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INDEPENDENT AUDITOR'S REPORT

To the Mayor and Council of Corporation of the City of Port Coquitlam

Opinion

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

- the consolidated statement of financial position as at December 31, 2023
- the consolidated statement of operations for the year then ended
- the consolidated statement of change in net financial assets for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the City as at December 31, 2023, and its consolidated results of operations, its consolidated changes in net financial assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

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

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



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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

We also:

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



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

Chartered Professional Accountants

Vancouver, Canada

May 7, 2024

THE CORPORATION OF THE CITY OF PORT COQUITLAM
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31

	2023	2022
FINANCIAL ASSETS		
Cash and cash equivalents	\$ 29,142,666	\$ 36,853,257
Investments (Note 4)	195,099,170	163,982,315
Accounts receivable (Note 5)	7,606,079	7,090,464
Due from other governments (Note 6)	230,988	210,177
	232,078,903	208,136,213
LIABILITIES		
Accounts payable and accrued liabilities (Note 7)	24,002,759	20,411,183
Deferred revenue (Note 8)	28,711,877	27,078,547
Deposits (Note 9)	11,485,976	12,090,012
Development cost charges (Note 10)	48,569,489	46,294,166
Post-employment future benefits and compensated absences (Note 11)	3,266,000	3,138,000
Asset retirement obligations (Note 12)	2,508,693	-
Debt (Note 13)	89,758,736	66,509,595
	208,303,530	175,521,503
NET FINANCIAL ASSETS	23,775,373	32,614,710
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 14)	849,946,573	811,000,435
Inventories	430,525	617,410
Prepaid expenses	508,178	492,288
	850,885,276	812,110,133
ACCUMULATED SURPLUS (Note 15)	\$ 874,660,649	\$ 844,724,843

Commitments and contingencies (Note 19)
Contractual rights (Note 20)

See accompanying notes to consolidated financial statements

ROB BREMNER
Chief Administrative Officer

JEFFREY LOVELL
Director of Finance

THE CORPORATION OF THE CITY OF PORT COQUITLAM
CONSOLIDATED STATEMENT OF OPERATIONS
For the Year Ended December 31

	2023 Budget (Notes 2(c) and 22)	2023	2022
REVENUE			
Taxation and other levies (Note 22)	\$ 80,734,100	\$ 80,654,382	\$ 76,784,426
Utility charges	27,449,800	28,081,353	27,662,380
Sale of services	8,275,600	9,012,480	7,101,807
Contributions (Note 23)	17,361,800	23,080,382	5,686,615
Permits and licenses	3,060,900	3,350,622	2,819,453
Investment income	2,805,100	8,043,477	3,892,069
Penalties and fines	544,000	1,209,027	898,871
Other	470,600	1,001,457	1,010,816
Gain (loss) on disposals of tangible capital assets	-	(425,395)	610,225
	\$ 140,701,900	\$ 154,007,785	\$ 126,466,662
EXPENSES			
General government	\$ 12,002,500	\$ 15,130,488	\$ 11,363,498
Engineering and public works	19,848,600	21,694,669	18,143,122
Recreation	21,494,700	22,719,434	21,011,625
Police services	18,135,300	17,727,980	17,156,075
Fire and emergency services	14,641,500	16,018,884	14,711,743
Development services	4,925,700	3,973,896	4,041,835
Solid waste operations	4,689,500	4,934,377	4,701,974
Water operations	12,143,100	12,457,385	12,739,214
Sanitary sewer operations	9,304,600	9,414,866	8,845,461
	\$ 117,185,500	\$ 124,071,979	\$ 112,714,547
ANNUAL SURPLUS	\$ 23,516,400	\$ 29,935,806	\$ 13,752,115
ACCUMULATED SURPLUS, beginning of year	844,724,843	844,724,843	830,972,728
ACCUMULATED SURPLUS, end of year	\$ 868,241,243	\$ 874,660,649	\$ 844,724,843

See accompanying notes to consolidated financial statements

THE CORPORATION OF THE CITY OF PORT COQUITLAM
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
For the Year Ended December 31

	2023 Budget (Notes 2(c) and 22)	2023	2022
Annual surplus	\$ 23,516,400	\$ 29,935,806	\$ 13,752,115
Acquisition of tangible capital assets	(71,193,900)	(45,485,205)	(23,127,269)
Recognition of Asset Retirement Obligations	-	(2,508,693)	-
Developer contributions of tangible capital assets	(1,000,000)	(8,394,804)	(2,445,772)
Amortization of tangible capital assets	12,000,000	16,227,723	14,372,050
Loss (gain) on disposals of tangible capital assets	-	425,395	(610,225)
Proceeds on disposals of tangible capital assets	-	789,446	1,098,943
Change in inventories	-	186,885	18,979
Change in prepaid expenses	-	(15,890)	103,030
Change in net financial assets	(36,677,500)	(8,839,337)	3,161,851
NET FINANCIAL ASSETS, beginning of year	32,614,710	32,614,710	29,452,859
NET FINANCIAL ASSETS (DEBT), end of year	\$ (4,062,790)	\$ 23,775,373	\$ 32,614,710

See accompanying notes to consolidated financial statements

THE CORPORATION OF THE CITY OF PORT COQUITLAM
CONSOLIDATED STATEMENT OF CASH FLOWS
For the Year Ended December 31

	2023	2022
CASH PROVIDED BY (USED IN):		
OPERATING ACTIVITIES		
Annual surplus	\$ 29,935,806	\$ 13,752,115
Items not involving cash:		
Developer contributions of tangible capital assets	(8,394,804)	(2,445,772)
Amortization of tangible capital assets	16,227,723	14,372,050
Loss (gain) on disposals of tangible capital assets	425,395	(610,225)
Change in non-cash operating assets and liabilities:		
Accounts receivable	(515,615)	249,775
Due from other governments	(20,811)	154,478
Accounts payable and accrued liabilities	3,591,576	(4,054,291)
Deferred revenue	1,633,330	8,275,403
Deposits	(604,036)	(237,824)
Development cost charges	2,275,323	3,028,865
Post employment future benefits and compensated absences	128,000	206,000
Inventories	186,885	18,979
Prepaid expenses	(15,890)	103,030
Cash provided by operating activities	44,852,882	32,812,583
FINANCING ACTIVITIES		
Debt repayment	23,249,141	(1,887,318)
Cash provided by (used in) financing activities	23,249,141	(1,887,318)
CAPITAL ACTIVITIES		
Cash used to acquire tangible capital assets	(45,485,205)	(23,127,269)
Proceeds on disposals of tangible capital assets	789,446	1,098,943
Cash used in capital activities	(44,695,759)	(22,028,326)
INVESTING ACTIVITIES		
Purchase of investments	(120,116,855)	(148,914,097)
Redemption of investments	89,000,000	100,115,000
Cash used in investing activities	(31,116,855)	(48,799,097)
DECREASE IN CASH AND CASH EQUIVALENTS	(7,710,591)	(39,902,158)
CASH AND CASH EQUIVALENTS, beginning of year	36,853,257	76,755,415
CASH AND CASH EQUIVALENTS, end of year	\$ 29,142,666	\$ 36,853,257
Supplementary information:		
Non-cash transactions:		
Land sold for assets under construction	\$ -	\$ 3,650,000

See accompanying notes to consolidated financial statements

THE CORPORATION OF THE CITY OF PORT COQUITLAM
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

1 OPERATIONS

The Corporation of the City of Port 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 sanitary sewer services.

2 SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the City are prepared in accordance with Canadian Public Sector Accounting Standards as issued by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada.

(a) Basis of Presentation

The consolidated financial statements comprise the City's General, Water, Sewer and Reserve funds and the Port Coquitlam Community Foundation. All inter-fund and inter-entity balances and transactions have been eliminated on consolidation.

Under the Community Charter, City Council may, by bylaw, establish reserve funds for specified purposes:

- (i) Internally restricted reserves are in accordance with City policy and with bylaws adopted by City Council pursuant to the Community Charter. The policy and bylaws define the funding source for each reserve and their usage.
- (ii) Statutorily restricted reserves are reserves restricted by the provincial government in accordance with the Community Charter. The legislation defines the funding source for each reserve and their usage.

Trust funds are those that are administered for certain beneficiaries. In accordance with PSAB guidance, trust funds are not included in the City's consolidated financial statements. Trust funds administered by the City are presented in Note 19.

(b) Basis of Accounting

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

(c) Budget Information

The budget information reported in the consolidated statement of operations and the consolidated statement of change in net financial assets reflects the 2023-2027 Financial Plan Bylaw adopted by City Council on May 9, 2023.

(d) Cash and Cash Equivalents

Cash and cash equivalents consist of cash, highly liquid money market investments, and investments with maturities of less than 90 days at acquisition.

(e) Taxation Revenue Recognition

Taxes are recorded at estimated amounts when they meet the definition of an asset, they are authorized and the taxable event occurs. Levies imposed by other taxing authorities are not included as taxes for municipal purposes. British Columbia Assessment Authority's appeal process may adjust taxes by way of supplementary roll adjustments. These adjustments are recognized in the year they are adjusted.

(f) Deferred Revenue

The City defers a portion of the revenue collected from permits, licenses and recreation and other fees and recognizes this revenue in the year in which related services are performed or other related expenditures are incurred. The City also defers prepaid property taxes which are recognized in the taxation year to which they relate.

2 SIGNIFICANT ACCOUNTING POLICIES - Continued

(g) Deposits

Deposits represent cash collected by the City as security against work performed by property developers. The security is returned to the developer upon satisfactory completion of the work, or recognized into revenue if the work is not performed in accordance with the applicable bylaws.

(h) Development Cost Charges

Development cost charges, collected to pay for capital projects due to be developed, are deferred upon receipt and are recognized as revenue when the capital costs for which they were collected are incurred.

(i) Post-Employment Future Benefits and Compensated Absences

The City and its employees make contributions to the Municipal Pension Plan. As this plan is a multi-employer plan, contributions are expensed as incurred.

Post-employment future benefits and compensated absences also accrue to City employees. Liabilities related to these benefits are actuarially determined based on service and best estimates of retirement ages and expected future salary and wage increases. Liabilities under these benefits plans are accrued based on projected benefits as the employees render services necessary to earn the future benefits.

(j) Debt

Debt is recorded in the consolidated financial statements net of sinking fund credits.

(k) Non-Financial Assets

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

Tangible Capital Assets

Tangible capital assets are initially recorded at cost which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The City does not capitalize interest costs associated with the acquisition or construction of a tangible capital asset. The cost, less residual value, is amortized on a straight-line basis over the asset's useful life as follows:

Major Asset Category	Useful Life
Land	Not amortized
Parks infrastructure	3 to 100 years
Vehicles, machinery and equipment	5 to 25 years
Transportation infrastructure	10 to 100 years
Buildings	20 to 70 years
Drainage	25 to 100 years
Land improvements	45 to 100 years
Water	25 to 80 years
Sanitary sewer	25 to 100 years

Amortization begins once the asset is in use and ends when the asset is disposed or decommissioned. Assets under construction are not amortized until the asset is available for productive use.

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

2 SIGNIFICANT ACCOUNTING POLICIES - Continued

Non-Financial Assets-Continued

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.

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

Inventories

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

(l) Government Transfers

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

(m) Asset Retirement Obligations

An asset retirement obligation is recognized when, as at the financial reporting date, all of the following criteria are met:

- (i) There is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- (ii) The past transaction or event giving rise to the liability has occurred;
- (iii) It is expected that future economic benefits will be given up; and,
- (iv) A reasonable estimate of the amount can be made.

The liability is initially recorded at the best estimate of the expenditures required to retire a tangible capital asset, and the resulting costs are capitalized as part of the carrying amount of the related tangible capital asset if the asset is recognized and in productive use. This liability is subsequently reviewed at each financial reporting date and adjusted for any revisions to the timing or amount required to settle the obligation. The changes in the liability for the passage of time are recorded as accretion expense in the Consolidated Statement of Operations and all other changes are adjusted to the tangible capital asset. The cost is amortized over the useful life of the tangible capital asset (Note 2 (k)). If the related tangible capital asset is unrecognized or no longer in productive use, the asset retirement costs are expensed.

Recoveries related to asset retirement obligations are recognized when the recovery can be appropriately measured, a reasonable estimate of the amount can be made and it is expected that future economic benefits will be obtained. A recovery is recognized on a gross basis from the asset retirement obligations liability.

2 SIGNIFICANT ACCOUNTING POLICIES - Continued

(n) Liabilities for Contaminated Sites

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

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

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

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

(o) Use of Estimates

The preparation of consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results may differ from management's estimates as additional information becomes available. Adjustments, if any, will be reflected in the consolidated financial statements in the period that the change in estimate is made, as well as in the period of settlement if the amount is different.

(p) Segment Disclosure

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. Financial information is presented in segmented format in Note 23.

2 SIGNIFICANT ACCOUNTING POLICIES - Continued

(q) Financial Instruments

Financial instruments include cash and cash equivalents, investments, accounts receivables, development fees receivables, accounts payable and accrued liabilities and debt.

Financial instruments are recorded at fair value on initial recognition. Equity instruments quoted in an active market and derivatives are subsequently measured at fair value as at the reporting date. All other financial instruments are subsequently recorded at cost or amortized cost unless management elects to carry the financial instrument at fair value. The City has not elected to carry any other financial instruments at fair value, except for portfolio investments held by the Port Coquitlam Community Foundation.

Unrealized changes in fair value are recognized in the consolidated statement of remeasurement gains and losses. They are recorded in the consolidated statement of operations when they are realized. There are no significant unrealized changes in fair value as at December 31, 2023 and December 31, 2022. As a result, the City does not have a consolidated statement of remeasurement gains and losses.

Transaction costs incurred on the acquisition of financial instruments subsequently measured at fair value are expensed as incurred. Transaction costs incurred on the acquisition of financial instruments recorded at cost and are expensed as incurred.

Sales and purchases of investments are recorded on the trade date.

Accounts receivables, investments other than portfolio investments held by the Port Coquitlam Community Foundation, accounts payable and accrued liabilities, and debt are measured at amortized cost using the effective interest rate method.

All financial assets held at amortized cost are assessed for impairment on an annual basis. When a decline is determined to be other than temporary, the amount of the loss is reported in the consolidated statement of operations.

3 ADOPTION OF NEW ACCOUNTING STANDARDS

(a) PS 3280 Asset Retirement Obligations:

On January 1, 2023, the City adopted Canadian public sector accounting standard PS 3280 Asset Retirement Obligations ("PS 3280"). The standard requires the reporting of legal obligations associated with the retirement of tangible capital assets by public sector entities. The City has adopted this standard on a prospective basis.

(b) PS 3450 Financial Instruments and Related Standards:

On January 1, 2023, the City adopted Canadian public sector accounting standard PS 3450 Financial Instruments, PS 2601 Foreign Currency Translation, PS 1201 Financial Statement Presentation and PS 3041 Portfolio Investments. The standards were adopted prospectively from the date of adoption. The new standards provide comprehensive requirements for the recognition, measurement, presentation and disclosure of financial instruments and foreign currency transactions.

Under PS 3450 Financial Instruments, all financial instruments are included throughout the consolidated statement of financial position and are measured at either fair value or amortized cost based on the characteristics of the instrument and the City's accounting policy choices (see note 2(q)).

The adoption of these standards did not have any impact on the amounts presented in these consolidated financial statements.

4 INVESTMENTS

	2023	2022
Deposits (a)	\$ 187,256,032	\$ 156,370,983
Municipal Finance Authority Intermediate Fund (b)	7,061,842	6,891,139
Portfolio Investments (c)	781,296	720,193
	<u>\$ 195,099,170</u>	<u>\$ 163,982,315</u>

(a) Deposits include term deposits in credit unions and chartered banks with varying maturity dates from January, 2024 to December, 2027 (2022 - January, 2023 to September, 2025) and have interest rates ranging from 3.25% to 6.85% (2022 - 1.20% to 5.85%).

(b) The carrying value of the Municipal Finance Authority Intermediate Fund at December 31, 2023 was \$7,061,842 (2022 - \$6,891,139) and the market value at December 31, 2023 was \$6,618,221 (2022 - \$6,314,694).

(c) The Port Coquitlam Community Foundation's portfolio investments are comprised of fixed income and equity securities. The fixed income securities have varying maturity dates from April, 2024 to May, 2028 (2022 - May, 2023 to May, 2026) and have interest rates ranging from 0.25% to 4.45% (2022 - 1.13% to 3.87%).

5 ACCOUNTS RECEIVABLE

	2023	2022
Accounts receivable	\$ 1,696,355	\$ 1,651,123
Property tax and utility receivable	4,908,162	4,042,534
Development cost charges receivable	-	409,810
Municipal Finance Authority Debt Reserve Deposit	938,435	910,146
Other	63,127	76,851
	<u>\$ 7,606,079</u>	<u>\$ 7,090,464</u>

6 DUE FROM OTHER GOVERNMENTS

	2023	2022
Federal	\$ 230,988	\$ 210,177

7 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2023	2022
Accounts payable and accrued liabilities	\$ 17,306,028	\$ 15,685,874
Wages and benefits payable	4,669,637	3,274,709
Holdbacks	446,199	893,113
Due to other governments	1,580,895	557,487
	<u>\$ 24,002,759</u>	<u>\$ 20,411,183</u>

8 DEFERRED REVENUE

	2022	Additions	Revenue earned	2023
Property taxes and utilities prepayments	\$ 10,684,094	\$ 19,518,783	\$ (18,958,768)	\$ 11,244,109
Programs and services	1,940,347	5,467,997	(5,612,634)	1,795,710
Grants	6,856,317	148,265	(1,105,616)	5,898,966
Engineering	5,971,672	1,273,127	(694,163)	6,550,636
Other	1,626,117	3,173,816	(1,577,477)	3,222,456
	<u>\$ 27,078,547</u>	<u>\$ 29,581,988</u>	<u>\$ (27,948,658)</u>	<u>\$ 28,711,877</u>

9 DEPOSITS

Deposits represent cash collected as security for highway use, subdivision servicing, soil removal and other development activities.

10 DEVELOPMENT COST CHARGES

	2022	Third Party Contributions	Interest Allocation	Capital Expenditures	2023
<u>Area 1</u>					
Drainage	\$ 5,529,473	\$ 19,087	\$ 268,642	\$ -	\$ 5,817,202
Transportation	14,963,740	(42,086)	724,722	-	15,646,376
Parks	6,165,168	43,723	-	-	6,208,891
Water	5,561,859	8,420	269,954	-	5,840,233
Sanitary	1,889,348	3,213	88,731	(122,901)	1,858,391
<u>Area 2</u>					
Drainage	619,369	15,553	30,417	-	665,339
Transportation	5,914,797	153,532	290,591	-	6,358,920
Parks	1,029,282	1,247	-	-	1,030,529
Water	1,705,137	2,690	82,764	-	1,790,591
Sanitary	1,018,208	1,793	49,427	-	1,069,428
Parks Interest	1,897,785	-	440,732	(54,928)	2,283,589
	<u>\$ 46,294,166</u>	<u>\$ 207,172</u>	<u>\$ 2,245,980</u>	<u>\$ (177,829)</u>	<u>\$ 48,569,489</u>

11 POST-EMPLOYMENT FUTURE BENEFITS AND COMPENSATED ABSENCES

The City provides sick leave and retirement benefits to its employees. Eligible employees accumulate sick leave entitlement on a monthly basis and can only use this entitlement for paid time off under certain circumstances. Retirement benefits represent the City's share of the cost to provide eligible employees with severance pay upon retirement.

The amount recorded for these benefits is based on an actuarial valuation done by an independent firm of actuaries using a projected benefit actuarial valuation method pro-rated on services. The most recent actuarial valuation of the City's future benefits was completed as at December 31, 2023.

Information regarding the City's obligations for these benefits is as follows:

	Non-Vested Sick			2022
	Leave	Severance	2023	
Accrued benefit obligation, beginning of year	\$ 753,000	\$ 2,203,000	\$ 2,956,000	\$ 3,423,000
Service cost	54,000	124,000	178,000	216,000
Interest cost	35,000	98,000	133,000	87,000
Benefit payments	(65,000)	(169,000)	(234,000)	(198,000)
Amortization of net actuarial gain (loss)	215,000	292,000	507,000	(572,000)
Accrued benefit obligation, end of year	992,000	2,548,000	3,540,000	2,956,000
Unamortized actuarial gain (loss)	(238,000)	(36,000)	(274,000)	182,000
Accrued benefit liability	\$ 754,000	\$ 2,512,000	\$ 3,266,000	\$ 3,138,000

The unamortized actuarial gain (loss) is amortized over a period equal to the employees' expected average remaining service lifetime. The expected average remaining service lifetime is 11.8 years (2022 - 10.6 years). The significant actuarial assumptions adopted in measuring the City's accrued benefit obligation are as follows:

	2023	2022
Discount rate	4.10%	4.50%
Expected future inflation rate	2.50%	2.50%
Expected compensation increase	2.58% - 4.63%	2.58% - 4.63%

12 ASSET RETIREMENT OBLIGATIONS

Legal liabilities exist for the removal and disposal of asbestos and lead paint within some City owned buildings that will undergo renovations or demolition in the future. A reasonable estimate of the fair value of the obligation has been recognized using the prospective approach as at December 31, 2023. Estimates were based on third-party costing and applied based on the square footage where obligations exist for asbestos and lead paint. The obligation has been measured at current cost as the timing of future cash flows cannot be reasonably determined. These costs have been capitalized as part of the assets' carrying value and are amortized over the assets' estimated useful lives. Settlement of asset retirement obligations is estimated to be between 5 and 30 years.

	2023
Balance, beginning of year	\$ -
Liability recognized	2,508,693
Balance, end of year	<u>\$ 2,508,693</u>

13 DEBT

The City incurs debt through the Municipal Finance Authority ("MFA") in accordance with the Community Charter to finance certain capital expenditures. Sinking fund credits managed by the MFA are netted against related debt. The gross amount of debt and the amount of sinking fund credits available to retire the debt are as follows:

	2023			2022
	Sinking Fund			Net Debt
	Gross Debt	Credits	Net Debt	
Coast Meridian Overpass				
Bylaw 3611, 2.25% due 2039	\$ 25,000,000	\$ (8,102,316)	\$ 16,897,684	\$ 18,365,970
Port Coquitlam Community Centre				
Bylaw 4004, 2.24% due 2049	52,000,000	(4,338,948)	47,661,052	50,030,943
Downtown Port Coquitlam Land Acquisition	25,200,000	-	25,200,000	-
Total	\$ 102,200,000	\$ (12,441,264)	\$ 89,758,736	\$ 68,396,913

Future payments on net outstanding debt anticipated over the next five years and thereafter are paid from the General Fund and are as follows:

2024	\$ 4,682,254
2025	4,682,254
2026	4,682,254
2027	4,682,254
2028	29,707,654
Thereafter	58,504,608
Principal and interest payments	106,941,278
Amount representing interest	17,182,542
Debt principal repayments	\$ 89,758,736

The City has a \$25,200,000, 5 year, non-revolving loan that does not have a fixed principal repayment schedule. The interest rate is variable and at December 31, 2023 it is 5.61%. Interest is paid monthly and expensed in the year it is incurred. The full principal is due on demand, but repayment is required July 31, 2028.

Net of earnings on the debt reserve deposit and sinking fund credits, the City paid \$1,873,596 in interest on debt during the year (2022 - \$1,707,416).

The City has available a revolving facility up to a maximum of \$5,000,000 which bears interest at an annual rate of bank prime per annum. The City provided security for the facility by way of a general security agreement. No amounts are outstanding under the banking facility.

14 TANGIBLE CAPITAL ASSETS

- (a) Assets Under Construction: Assets under construction with a value of \$32,698,989 (2022 - \$37,025,739) have not been amortized. Amortization of these assets will commence when the assets are put into service. Assets under construction include \$3,650,000 in future commercial space (2022 - \$3,650,000).
- (b) Contributed Tangible Capital Assets: Contributed tangible capital assets (including transportation infrastructure, drainage, water and sanitary sewer assets) have been recognized at fair value at the date of contribution. The value of contributed assets received during the year is \$8,394,804 (2022 - \$2,445,772).
- (c) Works of art and historical treasures: The City manages and controls some works of art and non-operational historical assets 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: The write-down of tangible capital assets during the year was nil (2022 - nil).

As at December 31, 2023											Assets Under Construction ("AUC")	2023 Total
	Land	Parks Infrastructure	Vehicles, Machinery, Equipment	Transportation Infrastructure	Buildings	Drainage	Land Improvements	Water	Sanitary Sewer			
COST												
Opening Balance	\$ 243,614,509	\$ 26,244,342	\$ 37,656,012	\$ 288,377,674	\$ 155,590,721	\$ 104,970,416	\$ 20,463,141	\$ 88,057,208	\$ 63,199,167	\$ 37,025,739	\$ 1,065,198,929	
Add: Additions	26,969,410	272,444	2,928,620	215,110	7,129,463	287,938	119,857	223,254	344,858	17,897,748	56,388,702	
Add/(Deduct): Transfers from AUC	-	228,262	451,651	12,626,443	-	5,776,603	-	1,117,321	2,024,218	(22,224,498)	-	
Less: Disposals	(696,071)	-	(823,707)	(1,468,454)	-	(86,060)	-	(76,524)	(76,366)	-	(3,227,182)	
Closing Balance	269,887,848	26,745,048	40,212,576	299,750,773	162,720,184	110,948,897	20,582,998	89,321,259	65,491,877	32,698,989	1,118,360,449	
ACCUMULATED AMORTIZATION												
Opening Balance	-	14,649,472	20,050,186	82,905,233	21,955,755	38,891,112	7,648,153	41,668,162	26,430,421	-	254,198,494	
Add: Amortization	-	982,600	1,927,482	4,884,128	3,902,292	1,629,372	284,206	1,630,374	987,269	-	16,227,723	
Less: Disposals	-	-	(740,983)	(1,121,319)	-	(63,557)	-	(46,615)	(39,867)	-	(2,012,341)	
Closing Balance	-	15,632,072	21,236,685	86,668,042	25,858,047	40,456,927	7,932,359	43,251,921	27,377,823	-	268,413,876	
Net Book Value as at December 31, 2023											\$ 849,946,573	

As at December 31, 2022											Assets Under Construction ("AUC")	2022 Total
	Land	Parks Infrastructure	Vehicles, Machinery, Equipment	Transportation Infrastructure	Buildings	Drainage	Land Improvements	Water	Sanitary Sewer			
COST												
Opening Balance	\$ 236,889,237	\$ 24,992,132	\$ 34,871,010	\$ 282,494,581	\$ 154,798,070	\$ 103,284,358	\$ 20,463,141	\$ 84,672,263	\$ 62,775,431	\$ 36,240,743	\$ 1,041,480,966	
Add: Additions	6,787,209	1,161,295	3,219,191	128,326	373,844	269,425	-	317,280	76,917	13,239,554	25,573,041	
Add/(Deduct): Transfers from AUC	-	1,046,799	163,965	5,845,371	418,807	1,494,946	-	3,137,851	346,819	(12,454,558)	-	
Less: Disposals	(61,937)	(955,884)	(598,154)	(90,604)	-	(78,313)	-	(70,186)	-	-	(1,855,078)	
Closing Balance	243,614,509	26,244,342	37,656,012	288,377,674	155,590,721	104,970,416	20,463,141	88,057,208	63,199,167	37,025,739	1,065,198,929	
ACCUMULATED AMORTIZATION												
Opening Balance	-	14,464,366	19,035,936	78,314,578	19,047,924	37,374,100	7,365,146	40,106,895	25,483,859	-	241,192,804	
Add: Amortization	-	954,403	1,420,903	4,668,686	2,907,831	1,570,391	283,007	1,620,267	946,562	-	14,372,050	
Less: Disposals	-	(769,297)	(406,653)	(78,031)	-	(53,379)	-	(59,000)	-	-	(1,366,360)	
Closing Balance	-	14,649,472	20,050,186	82,905,233	21,955,755	38,891,112	7,648,153	41,668,162	26,430,421	-	254,198,494	
Net Book Value as at December 31, 2022											\$ 811,000,435	

15 ACCUMULATED SURPLUS

	2023	2022
Unrestricted Reserves		
General	\$ 16,347,462	\$ 16,994,939
Water	616,179	427,939
Sewer	2,467,187	2,631,573
Port Coquitlam Community Foundation	807,425	723,950
	20,238,253	20,778,401
Restricted reserves (Note 14)	93,636,628	78,345,904
Investment in tangible capital assets (Note 15)	759,847,065	744,490,840
Investment in inventories and prepaids	938,703	1,109,698
	760,785,768	745,600,538
	<u>\$ 874,660,649</u>	<u>\$ 844,724,843</u>

16 RESTRICTED RESERVES

	December 31, 2022	Contributions / Transfers	Interest Allocation	Use of Reserves	December 31, 2023
Building maintenance	\$ 149,246	\$ (149,246)	\$ -	\$ -	\$ -
Cemetery expansion	375,153	34,796	16,156	(118,871)	307,234
Community amenities	195,495	-	9,481	-	204,976
Community centre	1,106,182	-	39,233	(594,517)	550,898
Environmental	218,975	(218,975)	-	-	-
Equipment	9,892,678	216,134	393,012	(2,892,801)	7,609,023
Gas tax	154,514	252,188	13,609	-	420,311
General capital	7,099,756	12,649,848	395,976	(11,315,392)	8,830,188
Growing Communities	-	9,462,000	202,532	(1,110,183)	8,554,349
Land sale	3,928,768	214,159	188,719	(289,467)	4,042,179
Long term infrastructure	20,432,932	3,650,161	1,079,513	-	25,162,606
Operating	2,597,687	344,649	121,401	(162,313)	2,901,424
Parking	4,035,270	-	192,543	(130,584)	4,097,229
Parks and recreation	476,069	169,750	142,779	-	788,598
Parkland acquisition	2,702,506	(319,547)	-	-	2,382,959
Public safety building	68,492	(68,492)	-	-	-
RCMP	2,174,137	-	103,663	(73,519)	2,204,281
Roads and drainage infrastructure	1,752,234	97,214	82,426	-	1,931,874
Sewer	6,984,634	1,371,000	336,686	(1,456,301)	7,236,019
Social housing	425,151	-	22,183	-	447,334
Water	13,576,025	2,952,900	699,413	(1,263,192)	15,965,146
	<u>\$ 78,345,904</u>	<u>\$ 30,658,539</u>	<u>\$ 4,039,325</u>	<u>\$ (19,407,140)</u>	<u>\$ 93,636,628</u>

17 INVESTMENT IN TANGIBLE CAPITAL ASSETS

	2023	2022
Tangible capital assets (Note 12)	\$ 849,946,573	\$ 811,000,435
Debt incurred to purchase tangible capital assets (Note 11)	(89,758,736)	(66,509,595)
Unfunded asset retirement obligation	(2,508,693)	-
Unspent proceeds from debt for land purchases	2,167,921	-
	<u>\$ 759,847,065</u>	<u>\$ 744,490,840</u>

18 PENSION PLAN

The City and its employees contribute to the Municipal Pension Plan (a jointly trustee pension plan). The board of trustees, representing plan members and employers, is responsible for administering the plan, including investment of assets and administration of benefits. The plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. As at December 31, 2022, the plan has about 224,000 active members and approximately 124,000 retired members. Active members include approximately 43,000 contributors from local governments.

Every three years, an actuarial valuation is performed to assess the financial position of the plan and adequacy of plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the plan. The actuary's calculated contribution rate is based on the entry-age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for average future entrants to the plan. This rate may be adjusted for the amortization of any actuarial funding surplus and will be adjusted for the amortization of any unfunded actuarial liability.

The most recent actuarial valuation for the Municipal Pension Plan as at December 31, 2021, indicated a \$3,761,000,000 funding surplus for basic pension benefits on a going concern basis.

Employers participating in the plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the plan records accrued liabilities and accrued assets for the plan in aggregate, resulting in no consistent and reliable basis for allocating the obligation, assets and cost to individual employers participating in the plan.

The next valuation will be as at December 31, 2024, with results available in 2025.

The City paid \$3,586,298 (2022 - \$3,354,925) for employer contributions while employees contributed \$3,060,387 (2022 - \$2,870,278) to the plan in 2023.

19 COMMITMENTS AND CONTINGENCIES

- (a) The loan agreements with the Metro Vancouver Regional District and the MFA provide that, if at any time the scheduled payments provided for in the agreements are not sufficient to meet the authorities' obligations in respect of such borrowing, the resulting deficiency becomes a joint and several liability of the City and the other participants.
- (b) The City obtains debt instruments from 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 totaling \$1,098,027 (2022 - \$1,098,027) are contingent in nature and are not reflected in the consolidated financial statements.
- (c) A number of legal claims have been initiated against the City in varying or unspecified amounts. The outcome of these claims cannot reasonably be determined at this time. The amount of loss, if any, arising from these claims will be recorded in the period in which the loss is assessed as being likely to occur and the amount can be reasonably estimated. Liability insurance is carried by the City, subject to a deductible of \$250,000. The City self insures claims under \$250,000.

19 COMMITMENTS AND CONTINGENCIES - Continued

- (d) The City is a shareholder and member of E-Comm Emergency Communications for 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 37 Class A and 18 Class B shares issued and outstanding as at December 31, 2023).
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.
- (e) The City provides a share of both the ongoing operations and any additional costs relating to tangible capital assets (in accordance with a negotiated agreement) for the RCMP building located at 2986 Guildford Way, Coquitlam, BC to the City of Coquitlam.
- (f) The City entered into two contracts to lease parking space in 2023 and both leases are for 5 year terms. The lots are leased from BC Hydro and Strata Plan BCS3019 and are located at 2171 Wilson Avenue and 2342 Elgin Avenue in Port Coquitlam, BC respectively. The total commitment for BC Hydro is \$294,000 and Strata Plan BCS3019 is \$184,240.

20 CONTRACTUAL RIGHTS

The City's contractual rights arise from rights to receive payments from rentals, grants and advertising. The City is scheduled to receive the following amounts in the next five years and thereafter:

2024	\$ 1,052,479
2025	970,222
2026	852,720
2027	795,922
2028	520,351
Thereafter	121,000
Total	<u>\$ 4,312,694</u>

The City receives certain payments under grant and cost sharing agreements, however the timing and revenue from these agreements can vary depending on development activity. As a result, the revenue from these agreements has not been included in the above amounts.

21 TRUST FUNDS

Certain assets have been conveyed or assigned to the City to be administered as directed by an agreement or statute. The City holds the assets for the benefit of, and stands in a fiduciary relationship, to the beneficiary. The following trust funds are excluded from the City's consolidated financial statements:

	2023	2022
Cemetery Perpetual Care Fund		
Cash balance, beginning of the year	\$ 2,216,792	\$ 2,085,962
Net contributions received	60,896	66,407
Interest earned	108,991	64,423
Cash balance, end of the year	<u>\$ 2,386,679</u>	<u>\$ 2,216,792</u>
Campaign Funds Held in Trust		
Cash balance, beginning of the year	\$ 12,024	\$ 58,850
Net contributions received	-	(47,887)
Interest earned	583	1,061
Cash balance, end of the year	<u>\$ 12,607</u>	<u>\$ 12,024</u>

22 TAXATION AND OTHER LEVIES

In addition to levying and collecting real property tax for municipal purposes, the City is required to levy and collect taxes on behalf of other jurisdictions as noted below. The amounts are reflected on a net basis within the consolidated statement of operations:

	2023	2022
Gross taxes levied on property	\$ 138,791,702	\$ 125,790,073
Taxes levied and collected on behalf of other jurisdictions		
Province of British Columbia - School Taxes	45,005,587	37,763,731
Metro Vancouver Regional District	2,102,693	1,743,214
BC Assessment Authority	1,410,974	1,206,883
South Coast British Columbia Transportation Authority	9,609,913	8,285,209
Municipal Finance Authority	8,153	6,610
	58,137,320	49,005,647
Taxation revenue	\$ 80,654,382	\$ 76,784,426

23 GOVERNMENT TRANSFERS

Included in contributions are the following government transfers:

	2023	2022
Federal	\$ 173,168	\$ 35,588
Provincial & Regional	13,973,432	3,213,119
	\$ 14,146,600	\$ 3,248,707

24 BUDGET INFORMATION

The budget information presented in these consolidated financial statements is based upon the 2023-2027 Financial Plan Bylaw approved by City Council on May 9, 2023. The chart below reconciles the approved budget to the budget figure reported in these consolidated financial statements.

	Budget Amount
Revenue	\$ 140,701,900
Expenses	(117,185,500)
Annual surplus per consolidated statement of operations	23,516,400
Add:	
Amortization	12,000,000
Transfers from reserves	38,216,300
Less:	
Capital expenditures	(71,193,900)
Capital contributed by developers	(1,000,000)
Debt principal repayments	(1,538,800)
Approved budget	\$ -

25 OPERATIONS BY SEGMENT

The City provides a wide range of municipal services to its residents, businesses, industries, farms and other properties within its boundaries. The City's operations and activities are organized and reported by segments broadly based on departmental business units. The departments disclosed in the segmented information, along with the services they provide, are as follows:

General government:

- General:** Includes activities that are attributable to multiple segments, such as insurance, claims, phone and office expenses.
- Community safety and corporate support:** These support services include: communications and administrative services, corporate office, community policing, bylaw services and information services.
- Finance:** Provides financial services to citizens, City departments and City Council including financial planning and systems, accounting services, revenue and collections, payroll, purchasing and risk management.
- Human resources:** Provides specialized advice and assistance in all facets of people management including recruitment, labour relations, occupational health and safety, staff training and development, benefit administration, wage and salary administration.
- Office of the Chief Administrative Officer:** Oversees the implementation of the vision, plans and priorities by ensuring effective policies are in place and adhered to and by providing leadership that enables an engaged and productive municipal workforce.

Engineering and public works: Provides and maintains a number of essential municipal services and infrastructure including transportation, parks, trails, athletic fields, roads and drainage, environmental protection, management of the City's fleet and related engineering services.

Recreation: Delivery of recreation, sport, community, arts and cultural programs, events and services, recreation facility operations, and maintenance of all civic facilities.

Police services: Is a shared service with the City of Coquitlam, the RCMP are mandated to provide for the safety of the lives and property in the community, preserving the peace through law enforcement and working with citizens to prevent crime and maintain order.

Fire and emergency services: Protects life, property and the environment through the provision of emergency response, inspections, code enforcement and public education.

Development services: Ensures orderly and safe development within the City, including Planning, Building and Development Engineering services.

Solid waste operations: Includes curbside garbage, recycling and organics collection and glass collection from depot locations across the City.

Water operations: The water utility is an essential service delivered by the City to its residents and businesses for the supply of high quality, potable water at flows and pressures suitable for fire protection.

Sanitary sewer operations: The sanitary sewer utility is an essential service provided by the City to its residents and businesses for the collection and disposal of liquid wastes.

	General government															
	General	Corporate support	Finance	Human resources	Office of the CAO	Engineering and public works	Recreation	Police services	Fire and emergency services	Development services	Solid waste operations	Water operations	Sanitary sewer operations			
														2023	2022	
REVENUE																
Taxation	\$ 80,448,042	\$ -	\$ -	\$ -	\$ -	\$ (6,619)	\$ 45,479	\$ -	\$ -	\$ 167,480	\$ -	\$ -	\$ -	\$ 80,654,382	\$ 76,784,426	
Utility charges	(124,375)	-	-	-	-	-	2,161	-	-	-	3,579,902	14,365,181	10,258,484	28,081,353	27,662,380	
Sale of services	909,377	17,788	166,771	-	-	1,380,316	5,533,386	25,112	30,762	249,970	698,998	-	-	9,012,480	7,101,807	
Contributions	10,416,901	16,314	-	-	-	3,713,404	293,932	605,000	23,945	8,010,886	-	-	-	23,080,382	5,686,615	
Permits and licenses	-	205,262	25,600	-	-	41,450	-	-	1,330	3,049,505	-	27,475	-	3,350,622	2,819,453	
Investment income	8,043,477	-	-	-	-	-	-	-	-	-	-	-	-	8,043,477	3,892,069	
Penalties and fines	583,281	458,313	-	-	-	-	94	-	-	-	-	98,644	68,695	1,209,027	898,871	
Other	359,446	9,669	50,183	-	-	481,006	65,259	-	13,058	17,350	4,565	921	-	1,001,457	1,010,816	
Gain on disposals of tangible capital assets	-	(89)	-	-	-	(460,589)	-	-	(4,646)	39,929	-	-	-	(425,395)	610,225	
	\$ 100,636,149	\$ 707,257	\$ 242,554	\$ -	\$ -	\$ 5,148,968	\$ 5,940,311	\$ 630,112	\$ 64,449	\$ 11,535,120	\$ 4,283,465	\$ 14,492,221	\$ 10,327,179	\$ 154,007,785	\$ 126,466,662	
EXPENSES																
Personnel	\$ 1,017,635	\$ 4,028,767	\$ 2,602,216	\$ 1,008,400	\$ 642,167	\$ 9,357,985	\$ 11,417,281	\$ -	\$ 14,694,944	\$ 3,366,810	\$ 1,432,091	\$ 817,200	\$ 318,943	\$ 50,704,439	\$ 46,531,378	
Contracted and other services	282,074	1,438,642	139,441	215,140	-	2,528,598	5,718,920	17,690,418	534,240	518,031	1,621,784	8,684,712	6,652,244	46,024,244	42,040,040	
Telephone, utilities and rent	33,792	74,283	-	13,710	-	395,721	1,368,401	-	65,852	695	3,399	30,424	80,675	2,066,952	1,980,993	
Materials and supplies	126,421	120,964	26,718	390	663	3,113,810	1,065,767	-	203,999	17,842	236,793	246,127	158,066	5,317,560	4,538,543	
Internal charges (recoveries)	(766,162)	(479,349)	(249,094)	-	-	(3,016,197)	(18,587)	-	214,341	54,967	1,640,304	1,327,593	1,292,184	-	-	
Insurance and claims	876,962	-	-	-	-	230,912	4,817	-	-	-	-	-	2,493	1,115,184	915,917	
Interest and bank charges	1,753,784	19,562	(2,839)	-	-	7,348	260,943	-	-	15,551	6	-	-	2,054,355	1,691,110	
Grants and financial assistance	402,978	4,794	15,000	-	1,000	-	137,750	-	-	-	-	-	-	561,522	644,516	
Amortization	1,389,630	392,799	-	-	-	9,076,492	2,764,142	37,562	305,508	-	-	1,351,329	910,261	16,227,723	14,372,050	
	\$ 5,117,114	\$ 5,600,462	\$ 2,531,442	\$ 1,237,640	\$ 643,830	\$ 21,694,669	\$ 22,719,434	\$ 17,727,980	\$ 16,018,884	\$ 3,973,896	\$ 4,934,377	\$ 12,457,385	\$ 9,414,866	\$ 124,071,979	\$ 112,714,547	
ANNUAL SURPLUS (DEFICIT)	\$ 95,519,035	\$ (4,893,205)	\$ (2,288,888)	\$ (1,237,640)	\$ (643,830)	\$ (16,545,701)	\$ (16,779,123)	\$ (17,097,868)	\$ (15,954,435)	\$ 7,561,224	\$ (650,912)	\$ 2,034,836	\$ 912,313	\$ 29,935,806	\$ 13,752,115	

The City has exposure to the following risks from its use of financial instruments: credit risk, market risk and liquidity risk. Management has identified its risks and ensures that these are monitored and controlled.

(a) Credit Risk

Credit risk is the risk of financial loss to an institution if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Such risks arise principally from certain financial assets held consisting of cash, amounts receivable and investments.

The City is exposed to credit risk in the event of non-performance by a borrower. This risk is mitigated as most receivables are property taxes and other levies which historically have been collectable. It is management's opinion that the City is not exposed to significant credit risk associated with its cash deposits and investments as they are placed in Canadian chartered banks, credit unions and the MFA.

(b) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of currency risk, price risk and interest rate risk.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the foreign exchange rates. The City is not exposed to significant currency risk, as no foreign currency amounts are held and purchases made in foreign currency are insignificant.

Price risk is the risk to earnings or capital arising from changes in the value of portfolios of financial instruments. As only the Port Coquitlam Community Foundation holds portfolio investments at fair value this risk is not deemed to be significant.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The City's investments almost entirely consist of term deposits and GICs with fixed rates for the duration of the investment term resulting in low interest rate risk. The City is exposed to minimal interest rate risk on its cash and cash equivalents deposits with financial institutions as these are held for operations and not return on investment.

(c) Liquidity Risk

Liquidity risk is the risk that the City will not be able to meet its financial obligations as they

The City manages liquidity risk by continually monitoring actual and forecasted cash flows from operations and anticipated investing activities to ensure that sufficient liquidity is available to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the City's reputation.

Risk Management and insurance services for the City are provided by the Municipal Insurance Association.

There have been no changes to risk exposure from 2022 related to credit, market or liquidity risks.

Growing Communities Fund - Unaudited Schedule		2023
Description		
Balance, beginning of year		\$ -
Funding Received		9,462,000
Interest Allocated		202,532
Eligible Costs		
	Veterans Park and Leigh Square	(634,765)
	Civic Centre Revitalization	(475,418)
Balance, end of year		\$8,554,349