117
Election reserve	478	-	-	478	355
Extreme weather reserve	1,198	-	-	1,198	1,000
Economic development reserve	436	-	-	436	466
Tree risk management reserve	253	-	-	253	181
Total reserves for operating purposes	\$ 29,797	\$ 632	\$ 53	\$ 30,482	\$ 29,088

Reserve Fund Balances (Expressed in thousands of dollars)

Schedule G (continued)

December 31, 2019, with comparative information for 2018

	General Fund	Sewer and Drainage Utility Fund	Water Utility Fund
Reserves for capital purposes:			
Specific projects – in progress reserve	\$ 20,239	\$ 6,190	\$ 1,187
Infrastructure reserve	12,231	-	-
Equipment and component replacement reserve	14,748	22,859	9,705
Restricted debt reserve	1,563	307	260
Debt reserve	75	-	-
Local area service reserve	2,716	-	-
Casino revenue reserve – municipal capital	23,127	-	-
Casino revenue reserve – community	816	-	-
Internal financing reserve	603	-	-
Land sale investment reserve	17,017	-	-
Affordable housing reserve	15,057	-	-
Density bonus reserve	61,640	-	-
Community amenity contribution reserve	18,570	-	-
Waste utility reserve	509	-	-
Waste bin asset replacement reserve	1,945	-	-
Building replacement reserve	36,213	-	-
Road replacement reserve	14,015	-	-
DCC matching reserve	13,787	-	-
Frontage Works Reserve	4,300	-	-
Park & ride reserve	4,137	-	-
Park & sportsfield infrastructure reserve	1,104	-	-
	\$ 264,412	\$ 29,356	\$ 11,152
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	-	-	-
	-	-	-
Total	\$ 264,412	\$ 29,356	\$ 11,152

Statutory Reserves		Library	2019 Total	2018 Total
\$	-	\$ 562	\$ 28,178	\$ 21,407
	-	-	12,231	13,759
	-	-	47,312	39,471
	-	-	2,130	2,131
	-	-	75	519
	-	-	2,716	2,536
	-	-	23,127	17,108
	-	-	816	488
	-	-	603	587
	-	-	17,017	12,783
	-	-	15,057	11,996
	-	-	61,640	39,772
	-	-	18,570	10,159
	-	-	509	495
	-	-	1,945	1,566
	-	-	36,213	33,475
	-	-	14,015	12,559
	-	-	13,787	11,131
	-	-	4,300	2,524
	-	-	4,137	4,030
	-	-	1,104	-
\$	-	\$ 562	\$ 305,482	\$ 238,496
	226,781	-	226,781	187,551
	18,987	-	18,987	17,706
	863	-	863	840
	7,629	-	7,629	8,710
	65	-	65	20
	245	-	245	65
	2	-	2	2
	254,572	-	254,572	214,894
\$	254,572	\$ 562	\$ 560,054	\$ 453,390

Annual Report

For the year ending December 31, 2019

2019

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 the Board of Trustees 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, 2019
- 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, 2019, 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.

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
February 26, 2020

Coquitlam Public Library

Statement of Financial Position

December 31, 2019, with comparative information for 2018

	2019	2018
Financial Assets		
Cash	\$ 1,656,965	\$ 1,178,692
Investments (note 3)	467,118	459,841
Accounts receivable	31,010	76,665
	<u>2,155,093</u>	<u>1,715,198</u>
Liabilities		
Accrued salaries and benefits (note 10)	401,410	479,120
Accounts payable and accrued liabilities	171,359	64,166
Deferred revenue (note 4)	214,179	151,000
Obligation for leased tangible capital asset (note 5)	16,759	38,960
	<u>803,707</u>	<u>733,246</u>
Net financial assets	1,351,386	981,952
Non-Financial Assets		
Tangible capital assets (note 6)	1,800,386	1,742,037
Prepaid expenses	131,947	83,681
	<u>1,932,333</u>	<u>1,825,718</u>
Commitment (note 11)		
Accumulated surplus (note 7)	<u>\$ 3,283,719</u>	<u>\$ 2,807,670</u>

See accompanying notes to financial statements.

Approved on behalf of the Library Board:



Director



Director

Coquitlam Public Library

Statement of Operations

Year ended December 31, 2019, with comparative information for 2018

	2019 Budget		2019		2018
	(note 12)				
Revenue:					
Grants (note 8)	\$ 5,634,082	\$	5,667,561	\$	5,397,996
Interest	30,000		50,446		34,052
Fines and fees	110,000		109,946		92,493
Photocopying services	-		47,010		42,247
Book sales	9,500		9,436		10,288
Fundraising activities	15,000		6,024		524
Other	37,000		40,727		14,959
	5,835,582		5,931,150		5,592,559
Expenses:					
Amortization	590,060		560,552		539,744
Building and grounds maintenance	175,000		169,277		157,733
Conferences and courses	62,500		63,717		58,240
Insurance	37,000		36,103		34,673
InterLINK assessment (note 11)	62,000		56,585		59,530
Magazines and online subscriptions	285,000		305,203		279,654
Professional fees	40,000		90,964		54,104
Promotion and publicity	45,000		44,816		41,988
Salaries and benefits	3,985,000		3,546,682		3,868,435
Supplies and equipment	92,000		70,901		71,589
Telecommunications, computer charges and utilities	339,050		380,791		310,953
Transportation	37,000		42,784		37,509
Rental, administration and other	81,282		86,726		80,044
	5,830,892		5,455,101		5,594,196
Annual surplus (deficit)	4,690		476,049		(1,637)
Accumulated surplus, beginning of year	2,807,670		2,807,670		2,809,307
Accumulated surplus, end of year	\$ 2,812,360	\$	3,283,719	\$	2,807,670

See accompanying notes to financial statements.

Coquitlam Public Library

Statement of Changes in Net Financial Assets

Year ended December 31, 2019, with comparative information for 2018

	2019 Budget	2019	2018
	(note 12)		
Annual surplus (deficit)	\$ 4,690	\$ 476,049	\$ (1,637)
Acquisition of tangible capital assets	(594,750)	(618,901)	(543,722)
Amortization of tangible capital assets	590,060	560,552	539,744
	-	417,700	(5,615)
Acquisition of prepaid expenses	-	(131,947)	(83,681)
Use of prepaid expenses	-	83,681	74,888
Change in net financial assets	-	369,434	(14,408)
Net financial assets, beginning of year	981,952	981,952	996,360
Net financial assets, end of year	\$ 981,952	\$ 1,351,386	\$ 981,952

See accompanying notes to financial statements.

Coquitlam Public Library

Statement of Cash Flows

Year ended December 31, 2019, with comparative information for 2018

	2019	2018
Cash provided by (used in):		
Operating activities:		
Annual surplus (deficit)	\$ 476,049	\$ (1,637)
Amortization, an item not involving cash	560,552	539,744
Changes in non-cash operating working capital:		
Decrease (increase) in accounts receivable	45,655	(37,050)
Increase in prepaid expenses	(48,266)	(8,793)
Increase (decrease) in accrued salaries and benefits	(77,710)	114,630
Increase (decrease) in accounts payable and accrued liabilities	107,193	(62,482)
Increase in deferred revenue	63,179	151,000
	1,126,652	695,412
Capital activities:		
Cash used to acquire tangible capital assets	(618,901)	(543,722)
Principal payments under obligations for leased tangible capital assets	(22,201)	(22,204)
	(641,102)	(565,926)
Investing activities:		
Increase in investments	(7,277)	(4,306)
Net change in cash	478,273	125,180
Cash, beginning of year	1,178,692	1,053,512
Cash, end of year	\$ 1,656,965	\$ 1,178,692

See accompanying notes to financial statements.

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 2019 operating and capital budgets developed by management. The 2019 budget was approved by the Board on April 17, 2019. Note 12 reconciles the budget developed by management to the budget figures reported in the financial statements.

(b) Investments:

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

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.

2. Significant accounting policies (continued):

(e) Tangible capital assets (continued):

(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 11.5 years (2018 – 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. Investments:

The investments balance of \$467,118 (2018 – \$459,841) is comprised of guaranteed investment certificates earning interest at 1.77% to 1.80% (2018 – 1.40% to 1.65%) and maturing in 2020.

Coquitlam Public Library

Notes to Financial Statements (continued)

Year ended December 31, 2019

4. Deferred revenue:

	2019	2018
Balance, beginning of year	\$ 151,000	\$ -
Contributions	88,950	151,000
Revenue recognized	(25,771)	-
Balance, end of year	\$ 214,179	\$ 151,000

5. Obligation for leased tangible capital asset:

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

Total minimum lease payments for 2020	\$	16,829
Less amount representing interest (at Municipal Finance Authority borrowing rate of 1.00%)		70
Present value of minimum capital lease payments	\$	16,759

Coquitlam Public Library

Notes to Financial Statements (continued)

Year ended December 31, 2019

6. Tangible capital assets:

Cost	Balance, December 31, 2018	Additions	Disposals	Balance December 31, 2019
Automotive	\$ 61,480	\$ -	\$ -	\$ 61,480
Leasehold improvements	118,943	-	-	118,943
Library collections	2,198,209	433,145	(335,266)	2,296,088
Security equipment	200,101	-	-	200,101
Computer equipment	720,347	79,951	-	800,298
Furniture and equipment	1,304,825	80,034	-	1,384,859
Assets under capital lease	118,966	-	-	118,966
Assets under construction	-	25,771	-	25,771
	\$ 4,722,871	\$ 618,901	\$ (335,266)	\$ 5,006,506

Accumulated amortization	Balance, December 31, 2018	Amortization Expense	Disposals	Balance December 31, 2019
Automotive	\$ 50,022	\$ 6,248	\$ -	\$ 56,270
Leasehold improvements	86,670	7,425	-	94,095
Library collections	1,201,222	383,905	(335,266)	1,249,861
Security equipment	157,368	14,467	-	171,835
Computer equipment	546,715	64,082	-	610,797
Furniture and equipment	857,703	62,789	-	920,492
Assets under capital lease	81,134	21,636	-	102,770
	\$ 2,980,834	\$ 560,552	\$ (335,266)	\$ 3,206,120

Net book value	Balance, December 31, 2018	Balance December 31, 2019
Automotive	\$ 11,457	\$ 5,210
Leasehold improvements	32,273	24,848
Library collections	996,988	1,046,227
Security equipment	42,733	28,266
Computer equipment	173,632	189,501
Furniture and equipment	447,122	464,367
Assets under capital lease	37,832	16,196
Assets under construction	-	25,771
	\$ 1,742,037	\$ 1,800,386

7. Accumulated surplus:

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

	2019	2018
Invested in tangible capital assets	\$ 1,783,627	\$ 1,703,077
Operating surplus	938,144	630,395
Capital reserves	561,948	474,198
	\$ 3,283,719	\$ 2,807,670

8. Grants revenue:

	2019 Budget	2019	2018
City of Coquitlam	\$ 5,352,687	\$ 5,378,457	\$ 5,114,037
Province of British Columbia	272,770	272,770	275,347
Community Service Clubs	7,500	12,834	7,487
Other	1,125	3,500	1,125
	\$ 5,634,082	\$ 5,667,561	\$ 5,397,996

9. 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 205,000 active members and approximately 101,000 retired members. Active members include approximately 40,000 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, 2018 indicated a \$2.866 billion funding surplus for basic pension benefits on a going concern basis. The next actuarial valuation will be performed as at December 31, 2021 with results available in 2022. 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 \$242,481 (2018 – \$279,986) for employer contributions to the Plan in 2019. Employees paid \$214,212 (2018 – \$237,883) for employee contributions to the Plan in 2019.

10. 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 October 2019, extrapolated to December 31, 2019.

The total expenses recorded in the financial statements in respect of obligations under these plans amount to \$40,000 (2018 – \$38,500).

10. Employee future benefits (continued):

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

	Sick leave	Retirement benefit payments	2019 Total	2018 Total
Accrued benefit obligation:				
Balance, beginning of year	\$ 127,700	\$ 93,900	\$ 221,600	\$ 216,500
Current service cost	9,200	7,100	16,300	16,500
Interest cost	4,400	3,200	7,600	6,800
Benefits paid	(9,300)	(8,100)	(17,400)	(16,700)
Actuarial loss (gain)	(2,000)	11,100	9,100	(1,500)
Accrued benefit obligation, end of year	130,000	107,200	237,200	221,600
Unamortized actuarial gain (loss)	24,900	(65,700)	(40,800)	(47,800)
Accrued sick and retirement liability	\$ 154,900	\$ 41,500	\$ 196,400	\$ 173,800

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:

	2019	2018
Discount rate	2.6%	3.3%
Expected future inflation rate	2.5%	2.5%
Expected wage and salary increase	2.5%	2.5%

11. 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 2019, was \$56,585 (2018 – \$59,530). The annual assessment fee for 2020 and subsequent years cannot currently be determined.

Notes to Financial Statements (continued)

Year ended December 31, 2019

12. Budget data:

The budget data presented in these financial statements is based upon the 2019 budget developed by management. The 2019 budget was approved by the Board on April 17, 2019. The chart below reconciles the budget developed by management to the budget figures reported in these financial statements.

Revenue:	
Operating budget	\$ 5,835,582
Expenses:	
Operating	5,240,832
Capital	1,184,810
	<hr/> 6,425,642
Annual deficit per budget	(590,060)
Add: capital expenditures recorded as tangible capital assets	594,750
Annual surplus per statement of operations	<hr/> \$ 4,690

Annual Report

For the year ending December 31, 2019

2019

Financial Statements of Coquitlam Optical Network Corporation (QNet)

Auditors:

KPMG LLP

Prepared by:

The Finance, Technology
& Police Services
Department of the
City of Coquitlam

Independent Auditors' Report

To the City Manager (City of Coquitlam) and General Manager, Finance, Technology and Police Services (City of Coquitlam)

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, 2019
- 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, 2019, 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.

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, handwritten-style font to its right. A blue horizontal line is drawn below the text.

Chartered Professional Accountants
Vancouver, Canada
April 6, 2020

Coquitlam Optical Network Corporation (QNet)

Statement of Financial Position

December 31, 2019, with comparative information for 2018

	2019	2018
Financial Assets		
Cash	\$ -	\$ 15,785
Accounts receivable	-	89,780
	-	105,565
Liabilities		
Accounts payable and accrued liabilities	-	149,551
Deferred revenue	-	233,558
Due to City of Coquitlam (note 5)	-	4,390,517
	-	4,773,626
Net debt	-	(4,668,061)
Non-Financial Assets		
Tangible capital assets (note 4)	-	4,498,319
Prepaid expenses	-	8,925
	-	4,507,244
Accumulated deficit	\$ -	\$ (160,817)
Accumulated deficit is comprised of:		
Share capital	\$ -	\$ 1
Accumulated deficit	-	(160,818)
	\$ -	\$ (160,817)

See accompanying notes to financial statements.

Approved:



City Manager, City of Coquitlam



General Manager, Finance, Technology,
and Police Services, City of Coquitlam

Coquitlam Optical Network Corporation (QNet)

Statement of Operations

Year ended December 31, 2019, with comparative information for 2018

	2019 Budget	2019	2018
	(note 7)		
Revenue:			
Fibre lease	\$ 560,132	\$ 455,973	\$ 422,223
Rack lease	177,150	185,400	187,400
Installation fees	8,000	4,800	13,930
Cost recovery	42,000	88,336	131,516
Revenue sharing	-	95,059	73,244
Developer's contribution	-	3,805	-
	787,282	833,373	828,313
Expenses:			
General and administrative	325,710	340,258	337,042
Amortization	141,000	145,458	140,687
Interest (note 5)	93,000	111,128	93,574
	559,710	596,844	571,303
Annual surplus before the undernoted	227,572	236,529	257,010
Loss on restructuring (note 3)	-	(75,711)	-
Annual surplus	227,572	160,818	257,010
Accumulated deficit, beginning of year	(160,818)	(160,818)	(417,828)
Accumulated surplus (deficit), end of year	\$ 66,754	\$ -	\$ (160,818)

See accompanying notes to financial statements.

Coquitlam Optical Network Corporation (QNet)

Statement of Changes in Net Debt

Year ended December 31, 2019, with comparative information for 2018

	2019 Budget (note 7)	2019	2018
Annual surplus for the year	\$ 227,572	\$ 160,818	\$ 257,010
Acquisition of tangible capital assets	(449,515)	(292,758)	(375,665)
Amortization of tangible capital assets	141,000	145,458	140,687
Loss on disposal of tangible capital assets	-	34,990	-
Transfer of tangible capital asset to the City of Coquitlam	-	4,610,629	-
Net change in prepaid expenses	-	8,925	(637)
Redemption of share capital	-	(1)	-
Change in net debt	(80,943)	4,668,061	21,395
Net debt, beginning of year	(4,668,061)	(4,668,061)	(4,689,456)
Net debt, end of year	\$ (4,749,004)	\$ -	\$ (4,668,061)

See accompanying notes to financial statements.

Coquitlam Optical Network Corporation (QNet)

Statement of Cash Flows

Year ended December 31, 2019, with comparative information for 2018

	2019	2018
Cash provided by (used in):		
Operating activities:		
Annual surplus	\$ 160,818	\$ 257,010
Items not involving cash:		
Amortization of tangible capital assets	145,458	140,687
Loss on disposal of tangible capital assets	34,990	-
Developer's contribution of tangible capital assets	(3,805)	-
Loss on restructuring	72,224	-
Changes in non-cash operating working capital balances:		
Prepaid expenses	276	(637)
Accounts receivable	(5,404)	(3,316)
Accounts payable and accrued liabilities	(12,783)	99,127
Deferred revenue	(12,596)	141,725
Net change in cash from operating activities	379,178	634,596
Capital activities:		
Cash used to acquire tangible capital assets	(288,953)	(375,665)
Financing activities:		
Decrease in due to City of Coquitlam	(106,009)	(249,469)
Redemption of share capital	(1)	-
Net change in cash from financing activities	(106,010)	(249,469)
Change in cash	(15,785)	9,462
Cash, beginning of year	15,785	6,323
Cash, end of year	\$ -	\$ 15,785

See accompanying notes to financial statements.

Coquitlam Optical Network Corporation (QNet)

Notes to Financial Statements

Year ended December 31, 2019

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 involved providing open access to optical fibre networks. It is a wholly-municipal-owned subsidiary of the City of Coquitlam (the “City”) and operated its business within the City municipality boundaries. The Company is a local government corporation and is exempt from income taxes.

On March 26, 2019, the Board of Directors approved the dissolution of the Company along with the transfer of all its assets, liabilities and operating responsibilities to the City. As at December 31, 2019, the Company transferred its assets, liabilities and operating responsibilities to the City (note 3).

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

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

Coquitlam Optical Network Corporation (QNet)

Notes to Financial Statements (continued)

Year ended December 31, 2019

2. Significant accounting policies (continued):

(c) Use of estimates (continued):

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.

3. Restructuring transaction:

On March 26, 2019, the Board of Directors approved the dissolution of the Company along with the transfer of all assets, liabilities and operating responsibilities to the City. The Board of Directors concluded that it would be beneficial, to both the Company and the City, to dissolve the current local government corporation and maintain the services under the City's purview. City Council was informed about the restructuring of the Company on September 9, 2019. The assets, liabilities and operating responsibilities transferred to the City on December 31, 2019 (restructuring date), at which time, the share capital of the Company was also redeemed. There was no cash consideration provided by the City for the transfer. The Company was dissolved on January 30, 2020.

The carrying amount of the assets and liabilities transferred at the restructuring date are as follows:

	2019
Financial assets:	
Cash	\$ 3,487
Accounts receivable	95,184
	98,671
Liabilities:	
Accounts payable and accrued liabilities	136,768
Deferred revenue	220,962
Due to City of Coquitlam	4,284,508
	4,642,238
Non-financial assets:	
Tangible capital assets	4,610,629
Prepaid expenses	8,649
	4,619,278
Loss on restructuring	\$ 75,711

Coquitlam Optical Network Corporation (QNet)

Notes to Financial Statements (continued)

Year ended December 31, 2019

4. Tangible Capital Assets

December 31, 2019	Software	Data centre equipment	Building entrance – fibre	Building entrance – civil
Cost:				
Balance, beginning of year	\$ 84,050	\$ 951,603	\$ 611,459	\$ 767,654
Additions	-	-	40,889	55,871
Disposals	-	-	(11,379)	-
Total cost	84,050	951,603	640,969	823,525
Accumulated amortization:				
Balance, beginning of year	84,050	484,017	93,434	47,160
Amortization expense	-	50,997	24,680	9,430
Disposals	-	-	(470)	-
Total accumulated amortization	84,050	535,014	117,644	56,590
Transfer to the City (note 3)	-	(416,589)	(523,325)	(766,935)
Net book value, end of year	\$ -	\$ -	\$ -	\$ -
Net book value, beginning of year	\$ -	\$ 467,586	\$ 518,025	\$ 720,494

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

	Arterial fibre – civil	Arterial fibre – fibre	Leasehold improvements and leased equipment	Assets under construction	Total
\$	1,888,029	\$ 321,255	\$ 932,876	\$ 24,154	\$ 5,581,080
	94,511	100,237	-	1,250	292,758
	-	-	-	(24,155)	(35,534)
	1,982,540	421,492	932,876	1,249	5,838,304
	146,609	62,613	164,878	-	1,082,761
	22,931	14,088	23,332	-	145,458
	(74)	-	-	-	(544)
	169,466	76,701	188,210	-	1,227,675
	(1,813,074)	(344,791)	(744,666)	(1,249)	(4,610,629)
\$	-	\$ -	\$ -	\$ -	\$ -
\$	1,741,420	\$ 258,642	\$ 767,998	\$ 24,154	\$ 4,498,319

	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

Coquitlam Optical Network Corporation (QNet)

Notes to Financial Statements (continued)

Year ended December 31, 2019

5. Due to City of Coquitlam:

In 2018, the amount due to City of Coquitlam 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 the City as at December 31, 2018 is \$932,876 for the use of leasehold improvements and equipment for the term of the lease.

Upon the restructuring of the Company as at December 31, 2019 (note 3), the amount due to the City of Coquitlam was forgiven and the lease for the use of the leasehold improvements was terminated.

6. 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, 2019 (2018 – nil). Management costs and direct infrastructure services related to the Company of \$195,831 (2018 – \$173,367) 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 (2018 – nil).

7. Budget data:

The budget data presented in these financial statements is based upon the 2019 budget approved by the Board of Directors on April 16, 2019. The chart below reconciles the approved budget figures reported in these financial statements.

Revenue:		
Operating budget		\$ 787,282
Expenses:		
Operating budget		418,710
Capital budget		590,515
		<hr/>
		1,009,225
		<hr/>
Annual deficit per budget		(221,943)
Add: tangible capital assets purchases included in capital budget		449,515
		<hr/>
Annual budgeted surplus per statement of operations		\$ 227,572

Annual Report

For the year ending December 31, 2019

2019

Statistical Analysis

Statistical Analysis

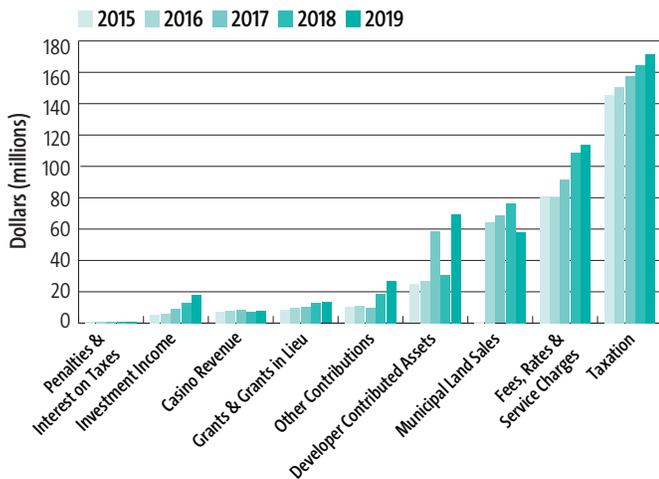
Learn more

Please visit coquitlam.openbook.questica.com to explore the City's Annual Report Expenses and Revenues and more using our new financial information visualization tool.

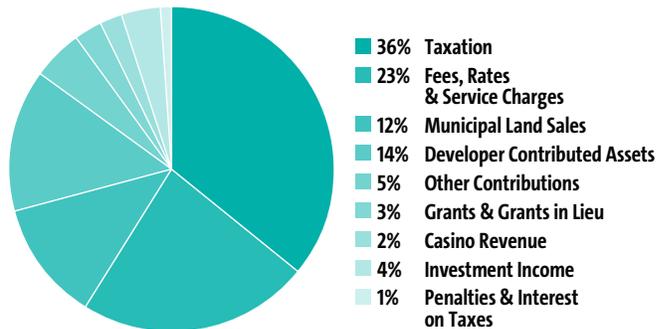
NOTE: All data provided by the City of Coquitlam except where noted.

Revenues

Revenue by Source (\$) 2015–2019



Revenue by Source (%) 2019

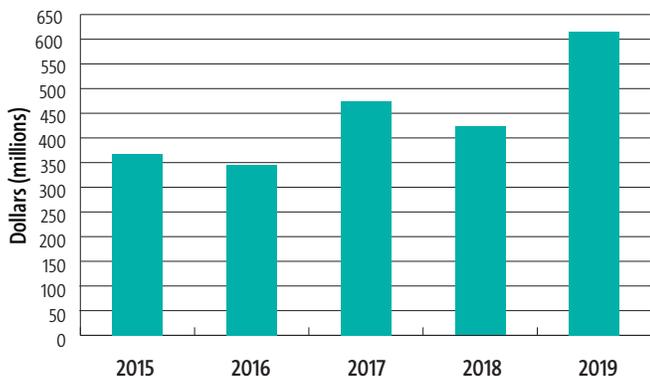


Revenues

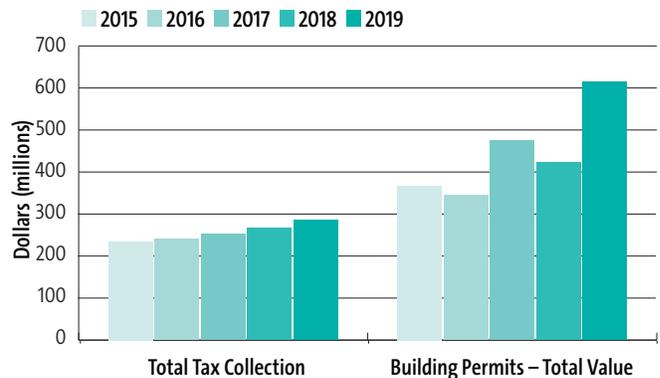
Last Five Fiscal Years Comparison
(in '000)

	2015	2016	2017	2018	2019
Taxation	\$ 145,483	\$ 150,632	\$ 157,321	\$ 164,596	\$ 171,378
Penalties & Interest on Taxes	1,069	876	946	1,043	1,054
Fees, rates & Service Charges	80,197	79,977	91,794	108,895	114,045
Developer Contributed Assets	24,728	26,676	58,778	30,448	69,190
Investment Income	5,458	6,256	9,363	12,701	17,960
Grants & Grants in Lieu	8,739	10,071	10,400	12,701	13,318
Municipal Land Sales	135	64,561	68,505	76,126	57,882
Casino Revenue	7,097	7,856	8,609	7,376	7,861
Cost Recoveries and Other	10,680	10,895	9,852	18,553	26,680
Total Revenue	\$283,586	\$357,800	\$415,568	\$432,439	\$479,368

Total Value of Building Permits
(\$ 2015–2019)



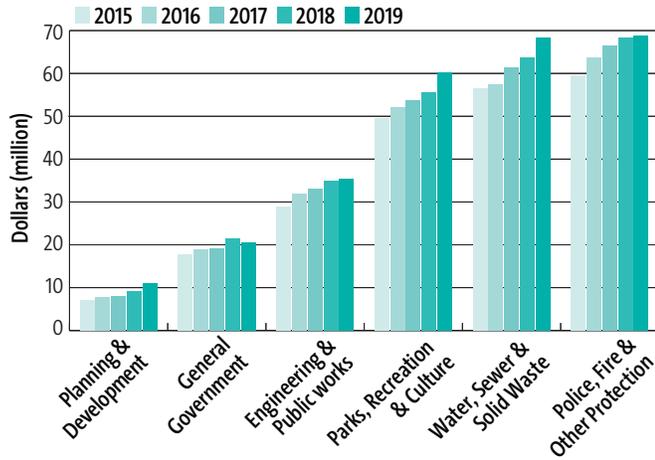
Building Permits and Total Tax Collection
(\$ 2015–2019)



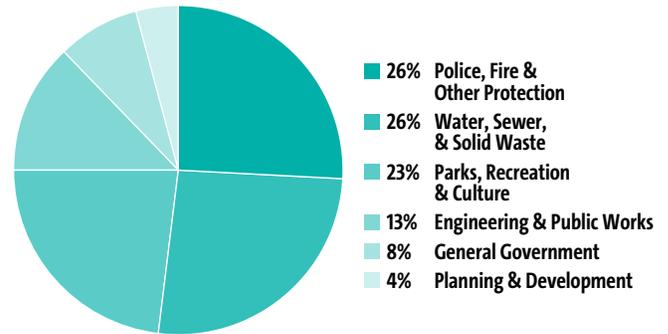
Statistical Analysis

Expenses

**Expenses by Function
(\$ 2015–2019)**



**Expenses by Function
(%) 2019**

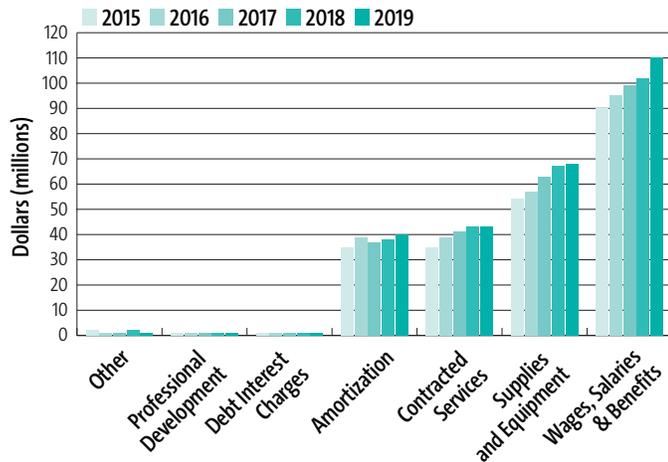


Expenses

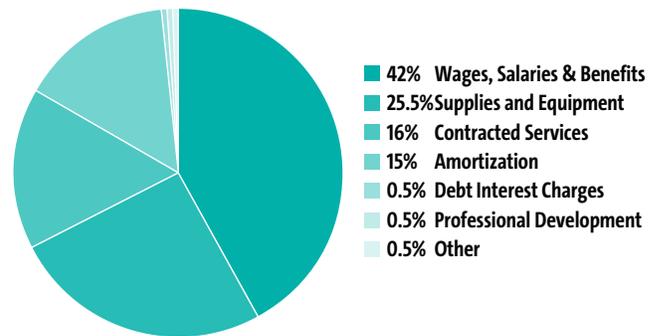
**Last Five Fiscal Years Comparison
(in '000)**

	2015	2016	2017	2018	2019
General Government	\$17,822	\$18,869	\$19,287	\$21,448	\$20,585
Police, Fire & Other Protection	59,637	63,709	66,441	68,288	68,685
Engineering	29,059	31,871	33,023	34,988	35,475
Planning & Development	7,019	7,886	8,956	9,186	11,096
Parks, Recreation and Culture	49,604	52,193	53,653	55,645	60,320
Water, Sewer & Solid Waste	55,135	57,382	61,325	63,636	68,242
Total Expenses by Functions	\$218,276	\$231,910	\$242,685	\$253,191	\$264,403

**Expenses by Account
(\$ 2015–2019)**



**Expenses by Account
(%) 2019**



Expenses

Last Five Fiscal Years Comparison
(in '000)

	2015	2016	2017	2018	2019
Wages, Salaries and Benefits	\$89,961	\$95,016	\$98,914	\$102,325	110,508
Professional Development	870	889	872	848	1,058
Contracted Services	34,731	38,504	41,243	42,812	42,906
Supplies and Equipment	54,096	56,538	62,823	66,547	68,157
Other	2,182	1,237	1,228	1,609	1,367
Debt Interest Charges	1,302	1,036	1,044	924	847
Amortization	35,134	38,690	36,562	38,126	39,560
Total Expenses by object	\$218,276	\$231,910	\$242,686	\$253,191	264,403

Total Number of City Employees, 2015–2019

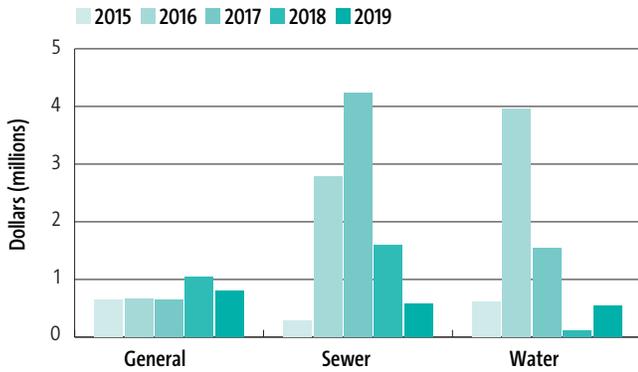
Year	Number of FTE Not Including RCMP Members	Number of FTE Including RCMP Members
2015	988	1119
2016	1014	1165
2017	1029	1183
2018	1048	1199
2019	1094	1247

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

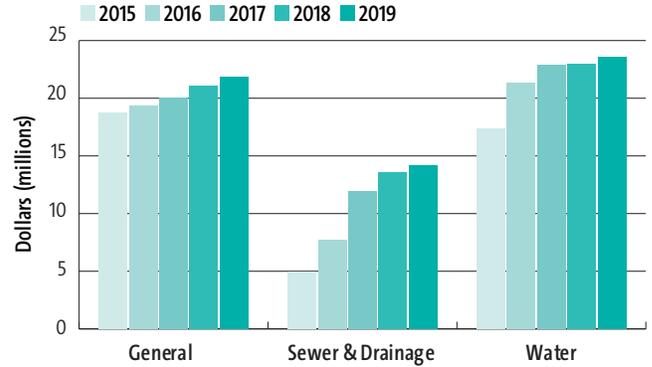
Statistical Analysis

Surplus

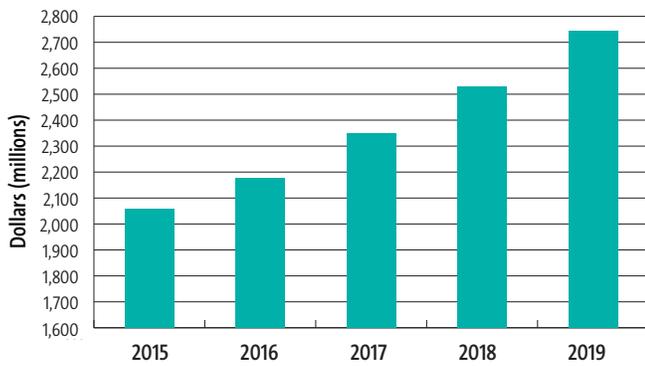
Surplus for the Year
(\$ 2015–2019)



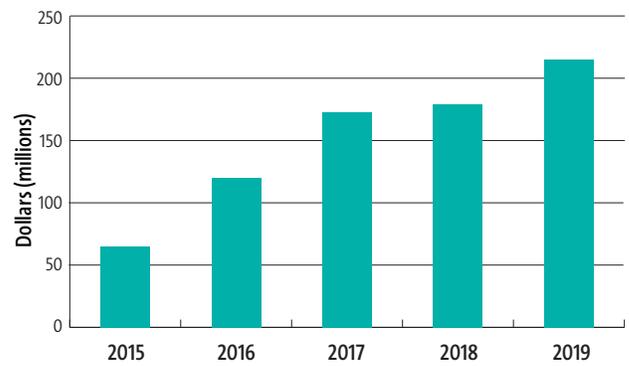
Accumulated Operating Surplus
(General, Water and Sewer & Drainage)
(\$ 2015–2019)



Accumulated Consolidated Surplus
(\$ 2015–2019)

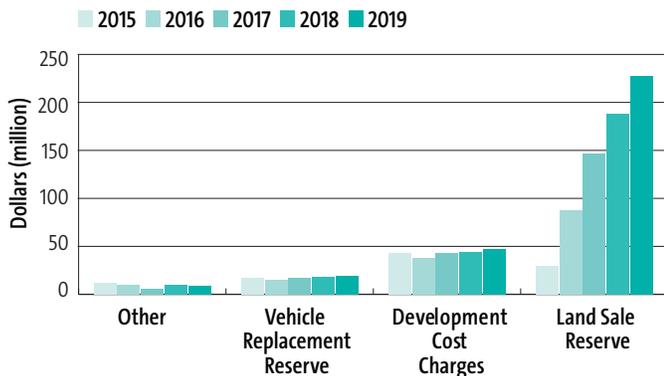


Annual Consolidated Surplus
(\$ 2015–2019)



Reserves

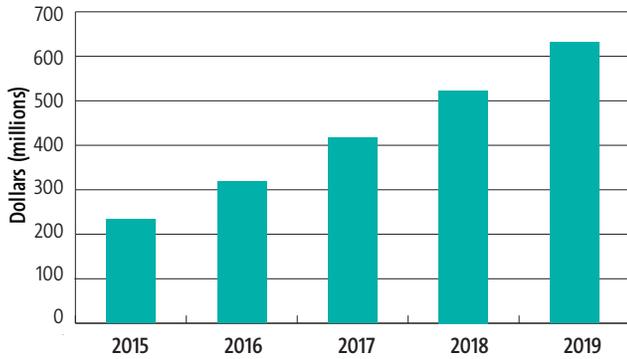
Summary of Statutory Reserve Funds
(\$ 2015–2019)



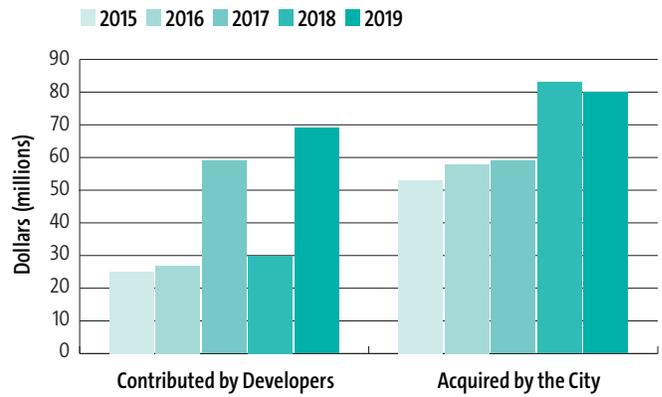
Statistical Analysis

Assets

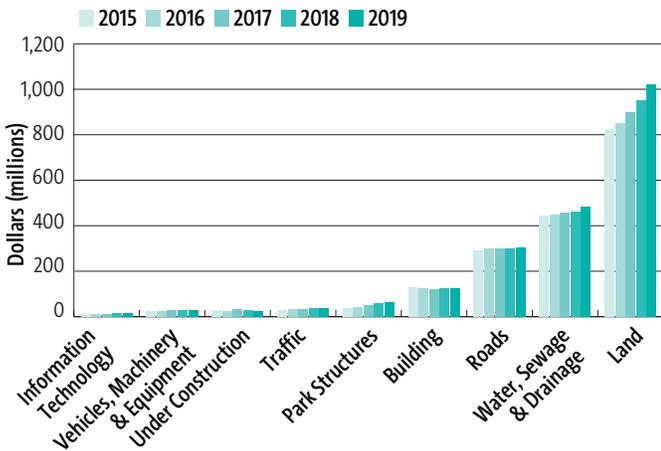
**Net Financial Assets
(\$)** 2015–2019



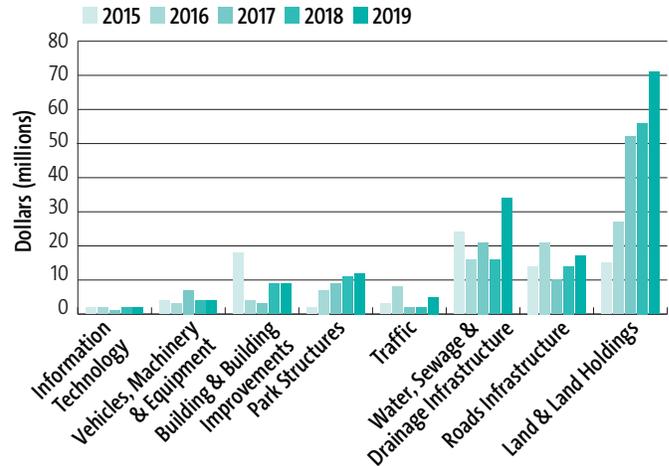
**Total Assets Aquisition
(\$)** 2015–2019



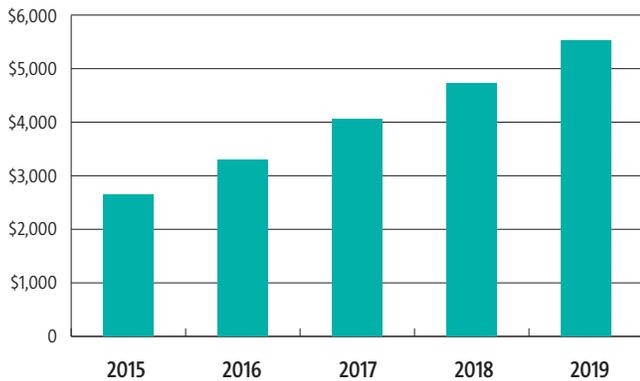
**Net Book Value of Tangible Capital Assets
(\$)** 2015–2019



**Assets Aquisition by Category
(\$)** 2015–2019



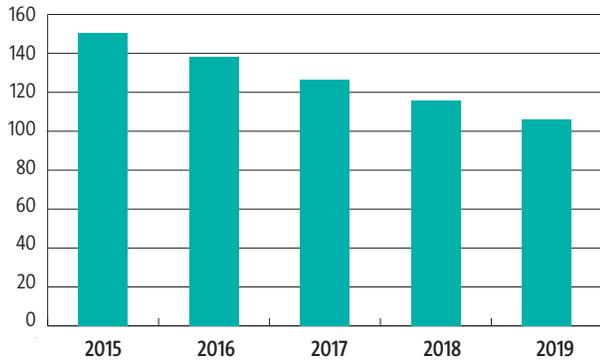
**Coquitlam Financial Assets per Capita
(\$)** 2015–2019



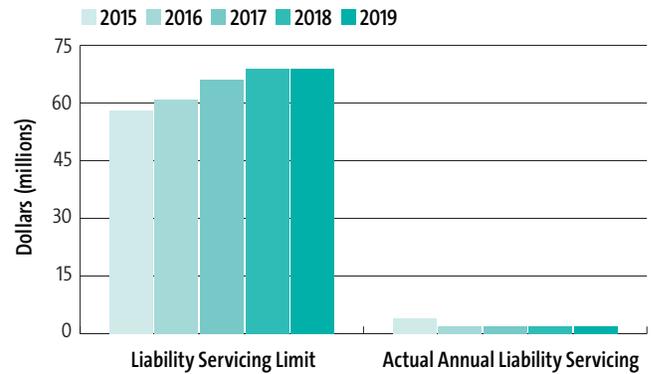
Statistical Analysis

Debt

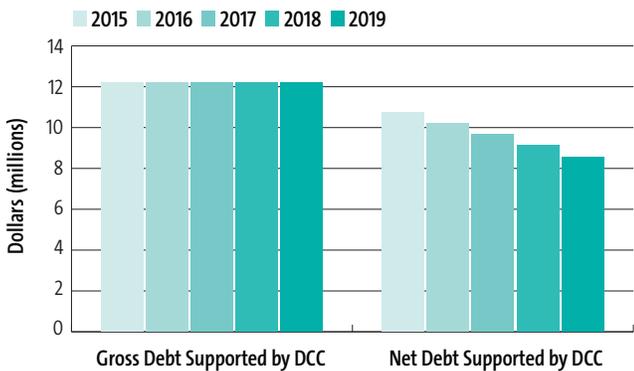
Coquitlam Debt per Capita (\$) 2015–2019



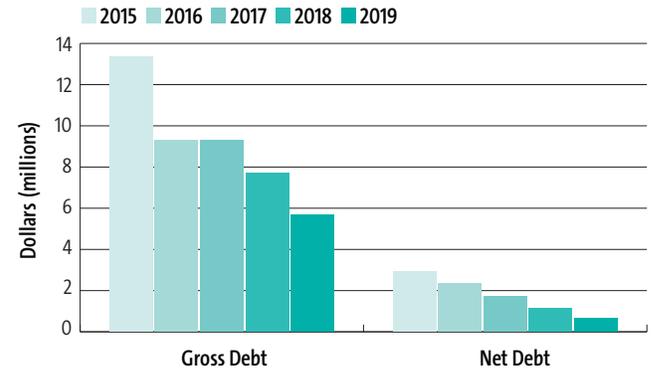
Liability Servicing Limit and Actual Annual Liability Servicing (\$) 2015–2019



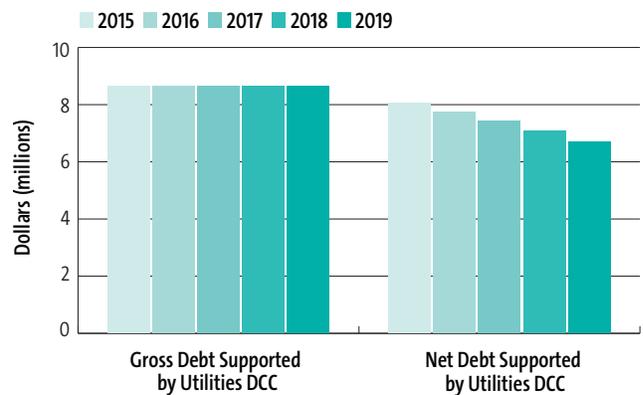
Gross & Net Long Term Debt Supported by Development Cost Charges (\$) 2015–2019



Gross & Net Long-Term Debt Supported by Local Improvement Levies (\$) 2015–2019

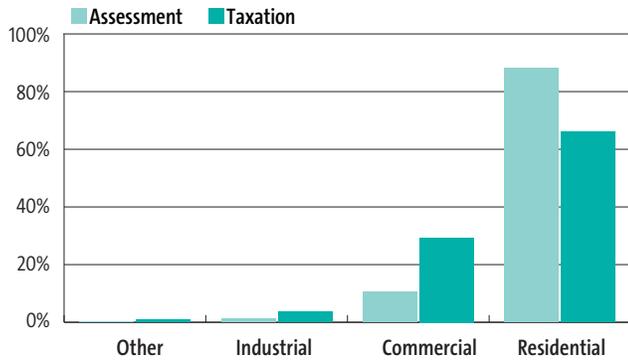


Gross & Net Long-Term Debt Supported by Utilities Development Cost Charges (\$) 2015–2019

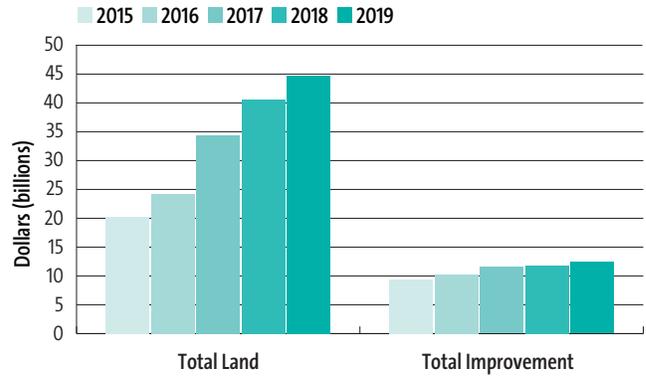


Property Assessment & Taxation

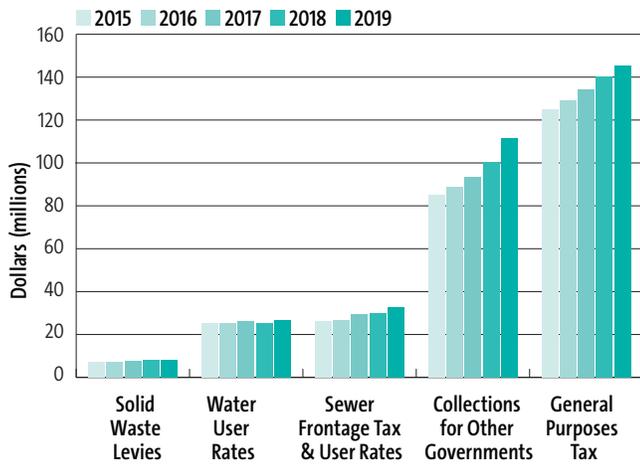
Assessment & Taxation By Property Class (\$) 2019



Assessed Values for General Municipal Purposes (\$) 2015–2019

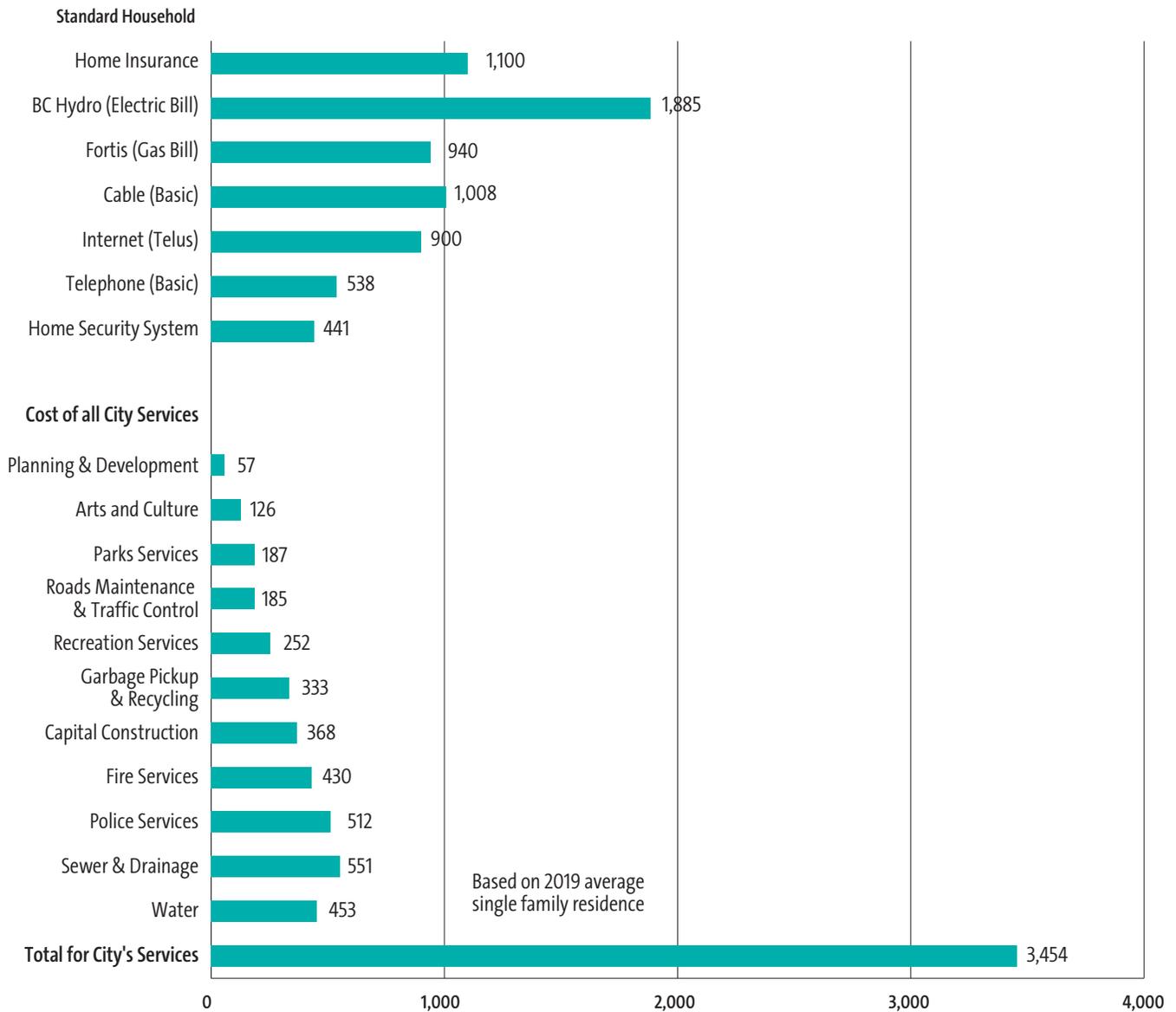


Property Tax Collection, Other Major Levies & Collections (\$) 2015–2019



Statistical Analysis

Comparison of the Average 2019 Annual Tax Bill for all City Services to Other Standard Household Costs



Based on 2019 average single-family residence.

Top Twenty-Five Corporate Taxpayers

Owner Name	Primary Property	Levy
Pensionfund Realty Ltd.	Shopping Centre	\$ 8,595,434
Loblaw Properties West Inc.	Shopping Centre	3,768,526
Fraser Mills Properties Ltd.	Industrial	3,627,399
Burquitlam Building Ltd.	Shopping Centre	2,169,280
BC Hydro & Power Authority	Electric Power Systems	1,922,661
Double KAPPA Holdings Ltd.	Vacant	1,778,234
Ikea Properties Ltd.	Miscellaneous	1,200,697
Pinetree Village Holdings Inc.	Shopping Centre	1,127,564
Sun Life Assurance Co of Canada	Shopping Centre	1,121,397
Great Canadian Casinos Inc.	Stores & Service Commercial	1,072,743
Busung Investment Co Ltd.	Shopping Centre	1,068,431
Anthem SOCO Developments Ltd.	Vacant	1,051,548
Coquitlam College Inc.	Community College	1,001,979
Fortis Energy Inc.	Gas Distribution Systems	896,734
Bosa Blue Sky Properties (Lougheed Heights 3) Inc.	Multi Family High Rise	804,788
Domtar Inc.	Miscellaneous & Industrial	798,465
South Coast BC Transportation Auth.	Parking-Lot	784,762
Sunnyland Enterprises Ltd.	Shopping Centre	765,193
Lafarge Canada Inc.	Concrete Mixing Plants	756,952
West Mall Hotels Ltd.	Hotel	737,706
655870 BC Ltd.	Storage & Warehousing	726,076
Concert Cottonwood Lands Ltd.	Multi Family Apartment Block	574,649
Polygon Development 265 Ltd.	Single Family Dwelling	537,177
Spire LP (Lougheed Super Centre) Ltd.	Community Shopping Centre	528,488
McDonald's Restaurants of Canada	Fast Food Restaurants	509,764
		\$ 37,926,647

Statistical Analysis

2019 Permissive Tax Exemptions Bylaw

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

Burquitlam Senior Housing Society	\$26,559
Accommodations for senior residents on limited incomes	
Colony Farm Community Gardens Society	\$5,186
Gardening opportunities for community and related activities	
Community Living Society Inc.	\$2,426
Supports people with disabilities	
Community Living Society Inc.	\$2,426
Supports people with disabilities	
Greater Vancouver Water District	\$20,669
Land leased to the City of Coquitlam	
Kinsight Community Society	\$2,719
Supports healthy development of all people	
Kinsight Community Society	\$2,697
Supports healthy development of all people	
Nature Trust of British Columbia	\$4,314
Land conservation organization	
Nature Trust of British Columbia	\$25,061
Land conservation organization	
Nature Trust of British Columbia	\$947
Land conservation organization	
Nature Trust of British Columbia	\$66,745
Land conservation organization	
Nature Trust of British Columbia	\$51,783
Land conservation organization	
Royal Canadian Legion Branch No. 263	\$42,601
Support for veterans, members and the community	
Sisters of The Immaculate Heart of Mary Society	\$2,594
Education based daycare centre	
Societe du Foyer Maillard	\$36,299
Bilingual nursing homes for seniors	
Talitha Koum Society	\$4,879
Non-Profit Organization	
	\$297,905

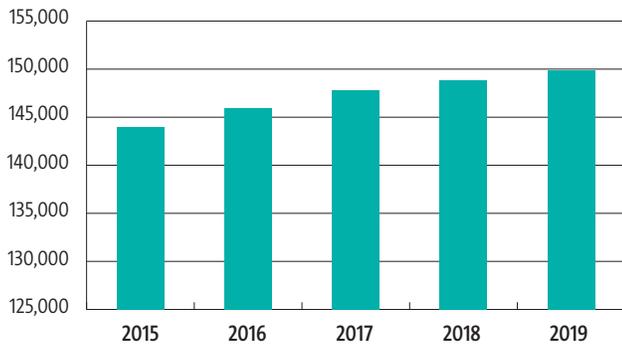
This list does not include statutory exemptions provided by the province or the permissive exemptions provided by the City of Coquitlam under section 224 subsection (2) (f) [buildings for public worship] and the City’s properties.

The tax figures provided are estimates only.

Coquitlam Demographics

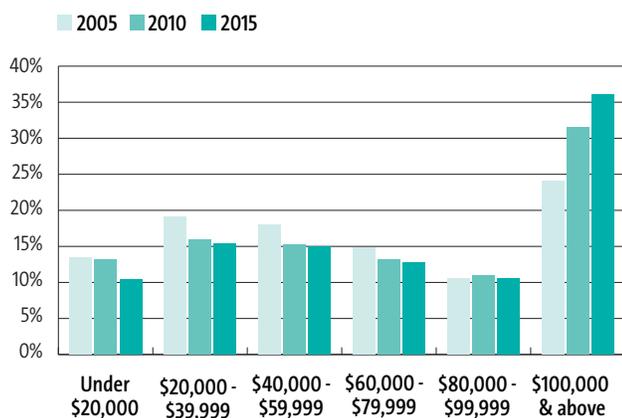
Population Estimate 2015–2019

(Source: BC STATS – Ministry of Management Services)



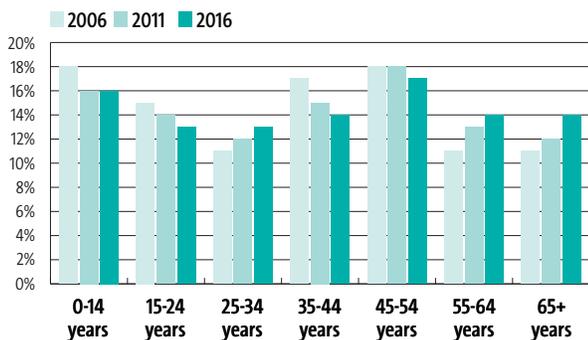
Household Income in Coquitlam 2005, 2010 & 2015

(Source: Statistics Canada)



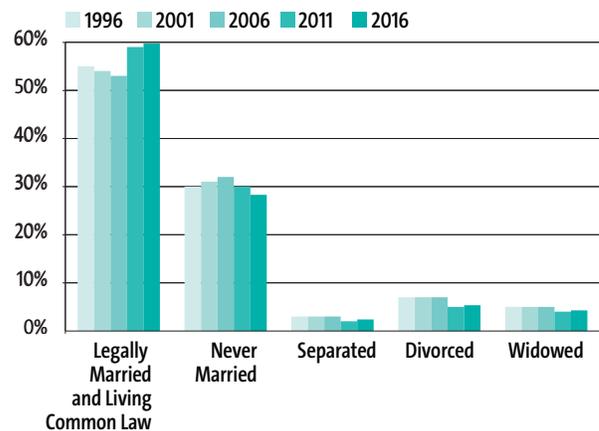
Coquitlam's Population by Age as a Percentage of Population

(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: 2016 Census)

Language	2016	
	Number	%
English	87,800	68.7%
Mandarin	10,680	8.4%
Korean	6,870	5.4%
Cantonese	6,255	4.9%
Persian (Farsi)	5,015	3.9%
Spanish	1,320	1.0%
Russian	1,255	1.0%
Tagalog (Pilipino, Filipino)	1,075	0.8%
Chinese (not otherwise specified)	715	0.6%
Arabic	655	0.5%

“Language spoken most often at home” refers to the language the person speaks most often at home at the time of data collection.

Statistical Analysis

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
Casino	Hard Rock Casino
Retail Sales	Ikea
Restaurant Sales	McDonald's Restaurants
Manufacturer	Factors Group of Nutritional Companies Inc
Retail Sales	Save on Foods
Restaurant Sales	Tim Hortons
Manufacturer	Superior Poultry Processors Ltd
Warehouse	WN Pharmaceuticals Ltd.
Entertainment	SilverCity Coquitlam (VIP Lounge)
Retail Sales	Shoppers Drug Mart
Services	GFL Environmental Inc
Retail Sales	T & T Supermarket
Warehouse	McKesson Canada
Retail Sales	Walmart Supercentre
Retail Sales	Safeway
Contractor/Industrial Services	Waste Management of Canada Corporation
Manufacturer	Associated Labels and Packaging
Theatre/Concert Hall	Cinplex SilverCity (Theatres)
Retail Sales	Value Village
Retail Sales	Home Depot Canada
Manufacturer	GFR Pharma Ltd
Golf Courses	Westwood Plateau Golf & Country Club
Retail Sales	Starbucks Coffee
Retail & Wholesale Sales/Warehouse	Leavitt Machinery
Professional	Pro Vita
Restaurant Sales	Cactus Club Café
Manufacturer	Lafarge Canada Inc

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

Federal Gas Tax Fund – Community Works Reserve

The federal Gas Tax Fund (GTF) is a permanent source of annual funding to provinces and territories, who in turn flow this funding to their municipalities to support local infrastructure priorities. In British Columbia, the GTF is delivered through three program streams: Community Works Fund; Strategic Priorities Fund; and Greater Vancouver Regional Fund.

The following are City of Coquitlam infrastructure projects funded by the Community Works GTF in 2019.

Project Title	Expenditures
Sport Court Program (Blue Mountain Park and Town Centre Park)	54,834
Eagle Ridge Tennis Courts	238,461
Playground Replacement Program (Noons Creek Park)	152,618
Blue Jay Playground	50,000
Mundy Park Hillcrest Parking Lot	14,328
Pacific Street Guildford to Glen and Oakdale – Bicycle Routes	15,000
Sidewalk Program (Stewart Ave, Ranch Park Way, Town Centre Blvd)	15,000
King Albert Citywide Greenway	15,000
Operations and Safety Improvement program (OSI)	1,711
Total	556,952

For more information from Infrastructure Canada about the federal Gas Tax Fund, visit infrastructure.gc.ca.



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