

2012

Annual Report

City of Coquitlam | British Columbia

Consolidated Financial Statements

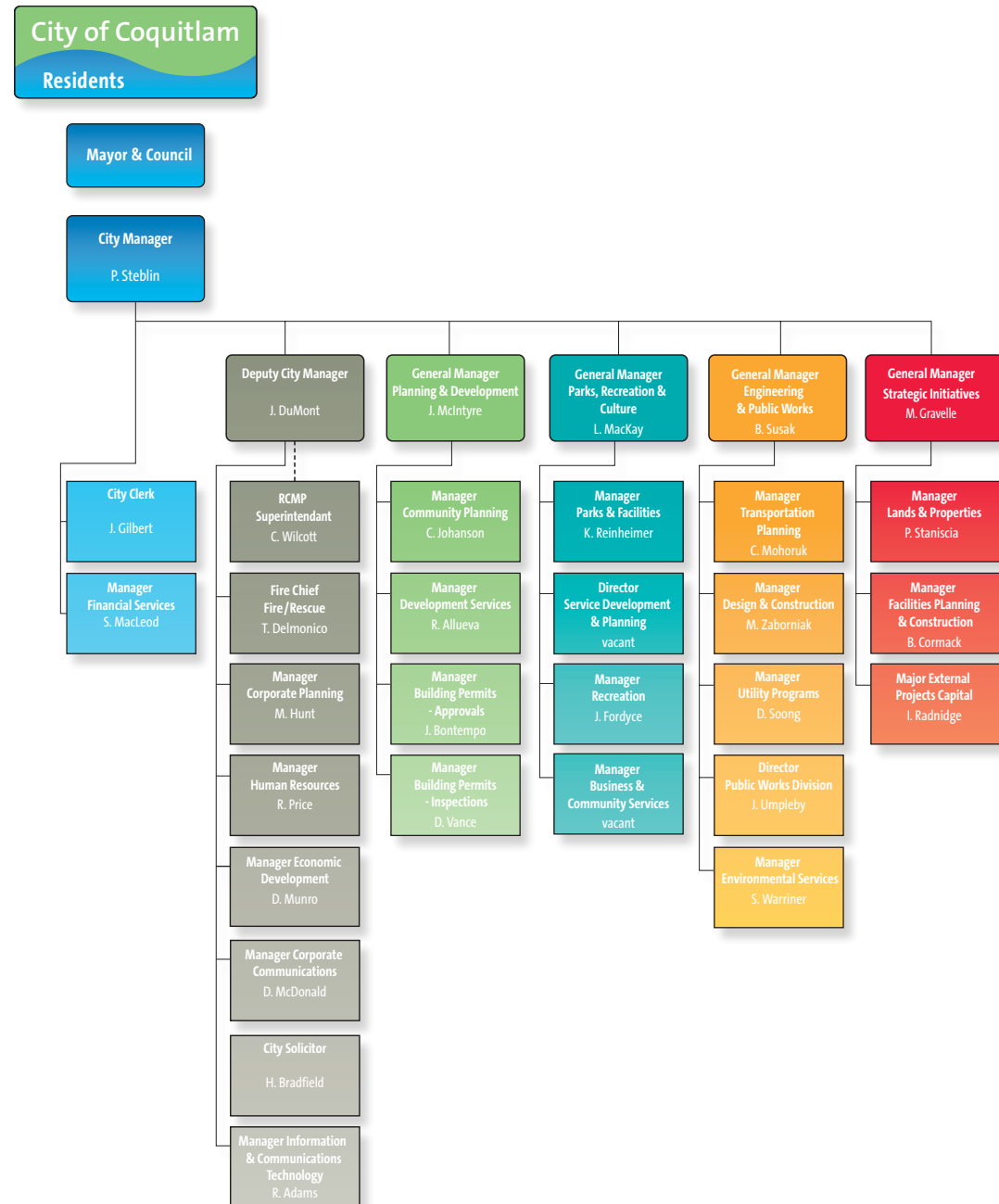
For the year ending December 31, 2012

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City of Coquitlam Organizational Chart

as of December 31, 2012



City of Coquitlam Civic Directory

Mayor

Richard Stewart

Councillors

Brent Asmundson

Craig Hodge

Neal Nicholson

Terry O'Neill

Mae Reid

Linda Reimer

Selina Robinson

Lou Sekora

Officials

P.Steblin

CITY MANAGER

J.DuMont

DEPUTY CITY MANAGER

B.Susak

GENERAL MANAGER

ENGINEERING AND PUBLIC WORKS

J.McIntyre

GENERAL MANAGER PLANNING

AND DEVELOPMENT

S.MacLeod

MANAGER FINANCIAL SERVICES

CITY TREASURER

L.MacKay

GENERAL MANAGER PARKS,

RECREATION AND CULTURE SERVICES

M.Gravelle

GENERAL MANAGER STRATEGIC

INITIATIVES

T.Delmonico

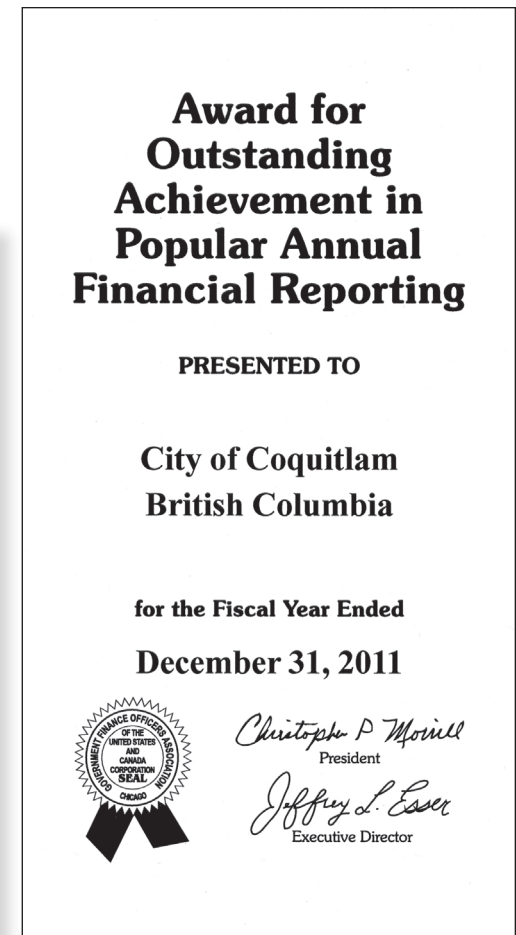
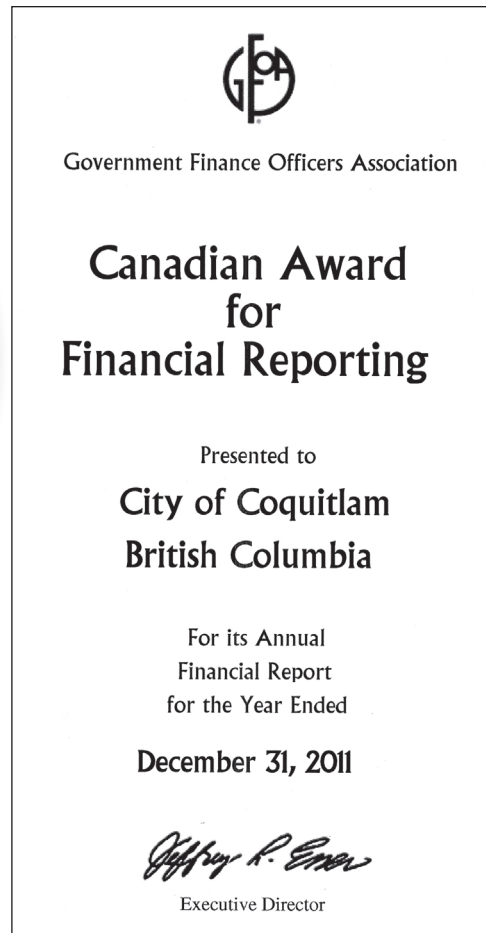
FIRE CHIEF

C.Wilcott

SUPERINTENDENT R.C.M.P.

Awards

The Finance department received the Government Finance Officers Association (GFOA) awards for Excellence in Financial Reporting, the Popular Annual Financial Reporting award, and the Distinguished Budget Presentation award.



2012

Annual Report

City of Coquitlam | British Columbia

Consolidated Financial Statements

For the year ending December 31, 2012

Report From the City Treasurer

April 30, 2013
Mayor and Council
City of Coquitlam

Your Worship and Members of Council:

I am pleased to present the Annual Report for the fiscal year ending December 31, 2012. The purpose of this report is to publish 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 2012 Annual Report is the responsibility of the Financial Services Division of the City. These statements have been prepared in accordance with generally accepted accounting principles and the recommendations of the Public Sector Accounting Board of the Institute of Chartered Accountants and the Provincial Ministry of Community, Sport and Cultural Development. The City maintains a system of internal accounting controls designed to safeguard the assets of the corporation and provide reliable financial information.

The audit firm of KPMG LLP was appointed by Council and is responsible for expressing an opinion as to whether the consolidated financial statements, prepared by management, fairly present the financial position of the City of Coquitlam and the results of its 2012 operations. The 2012 Audited Financial Statements were presented to and approved by the Finance Committee of Council which acts as the City's Audit Committee.

Financial Overview

2012 Operating Results

The Consolidated Financial Statements presented include the 2012 results for the City's General Fund, Utility Funds, Trust and Reserve Funds, as well as the Coquitlam Public Library and QNet. From a financial perspective, the 2012 results are positive with a small surplus achieved overall. It is a credit to Council and the staff for working diligently on hundreds of projects throughout the year to provide quality services and a positive bottom line. This is evident in our annual survey which indicates that the vast majority of taxpayers believe they receive good value for their tax dollars.

During 2012 the City reached an agreement with the Province of BC to build an additional SkyTrain station in Coquitlam City Centre. The \$27M cost of this station is being shared between the City and the private sector. The City's \$15M contribution to the project, which is shown on the Statement of Financial Activities, will be financed by a \$7M P3 Canada grant for the project and an \$8 M credit from the Province related to the value of land rights of way provided on City land. This transaction has a significant impact on the 2012 financial statements.

During the year, the City's non-financial assets increased by \$38 million from \$1.64 billion to \$1.67 billion, while debts decreased from \$30 million to \$27 million. The City's cash position at year end increased from \$235 million to \$266 million, primarily because of land sales and the increase in development activity in the community during the year. Consolidated revenues for the year totaled \$281 million, which combined with additional funding from City reserves, covered operating costs of \$215 million and capital additions of approximately \$72 million.

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. The City's General Fund ended the year with a surplus of \$0.5 million primarily as a result of expenditure savings for policing as a result of labour vacancies within the RCMP membership. Another mild winter enabled the City to contribute approximately \$600,000 of unused Snow and Ice funding to reserves, as directed by Council policy. For the second year, I am pleased to report the City's Snow and Ice Reserve is fully funded, enabling any further weather-related savings to be directed toward the shortfall in our Vehicle Replacement Reserve.

General Fund revenues for the year totaled \$215 million covered operating costs of \$169 million and capital additions of approximately \$46 million. The key projects for the year included approximately \$14 million in transportation infrastructure projects, and completion and opening of the new City Centre Branch of the Coquitlam Public Library.

Utilities

The City operates two major utilities which are funded by user fees.

The Sewer and Drainage Utility includes over 400 kilometers of pipes for the collection and transmission of sewerage to the Greater Vancouver Sewerage and Drainage District's (GVS&DD) Annacis Island Treatment Plant, as well as over 500 kilometers of drainage pipes and facilities to provide environmental and flood protection throughout the City. During 2012, the Utility collected and conveyed sewerage and run-off water from approximately 40,000 households and commercial customers.

The Sewer and Drainage Utility Fund ended the year with an annual operating surplus of approximately \$6 million. At the end of the year, the Sewer and Drainage funds accumulated surplus had grown to over \$13M. As a result, the \$12.5M internal loan owed to a number of City reserves was repaid. This resulted in a significant reduction in the Sewer and Drainage fund surplus and an increase in the consolidated reserves for capital purposes. There is still \$12.5 M owed to the Sewer and Drainage fund from future DCC collections which will rebuild the Sewer and Drainage surplus over time.

During 2012, Sewer and Drainage revenues of \$34 million were used for operations at a cost of \$25 million and net capital additions of \$7 million. The largest project of the year was continued work on the expansion of the Northeast Coquitlam drainage system at a cost of approximately \$2 million, funded in part through internal borrowing approved in previous budgets.

The Water Utility also uses over 400 kilometers of pipes to deliver water purchased from the Greater Vancouver Water District (GVWD). During 2012, the utility also provided water to approximately 40,000 households and commercial customers.

The Water Utility Fund ended the year with a small surplus of \$1.8M, which came from expenditure savings. During 2012, Water revenues of \$27 million were used for water operations at a cost of \$21 million and net capital additions of \$7 million. The largest projects of the year included a number of water main replacements totaling almost \$2 million and the continuation of Phase 3 of the Northeast Water Supply System at a cost of \$0.5 million.

Investment Portfolio

It is the policy of the City of Coquitlam to invest City 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 government and complying with the statutory requirements of the Community Charter. Investment income increased in 2012, from \$4.2 million to \$4.4 million due to increased cash balances achieved during the year as a result of the growth in development in the community. The average balance invested by the City of Coquitlam during the year was \$268 million with an average rate of return of 1.5%.

Trusts and Reserves

The City holds a number of Trust Funds that represent monies on deposit for particular purposes. During 2012, the Trust Fund balances were maintained at \$20 million because of performance deposits related to the significant level of development within the City.

The City also has a number of Statutory Reserve Funds including the Land Sale Reserve, the Vehicle Replacement Reserve and Development Cost Charges. During 2012, the City's Reserve Fund balances increased from \$126 million to \$160 million primarily because of land sales, development related collections and the repayment of the Sewer and Drainage Fund internal borrowing. These funds are used to support the City's Capital Program and the increase seen in 2012 will be needed to support infrastructure replacement projects necessitated by the increased development and resulting population growth in the community.

Debt

Outstanding long-term debt at the end of 2012 is \$27 million or approximately \$212 per capita, which is a decrease over 2011 as a result of debt repayments made during 2012. During 2012 the City retired the short term borrowing use to advance the completion of the Poirier Sport and Leisure complex. The City continues to use the short term borrowing offer by the MFA at very favourable rates to advance capital projects including the New City Centre Library and the New Fire Hall in Northeast Coquitlam.

Financial Sustainability

The following improvements in the City's balance sheet are the result of a number of Long Range Financial Policies adopted by City Council aimed at ensuring the sustainability of City infrastructure:

- The City of Coquitlam's cash surplus (Note 11) decreased from \$42 million in 2011 to \$34 million in 2012 as a result of the repayment of the Sewer and Drainage internal borrowing. However, the reduction in surplus was transferred to capital reserves and is available for priority capital works. The surplus of \$34 million is held for the purpose of maintaining an appropriate balance to provide working capital, interest earnings and an emergency fund.
- Revenue received through the Casino Host Agreement was contributed to a Casino Reserve allocated as follows:
 - \$945,000 was received to fund Community Capital Projects of which \$426,000 was issued in grants to community organizations and funds to support community events during the year and \$500,000 was allocated to support Local Area Services.
 - \$6.6 million was received to fund Municipal Capital Projects. All of the Municipal Capital Funds received to date have been allocated to fund priority infrastructure projects in the City's five year Capital Program.
- Savings totaling \$1.8 million achieved as a result of debt retirement from prior years has been used to support the City's annual contribution to growth related projects in the capital program.

These Council policies are a very positive step in ensuring the long-term financial sustainability of City infrastructure in the future.

Respectfully submitted,



Sheena MacLeod, C.A.
City Treasurer

Independent Auditors' Report

To the Mayor and Council of the City of Coquitlam

We have audited the accompanying consolidated financial statements of the City of Coquitlam, which comprise the consolidated statement of financial position as at December 31, 2012, the consolidated statements of operations, changes in net financial assets and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes

evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the City of Coquitlam as at December 31, 2012 and its consolidated results of operations, its changes in net consolidated financial assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Other Matters

Our audit was made for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The current year's supplementary information included in Schedules A through G is presented for purposes of additional analysis and is not a required part of the financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.



Chartered Accountants
April 15, 2013
Burnaby, Canada

Consolidated Statement of Financial Position

December 31, 2012, with comparative figures for 2011

	2012	2011
		(recasted – note 3)
Financial Assets		
Cash (note 4)	\$ 121,030,901	\$ 149,599,526
Temporary investments (note 4)	145,081,819	85,597,251
Accounts receivable (note 5)	37,268,039	31,441,987
	303,380,759	266,638,764
Liabilities		
Accounts payable and accrued liabilities (note 6)	45,158,758	31,803,274
Deferred revenue (note 7)	44,360,678	45,475,222
Deposits (note 8)	20,365,355	20,439,359
Long-term liabilities (note 9)	26,822,087	30,217,632
	136,706,878	127,935,487
Net financial assets	166,673,881	138,703,277
Non-Financial Assets		
Inventories of supplies	682,510	662,974
Prepaid expenses	797,259	904,036
Tangible capital assets (note 10)	1,673,208,995	1,635,354,929
	1,674,688,764	1,636,921,939
Accumulated surplus (note 11)	\$ 1,841,362,645	\$ 1,775,625,216

Commitments and contingencies (note 16)

See accompanying notes to consolidated financial statement



City Treasurer

Consolidated Statement of Operations

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

	2012 budget (unaudited - notes 2a and 20)	2012	2011 (recasted - note 3)
Revenue:			
Taxation (note 12)	\$ 127,043,279	\$ 126,365,623	\$ 121,758,535
Fees, rates and service charges	64,114,325	71,714,012	60,909,149
Grants and grants in lieu	9,944,162	17,083,907	14,393,696
Investment income	3,553,474	4,438,210	4,216,578
Casino revenue	7,200,000	7,556,341	7,422,836
Municipal land sales	-	15,704,619	9,423,840
Developer's contribution (note 10(b))	-	27,248,902	34,705,276
Cost recoveries	5,529,782	8,526,001	6,950,717
Penalties and interest on taxes	835,500	1,047,459	1,008,513
Other	79,144	1,059,889	875,962
	218,299,666	280,744,963	261,665,102
Expenses:			
General government	15,257,682	15,901,449	14,995,100
Police protection	30,058,485	28,714,218	26,592,050
Fire protection	21,705,469	22,060,469	20,395,927
Other protection	2,322,340	2,183,348	2,295,620
Engineering	25,186,319	26,394,940	27,637,309
Solid waste	8,732,380	8,765,566	8,223,164
Planning and development	6,351,132	6,370,912	5,867,803
Parks, recreation and culture	41,345,146	43,271,870	41,162,082
Evergreen Line (note 13)	-	15,411,632	-
Water utility	20,695,875	21,050,329	19,422,955
Sanitary sewer	24,383,704	24,882,801	25,258,086
	196,038,532	215,007,534	191,850,096
Annual surplus	22,261,134	65,737,429	69,815,006
Accumulated surplus, beginning of year	1,775,625,216	1,775,625,216	1,705,810,210
Accumulated surplus, end of year	\$ 1,797,886,350	\$ 1,841,362,645	\$ 1,775,625,216

See accompanying notes to consolidated financial statements.

Consolidated Statement of Changes in Net Financial Assets

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

	2012 budget (unaudited - notes 2a and 20)	2012	2011 (recasted - note 3)
Surplus for the year	\$ 22,261,134	\$ 65,737,429	\$ 69,815,006
Acquisition of tangible capital assets in cash and financed by capital lease	(41,401,000)	(45,531,580)	(39,148,503)
Contributed tangible capital assets from developers	-	(27,248,902)	(34,705,276)
Amortization of tangible capital assets	26,600,000	31,787,487	30,697,513
Gain on disposal of tangible capital assets	-	(5,268,044)	(5,325,052)
Proceeds on sale of tangible capital assets	-	8,406,973	11,147,325
	7,460,134	27,883,363	32,481,013
Acquisition of inventories of supplies	-	(682,510)	(662,974)
Acquisition of prepaid expenses	-	(797,259)	(904,036)
Consumption of inventories of supplies	-	662,974	649,381
Use of prepaid expenses	-	904,036	1,156,777
	-	87,241	239,148
Change in net financial assets	7,460,134	27,970,604	32,720,161
Net financial assets, beginning of year	138,703,277	138,703,277	105,983,116
Net financial assets, end of year	\$ 146,163,411	\$ 166,673,881	\$ 138,703,277

See accompanying notes to consolidated financial statements.

Consolidated Statement of Cash Flows

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

	2012	2011
		(recasted - note 3)
Cash provided by (used in):		
Operations:		
Annual surplus	\$ 65,737,429	\$ 69,815,006
Items not involving cash:		
Amortization	31,787,487	30,697,513
Gain on disposal of tangible capital assets	(5,268,044)	(5,325,052)
Developer contributions of tangible capital assets	(27,248,902)	(34,705,276)
Change in non-cash operating working capital:		
Decrease (increase) in accounts receivable	(5,826,052)	2,850,645
Decrease (increase) in prepaid expenses	106,777	252,741
Increase in inventories of supplies	(19,536)	(13,593)
Increase (decrease) in accounts payable and accrued liabilities	13,395,120	(8,427,389)
Increase (decrease) in deferred revenue	(1,114,544)	11,392,150
Increase (decrease) in deposits	(74,004)	4,670,859
Net change in cash from operating activities	71,475,731	71,207,604
Capital activities:		
Cash used to acquire tangible capital assets	(45,531,580)	(39,071,645)
Proceeds on disposal of tangible capital assets	8,406,973	11,147,325
Net change in cash from capital activities	(37,124,607)	(27,924,320)
Financing activities:		
Issuance of long-term debt	6,700,000	8,000,000
Repayment of long-term debt	(10,095,545)	(11,827,381)
Principal payments on tangible capital lease obligations	(39,636)	(33,508)
Net change in cash from financing activities	(3,435,181)	(3,860,889)
Investing activities:		
Change in temporary investments	(59,484,568)	19,544,894
Net change in cash	(28,568,625)	58,967,289
Cash, beginning of year	149,599,526	90,632,237
Cash, end of year	\$ 121,030,901	\$ 149,599,526
Supplementary information:		
Non-cash transactions:		
Tangible capital assets financed by capital lease	\$ -	\$ 76,858

See accompanying notes to consolidated financial statements.

Notes to Consolidated Financial Statements

Year ended December 31, 2012

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 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 (“PSAS”).

(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 and 94% of the Library’s funding comes from the City. QNet is consolidated as it is a wholly owned municipal corporation. Interfund transactions, fund balances and activities have been eliminated on consolidation.

Budget reporting:

The unaudited budget information reported in the consolidated statement of operations represents the 2012 component of the Financial Plan Bylaw adopted by City Council on March 5, 2012.

Operating Funds:

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

Capital Funds:

These funds include the General, Water Utility and Sewer and Drainage Utility Capital Funds. They are used to record the acquisition costs of tangible capital assets and any related long-term 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 PSAS 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.

Notes to Consolidated Financial Statements *(continued)*

Year ended December 31, 2012

2. Significant accounting policies (continued):

(b) Basis of accounting:

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

(c) Temporary investments:

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

(d) 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.

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.

(e) 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.

(f) Long-term debt:

Long-term debt is recorded net of related sinking fund balances.

(g) Government transfers:

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

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2012

2. Significant accounting policies (continued):

(h) Non-financial assets:

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

(i) Tangible capital assets:

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

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

Annual amortization is charged in the year of acquisition and in the year of disposal. 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:

Natural resources are not recognized as assets in the financial statements.

(iv) Works of art and historic assets:

Works of art and historic assets are not recorded as assets in the financial statements.

(v) Interest capitalization:

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

(vi) 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.

Notes to Consolidated Financial Statements *(continued)*

Year ended December 31, 2012

2. Significant accounting policies (continued):

(vii) Inventories of supplies:

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

(i) 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.

(j) Use of accounting estimates:

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

(k) Segment disclosures:

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

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2012

3. Recast of prior year comparative figures:

During the year, the City determined that the installation date of certain tangible capital asset required revision. The immaterial impacts of these changes in presentation have been recorded retrospectively and prior periods have been recast as follows:

Accumulated surplus as at January 1, 2011:

Accumulated surplus, as previously reported	\$ 1,720,222,478
Reduction of net book value of tangible capital assets previously recorded	(14,412,268)
<hr/>	
Accumulated surplus, as recasted	\$ 1,705,810,210

Annual surplus for 2011

Annual surplus, as previously reported	\$ 69,283,202
Reduction to amortization expense previously recorded	531,804
<hr/>	
Annual surplus, as recasted	\$ 69,815,006

Tangible capital assets at December 31, 2011

Tangible capital assets, as previously reported	\$ 1,649,235,393
Reduction of net book value of tangible capital assets previously recorded	(13,880,464)
<hr/>	
Tangible capital assets, as recasted	\$ 1,635,354,929

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2012

4. Cash and temporary investments:

	2012	2011
Operating funds, unrestricted	\$ 164,423,170	\$ 151,012,244
Reserve funds, internally restricted	56,787,580	36,913,222
Deferred revenue and deposits, restricted	44,901,970	47,271,311
	<u>\$ 266,112,720</u>	<u>\$ 235,196,777</u>
	2012	2011
Cash balances	\$ 121,030,901	\$ 149,599,526
Temporary investments:		
Money market securities and bonds maturing within three years	145,081,819	85,597,251
	<u>\$ 266,112,720</u>	<u>\$ 235,196,777</u>

Average portfolio yield is 1.51% (2011 - 1.73%).

5. Accounts receivable:

	2012	2011
Taxes	\$ 5,563,471	\$ 4,633,526
Accrued interest	448,869	1,640,780
Due from other governments	3,520,763	7,403,147
Evergreen Line grant receivable	7,000,000	-
Development cost charges	11,238,488	10,848,118
Local area service fees	2,788,378	3,498,590
Water, sewer and solid waste user charges	1,071,245	917,566
Other	5,636,825	2,500,260
	<u>\$ 37,268,039</u>	<u>\$ 31,441,987</u>

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2012

6. Accounts payable and accrued liabilities:

	2012	2011
Due to other governments	\$ 10,061,815	\$ 11,357,367
Evergreen Line payable	7,236,571	-
Accounts payable	13,425,837	9,461,683
Wages payable	7,847,047	4,792,400
Accrued sick and retirement liability (note 15)	6,515,700	6,080,400
Tangible capital lease obligation	71,788	111,424
	<u>\$ 45,158,758</u>	<u>\$ 31,803,274</u>

7. Deferred revenue:

	2012	2011
Taxes and utilities	\$ 6,697,134	\$ 6,079,894
Parks and recreation fees	521,950	497,932
Business licences	794,290	776,758
Future capital works	530,559	418,209
Development cost charges	35,775,102	37,680,070
Other	41,643	22,359
	<u>\$ 44,360,678</u>	<u>\$ 45,475,222</u>

Development cost charges are comprised of restricted cash and temporary investments of \$24,536,615 (2011 - \$26,831,952) and restricted accounts receivable of \$11,238,487 (2011 - \$10,848,118).

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2012

8. Deposits:

	Balance, December 31, 2011	Deposits, earnings and contributions	Refunds and expenditures	Balance, December 31, 2012
Public works performance deposits	\$ 15,052,859	\$ 3,512,537	\$ 3,681,578	\$ 14,883,818
Gravel remediation fund	747,873	11,551	-	759,424
Building performance bonds	2,417,620	1,111,007	1,028,269	2,500,358
Development permit bonds	2,076,484	1,073,323	1,048,452	2,101,355
Pinetree Community Centre contingency	58,048	-	16,390	41,658
Other	86,475	6,408	14,141	78,742
	\$ 20,439,359	\$ 5,714,826	\$ 5,788,830	\$ 20,365,355

The City holds irrevocable letters of credit in the aggregate amount of \$52,438,077 (2011 - \$49,551,045) received from depositors to ensure their performance of works to be undertaken within the City. These amounts are not reflected in the financial statements.

9. Long-term liabilities:

	2012	2011
Long-term debt, net of sinking fund deposits (a)	\$ 9,909,487	\$ 11,719,632
Temporary borrowings (b)	16,912,600	18,498,000
	\$ 26,822,087	\$ 30,217,632

(a) Long-term debt, net of sinking fund deposits:

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 long-term debt. Gross amount of the debt and the amount of the sinking fund assets available to retire the debt are as follows:

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2012

9. Long-term liabilities (continued):

	Gross debt	Sinking fund asset	Net debt 2012	Net debt 2011
General Fund	\$ 21,889,000	\$ 12,800,622	\$ 9,088,378	\$ 10,394,532
Water Utility Fund	3,400,000	2,976,262	423,738	665,530
Sewer and Drainage Utility Fund	3,650,000	3,252,629	397,371	659,570
	\$ 28,939,000	\$ 19,029,513	\$ 9,909,487	\$ 11,719,632

Interest rates on long-term debt range from 3.35% to 7.30%. The weighted average interest rate for 2012 was 6.64% (2011 - 6.45%).

(b) Temporary borrowings:

In 2011 and 2012, the City secured total financing of \$13,800,000 from the MFA for building the new City Centre Library, to be repaid over 2012 to 2014 at a variable annual interest rate as at December 31, 2012 of 1.73%.

In 2012, the City secured financing of \$900,000 from the MFA for building the Burke Mountain Fire Hall, to be repaid over 2013 to 2014 at a variable annual interest rate as at December 31, 2012 of 1.73%.

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

	General Fund	Sewer and Drainage Utility Fund	Water Utility Fund	Total
2013	\$ 8,760,197	\$ 269,893	\$ 248,673	\$ 9,278,763
2014	8,910,411	127,478	175,065	9,212,954
2015	3,383,093	-	-	3,383,093
2016	869,713	-	-	869,713
2017	813,018	-	-	813,018
2018 and thereafter	3,264,546	-	-	3,264,546
Total	\$ 26,000,978	\$ 397,371	\$ 423,738	\$ 26,822,087

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2012

10. Tangible capital assets:

	Land & Land Holdings	Building & Building Improvements	Park Structures	Information Technology
2012				
Cost				
Balance, beginning of year	\$ 743,602,035	\$ 169,305,961	\$ 64,681,257	\$ 18,805,839
Additions, net of transfers	15,965,895	13,837,186	2,037,527	3,093,067
Disposals	(401,755)	(53,001)	(362,021)	(306,808)
Balance, end of year	\$ 759,166,175	\$ 183,090,146	\$ 66,356,763	\$ 21,592,098
Accumulated amortization				
Balance, beginning of year	\$ -	\$ 51,726,428	\$ 25,184,866	\$ 10,237,401
Disposals	-	(135,141)	(213,774)	(307,148)
Amortization expense	-	6,003,393	2,547,761	1,289,285
Balance, end of year	\$ -	\$ 57,594,680	\$ 27,518,853	\$ 11,219,538
Net book value, end of year	\$ 759,166,175	\$ 125,495,466	\$ 38,837,910	\$ 10,372,560
Net book value, beginning of year	\$ 743,602,035	\$ 117,579,533	\$ 39,496,391	\$ 8,568,438

Vehicles, Machinery & Equipment	Water, Sewer & Drainage Infrastructure	Roads Infrastructure	Traffic	Assets under Construction	Total
\$32,520,694	\$ 548,292,298	\$ 401,749,249	\$ 48,413,390	\$ 15,422,203	\$ 2,042,792,926
5,328,315	21,866,335	8,121,499	1,263,115	1,267,543	72,780,482
(1,622,653)	(2,581,617)	(759,620)	(539,282)	-	(6,626,757)
\$36,226,356	\$ 567,577,016	\$ 409,111,128	\$ 49,137,223	\$ 16,689,746	\$ 2,108,946,651
\$15,195,695	\$ 164,376,652	\$ 117,737,549	\$ 22,979,406	\$ -	\$ 407,437,997
(1,306,027)	(814,581)	(468,112)	(243,045)	-	(3,487,828)
2,914,494	8,177,915	9,521,494	1,333,145	-	31,787,487
\$16,804,162	\$ 171,739,986	\$ 126,790,931	\$ 24,069,506	\$ -	\$ 435,737,656
\$19,422,194	\$ 395,837,030	\$ 282,320,197	\$ 25,067,717	\$ 16,689,746	\$ 1,673,208,995
\$17,324,999	\$ 383,915,646	\$ 284,011,700	\$ 25,433,984	\$ 15,422,203	\$ 1,635,354,929

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2012

10. Tangible capital assets (continued):

	Land & Land Holdings	Building & Building Improvements	Park Structures	Information Technology
2011				
Cost				
Balance, beginning of year	\$ 732,118,860	\$ 163,433,710	\$ 60,760,857	\$ 18,229,386
Additions, net of transfers	13,166,397	6,129,952	4,402,801	1,142,319
Disposals	(1,683,222)	(257,701)	(482,401)	(565,866)
Balance, end of year	\$ 743,602,035	\$ 169,305,961	\$ 64,681,257	\$ 18,805,839
Accumulated amortization				
Balance beginning of year	\$ -	\$ 45,838,963	\$ 23,183,739	\$ 9,521,046
Disposals	-	(48,402)	(428,755)	(546,488)
Amortization expense	-	5,935,867	2,429,882	1,262,843
Balance, end of year	\$ -	\$ 51,726,428	\$ 25,184,866	\$ 10,237,401
Net book value, end of year	\$ 743,602,035	\$ 117,579,533	\$ 39,496,391	\$ 8,568,438
Net book value, beginning of year	\$ 732,118,860	\$ 117,594,747	\$ 37,577,118	\$ 8,708,340

Vehicles, Machinery & Equipment	Water, Sewer & Drainage Infrastructure	Roads Infrastructure	Traffic	Assets under Construction	Total
\$32,315,177	\$ 522,718,120	\$ 381,842,595	\$ 43,222,341	\$ 26,536,524	\$ 1,981,177,570
1,018,646	27,905,614	25,960,903	5,241,468	(11,114,321)	73,853,779
(813,129)	(2,331,436)	(6,054,249)	(50,419)	-	(12,238,423)
\$32,520,694	\$ 548,292,298	\$ 401,749,249	\$ 48,413,390	\$ 15,422,203	\$ 2,042,792,926
\$13,610,491	\$ 156,621,950	\$ 112,632,433	\$ 21,748,012	\$ -	\$ 383,156,634
(704,001)	(680,639)	(3,991,479)	(16,386)	-	(6,416,150)
2,289,205	8,435,341	9,096,595	1,247,780	-	30,697,513
\$15,195,695	\$ 164,376,652	\$ 117,737,549	\$ 22,979,406	\$ -	\$ 407,437,997
\$17,324,999	\$ 383,915,646	\$ 284,011,700	\$ 25,433,984	\$ 15,422,203	\$ 1,635,354,929
\$18,704,686	\$ 366,096,170	\$ 269,210,162	\$ 21,474,329	\$ 26,536,524	\$ 1,598,020,936

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2012

10. Tangible capital assets (continued):

(a) Assets under construction:

Assets under construction having a value of \$16,689,746 (2011 - \$15,422,203) have not been amortized. Amortization of these assets will commence when the assets are put into service.

(b) Contributed tangible capital assets:

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

	2012	2011
Land and land holdings	\$ 9,429,155	\$ 11,412,340
Park structures	-	181,305
Vehicles, machinery and equipment	167,601	139,290
Water infrastructure	4,250,874	5,064,168
Sewer infrastructure	3,031,224	4,084,505
Drainage infrastructure	4,948,131	8,211,284
Road infrastructure	4,386,680	4,391,974
Traffic	1,035,237	1,220,410
Developer's contribution revenue	\$ 27,248,902	\$ 34,705,276

(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 (2011 - nil).

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2012

11. Accumulated surplus:

	Operating reserves	Capital reserves	Surplus/ deficit	Invested in tangible capital assets	Total
General Fund	\$ 25,403,662	\$ 68,735,080	\$ 16,346,419	\$1,243,074,757	\$1,353,559,918
Water Utility Fund	42,170	2,741,901	13,353,941	108,020,163	124,158,175
Sewer and Drainage	351,904	7,237,754	1,836,909	290,678,364	300,104,931
Statutory Reserves	-	56,787,580	5,338,194	-	62,125,774
QNet	-	-	(4,139,046)	2,802,161	(1,336,885)
Library	-	-	835,974	1,914,758	2,750,732
Total for 2012	\$ 25,797,736	\$ 135,502,315	\$ 33,572,391	\$1,646,490,203	\$1,841,362,645
Total for 2011	\$ 21,684,476	\$ 104,432,779	\$ 42,836,516	\$1,606,671,445	\$1,775,625,216

12. Taxation revenue:

The City is required to collect taxes on behalf of and transfer these amounts to the government agencies noted below:

	2012	2011
Tax collected:		
General purposes	\$ 108,971,120	\$ 105,229,028
Collections for other governments	76,927,621	74,842,556
Sewer and drainage frontage tax	17,394,503	16,529,507
	203,293,244	196,601,091
Less transfers to other governments:		
Province of B.C. - school taxes	60,660,191	58,471,643
Greater Vancouver Regional District	1,782,763	1,912,468
B.C. Assessment Authority	1,958,669	1,909,270
South Coast British Columbia Transportation Authority	12,417,807	12,441,364
Austin Heights BIA	102,000	102,000
MFA	6,191	5,811
	76,927,621	74,842,556
Taxation revenue	\$ 126,365,623	\$ 121,758,535

Notes to Consolidated Financial Statements *(continued)*

Year ended December 31, 2012

13. Evergreen Line

During 2012, the City entered into an agreement with the Province of British Columbia to contribute to the construction of Lincoln Station, an Evergreen Line skytrain station in the Coquitlam City Centre area. The total contribution from the City amounts to \$15,411,632 which consists of provision of statutory rights of way, cash and resource contributions, and a P3 Canada grant which the City obtained for the project.

14. Pension Plan:

The municipality 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 pension plan is a multi-employer contributory pension plan. Basic pension benefits provided are based on a formula. The Plan has about 176,000 active members and approximately 67,000 retired members. Active members include approximately 35,000 contributors from local governments.

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

The City paid \$5,370,000 (2011 - \$4,960,000) for employer contributions to the Plan in fiscal 2012. Employees paid \$4,540,000 (2011 - \$4,150,000) for employee contributions to the Plan in fiscal 2012.

15. Employee future benefits:

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

All employees accumulate sick leave entitlement on a monthly basis and can only use this entitlement for paid time off under certain circumstances. Retirement benefit payments represent the City's share of the cost to provide employees with various benefits upon retirement. The accrued benefit obligation and the net periodic benefit cost were estimated by an actuarial valuation completed in January 2011 and updated in January 2013.

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2012

15. Employee future benefits (continued):

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

	Sick leave	Retirement benefit payments	2012 Total	2011 Total
Accrued benefit obligation:				
Balance, beginning of year	\$ 4,859,600	\$ 3,393,400	\$ 8,253,000	\$ 7,577,300
Current service cost	438,000	306,100	744,100	646,000
Interest cost	182,400	127,500	309,900	349,100
Benefits paid	(499,400)	(396,100)	(895,500)	(1,016,000)
Actuarial loss	80,300	113,600	193,900	696,600
Accrued benefit obligation, end of year	\$ 5,060,900	\$ 3,544,500	\$ 8,605,400	\$ 8,253,000

Actuarial gains and losses are amortized over 9 years, being the expected average remaining service period of the related employee group, commencing the year after the gain or loss arises.

	Sick leave	Retirement benefit payments	2012 Total	2011 Total
Accrued benefit obligation:				
Liability, end of year	\$ 5,060,900	\$ 3,544,500	\$ 8,605,400	\$ 8,253,000
Unamortized actuarial loss	(1,373,900)	(715,800)	(2,089,700)	(2,172,600)
Accrued benefit liability, end of year	\$ 3,687,000	\$ 2,828,700	\$ 6,515,700	\$ 6,080,400

The accrued benefit liability is included as part of accounts payable and accrued liabilities on the statement of financial position (note 6).

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

	2012	2011
Discount rates	3.50%	3.60%
Expected future inflation rates	3.00%	3.00%
Expected wage and salary increases	3.00%	3.00%

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2012

16. Commitments and contingencies:

- (a) The City has entered into various agreements and contracts for services and construction with periods ranging from one to five years.
- (b) The City has a contingent liability with respect to debentures of the Greater Vancouver Water District, Greater Vancouver Sewerage and Drainage District and Greater Vancouver Regional District, 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.
- (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.
 Greater Vancouver Regional District
 B.C. Assessment Authority
 Greater Vancouver Transportation Authority
 MFA
- (d) There are several lawsuits pending in which the City is involved. 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) As of January 1, 2012, the City self-insures liabilities up to \$1,500,000. Historical liabilities with an occurrence date prior to December 31, 2011 are insured by the Municipal Insurance Association of British Columbia (the "Association").
- (f) The City obtains debt instruments through the MFA. The City is also required to execute demand notes in connection with each debenture whereby the City may be required to loan certain amounts to the MFA. The demand notes are contingent in nature and are not reflected in the accounts. Details of the contingent demand notes are as follows:

	2012	2011
Operating funds:		
General	\$ 1,019,605	\$ 1,019,605
Water utility	171,912	171,912
Sewer and drainage utility	184,078	184,078
	<u>\$ 1,375,595</u>	<u>\$ 1,375,595</u>

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2012

16. Commitments and contingencies (continued):

- (g) The City is a shareholder of the Emergency Communications for Southwest British Columbia Incorporated (E-Comm) whose services provided include: regional 9-1-1 call centre for the Greater Vancouver Regional District; 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 27 Class A and 22 Class B shares issued and outstanding as at December 31, 2012). 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.

17. Trust funds:

- (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.

Trust fund balance sheet:

	2012	2011
Assets:		
Investments	\$ 2,415,180	\$ 2,354,133
Liabilities and equity:		
Due to City of Coquitlam	\$ (23,123)	\$ (15,833)
Net assets:		
Cemetery perpetual care fund	1,660,374	1,592,037
Gravel pit fund	777,929	777,929
	2,438,303	2,369,966
	\$ 2,415,180	\$ 2,354,133

Notes to Consolidated Financial Statements (*continued*)

Year ended December 31, 2012

18. Related party transactions:

The City provides facilities to the following cultural groups at no cost:

Evergreen Cultural Centre

Place Des Arts

Mackin House Museum

These cultural groups 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 Protection Services, Recreation and Culture Services, General Government Services, Engineering Services, Solid Waste Services, Planning and Development Services, Water Supply Services, and Sewer and Drainage Services. For management reporting purposes, the City's operations and activities are organized and reported by Service Areas. Service Areas were created for the purpose of recording specific activities to attain certain objectives in accordance with regulations, restrictions and limitations.

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

General Government Services - Mayor & Council, City Manager and Deputy City Manager, Corporate Services, Corporate Planning, Clerk's Office, Strategic Initiatives, Legal Services, Financial Services, Information Technology, Coquitlam Optical Network Corporation, 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.

Water Supply Services

The Water Utility Department operates and distributes over 21 million cubic meters of drinking water, maintains water mains, pump stations and storage reservoirs.

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

Solid Waste Services

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

Notes to Consolidated Financial Statements (*continued*)

Year ended December 31, 2012

19. Segmented information (*continued*):

Sewer and Drainage Services

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

Planning and Development Services

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

Recreation and Culture –Parks, Recreation and Culture 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.

Evergreen Line

The Evergreen Line area is responsible for contributions made to the Lincoln skytrain station.

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2012

19. Segmented Information (continued):

	General Government (Including QNet)	Water Supply	Protection Services	Engineering	Solid Waste	Sewer & Drainage Utility
Taxation, net	\$ 108,971,120	\$ -	\$ -	\$ -	\$ -	\$ 17,394,503
User rates	-	21,751,596	-	-	-	4,966,347
Grants	1,470,000	-	2,099,845	2,196,571	-	31,806
Grants, in lieu of taxes	3,641,577	-	-	-	-	-
Fees and service charges	1,395,999	492,228	2,766,762	5,995,589	-	2,790,902
Solid waste levies	-	-	-	-	9,087,268	-
Rents and leases	1,098,357	-	46,660	102,492	-	-
Inspection and other fees	-	260,710	-	-	-	244,506
Investment Income	3,105,452	400,374	-	-	-	381,764
Municipal land sale	7,942,987	-	-	-	-	-
Penalties and interest on taxes	926,043	-	-	-	62,817	-
Casino revenue	7,556,341	-	-	-	-	-
Developer built/gifted assets	14,991,688	4,250,874	-	-	-	7,979,354
Cost recoveries	517,449	4,260	3,464,064	1,110,915	21,569	355,707
Sundry	399,575	7,000	38,204	237,817	-	11,382
Total Revenues:	\$ 152,016,588	\$ 27,167,042	\$ 8,415,535	\$ 9,643,384	\$ 9,171,654	\$ 34,156,271

Planning and Development	Recreational and Cultural (Incl. Library)	Evergreen Line	Reserves & other Funds	Eliminations	Total 2012	Total 2011
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 126,365,623	\$ 121,758,535
-	-	-	-	-	26,717,943	25,283,503
18,116	4,985,726	7,000,000	-	(4,359,734)	13,442,330	10,691,423
-	-	-	-	-	3,641,577	3,702,274
5,355,040	13,689,762	-	-	-	32,486,282	23,973,723
-	-	-	-	-	9,087,268	8,686,569
-	1,669,794	-	-	-	2,917,303	2,431,151
-	-	-	-	-	505,216	534,203
-	37,683	-	772,394	(259,457)	4,438,210	4,216,578
-	-	7,761,632	-	-	15,704,619	9,423,840
-	58,599	-	-	-	1,047,459	1,008,513
-	-	-	-	-	7,556,341	7,422,836
-	904,752	-	-	(877,766)	27,248,902	34,705,276
42,156	781,631	-	2,228,250	-	8,526,001	6,950,716
17,210	247,413	-	101,288	-	1,059,889	875,962
\$ 5,432,522	\$ 22,375,360	\$ 14,761,632	\$ 3,101,932	\$ (5,496,957)	\$ 280,744,963	\$ 261,665,102

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2012

19. Segmented Information (continued):

	General Government (Including QNet)	Water Supply	Protection Services	Engineering	Solid Waste	Sewer & Drainage Utility
Salaries and benefits	\$ 13,886,488	\$ 1,991,410	\$ 26,027,465	\$ 8,437,432	\$ 288,150	\$ 2,553,903
Consulting and professional services	1,580,776	795,296	20,976,624	4,314,905	5,939,740	957,707
Legal	118,406	-	122,159	-	-	-
Telephone and communications	240,706	14,530	132,623	33,333	336	14,452
Utilities	7,490	299,005	239,929	928,854	-	97,632
Regional District utility charges	-	10,871,358	-	30,037	-	10,042,025
Garbage collection and disposal	-	122,007	15,591	128,395	2,081,367	207,849
Maintenance	1,574,949	-	98,577	234,104	-	2,187
Insurance and claims	958,765	27,351	19,512	233,508	-	7,474
Courses and meetings	279,112	30,694	184,578	90,334	4,148	42,459
Supplies and equipment	966,482	2,141,015	2,265,351	5,472,186	105,378	1,988,321
Advertising and media	186,217	8,727	23,585	12,112	30,547	153
Internal allocations	(4,653,765)	1,939,210	14	(6,396,821)	311,839	2,290,412
Grants and sponsorship	581,105	-	18,500	-	-	-
Amortization	1,981,423	2,336,912	1,293,809	11,496,888	-	6,205,181
Sundry	302,782	81,275	46,403	506	11	155,384
Debenture interest payments	1,243,306	236,821	-	-	-	440,219
Other	115,390	154,718	43,692	20,861	50	66,646
Contribution to Evergreen Line	-	-	-	-	-	-
Total Expenses:	\$ 19,369,632	\$ 21,050,329	\$ 51,508,412	\$ 25,036,634	\$ 8,761,566	\$ 25,072,004
Annual Surplus (Deficit)	\$ 132,646,956	\$ 6,116,713	\$ (43,092,877)	\$ (15,393,250)	\$ 410,088	\$ 9,084,267

Planning and Development	Recreational and Cultural (Incl. Library)	Evergreen Line	Reserves & other Funds	Eliminations	Total 2012	Total 2011
\$ 5,713,417	\$ 19,382,591	\$ -	\$ -	\$ -	\$ 78,280,856	\$ 72,863,525
461,332	4,060,743	-	-	-	39,087,123	37,394,804
-	-	-	-	-	240,565	504,764
20,932	51,356	-	-	-	508,268	804,153
-	1,682,787	-	-	-	3,255,697	3,215,311
-	-	-	-	-	20,943,420	19,162,462
-	113,058	-	-	-	2,668,267	2,179,109
342	-	-	-	-	1,910,159	1,759,015
-	-	-	-	-	1,246,610	1,562,600
56,990	58,665	-	-	-	746,980	764,307
141,752	3,075,160	-	-	(266,254)	15,889,391	16,179,083
1,177	104,659	-	-	-	367,177	380,418
(113,306)	(17,071)	-	-	-	(6,639,488)	(5,651,323)
-	10,464,970	-	-	(5,237,500)	5,827,075	6,733,194
-	8,473,274	-	-	-	31,787,487	30,697,513
320	734,051	-	-	-	1,320,732	1,027,302
-	-	-	-	(189,203)	1,731,143	1,838,050
9,956	13,127	-	-	-	424,440	435,809
-	-	15,411,632	-	-	15,411,632	-
\$ 6,292,912	\$ 48,197,370	\$ 15,411,632	\$ -	\$ (5,692,957)	\$ 215,007,534	\$ 191,850,096
\$ (860,390)	\$ (25,822,010)	\$ (650,000)	\$ 3,101,932	\$ 196,000	\$ 65,737,429	\$ 69,815,006

Notes to Consolidated Financial Statements *(continued)*

Year ended December 31, 2012

20. Budget data:

The unaudited budget data presented in these consolidated financial statements is based upon the 2012 operating and capital budgets approved by Council on March 5, 2012. The chart below reconciles the approved budget to the budget figure reported in these consolidated financial statements.

	Budget Amount
Revenues:	
Operating budget	\$ 218,299,666
Expenses:	
Operating budget	196,038,532
Annual surplus per statement of operations	22,261,134
Less capital expenses	(41,401,000)
Add: capital funding from reserves	19,139,866
Approved budget	\$ -

General Fund - Statement of Financial Position

Schedule A

December 31, 2012, with comparative figures for 2011

	2012	2011
Financial Assets		
Cash and short-term deposits	\$ 135,982,304	\$ 112,726,596
Accounts receivable	23,969,158	18,868,674
Due from other funds	-	12,530,000
Deposit, MFA	459,516	446,041
	160,410,978	144,571,311
Liabilities		
Accounts payable and accrued liabilities	38,905,418	26,968,439
Deferred revenue	8,585,576	7,795,152
Long-term debt	26,000,978	28,892,532
	73,491,972	63,656,123
Net financial assets	86,919,006	80,915,188
Non-Financial Assets		
Tangible capital assets	1,265,305,303	1,242,376,894
Inventories of supplies	602,166	585,728
Prepaid expenses	733,443	818,331
	1,266,640,912	1,243,780,953
Accumulated surplus	\$ 1,353,559,918	\$ 1,324,696,141

General Fund - Statement of Operations

Schedule B

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

	Budget	2012	2011
Revenue:			
Taxation, net	\$ 109,616,623	\$ 108,971,120	\$ 105,229,028
Grants	5,730,158	13,136,061	9,261,739
Grants, in lieu of taxes	3,715,000	3,641,577	3,702,274
Fees and service charges	21,561,549	29,193,159	22,553,048
Solid waste levies	9,220,750	9,087,268	8,686,569
Rents	2,241,547	2,437,638	2,352,932
Investment income	2,574,938	3,127,445	3,020,843
Penalties and interest on taxes	755,500	988,860	933,407
Casino revenue	7,200,000	7,556,341	7,422,836
Developers contribution	-	14,991,688	17,344,330
Cost recoveries	5,275,282	5,937,784	4,989,991
Sundry	43,644	922,178	844,038
Gain on land sale	-	15,704,619	9,423,840
	167,934,991	215,695,738	195,764,875
Expenses:			
General government	13,386,261	13,240,667	12,670,399
Police protection	29,685,205	28,283,827	26,264,693
Fire protection	19,666,950	19,730,684	18,628,982
Other protection	2,298,680	2,140,710	2,264,771
Engineering	12,268,722	11,123,541	11,100,769
Solid waste	8,728,380	8,761,566	8,223,164
Planning and development	6,113,335	6,133,115	5,583,367
Parks, recreation and culture	33,709,795	33,899,336	31,868,596
Contribution to Evergreen Line	-	15,411,632	-
Debenture interest payments	1,527,603	1,243,306	1,350,202
Retroactive and severance pay	2,360,988	2,165,848	924,388
Amortization	18,200,000	22,574,998	21,368,104
Tangible capital assets adjustments	-	4,410,176	6,255,307
	147,945,919	169,119,406	146,502,742
	19,989,072	46,576,332	49,262,133
Transfer to Land Sale Reserve	(2,238,911)	(18,414,740)	(13,653,829)
Transfer to Vehicle Replacement Reserve	(1,803,659)	(2,292,636)	(3,466,068)
Transfer from Land Sale Reserve	6,076,671	1,631,300	893,733
Transfer from Reserve Funds	2,080,000	1,363,521	313,983
Annual surplus	24,103,173	28,863,777	33,349,952
Accumulated surplus, beginning of year	1,324,696,141	1,324,696,141	1,291,346,189
Accumulated surplus, end of year	\$ 1,348,799,314	\$ 1,353,559,918	\$ 1,324,696,141

Water Utility Fund - Statement of Financial Position

December 31, 2012, with comparative figures for 2011

Schedule C

	2012	2011
Financial Assets		
Cash and short-term deposits	\$ 17,334,149	\$ 17,148,942
Accounts receivable	703,396	649,718
Deposit, MFA	99,795	96,868
	18,137,340	17,895,528
Liabilities		
Accounts payable and accrued liabilities	4,636,386	3,820,248
Long-term debt	423,738	665,530
	5,060,124	4,485,778
Net financial assets	13,077,216	13,409,750
Non-Financial Assets		
Tangible capital assets	111,025,337	104,609,502
Inventories of supplies	55,622	51,977
	111,080,959	104,661,479
Accumulated surplus	\$ 124,158,175	\$ 118,071,229

Water Utility Fund - Statement of Operations

Schedule D

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

	Budget	2012	2011
Revenue:			
User rates	\$ 21,756,051	\$ 21,751,596	\$ 20,261,750
Grants	-	-	703,365
Water connection fees	1,100,000	492,228	723,991
Rents	5,670	-	-
Inspection and other fees	130,000	260,710	283,155
Investment income	461,126	400,374	406,394
Developers contribution	-	4,250,874	5,065,157
Sundry	-	7,000	-
Cost recoveries	-	4,260	9,239
	23,452,847	27,167,042	27,453,051
Expenses:			
Administration	3,391,582	3,028,578	3,137,088
Water supply	12,249,578	12,036,686	11,083,535
Pumping	1,587,324	1,522,842	1,849,224
Maintenance	809,708	677,758	448,742
Debenture interest payments	236,736	236,821	236,826
Amortization	2,200,000	2,336,912	2,307,984
Tangible capital assets adjustments	-	1,210,732	359,556
	20,474,928	21,050,329	19,422,955
	2,977,919	6,116,713	8,030,096
Transfer from Statutory Reserves	98,000	98,000	98,000
Transfer to Statutory Reserves	(127,767)	(127,767)	(457,766)
Annual surplus	2,948,152	6,086,946	7,670,330
Accumulated surplus, beginning of year	118,071,229	118,071,229	110,400,899
Accumulated surplus, end of year	\$ 121,019,381	\$ 124,158,175	\$ 118,071,229

Sewer and Drainage Utility Fund - Statement of Financial Position

Schedule E

December 31, 2012, with comparative figures for 2011

	2012	2011
Financial Assets		
Cash and short-term deposits	\$ 9,990,520	\$ 20,259,498
Accounts receivable	178,644	308,821
Deposit, MFA	108,184	105,012
	10,277,348	20,673,331
Liabilities		
Accounts payable and accrued liabilities	875,503	539,769
Long-term debt	397,371	659,570
Due to other funds	-	12,530,000
	1,272,874	13,729,339
Net financial assets	9,004,474	6,943,992
Non-Financial Assets		
Tangible capital assets	291,075,735	284,186,479
Inventories of supplies	24,722	25,267
	291,100,457	284,211,746
Accumulated surplus	\$ 300,104,931	\$ 291,155,738

Sewer and Drainage Utility Fund - Statement of Operations

Schedule F

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

	Budget	2012	2011
Revenue:			
Sewer frontage tax	\$ 17,426,656	\$ 17,394,503	\$ 16,529,507
User rates	5,356,758	4,966,347	5,021,753
Grants	67,000	31,806	441,257
Fees and service charges	2,516,000	2,790,902	687,537
Inspection and other fees	217,000	244,506	251,048
Investment income	503,410	381,764	509,090
Sundry	-	11,382	7,500
Developer's contribution	-	7,979,354	12,295,789
Cost recoveries	254,500	355,707	254,041
	26,341,324	34,156,271	35,997,522
Expenses:			
Administration	4,551,759	3,942,371	3,739,302
Collection and disposal	2,584,982	3,304,046	2,721,531
Pumping	836,198	693,359	615,150
Greater Vancouver Sewerage & Drainage District	9,620,716	9,620,716	8,544,233
Debenture interest payments	504,924	440,219	467,791
Amortization	6,200,000	6,205,181	6,462,848
Tangible capital assets adjustments	-	866,112	2,924,000
	24,298,579	25,072,004	25,474,855
	2,042,745	9,084,267	10,522,667
Transfer from Statutory Reserves	98,000	98,000	98,000
Transfer to Reserves	(233,074)	(233,074)	(756,626)
Annual surplus	1,907,671	8,949,193	9,864,041
Accumulated surplus, beginning of year	291,155,738	291,155,738	281,291,697
Accumulated surplus, end of year	\$ 293,063,409	\$ 300,104,931	\$ 291,155,738

Reserve Fund Balances

Schedule G

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

	General Fund	Sewer and Drainage Utility Fund	Water Utility Fund	Statutory Reserves	2012 Total	2011 Total
Reserves for capital purposes:						
Specific projects - in progress reserve	\$ 14,004,834	\$ 4,867,138	\$ 2,424,905	\$ -	\$ 21,296,877	\$ 21,300,668
Infrastructure reserve	8,620,949	-	-	-	8,620,949	7,974,770
Equipment and component replacement reserve	5,072,255	2,356,027	-	-	7,428,282	6,339,202
Restricted debt reserve	1,934,222	-	-	-	1,934,222	259,661
Local improvement reserve	-	-	-	-	-	870,441
Local area service reserve	1,404,286	-	-	-	1,404,286	42,876
Prepaid water main reserve	-	-	316,996	-	316,996	261,229
Casino revenue reserve - municipal capital	4,716,344	-	-	-	4,716,344	4,400,417
Casino revenue reserve - community	978,531	-	-	-	978,531	970,103
Internal financing reserve	396,620	-	-	-	396,620	311,316
Drainage internal borrowing	-	426	-	-	426	426
Affordable housing bylaw #3866	1,063,907	-	-	-	1,063,907	1,048,081
Bonus density - City Centre amenities	363,235	-	-	-	363,235	847,828
Bonus density - Austin Heights amenities	557,909	-	-	-	557,909	-
Waste utility reserve	590,285	-	-	-	590,285	600,815
Water/sewer connections reserve	-	14,163	-	-	14,163	62,857
Legacy building replacement reserve	16,528,197	-	-	-	16,528,197	10,587,063
Legacy road replacement reserve	6,614,329	-	-	-	6,614,329	5,747,356
DCC matching reserve	5,889,177	-	-	-	5,889,177	5,894,448
Statutory reserves:						
Land sale statutory reserve	-	-	-	36,223,828	36,223,828	20,147,403
Vehicle replacement statutory reserve	-	-	-	13,188,413	13,188,413	11,711,869
Water utility statutory reserve	-	-	-	763,866	763,866	752,503
Parkland statutory reserve	-	-	-	6,517,270	6,517,270	4,208,646
Capital street works statutory reserve	-	-	-	81,903	81,903	80,684
Capital drainage works statutory reserve	-	-	-	12,300	12,300	12,117
Total	\$ 68,735,080	\$ 7,237,754	\$ 2,741,901	\$ 56,787,580	\$ 135,502,315	\$ 104,432,779

Reserve Fund Balances

Schedule G (continued)

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

	General Fund	Sewer and Drainage Fund	Water Utility Fund	2012 Total	2011 Total
Reserves for operating purposes:					
Insurance reserve	\$ 8,096,854	\$ 2,153	\$ 7,879	\$ 8,106,886	\$ 7,262,807
Waste utility reserve	5,009,766	-	-	5,009,766	2,534,514
Soil removal fees reserve	918,954	-	-	918,954	794,834
Work in progress reserve	173,511	-	-	173,511	274,773
Public safety reserve	2,881,839	-	-	2,881,839	2,527,945
Tax appeals reserve	1,210,203	-	-	1,210,203	1,210,204
Building maintenance reserve	1,813,993	349,751	34,291	2,198,035	2,130,750
Commodity tax payable reserve	980,119	-	-	980,119	805,600
Cemetery reserve	239,937	-	-	239,937	239,904
Other operating reserves	619,782	-	-	619,782	616,428
WCB/Powersmart reserve	254,311	-	-	254,311	287,544
Specified area reserve	788,720	-	-	788,720	805,764
Election reserve	415,673	-	-	415,673	193,409
Snow and ice reserve	2,000,000	-	-	2,000,000	2,000,000
Total reserves for operating purposes	\$ 25,403,662	\$ 351,904	\$ 42,170	\$ 25,797,736	\$ 21,684,476

2012

Annual Report

City of Coquitlam | British Columbia

Financial Statements of Coquitlam Public Library Board

For the year ending December 31, 2012

Independent Auditors' Report

To the Chair and Members of Coquitlam Public Library

We have audited the accompanying financial statements of the Coquitlam Public Library, which comprise the statement of financial position as at December 31, 2012, the statement of operations, changes in net financial assets and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian 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.

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Coquitlam Public Library as at December 31, 2012 and its results of operations, the changes in its net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.



Chartered Accountants
February 27, 2013
Burnaby, Canada

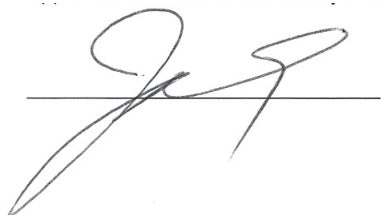
Statement of Financial Position

December 31, 2012, with comparative figures for 2011

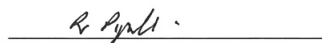
	2012	2011
Financial assets		
Cash	\$ 945,666	\$ 857,362
Temporary investment (note 3)	166,341	-
Accounts receivable	48,022	36,788
	1,160,029	894,150
Financial Liabilities		
Accrued salaries and benefits	323,099	287,604
Accounts payable and accrued liabilities	60,082	33,971
Tangible capital lease obligations (note 7)	71,788	93,332
	454,969	414,907
Net financial assets	705,060	479,243
Non-financial assets		
Tangible capital assets (note 4)	1,986,546	1,286,897
Prepaid expenses	59,126	80,873
	2,045,672	1,367,770
Commitment (note 10)		
Accumulated surplus (note 5)	\$ 2,750,732	\$ 1,847,013

See accompanying notes to financial statements.

Approved on behalf of the Library Board:



Chair



Director

Statement of Operations

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

	2012 Budget (unaudited - notes 2(a) and 11)	2012	2011
Revenue:			
Grants (note 6)	\$ 4,631,049	\$ 4,634,197	\$ 4,343,980
Interest	14,000	15,690	14,153
Fines and fees	80,000	58,599	75,106
Photocopying services	9,000	9,994	9,147
Book sales	8,500	3,569	7,320
Fundraising activities	15,000	1,067	6,203
Contribution of tangible capital assets	-	904,752	-
Other	12,000	13,405	10,901
	4,769,549	5,641,273	4,466,810
Expenses:			
Amortization	-	564,410	489,243
Building and grounds maintenance	115,000	107,879	106,931
Conferences and courses	21,000	15,282	20,697
Contribution to the Coquitlam Foundation	-	-	45,278
Insurance	28,000	26,583	27,534
InterLINK assessment	68,036	68,036	70,149
Loss on disposal of tangible capital assets	-	10,295	-
Magazines and online subscriptions	90,000	106,476	112,756
Professional fees	15,000	15,551	15,295
Promotion and publicity	13,000	11,643	12,537
Salaries and benefits	3,652,313	3,465,665	3,382,910
Supplies and equipment	85,500	52,914	66,529
Telecommunications, computer charges and utilities	269,700	241,386	171,242
Transportation	16,000	18,795	18,698
Rental, administration and other	35,000	32,639	42,020
	4,408,549	4,737,554	4,581,819
Annual surplus (deficit)	361,000	903,719	(115,009)
Accumulated surplus, beginning of year	1,847,013	1,847,013	1,962,022
Accumulated surplus, end of year	\$ 2,208,013	\$ 2,750,732	\$ 1,847,013

See accompanying notes to financial statements.

Statement of Changes in Net Financial Assets

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

	Budget (unaudited)	2012	2011
	- notes 2(a) and 11)		
Annual surplus (deficit)	\$ 361,000	\$ 903,719	\$ (115,009)
Acquisition of tangible capital assets	(361,000)	(375,565)	(488,344)
Contributed tangible capital assets	-	(904,752)	-
Amortization of tangible capital assets	-	564,410	489,243
Loss on disposal of tangible capital assets	-	10,295	-
Proceeds on disposal of tangible capital assets	-	5,963	-
	-	204,070	(114,110)
Acquisition of prepaid expenses	-	(59,126)	(80,873)
Use of prepaid expenses	-	80,873	118,534
Change in net financial assets	-	225,817	(76,449)
Net financial assets, beginning of year	479,243	479,243	555,692
Net financial assets, end of year	\$ 479,243	\$ 705,060	\$ 479,243

See accompanying notes to financial statements.

Statement of Cash Flows

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

	2012	2011
Cash provided by (used in):		
Operations:		
Annual surplus (deficit)	\$ 903,719	\$ (115,009)
Items not involving cash:		
Amortization	564,410	489,243
Contribution of tangible capital assets	(904,752)	-
Loss on disposal of tangible capital assets	10,295	-
Change in non-cash operating working capital:		
Increase in accounts receivable	(11,234)	(888)
Decrease in prepaid expenses	21,747	37,661
Increase in accrued salaries and benefits	35,495	7,792
Increase in accounts payable and accrued liabilities	26,111	7,582
Decrease in unspent capital grants	-	(56,552)
Decrease in unspent program grants	-	(14,800)
Net change in cash from operating activities	645,791	355,029
Capital activities:		
Cash used to acquire tangible capital assets	(375,565)	(411,486)
Principal payments under tangible capital lease obligations	(21,544)	(16,359)
Proceeds from disposal of tangible capital assets	5,963	-
Net change in cash from capital activities	(391,146)	(427,845)
Investing activities:		
Purchase of temporary investments	(166,341)	-
Net change in cash	88,304	(72,816)
Cash, beginning of year	857,362	930,178
Cash, end of year	\$ 945,666	\$ 857,362
Supplementary information:		
Interest paid	\$ 1,900	\$ 1,807
Non-cash transactions:		
Tangible capital assets financed by capital lease	-	76,858

See accompanying notes to financial statements.

Notes to Financial Statements

Year ended December 31, 2012

1. Operations:

The Coquitlam Public Library (the “Library”), which is funded principally 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:

The accounting policies of the Library conform with the Canadian generally accepted accounting principles as prescribed by the Public Sector Accounting Board (“PSAB”) of the Canadian Institute of Chartered Accountants, and include the following specific policies:

(a) Budget information:

Unaudited budget information, presented in these financial statements, is based upon the 2012 operating and capital budgets approved on January 25, 2012. Amortization was not contemplated on the development of the budget and, as such, has not been included. Note 11 reconciles the approved budget to the budget figures reported in the financial statements.

(b) Temporary investments:

Temporary investments are recorded at cost which approximates market value.

(c) Unspent capital and program specific grants:

Contributions received specifically for the acquisition of tangible capital assets are recorded as unspent capital grants and are recorded as revenue in the period that the funds are spent.

Contributions received specifically for program related expenditures are recorded as unspent program grants and are 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.

Notes to Financial Statements (continued)*Year ended December 31, 2012***2. Significant accounting policies (continued):****(e) Tangible capital assets:**

Tangible capital assets 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 either on a straight-line basis or declining balance over their estimated useful lives as follows:

Asset	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%
Assets under capital lease	Straight-line over lease term

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

Amortization commences when the asset is available for use.

(i) Contributions of tangible capital assets:

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

(ii) Leased tangible capital assets:

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

(f) Functional and object reporting:

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

Notes to Financial Statements *(continued)*

Year ended December 31, 2012

2. Significant accounting policies (continued):

(g) Employee future benefits:

The Library and its employees make contributions to the Municipal Pension Plan (the “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.

(h) Government transfers:

Restricted transfers from governments are deferred and are recognized as revenue in the year in which the related expenditures are incurred. 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 dates of the financial statements and the reported amounts of revenue and expenses during the reporting periods. Significant areas requiring the use of management estimates relate to the determination of accrued sick benefits and useful lives of tangible capital assets. Actual results could differ from those estimates. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the year in which they become known.

3. Temporary investment:

The temporary investment balance is comprised of a GIC earning interest at 1.15% and maturing on January 8, 2013.

Notes to Financial Statements (continued)

Year ended December 31, 2012

4. Tangible capital assets:

Cost	Balance, December 31, 2011	Additions	Disposals	Balance, December 31, 2012
Automotive	\$ 47,385	\$ -	\$ -	\$ 47,385
Leasehold improvements	107,254	-	25,437	81,817
Library collections	2,229,934	296,365	405,430	2,120,869
Security equipment	105,610	16,368	-	121,978
Computer equipment	329,173	80,709	-	409,882
Furniture and equipment	229,933	886,875	33,698	1,083,110
Assets under capital lease	127,664	-	-	127,664
	\$ 3,176,953	\$ 1,280,317	\$ 464,565	\$ 3,992,705

Accumulated amortization	Balance, December 31, 2011	Disposals	Amortization expense	Balance, December 31, 2012
Automotive	\$ 26,334	\$ -	\$ 6,462	\$ 32,796
Leasehold improvements	66,742	20,745	14,666	60,663
Library collections	1,353,906	405,430	355,231	1,303,707
Security equipment	29,210	-	21,122	50,332
Computer equipment	253,093	-	39,805	292,898
Furniture and equipment	130,453	22,132	101,591	209,912
Assets under capital lease	30,318	-	25,533	55,851
	\$ 1,890,056	\$ 448,307	\$ 564,410	\$ 2,006,159

Notes to Financial Statements (continued)

Year ended December 31, 2012

4. Tangible capital assets (continued):

	Net book value December 31, 2011	Net book value December 31, 2012
Automotive	\$ 21,051	\$ 14,589
Leasehold improvements	40,512	21,154
Library collections	876,028	817,162
Security equipment	76,400	71,646
Computer equipment	76,080	116,984
Furniture and equipment	99,480	873,198
Assets under capital lease	97,346	71,813
	<u>\$ 1,286,897</u>	<u>\$ 1,986,546</u>

5. Accumulated surplus:

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

	2012	2011
Surplus:		
Invested in tangible capital assets	\$ 1,914,758	\$ 1,193,565
Other	835,974	653,448
	<u>\$ 2,750,732</u>	<u>\$ 1,847,013</u>

Notes to Financial Statements (continued)

Year ended December 31, 2012

6. Grant revenue:

	2012 budget	2012	2011
City of Coquitlam	\$ 4,304,045	\$ 4,359,734	\$ 4,058,918
Province of British Columbia	267,004	265,463	267,762
Community Service Clubs	60,000	9,000	2,500
Government of Canada	-	-	14,800
	<u>\$ 4,631,049</u>	<u>\$ 4,634,197</u>	<u>\$ 4,343,980</u>

7. Obligations under capital leases:

2013	\$ 23,444
2014	21,811
2015	15,400
2016	13,842
2017	2,670
Total minimum lease payments	77,167
Less amount representing interest (at Municipal Finance Authority borrowing rate of 2.2% to 3.25%)	(5,379)
Present value of net minimum capital lease payments	<u>\$ 71,788</u>

Notes to Financial Statements *(continued)*

Year ended December 31, 2012

8. Pension Plan:

The Library and its employees contribute to 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 176,000 active members and approximately 67,000 retired members. Active members include approximately 35,000 contributors from local governments.

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

The Library paid \$240,000 (2011 - \$229,000) for employer contributions to the Plan in fiscal 2012. Employees paid \$192,000 (2011 - \$188,000) for employee contributions to the Plan in fiscal 2012.

9. Employee future benefits:

The Library provides benefits for sick leave and certain other retirement benefit arrangements to its employees. All employees accumulate sick leave entitlement on a monthly basis and can only use this entitlement for paid time off under certain circumstances. The accrued benefit obligation and the net periodic benefit cost were estimated by an actuarial valuation completed in January 2013.

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 January 2013.

The total expenses recorded in the financial statements in respect of obligations under these plans amount to \$38,800 (2011 - \$37,700).

Notes to Financial Statements (continued)

Year ended December 31, 2012

9. Employee future benefits (continued):

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

	Sick leave	Retirement benefit payments	2012 Total	2011 Total
Accrued benefit obligation:				
Balance, beginning of year	\$ 170,600	\$ 73,500	\$ 244,100	\$ 256,600
Current service cost	12,600	6,000	18,600	16,500
Interest cost	6,100	2,700	8,800	11,100
Benefits paid	(26,200)	(5,700)	(31,900)	(51,100)
Actuarial gain (loss)	1,300	(2,900)	(1,600)	11,000
Benefit obligation, end of year	164,400	73,600	238,000	244,100
Unamortized actuarial gain (loss)	(86,300)	5,500	(80,800)	(93,800)
Accrued sick and retirement liability	\$ 78,100	\$ 79,100	\$ 157,200	\$ 150,300

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:

	2012	2011
Discount rates	3.5%	3.6%
Expected future inflation rates	3.0%	3.0%
Expected wage and salary increases	3.0%	3.0%

Notes to Financial Statements *(continued)*

Year ended December 31, 2012

10. Commitment:

The Library is a member of InterLINK, which provides interlibrary loans for Coquitlam Public Library patrons from 16 other participating libraries in other municipalities. The Library has a contractual agreement with InterLINK to pay the annual assessment fee which, for 2012, is \$68,036 (2011 - \$70,149).

11. Budget data:

The unaudited budget data presented in these financial statements is based upon the 2012 budget approved by the Board on January 25, 2012. Amortization was not contemplated on development of the budget and, as such, has not been included. The chart below reconciles the approved budget to the budget figures reported in these financial statements.

Revenues:	
Operating budget	\$ 4,873,369
Expenses:	
Operating	4,512,369
Capital	361,000
	4,873,369
Annual surplus per approved budget	-
Add items included in expenses above and tangible capital assets on the statement of financial position	361,000
Annual surplus per statement of operations	\$ 361,000

12. Comparative figures:

Certain comparative figures have been reclassified to conform to the presentation adopted for the current year.

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Annual Report

City of Coquitlam | British Columbia

Financial Statements of Coquitlam Optical Network Corporation (QNet)

For the year ending December 31, 2012

Independent Auditors' Report

To the Board of Directors of the Coquitlam Optical Network Corporation

We have audited the accompanying financial statements of Coquitlam Optical Network Corporation (QNET), which comprise the statement of financial position as at December 31, 2012, the statement of operations, changes in net financial assets and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian 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.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances,

but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Coquitlam Optical Network Corporation (QNET) as at December 31, 2012 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.



Chartered Accountants
April 4, 2013
Burnaby, Canada

Statement of Financial Position*Year ended December 31, 2012, with comparative information for 2011*

	2012	2011
Financial Assets		
Cash	\$ 4,190	\$ 19,846
Accounts receivable	462,836	81,947
	467,026	101,793
Financial Liabilities		
Accounts payable and accrued liabilities	286,482	59,911
Due to City of Coquitlam (note 4)	5,338,194	4,037,224
	5,624,676	4,097,135
Net debt	(5,157,650)	(3,995,342)
Non Financial Assets		
Tangible capital assets (note 3)	3,816,077	2,895,159
Prepaid expenses	4,687	4,832
	3,820,764	2,899,991
Accumulated deficit	\$ (1,336,886)	\$ (1,095,351)
Accumulated deficit is comprised of:		
Share capital	\$ 1	\$ 1
Accumulated deficit	(1,336,887)	(1,095,352)
	\$ (1,336,886)	\$ (1,095,351)

Economic dependence (note 6)

See accompanying notes to financial statements.

Approved on behalf of the Board:



Statement of Operations

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

	2012 Budget (unaudited - note 7)	2012	2011
Revenue:			
Lease	\$ 135,000	\$ 118,280	\$ 64,840
Installation fees	14,400	2,400	8,000
Professional consulting fees	39,606	19,804	5,000
Service cost contracts	-	339,136	-
Interest	-	44	379
	189,006	479,664	78,219
Expenses:			
General and administrative	254,820	252,461	213,526
Service costs	271,369	292,498	-
Amortization	-	105,986	69,334
Interest (note 4)	-	70,254	53,469
	526,189	721,199	336,329
Annual deficit	(337,183)	(241,535)	(258,110)
Accumulated deficit, beginning of year	(1,095,352)	(1,095,352)	(837,242)
Accumulated deficit, end of year	\$ (1,432,535)	\$ (1,336,887)	\$ (1,095,352)

See accompanying notes to financial statements.

Statement of Changes in Net Debt

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

	2012 Budget (unaudited - note 7)	2012	2011
Annual deficit for the year	\$ (337,183)	\$ (241,535)	\$ (258,110)
Acquisition of tangible capital assets in cash and debt	(939,376)	(1,026,904)	(1,414,365)
Amortization of tangible capital assets	-	105,986	69,334
Decrease (increase) in prepaid expense	-	145	(4,832)
Change in net debt	(1,276,559)	(1,162,308)	(1,607,973)
Net debt, beginning of year	(3,995,342)	(3,995,342)	(2,387,369)
Net debt, end of year	\$ (5,271,901)	\$ (5,157,650)	\$ (3,995,342)

See accompanying notes to financial statements.

Statement of Cash Flows*Year ended December 31, 2012, with comparative information for 2011*

	2012	2011
Cash provided by (used in):		
Operations:		
Annual deficit	\$ (241,535)	\$ (258,110)
Amortization of tangible capital assets, an item not involving cash	105,986	69,334
Change in non-cash operating working capital balances:		
Prepaid expenses	145	(4,832)
Accounts receivable	(380,889)	31,856
Accounts payable and accrued liabilities	226,571	(158,403)
Net change in cash from operating activities	(289,722)	(320,155)
Capital activities:		
Cash used to acquire tangible capital assets	(1,026,904)	(481,489)
Financing activities:		
Increase in due to City of Coquitlam	1,300,970	816,727
Net change in cash	(15,656)	15,083
Cash, beginning of year	19,846	4,763
Cash, end of year	\$ 4,190	\$ 19,846
Supplementary information:		
Non-cash transactions:		
Tangible capital assets acquired through lease	\$ -	\$ 932,876
<i>See accompanying notes to financial statements.</i>		

Notes to Financial Statements

Year ended December 31, 2012

1. Operations:

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

2. Significant accounting policies:

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles as prescribed by the Public Sector Accounting Board ("PSAB") of the Canadian Institute of Chartered Accountants:

(a) Revenue recognition:

The Company recognizes revenue when services are provided to customers, the price is fixed or determinable, and collectability is reasonably assured.

(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 have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

(i) Tangible capital assets:

Tangible capital assets 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

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

Leases which 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.

Notes to Financial Statements *(continued)*

Year ended December 31, 2012

2. Significant accounting policies (continued):

(ii) Impairment of tangible capital assets:

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

(c) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that could affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Significant areas requiring the use of management estimates relate to the determination of allowance for doubtful accounts, useful lives for amortization of tangible capital assets, and provisions for contingencies. Actual results could differ from those estimates. Adjustments, if any, will be reflected in the financial statements in the period that the change in estimate is made, as well as in the period of settlement if the amount is different.

(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.

Notes to Financial Statements (continued)

Year ended December 31, 2012

3. Tangible capital assets:

December 31, 2012	Software	Data centre equipment	Building entrance - fibre	Building entrance - civil	Arterial fibre - civil	Arterial fibre - fibre	Leasehold improvements and leased equipment	Assets under construction	Total
Cost:									
Balance, beginning of year	\$ 84,050	\$ 533,683	\$ 172,814	\$ 260,553	\$ 892,384	\$ 55,413	\$ 932,876	\$ 137,656	\$ 3,069,429
Additions, net of transfers	-	389,513	27,703	4,332	524,332	1,363	-	79,661	1,026,904
Balance, end of year	84,050	923,196	200,517	264,885	1,416,716	56,776	932,876	217,317	4,096,333
Accumulated amortization:									
Balance, beginning of year	38,535	93,135	9,704	4,101	22,178	5,062	1,555	-	174,270
Amortization expense	10,231	49,043	6,729	3,081	11,322	2,248	23,332	-	105,986
Balance, end of year	48,766	142,178	16,433	7,182	33,500	7,310	24,887	-	280,256
Net book value, end of year	\$ 35,284	\$ 781,018	\$ 184,084	\$ 257,703	\$ 1,383,216	\$ 49,466	\$ 907,989	\$ 217,317	\$ 3,816,077
Net book value, beginning of year	\$ 45,515	\$ 440,548	\$ 163,110	\$ 256,452	\$ 870,206	\$ 50,351	\$ 931,321	\$ 137,656	\$ 2,895,159

Notes to Financial Statements (continued)

Year ended December 31, 2012

3. Tangible capital assets (continued):

December 31, 2011	Software	Data centre equipment	Building entrance - fibre	Building entrance - civil	Arterial fibre - civil	Improvements Arterial fibre - fibre	Leashold Assets and leased equipment	under construction	Total
Cost:									
Balance, beginning of year	\$ 84,050	\$ 446,301	\$ 135,887	\$ 179,474	\$ 637,286	\$ 55,413	\$ -	\$ 116,653	\$ 1,655,064
Additions, net of transfers	-	87,382	36,927	81,079	255,098	-	932,876	21,003	1,414,365
Balance, end of year	84,050	533,683	172,814	260,553	892,384	55,413	932,876	137,656	3,069,429
Accumulated amortization:									
Balance, beginning of year	28,304	55,549	3,846	1,208	13,183	2,846	-	-	104,936
Amortization expense	10,231	37,586	5,858	2,893	8,995	2,216	1,555	-	69,334
Balance, end of year	38,535	93,135	9,704	4,101	22,178	5,062	1,555	-	174,270
Net book value, end of year	\$ 45,515	\$ 440,548	\$ 163,110	\$ 256,452	\$ 870,206	\$ 50,351	\$ 931,321	\$ 137,656	\$ 2,895,159
Net book value, beginning of year	\$ 55,746	\$ 390,752	\$ 132,041	\$ 178,266	\$ 624,103	\$ 52,567	\$ -	\$ 116,653	\$ 1,550,128

There was no write-down of tangible capital assets during the year (2011 – nil).

Notes to Financial Statements *(continued)*

Year ended December 31, 2012

4. Due to City of Coquitlam:

The amount due to City of Coquitlam at December 31, 2012 of \$5,338,194 (2011 - \$4,037,224) 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 of Coquitlam until December 15, 2051. Included in the amount due to City of Coquitlam is \$932,876 (2011 - \$932,876) for the use of leasehold improvements and equipment for the term of the lease.

Amounts due to City of Coquitlam are unsecured, bear interest at 1.51% (2011 - 1.73%) and have no set terms of repayment.

5. Related party transactions

During the year, certain employees of the City of Coquitlam performed administrative services for the Company, including purchasing, accounting, clerical and other operational-type services. The Company was not charged by the City of Coquitlam for these services for the year ended December 31, 2012 (2011 - nil). Management costs and direct infrastructure services related to the Company were charged from the City of Coquitlam and are shown as expenses in the financial statements.

6. Economic dependence:

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

Notes to Financial Statements (continued)*Year ended December 31, 2012***7. Budget data:**

The unaudited budget data presented in these financial statements is based upon the 2012 budget approved by the Board of Directors on April 16, 2012. Amortization was not contemplated on development of the budget and, as such, has not been included. The chart below reconciles the approved budget figures reported in these financial statements.

Revenue:	
Operating budget	\$ 189,006
Expenses:	
Operating budget	1,465,565
Annual deficit per approved budget	(1,276,559)
Add items included in expenses above and tangible capital assets on the statement of financial position	939,376
Annual deficit per statement of operations	\$ (337,183)

2012

Annual Report

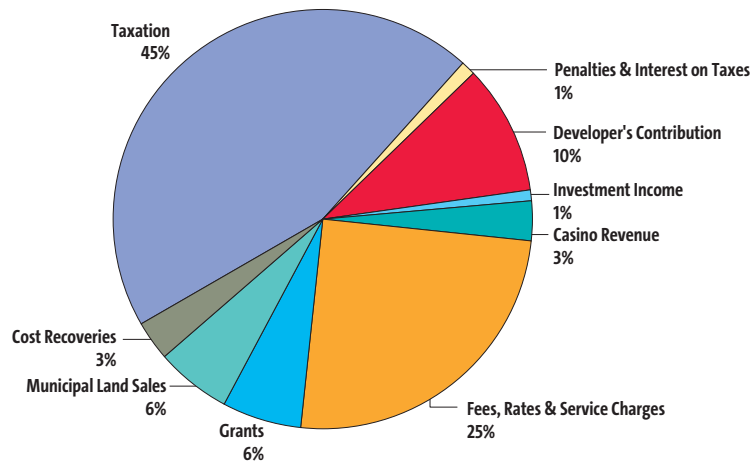
City of Coquitlam | British Columbia

Statistical Analysis

For the year ending December 31, 2012

2012 Revenue Sources

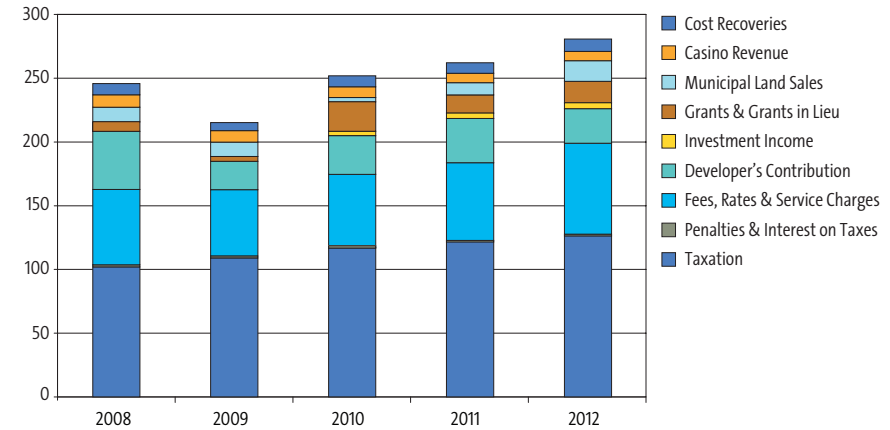
(Source: City of Coquitlam Financial Services Department)



Revenues by Source 2008-2012

(Source: City of Coquitlam Financial Services Department)

DOLLARS (millions)



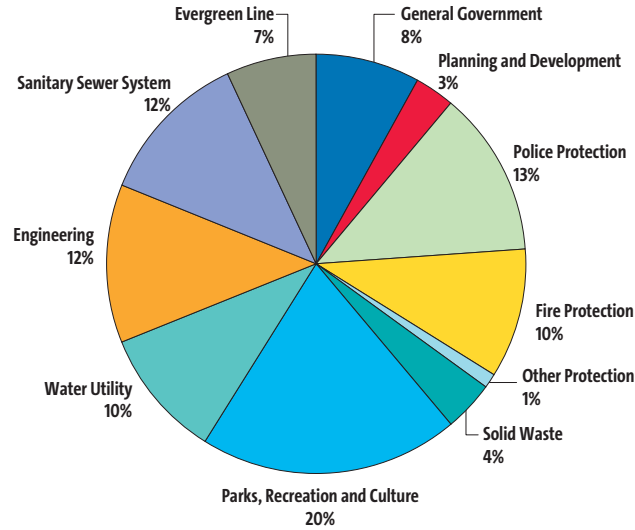
Revenues

Last Five Fiscal Years Comparison

	2008	2009	2010	2011	2012
Taxation	\$ 102,306,252	\$ 109,315,413	\$ 117,223,648	\$ 121,758,535	\$ 126,365,623
Penalties & Interest on Taxes	929,446	866,460	918,913	1,008,513	1,047,459
Fees, rates & Service Charges	59,289,654	52,249,398	56,483,288	60,909,149	71,714,012
Developer's Contribution	45,799,594	22,413,177	30,317,356	34,705,276	27,248,902
Investment Income	7,469,958	3,657,307	3,377,697	4,216,578	4,438,210
Grants & Grants in Lieu	11,469,929	11,089,776	23,157,080	14,393,696	17,083,907
Municipal Land Sales	-	338,804	3,534,208	9,423,840	15,704,619
Casino Revenue	9,753,514	8,937,571	8,366,662	7,422,836	7,556,341
Cost Recoveries	8,402,201	6,370,648	8,178,079	7,826,679	9,585,890
Total Revenue	\$ 245,420,548	\$ 215,238,554	\$ 251,556,931	\$ 261,665,102	\$ 280,744,963

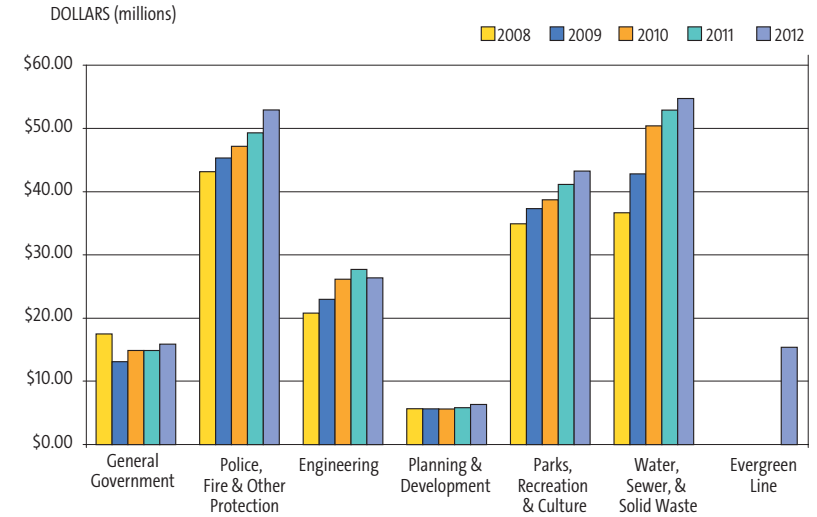
2012 Expenses

(Source: City of Coquitlam Financial Services Department)



Expenses by Function 2008-2012

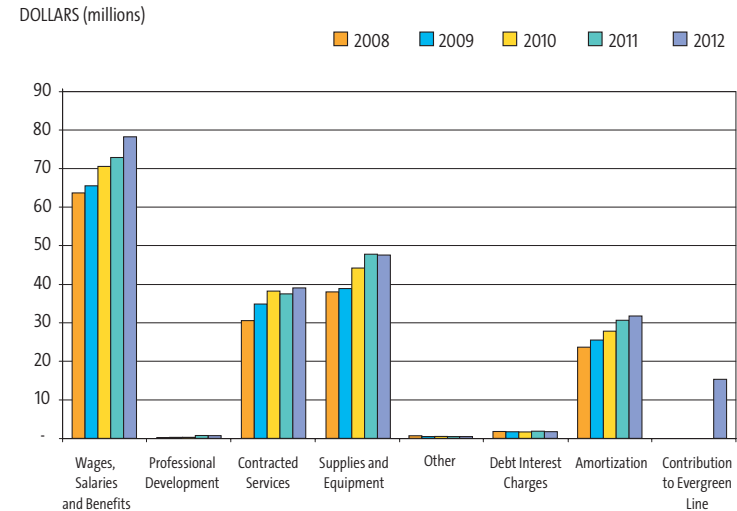
(Source: City of Coquitlam Financial Services Department)



Evergreen Line represents the agreement between the City and the Province of BC for Lincoln Station and Evergreen Line Sky station. Refer to Note 13 in the consolidated financial statements.

Expenses by Object 2008-2012

(Source: City of Coquitlam Financial Services Department)



Evergreen Line represents the agreement between the City and the Province of BC for Lincoln Station and Evergreen Line Sky station. Refer to Note 13 in the consolidated financial statements.

Expenses

Last Five Fiscal Years Comparison

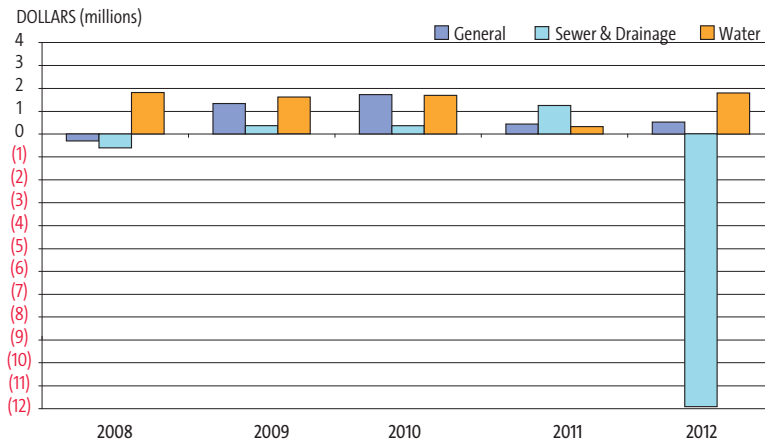
	2008	2009	2010	2011	2012
Analysis by Function					
General Government	\$ 17,535,677	\$ 13,169,997	\$ 14,865,227	\$ 14,995,100	\$ 15,901,449
Police, Fire & Other Protection	43,178,655	45,391,172	47,215,464	49,283,597	52,958,035
Engineering	20,759,369	22,950,524	26,147,853	27,637,309	26,394,940
Planning & Development	5,717,308	5,668,140	5,643,467	5,867,803	6,370,912
Parks, Recreation and Culture	34,911,966	37,396,716	38,680,691	41,162,082	43,271,870
Water, Sewer, & Solid Waste	36,669,344	42,832,225	50,375,717	52,904,205	54,698,696
Evergreen Line	-	-	-	-	15,411,632
Total Expenses by Function	\$ 158,772,319	\$ 167,408,774	\$ 182,928,419	\$ 191,850,096	\$ 215,007,534

Analysis by object

Wages, Salaries and Benefits	\$ 63,732,817	\$ 65,622,834	\$ 70,564,212	\$ 72,863,525	\$ 78,280,856
Professional Development	138,995	123,833	119,337	764,307	746,980
Contracted Services	30,616,920	34,985,940	38,043,763	37,394,804	39,087,123
Supplies and Equipment	38,097,700	38,967,071	44,249,925	47,856,089	47,537,873
Other	684,288	506,126	453,451	435,808	424,440
Debt Interest Charges	1,645,181	1,656,363	1,651,676	1,838,050	1,731,143
Amortization	23,856,418	25,546,607	27,846,055	30,697,513	31,787,487
Evergreen Line	-	-	-	-	15,411,632
Total Expenses by object	\$ 158,772,319	\$ 167,408,774	\$ 182,928,419	\$ 191,850,096	\$ 215,007,534

Surplus for the Year for General, Water and Sewer & Drainage Funds 2008-2012

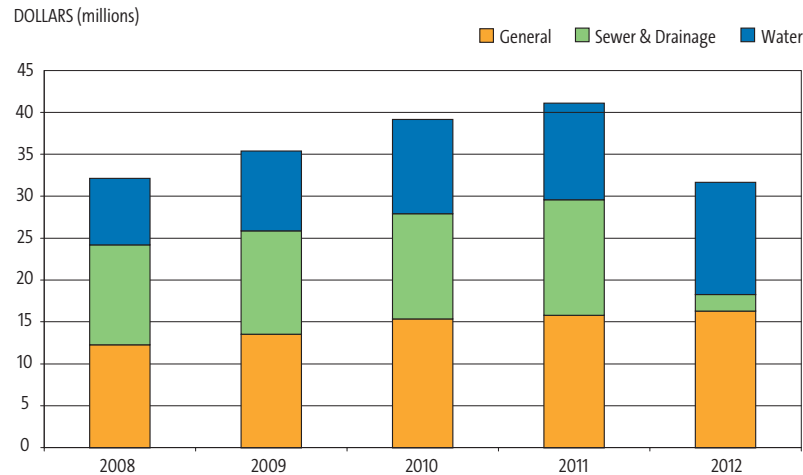
(Source: City of Coquitlam Financial Services Department)



In 2012 the Sewer and Drainage Utility Fund utilized the Accumulated Surplus from prior years to repay \$12.5 million of debt to the General Fund for construction of sewer infrastructure.

Accumulated Surplus for General, Water and Sewer & Drainage Funds 2008-2012

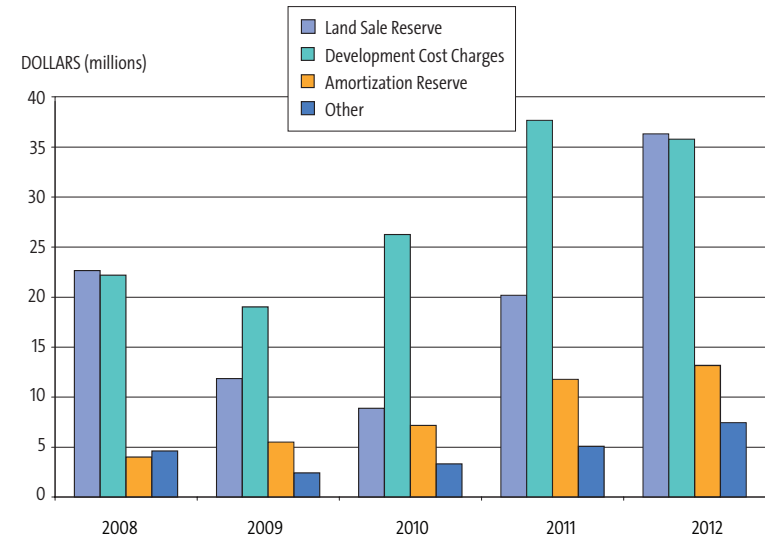
(Source: City of Coquitlam Financial Services Department)



In 2012 the Sewer and Drainage Utility Fund utilized the Accumulated Surplus from prior years to repay \$12.5 million of debt to the General Fund for construction of sewer infrastructure.

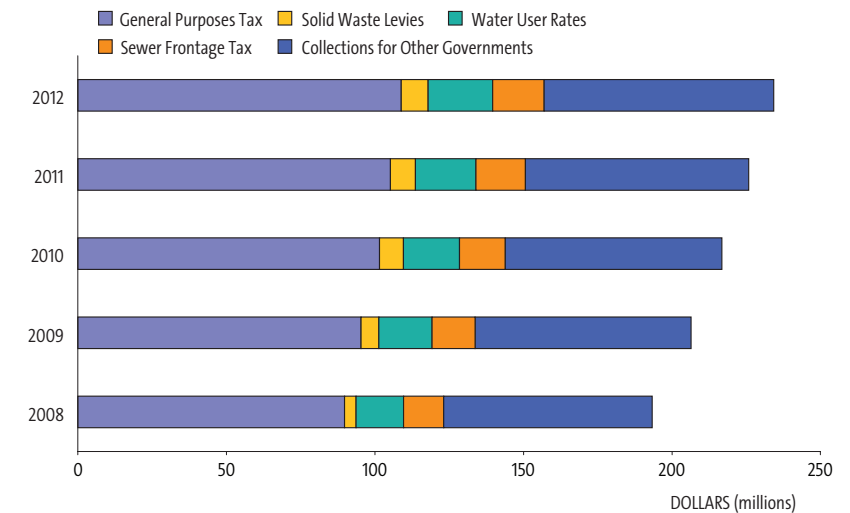
Summary of Statutory Reserve Funds 2008-2012

(Source: City of Coquitlam Financial Services Department)



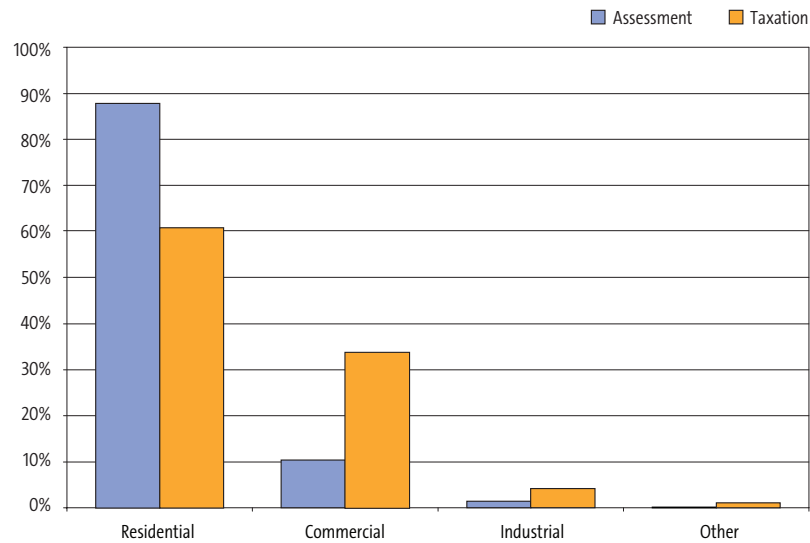
Property Tax Collection, other Major Levies and Collections 2008-2012

(Source: City of Coquitlam Financial Services Department)



2012 Assessment and Taxation by Property Class

(Source: British Columbia Assessment Authority)



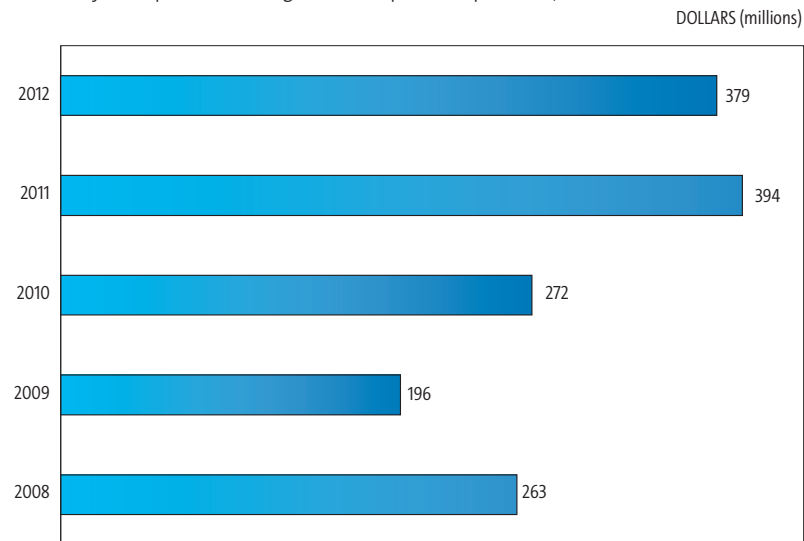
Assessed Values for General Municipal Purposes 2008-2012

(Source: British Columbia Assessment Authority)



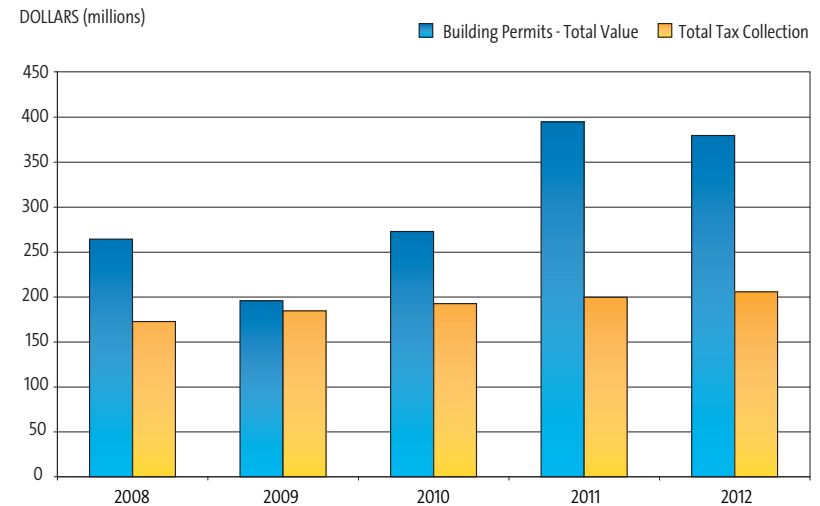
Total Value of Building Permits 2008-2012

(Source: City of Coquitlam Planning and Development Department)



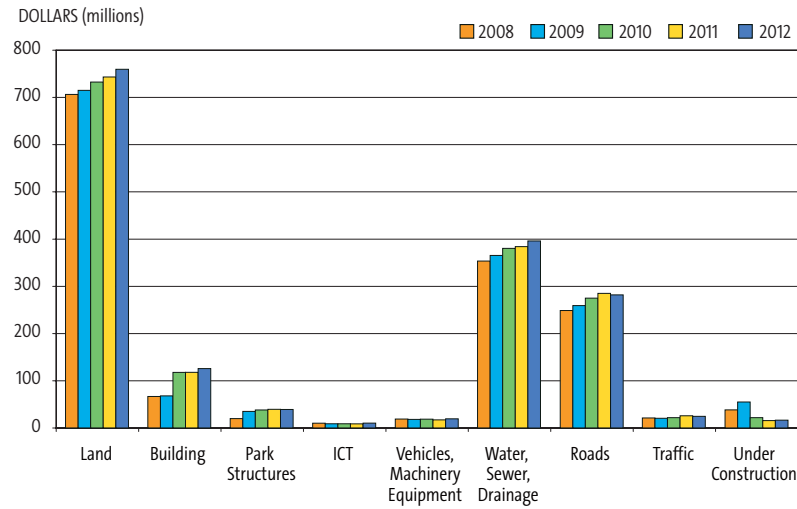
Building Permits And Total Tax Collection 2008-2012

(Source: City of Coquitlam Planning and Development Department & Financial Services Department)



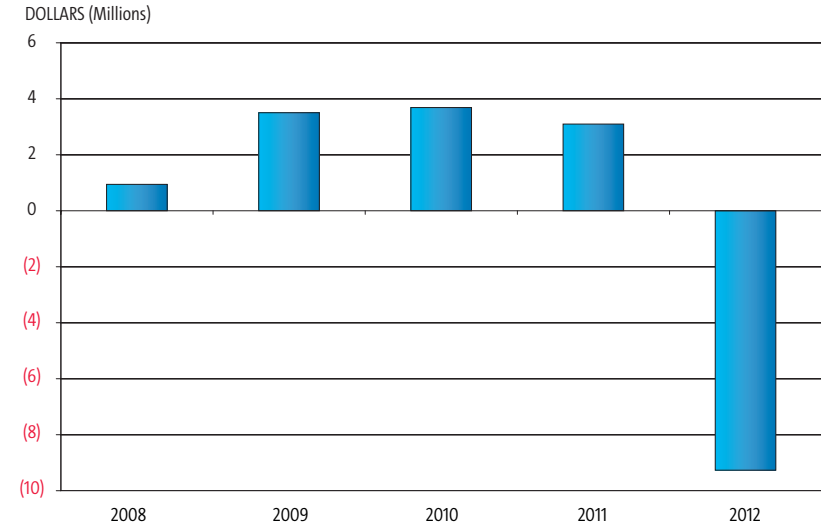
Net Book Value of Tangible Capital Assets 2008 - 2012

(Source: City of Coquitlam Financial Services Department)



Annual Consolidated Surplus

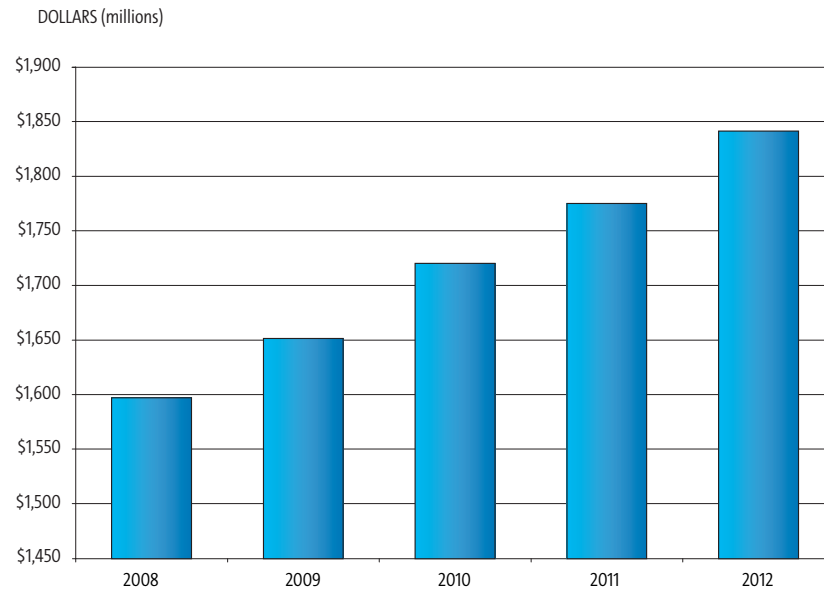
(Source: City of Coquitlam Financial Services Department)



In 2012 the Sewer and Drainage Utility Fund utilized the Accumulated Surplus from prior years to repay \$12.5 million of debt to the General Fund for construction of sewer infrastructure.

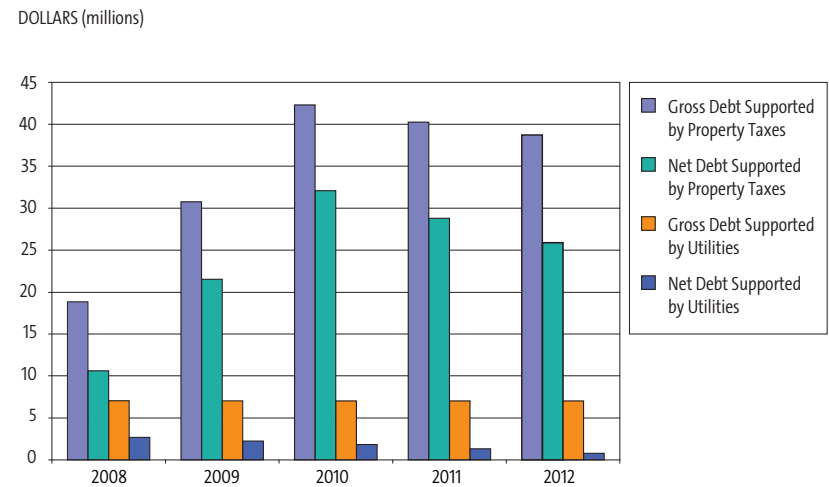
Accumulated Consolidated Surplus

(Source: City of Coquitlam Financial Services Department)



Gross and Net Long-Term Debt 2008-2012

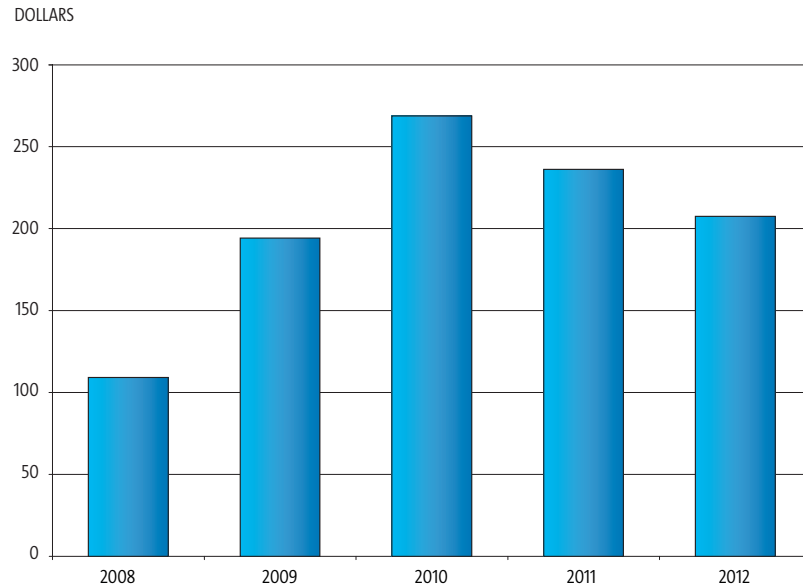
(Source: City of Coquitlam Financial Services Department)



\$20.6 million of debt supported by property taxes is going to be repaid within the next five years.

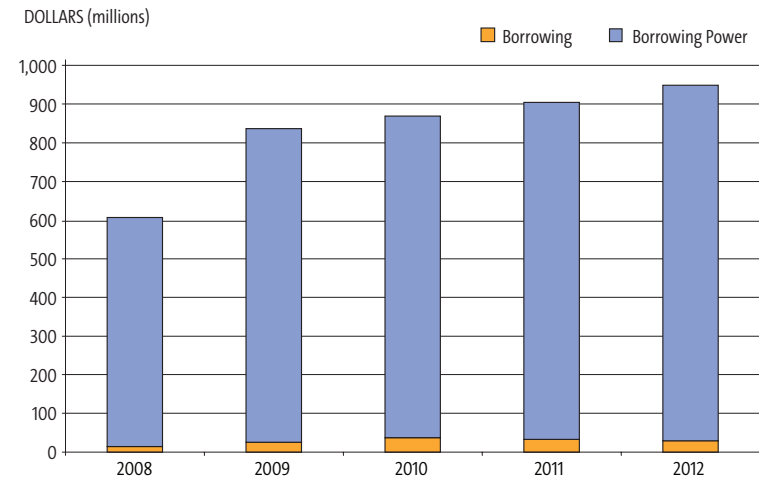
Coquitlam Debt Per Capita 2008-2012

(Source: City of Coquitlam Financial Services Department)



Legal Debt Limit 2008-2012

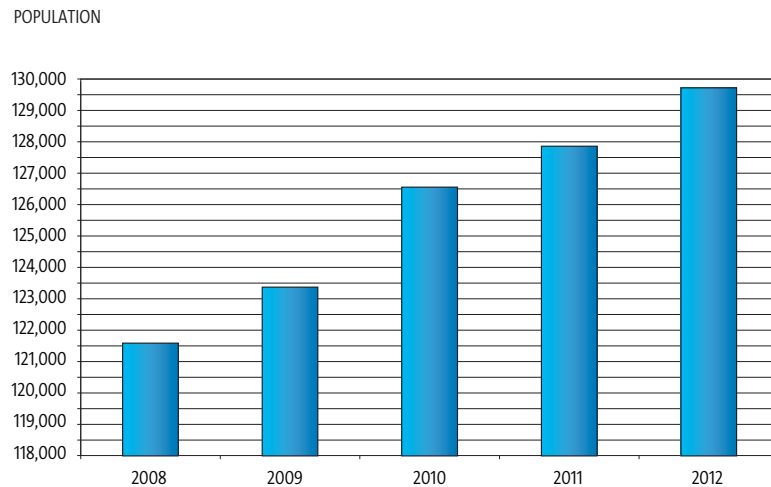
(Source: City of Coquitlam Financial Services Department)



The change in net borrowing power from 2008 to 2009 is due to the growth in assets recorded as a result of the implementation of PSAB 3150 tangible capital assets.

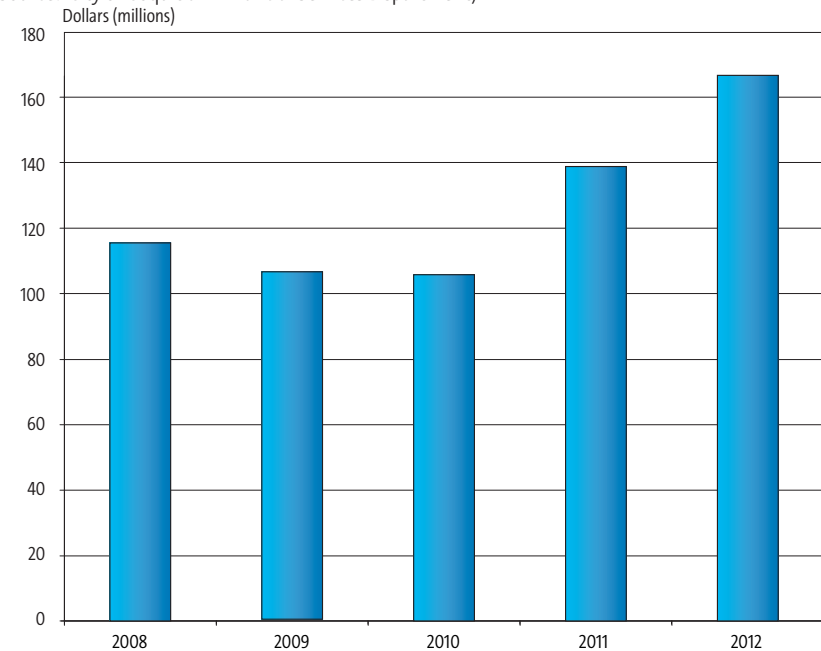
Population Estimate 2008-2012

(Source: BC STATS - Ministry of Management Services)



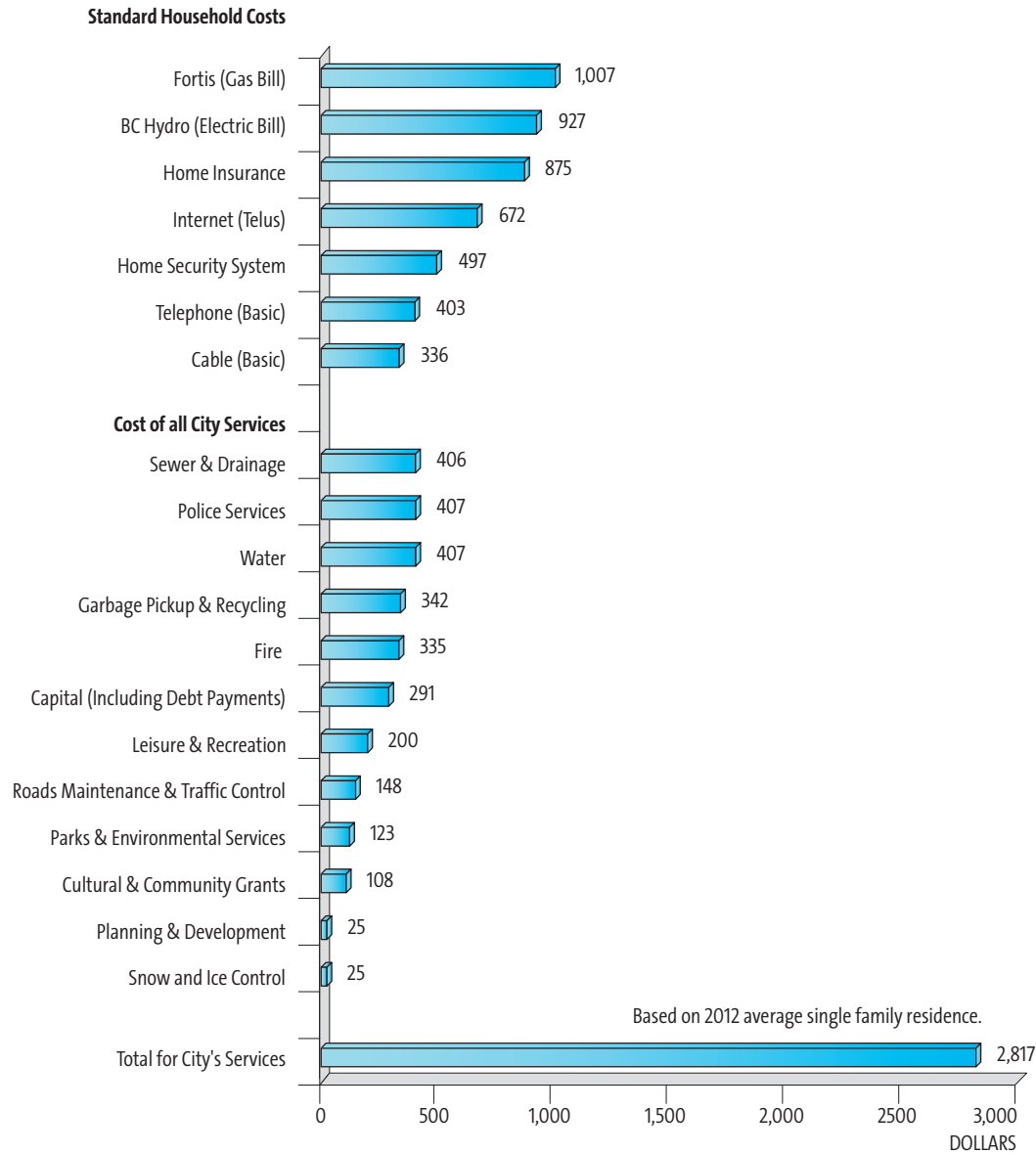
Net Financial Assets 2008-2012

(Source: City of Coquitlam Financial Services Department)



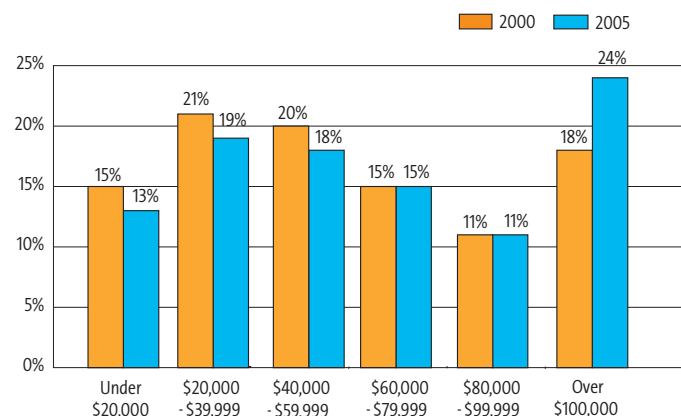
Comparison of the Average 2012 Annual Tax Bill for all City Services to other Standard Household Costs

(Source: City of Coquitlam Financial Services Department)



Household Income in Coquitlam - 2000 & 2005*

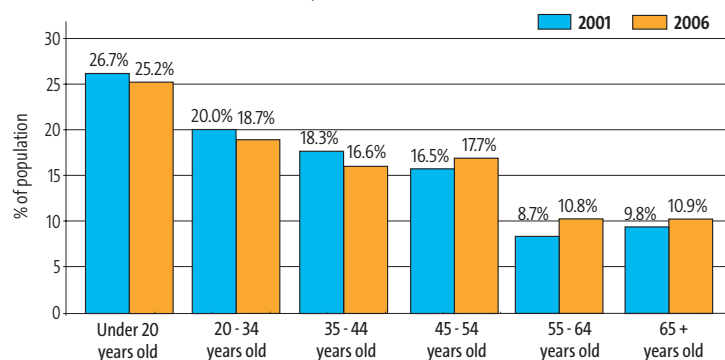
(Source: Statistics Canada, 2006 Census)



These figures are based on a 20% sample of the population.

Coquitlam's Population by Age as a Percentage of Population - 2001 & 2006*

(Source: Statistics Canada, 2006 Census)



Coquitlam Residents by Marital Status, 1996 - 2006*

(Source: Statistics Canada, 2006 Census)

Marital Status	2006	2001	1996
Legally Married	53%	54%	55%
Never Married	33%	32%	30%
Separated	3%	3%	3%
Divorced	7%	7%	7%
Widowed	5%	5%	5%

Top Ten Languages Spoken at Home in Coquitlam (Single Responses) - 2006*

(Source: Statistics Canada, 2006 Census)

Language	2006	
	Number	%
English	80,935	73.4%
Korean	5,200	4.7%
Cantonese	4,735	4.2%
Chinese (n.o.s.)*	4,455	4.0%
Mandarin	3,430	3.1%
Farsi (Persian)	3,030	2.7%
Spanish	990	0.9%
Russian	895	0.8%
Tagalog (Filipino)	710	0.6%
Polish	705	0.6%

These figures are based on a 20% sample of the population.

* not otherwise specified

* Updated 2010 Census information will be available August of 2013.

Principal Corporate Taxpayers

(Source: City of Coquitlam Financial Services Division)

Corporate taxpayers over \$250,000

Registered Owner	Primary Property	Taxes Levied	Registered Owner	Primary Property	Taxes Levied
Pensionfund Realty Ltd.	Shopping Centre	\$6,540,485	Investors Group Trust Co. Ltd.	Shopping Centre - Neighbourhood	\$342,279
Loblaws Properties West Inc.	Shopping Centre - Community	\$2,914,973	Toys R Us (Canada) Ltd.	Retail Sales	\$337,375
Great Canadian Casinos Inc.	Stores & Service Commercial	\$1,472,642	B U K Investments Ltd.	Auto. Paint Shop. Garage.	\$335,651
BC Hydro & Power Authority	Electric Power Systems	\$1,336,255	Petro Canada	Convenience Store/Service Station	\$335,339
Ikea Properties Ltd.	Miscellaneous	\$1,303,868	424116 BC Ltd.	Apartment (High Rise)	\$332,102
Sun Life Assurance			Viam Holdings Ltd.	Strata Apartment	\$329,006
Co of Canada	Shopping Centre	\$1,303,555	Pacific Reach Home Furnishings	Stores & Service Commercial	\$327,612
Pinetree Village Holdings Inc.	Shopping Centre	\$1,230,648	Provincial Rental Housing Corp.	Detached Housing SFD	\$308,665
Fraser Mills Properties Ltd.	Industrial	\$895,465	Mason Investments Ltd.	Strata Warehouse	\$305,325
Sunnyland Enterprises Ltd.	Shopping Centre	\$791,457	655868 BC Ltd.	Storage & Warehousing	\$299,220
655870 BC Ltd.	Storage & Warehousing	\$766,154	Sony of Canada Ltd.	Storage & Warehousing	\$288,163
BC Gas Utility Ltd.	Gas Distribution Systems	\$701,542	Artis King Edward Property Ltd.	Shopping Centre - Neighbourhood	\$283,389
Lafarge Canada Inc.	Concrete Mixing Plants	\$693,043	Telus Communications (BC) Inc.	Telephone	\$283,272
Brenhill Developments Ltd.	Theatre Buildings	\$685,007	390200 BC Ltd.	Shopping Centre - Neighbourhood	\$283,165
Burquitlam Building Ltd.	Shopping Centre	\$669,691	Honeysuckle Developments Inc.	Manufacturing Operation	\$281,552
Lougheed Super Centre Ltd.	Lumber Yard or Bldg Supplies	\$596,447	0854995 BC Ltd.	Storage & Warehousing	\$273,932
Home Depot Holdings Inc.	Stores & Service Commercial	\$550,100	No. 263 Cathedral Ventures Ltd.	Self Storage	\$272,820
Busung Investment Co Ltd.	Shopping Centre - Neighbourhood	\$543,267	Domtar Inc.	Miscellaneous & Industrial	\$272,331
South Coast BC			437909 BC Ltd.	Auto. Paint Shop. Garage	\$264,244
Transportation Auth.	Parking-Lot	\$503,746	925834 Ontario Inc.	Stores & Service Commercial	\$263,102
John Volken Foundation Inc.	Warehouse Showroom Store	\$492,418	ONNI Holdings Ltd.	Storage & Warehousing	\$260,966
No. 186 Seabright Holdings Ltd.	Warehouse Storage	\$477,204	32 Fawcett Investments Ltd.	Warehouse Distribution	\$257,368
Double Beta Holdings Ltd.	Vacant Land	\$462,290	0917511 BC Ltd.	Shopping Centre - Neighbourhood	\$250,787
Kebet Holdings Ltd.	Storage & Warehousing	\$448,415			
West Mall Hotels Ltd.	Hotel	\$435,250			
WKR Inc.	Storage & Warehousing	\$426,425			
Jack Cewe Ltd.	Concrete Mixing Plants	\$415,704			
Aragon (Austin Station)					
Properties Ltd.	Shopping Centre - Neighbourhood	\$411,492			
Standard Life Assurance					
Co of Canada	Storage & Warehousing	\$407,330			
Henderson Civic Centre Ltd.	Shopping Centre - Commercial	\$401,259			
70 Golden Drive Ltd.	Storage & Warehousing	\$371,254			
Canada Safeway Ltd.	Food Market	\$365,513			
Unimet Investments Ltd.	Developer	\$356,408			
Coquitlam Inn					
& Convention Centre Ltd.	Motel & Auto Court	\$356,220			

Permissive Tax Exemptions

(Source: City of Coquitlam Financial Services Division)

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

Burquitlam Care Society	\$21,120
Burquitlam Senior Housing Society	\$10,255
Sisters of The Immaculate Heart of Mary Society	\$1,509
Community Living Society Inc.....	\$2,339
Community Living Society Inc.....	\$2,339
Societe du Foyer Maillard.....	\$13,611
Simon Fraser Society For Community Living	\$1,872
Earl Haig Society (Coquitlam).....	\$11,149
Greater Vancouver Water District	\$988
Colony Farm Community Gardens Society	\$2,515
Royal Canadian Legion Branch No. 263	\$28,795
Simon Fraser Society For Community Living	\$2,181
Howe Sound Rehabilitation Services Society	\$1,972
Nature Trust of British Columbia	\$2,762
Nature Trust of British Columbia	\$77,721
Nature Trust of British Columbia	\$266
Nature Trust of British Columbia	\$96,664
Nature Trust of British Columbia	\$28,044
	\$306,102

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 above are estimates only.

Principal Employers in Coquitlam

source: City of Coquitlam (Over 150 employees reported)

Business Type	Name
Education	School District #43
Hospital	Riverview Hospital
Local Government	City of Coquitlam
Retail Sales	The Real Canadian Superstore (2 stores)
Casino	Boulevard Casino
Retail Sales	Ikea
Manufacturer	Factors Group of Nutritional Companies Inc.
Restaurant Sales	McDonald's Restaurants (6 restaurants)
Retail Sales	Safeway (3 stores)
Retail Sales	Target Store
Warehouse storage	WN Pharmaceuticals Ltd.
Theatre/Concert Hall	SilverCity (Theatres)
Manufacturer	Jack Cewe Ltd.
Unclassified	Superior Poultry Processors Ltd.
Warehouse	Coca-Cola Bottling Ltd.
Retail Sales	Sears Canada Inc.
Retail Sales	Home Depot Canada
Contractor Licence	Waste Management of Canada Corporation
Retail Sales	Pricesmart Foods
Retail Sales	The Bay
Retail Sales	Shoppers Drug Mart (4 stores)
Warehouse	McKesson Canada
Restaurant Sales	The Keg Steakhouse & Bar - Coquitlam
Restaurant Sales	Joey's Mediterranean Grill
Golf Course & Restaurant & Retail Sales	Westwood Plateau Golf & Country Club
Unclassified	Phoenix Truck & Crane Service.

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

