THE CORPORATION OF THE CITY OF
PORT COQUITLAM
BRITISH COLUMBIA, CANADA

BUILDING RELATIONSHIPS

ANNUAL REPORT 2012

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2012

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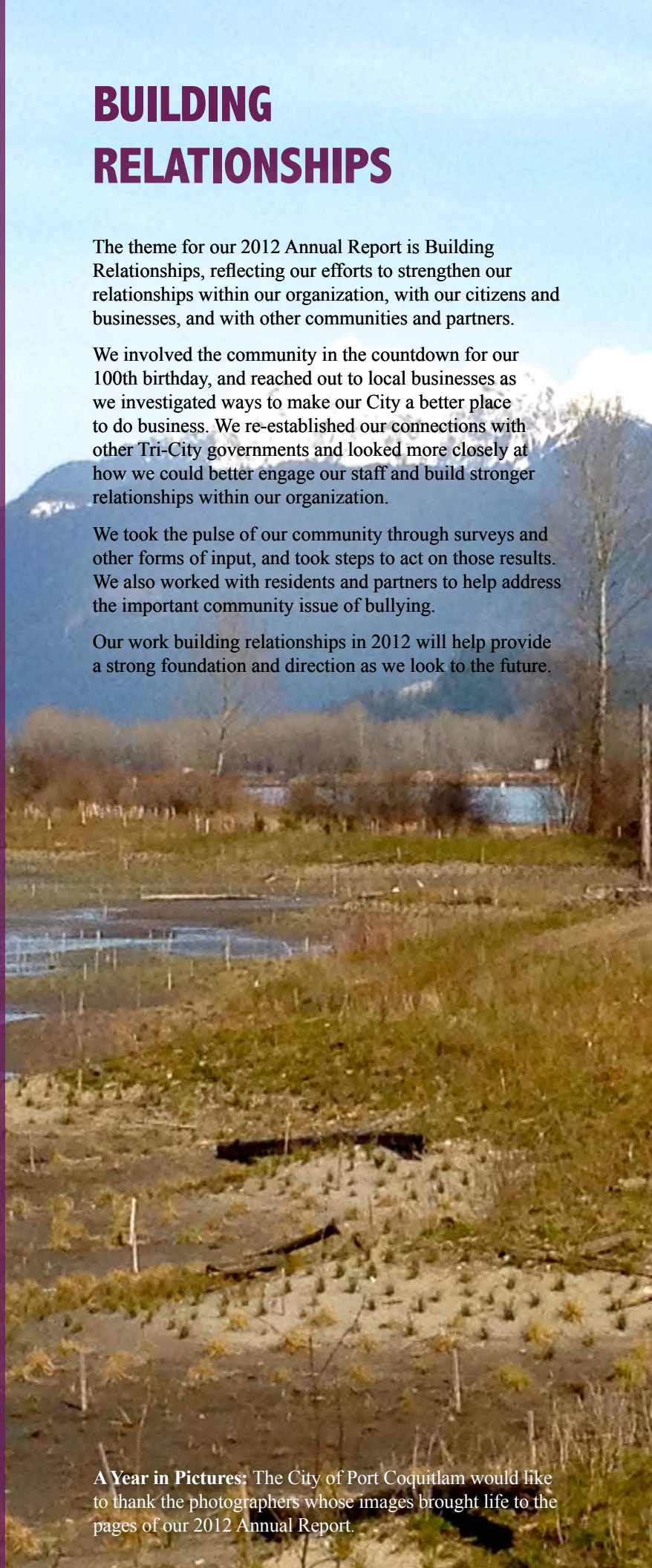
BUILDING RELATIONSHIPS

The theme for our 2012 Annual Report is Building Relationships, reflecting our efforts to strengthen our relationships within our organization, with our citizens and businesses, and with other communities and partners.

We involved the community in the countdown for our 100th birthday, and reached out to local businesses as we investigated ways to make our City a better place to do business. We re-established our connections with other Tri-City governments and looked more closely at how we could better engage our staff and build stronger relationships within our organization.

We took the pulse of our community through surveys and other forms of input, and took steps to act on those results. We also worked with residents and partners to help address the important community issue of bullying.

Our work building relationships in 2012 will help provide a strong foundation and direction as we look to the future.



A Year in Pictures: The City of Port Coquitlam would like to thank the photographers whose images brought life to the pages of our 2012 Annual Report.

THE CORPORATION OF THE CITY OF
PORT COQUITLAM
BRITISH COLUMBIA, CANADA

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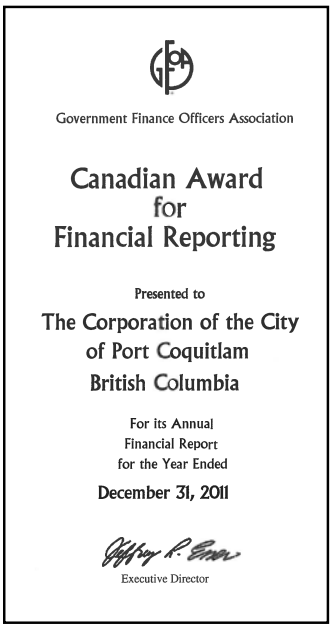
Prepared by the Communications Division in conjunction with the Finance Division

CANADIAN AWARD FOR FINANCIAL REPORTING


Government Finance Officers Association

Canadian Award
for
Financial Reporting

Presented to
The Corporation of the City
of Port Coquitlam
British Columbia

For its Annual
Financial Report
for the Year Ended
December 31, 2011

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Canadian Award for Financial Reporting to the City of Port Coquitlam for its annual financial report for the fiscal year ended December 31, 2011. This is the City's seventh consecutive Canadian Award for Financial Reporting.

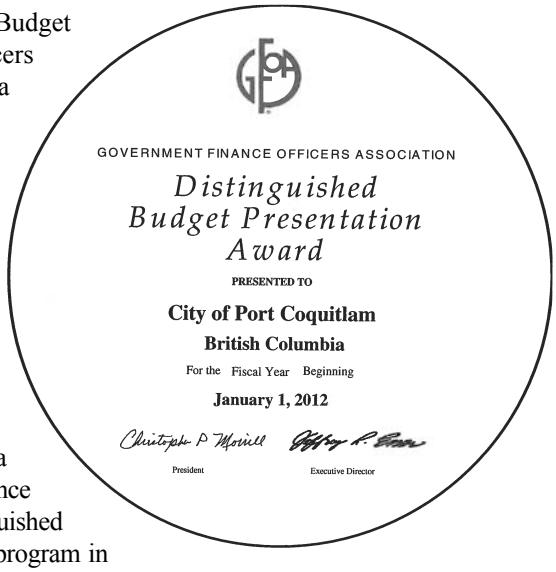
The Canadian Award for Financial Reporting program was established to encourage municipal governments throughout Canada to publish high quality financial reports and to provide peer recognition and technical guidance for officials preparing these reports.

In order to be awarded a Canadian Award for Financial Reporting, a government unit must publish an easily readable and efficiently organized annual financial report, whose contents conform to program standards.

Such reports should go beyond the minimum requirements of generally accepted accounting principles and demonstrate an effort to clearly communicate the municipal government's financial picture, enhance an understanding of financial reporting by municipal governments, and address user needs.

DISTINGUISHED BUDGET PRESENTATION AWARD

The City of Port Coquitlam received a Distinguished Budget Presentation Award from the Government Finance Officers Association for its 2012 budget. The award represents a significant achievement by the City and reflects its commitment to meeting the highest principles of government budgeting.


GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished
Budget Presentation
Award

PRESENTED TO

City of Port Coquitlam
British Columbia

For the Fiscal Year Beginning

January 1, 2012

President Executive Director

To receive this award, the City had to satisfy internationally recognized guidelines for effective budget presentation. These guidelines assess how well the City's budget serves as a policy document, a financial plan, an operations guide and a communication device. Budget documents must be proficient in all four categories to receive this award.

This is the 15th year the City has received this honour.

The Government Finance Officers of the United States and Canada is a non-profit professional association serving 17,500 finance professionals throughout North America. The GFOA's Distinguished Budget Presentation Award Program is the only national awards program in governmental budgeting.

INTRODUCTORY SECTION

MESSAGE FROM THE MAYOR

On behalf of the City of Port Coquitlam, I am pleased to present our 2012 Annual Report. This year's theme is *Building Relationships*, which was a common thread in our work throughout the year. As you'll read on these pages, we collaborated with and engaged our residents, businesses, other jurisdictions, and even our own organization on a number of occasions in 2012.

I see the resulting relationships that were created or strengthened as a powerful legacy for our community. Wonderful things can happen when people with different backgrounds and perspectives come together. We have a great example in our Spirit Committee.

Representing all aspects of our community – including sport, culture, business, the environment and more – this group of volunteers originally came together for the 2010 Olympics. But the bond between the members remained strong long after the Olympics ended, and many returned in 2012 to spearhead Port Coquitlam's 100th birthday celebrations in 2013.

I see the same kind of legacy growing from many of our other initiatives in 2012. We facilitated the creation of the Port Coquitlam Sport Alliance, which will reinvigorate the collective voice of sport in our community, for the benefit of all of our residents. We also helped roll out the new Port Coquitlam Foundation, which will improve the quality of life for our citizens by raising and distributing funds for initiatives that are beyond the scope of local government.

Another example is the Mayor's Task Force on Business Development Opportunities, whose original goal was to determine what our City can do to make Port Coquitlam more friendly for businesses. One of the unexpected legacies was how the business community came together to network, share ideas, collaborate and ultimately establish relationships that will not only help us serve our businesses better, but also result in opportunities for some of our businesses.

In October, our community was devastated by the suicide of Amanda Todd. But out of that tragedy grew the community-led I Am Someone campaign to raise awareness about bullying. The City partnered in this effort, and I believe the relationships that developed will continue to bear fruit and make Port Coquitlam a better and safer place for our citizens.

The relationships built in 2012 are legacies that can't be seen or touched, but will have a lasting positive impact on our community all the same.

Greg Moore
Mayor

MESSAGE FROM THE CHIEF ADMINISTRATIVE OFFICER

The theme of relationships is timely and fitting for this annual report, and for the City as a whole. As you read this report, you'll see many examples of improved relationships between the City and our citizens and other stakeholders. Not as obvious, but just as important, is the work we've started to enhance the relationships within our organization, which affect not only our internal culture but also how we serve and interact with the community.

Since I started with the City in September 2012, continuous improvement has been my primary mandate. We do many things well but there are also opportunities to do better. As we begin this new chapter in our history, one of our biggest assets is the near universal appetite for change. I spent my first six months getting to know the organization and its people – from Mayor and Council to front-line staff – and there is no question in my mind that the organization is ready to turn the page on the past and write our future together.

We also must be aware that we have limited resources and thus must focus our continuous improvement efforts on those elements deemed to be the highest priority. Priorities will be identified with input from two key sources – our customers and our employees – and are ultimately endorsed by Council.

Our business customers, through the Business Development Opportunities Task Force, have told us that improving our level of customer service is the top priority – and their number one recommendation. Council has endorsed the task force's recommendations and staff are currently working on a plan to implement them.

In May 2013 we will be surveying our employees to hear from them what the City can do to continually improve our service. The employee survey is built on decades of research conducted by Excellence Canada (formerly National Quality Institute), which has determined the many features and practices of highly effective public sector organizations.

We will be asking our staff how we stack-up against this "ideal" organization, and then we will be engaging them to identify our top priorities and the concrete steps we need to take to address them.

Asking employees for their input and ideas and then acting on their feedback will result in employees feeling more engaged and connected to the City. And ultimately, our focus on internal relationship-building will pay off in better customer service and an improved relationship between the City and the community we serve.

John Leeburn, MBA
Chief Administrative Officer

ORGANIZATIONAL CHART

CITIZENS OF PORT COQUITLAM (RESIDENTS, PROPERTY OWNERS, BUSINESSES)

CITY COUNCIL

OFFICE OF THE CHIEF ADMINISTRATIVE OFFICER

John Leeburn, MBA
Chief Administrative Officer
Director, Administrative Services Department

ADMINISTRATIVE SERVICES DEPARTMENT

Divisions: Communications & Administrative Services, Corporate Office, Human Resources

CORPORATE SERVICES DEPARTMENT

Mindy Smith, CA-CIA, MBA
Director

Divisions: Finance, Information Services, Bylaw & Licensing

FIRE & EMERGENCY SERVICES DEPARTMENT

Nick Delmonico
Fire Chief/City Emergency Coordinator

Divisions: Administration, Public Education, Emergency Preparedness, Suppression Operations, Fire Protective Services

DEVELOPMENT SERVICES DEPARTMENT

Laura Lee Richard, MCIP
Director

Divisions: Building, Planning

PARKS & RECREATION DEPARTMENT

Barry Becker
Director

Divisions: Recreation, Parks & Facilities, Parks Planning & Design

ENGINEERING & OPERATIONS DEPARTMENT

Andrew Wood, P.Eng
Director

Divisions: Engineering Services, Transportation & Drainage, Solid Waste & Recycling

POLICING (RCMP)

Claude Wilcott
Officer-in-Charge

Contracted service

MUNICIPAL AUDITORS

KPMG LLP

BANKERS

Toronto Dominion Bank

CITY COUNCIL

Left to right: Cllr. Glenn Pollock, Cllr. Dean Washington, Cllr. Brad West, Mayor Greg Moore, Cllr. Darrell Penner, Cllr. Michael Wright, Cllr. Mike Forrest.

Elected every three years by the citizens of Port Coquitlam, City Council is a legislative body that provides leadership to the City's government.

Port Coquitlam City Council is committed to ensuring the priorities of local citizens guide its policies and decisions on civic matters such as land use and budgets for operations and capital expenditures.

City Council is made up of the Mayor and six Councillors, all of whom are elected for three-year terms. The Mayor chairs the Council meetings and workshop sessions between Council meetings. He is also a member of all Council committees.

Issues requiring a Council decision generally appear first before one of the standing committees of Council. These are the Community Safety Committee, Healthy Community Committee, Finance and Intergovernmental Committee, Smart Growth Committee, and Transportation Solutions & Public Works Committee.

These committee meetings, along with Council's two regular meetings each month, are open to the public. Meeting agendas are available from City Hall or the City's website (www.portcoquitlam.ca/council).

COMMUNITY PROFILE

A vibrant community of more than 57,000 people, Port Coquitlam boasts a picturesque natural setting, a strategic location, progressive business opportunities, strong community spirit and a dedication to healthy living that offers an exceptional living and working environment for people of all ages and lifestyles.

Over the last several years, the City has been bustling with new commercial, institutional, industrial and residential developments, many of which are close to our historic and authentic downtown core or in new growth areas such as the Dominion Triangle. To meet the needs of our residents, the City has undertaken improvements to infrastructure, transportation and other services, including the Leigh Square Community Arts Village and the Coast Meridian Overpass.

Incorporated as a municipality in 1913, Port Coquitlam strives to be a complete community that balances social, environmental and economic values while fulfilling the priorities set by our citizens.

VISION:

Port Coquitlam is a happy, vibrant, safe community with healthy, engaged residents and thriving businesses, supported by sustainable resources and services.

MISSION:

We strive to do it right by researching, planning, building and executing well-balanced solutions.

We believe our engaged and active citizens make our community a better place to live, work and play, and we provide and support a wide variety of opportunities for citizen involvement.

Port Coquitlam is centrally located within the Lower Mainland, with easy access to Vancouver via road, transit and commuter rail links.

This accessibility, combined with the availability of affordable industrial, commercial and residential properties and our continued focus on economic growth, has drawn a large number of progressive enterprises to the community.

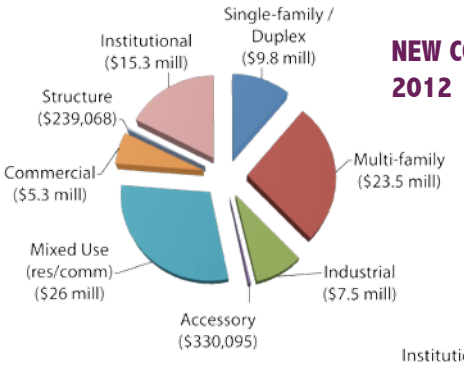
Port Coquitlam is also a desirable and safe place to live and raise a family. Our residents have access to more than 271 hectares of parkland and an extensive system of outdoor trails perfect for cycling, hiking and leisurely walks.

A wide variety of housing choices, quality schools, employment options, health care services, shopping areas, recreation and arts facilities, and places of worship round out this warm and caring community.

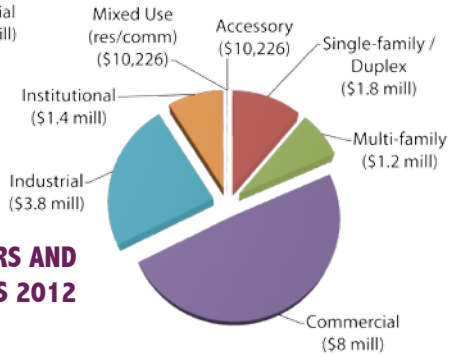
ECONOMIC SNAPSHOT

CONSTRUCTION VALUE

YEAR	TOTAL $ VALUE – NEW CONSTRUCTION	TOTAL $ VALUE – REPAIRS & ADDITIONS
2008	45,825,226	8,186,742
2009	35,862,119	16,685,521
2010	72,934,972	11,452,931
2011	39,475,621	17,294,098
2012	87,989,057	16,445,435



NEW CONSTRUCTION 2012



REPAIRS AND ADDITIONS 2012

POPULATION AND DWELLINGS*

	PORT COQUITLAM	B.C.
Population in 2011	56,342	4,400,057
Population in 2006	52,687	4,113,487
2006 to 2011 population change (%)	6.9	7.0
Total private dwellings 2011	21,533	1,945,365
Total private dwellings 2006	19,689	1,788,474
Population density per sq. km 2011	1,931.3	4.8
Population density per sq. km 2006	1,826.4	4.4
Land area (square km)	29.17	922,509.29

** Source: Statistics Canada - 2006 and 2011 Census Note: Census population estimates are not consistent with municipal and regional estimates.*

AGE DISTRIBUTION*

AGES	PORT COQUITLAM		% DISTRIBUTION*	
	Male	Female	Port Coquitlam	B.C.
All	28,295	28,100	100%	100%
0-14	5,115	4,695	17.4	15.3
15-24	4,240	3,695	14.1	13.2
25-44	7,655	7,655	28	29
45-64	8,680	8,435	30.4	29
65+	2,605	3,135	10.1	13.5

** Distribution based on published totals, both sexes. Source: Statistics Canada - 2011 Census.*

BUSINESS LICENCES

YEAR	LICENCES ISSUED
2008	2,621
2009	2,629
2010	2,904
2011	3,117
2012	3,204

Source: Bylaw & Licensing Division

Top five sectors:

- Home-based
- General
- General contractor (out of town)
- Manufacturing
- Professional person

SUMMARY STATISTICS

Source: Statistics Canada - 2006 & 2011 Census

	PORT COQUITLAM	B.C.
Population, 2011	56,342	4,400,057
Total population 15 yrs & up	46,540	3,722,690
Never legally married (single)	13,135	1,014,270
Legally married (not separated)	23,835	1,832,605
Separated, still legally married	1,365	102,035
Divorced	2,785	246,515
Widowed	1,890	246,515
Total private dwellings occupied	20,650	1,764,635
Owned dwellings	14,900	1,145,050
Rented dwellings	3,805	493,995
Total no. of census families	15,510	1,238,155
Married-couple families	11,710	887,990
Common-law-couple families	1,765	160,360
Lone-parent families	2,685	189,805
Total private households	20,650	1,764,635
Couple (married or common-law) with children	8,205	431,135
Couple (married or common-law) without children	5,270	532,995
One-person households	4,535	498,925
Other household types	2,640	301,580
Average household size	2.7	2.5
Mother tongue: English only	38,575	3,062,430
Mother tongue: French only	595	57,280
Mother tongue: Other	16,725	1,236,500
Non-immigrants*	36,880	2,904,240
Immigrants*	14,750	1,119,215
Before 1991*	7,060	605,680
1991 to 2000*	5,645	335,695
2001 to 2006*	2,045	177,840
Non-permanent residents*	600	50,925
At same address 1 year ago*	45,225	3,348,275
At same address 5 years ago*	29,315	2,067,790
Aboriginal identity population*	905	196,070
Non-Aboriginal identity pop.	51,325	3,878,310
Median income*	$28,403	$24,867
Males*	$37,758	$31,598
Females*	$21,407	$19,997
Median income after tax*	$25,679	$22,785
Incidence, low-income*	15.4%	17.3%
Labour force (15+ yrs.)*	30,380	2,226,380
Employed*	28,905	2,092,770
Participation rate*	72.6%	65.6%
Employment rate*	69.1%	61.6%
Unemployment rate*	4.9%	6%
Education (15 yrs. & over)*	41,850	3,394,910
No certificate, diploma, degree*	7,260	675,345
High school graduate*	12,715	946,645
Trades certificate*	4,815	368,355
College diploma*	8,210	565,900
Some university*	2,295	184,395
University degree*	6,555	654,265

** Source: 2006 Census. (2011 Census data for these items not available at time of publication.) Please note: not all subsets are listed for each category for space purposes.*

STRATEGIC PLAN

In June 2011, the City of Port Coquitlam adopted a new Corporate Strategic Plan, dubbed Vision 2020, to guide the City's future decisions and actions.

Much had changed and much had been achieved in Port Coquitlam since the adoption of our first Strategic Plan in 2002. To remain focused and relevant, the City began to develop a new Strategic Plan in 2010.

The plan was built on a strong foundation of core municipal principles, sound industry concepts and practices, and extensive community consultation.

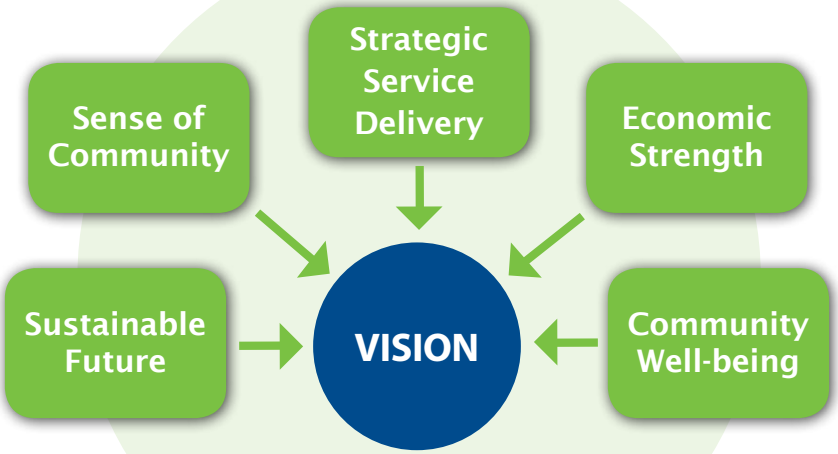
We reached out to the community in a variety of ways, including a statistically valid telephone survey of residents and businesses, an online survey and comment form, focus groups, stakeholder meetings and an open house. We also engaged City staff in a parallel process that included a Staff Liaison Team, survey and workshops.

Vision 2020 outlines the community's vision for the future and will guide the City's policy, operations and financial decisions through to 2020 as we work to achieve that vision.

VISION 2020
PORT COQUITLAM

STRATEGIC OUTCOMES

The five outcomes below will help us achieve our shared vision.



Port Coquitlam is a happy, vibrant, safe community of healthy engaged residents and thriving businesses supported by sustainable resources and services.

STRATEGIC OUTCOME: SUSTAINABLE FUTURE

FINANCIAL HEALTH • ENVIRONMENTAL HEALTH • SOCIAL HEALTH • SUSTAINABLE SERVICES

DIRECTIONS	2012 PERFORMANCE MEASURES
Develop plans and take action for the sustainability of City finances, environment and social resources.	• Established a Revenue Task Force to look into new sources of revenue. • Developed a Corporate Strategic Energy Management Plan for civic facilities. • Initiated a review of the City's land strategy and management. • Maintained a zero increase for the garbage levy for the fourth year by providing opportunities for waste diversion to the community. • Set aside 1% of property taxes for future infrastructure funding. • Received awards from the Government Finance Officers Association for meeting high standards for budgeting and financial reporting.
Create a sustainable community.	• Drafted a Regional Context Statement to implement the Regional Growth Strategy, with specific attention to assessing impacts of transit services and meeting varied housing needs. • Promoted sustainable transportation by installing three bus shelters around the community and a cyclist-activated signal on Coast Meridian Road. • Supported Earth Hour, the City-wide Garage Sale, the Hyde Creek Salmon Festival and other community environmental initiatives and events. • Worked with schools to increase recycling and food scraps collection.
Leverage the City's relationship with local, regional, provincial and federal governments.	• Partnered in TransLink's TravelSmart program to promote sustainable transportation (e.g. carpooling, transit, cycling and walking). • Worked with stakeholders and the City of Coquitlam in developing a watershed management plan for Maple Creek. • Worked with BC local governments and the Minister of Justice and Attorney General to address issues with the Municipal Policing Unit Agreement with the RCMP that led to signing of the 20-year agreement. • Endorsed the regional Drinking Water Management Plan to ensure good quality drinking water for the community.
Develop a strong lobby for transit improvements.	• Continued to lobby for a future rapid transit extension to Port Coquitlam.

GOALS FOR 2013

- Complete and implement the Master Transportation Plan to guide the future transportation network.
- Upgrade the City's financial systems and plan for Information Services and technology in the future.
- Adopt a new Regional Context Statement to link the Official Community Plan to the plans for Metro Vancouver.
- Adopt green building policies and regulations to encourage environmentally friendly development.

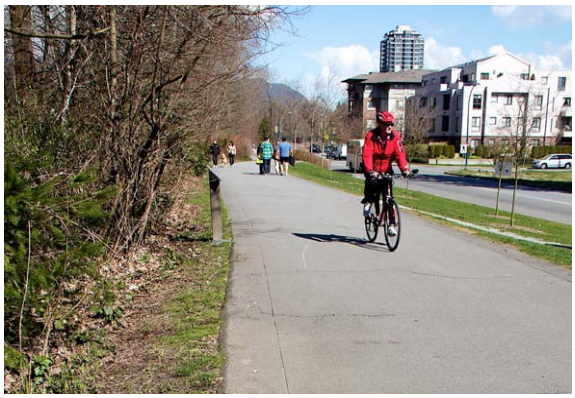
STRATEGIC OUTCOME: SENSE OF COMMUNITY

COMMUNITY SPIRIT • COMMUNITY INCLUSIVENESS / DIVERSITY • COMMUNITY HEALTH

DIRECTIONS	2012 PERFORMANCE MEASURES
Support and plan for a connected, happy community.	• Rejuvenated the Spirit Committee to plan for City's centennial in 2013. • Engaged residents in a variety of community festivals, events and volunteer opportunities.
Build community capacity by sustaining and strengthening volunteer involvement.	• Launched an Adopt-a-SPOT (Street, Park or Trail) program that encourages residents to take ownership of their city by looking after a section of street, park or trail. • Recognized local volunteers with an annual awards and recognition event. • Helped improve the quality of life for local residents by supporting the new Port Coquitlam Community Foundation.
Promote an active, healthy community and appropriate models that benefit an individual's healthy living.	• Partnered with School District 43 to offer after-school recreation programs at local schools. • Developed a "60-a-Day" campaign promoting daily activity for children. • Facilitated the creation of the Port Coquitlam Sport Alliance Society to enhance community sport. • Expanded recreational opportunities for residents with a new artificial turf field and outdoor gym equipment at and near Gates Park. • Participated in and promoted the regional Bike to Work Week campaign.
Plan to meet varied needs and encourage inclusiveness.	• Improved access along the Traboulay PoCo Trail by repairing paved portions that were damaged by tree roots. • Promoted the Leisure Buddy program that provides additional assistance to children with special needs at recreation facilities and programs. • Completed numerous accessibility and mobility enhancement projects to improve access and inclusiveness at trails, parks and recreation facilities.

GOALS FOR 2013

- Engage the community in events and activities throughout the year celebrating the City's 100th birthday and its past, present and future.
- Support the Spirit Committee in the planning and delivery of centennial events.
- Upgrade community recreation amenities such as tennis courts and the facilities at Lions Park.
- Launch a good neighbour program that encourages citizens to take a more active role in making their community a better place.



STRATEGIC OUTCOME: ECONOMIC STRENGTH

BUSINESS STRENGTH • EMPLOYMENT • ACCESS / TRANSPORTATION • AGRICULTURAL LAND

DIRECTIONS	2012 PERFORMANCE MEASURES
Sustain employment by ensuring decisions are made to create, retain and enhance business.	• Worked to make Port Coquitlam a better place to do business by supporting the Mayor's Task Force on Business Development Opportunities and outreach activities such as a business survey and BizForum networking / input session. • Introduced an inter-municipal business licence that allows mobile businesses, such as contractors, to apply for a single licence for the entire Tri-City region. • Issued building permits in a timely fashion for projects with a construction value of more than $100 million.
Facilitate goods movement within and through the City.	• Engaged the community in developing a new Master Transportation Plan to plan for the future of the City's road, pedestrian, cycling and transit networks. • Received a fourth engineering industry award for the Coast Meridian Overpass, a critical link between the north and south sides of the community.
Promote customer accessibility in business areas.	• Facilitated construction of the Fremont Connector between the Pitt River Interchange and Dominion Avenue, improving access to the new Dominion Triangle commercial area. • Worked with businesses to promote customer accessibility while improving safety and traffic flow near Kingsway Avenue and Mary Hill Bypass.
Promote the retention and livability of the lands in the Agricultural Land Reserve.	• Ongoing liaison with property owners, other communities with agricultural lands, and the Agricultural Land Commission in support of this direction. • No loss of lands in the Agricultural Land Reserve.

GOALS FOR 2013

- Act on findings of the Mayor's Task Force on Business Development Opportunities, including looking for ways to improve customer service.
- Investigate the land use implications of the planned Lincoln rapid transit station on the Westwood neighbourhood.
- Explore opportunities for generating new revenue through the new Revenue Task Force.
- Explore ways to enhance pedestrian access through the Shaughnessy Street underpass.

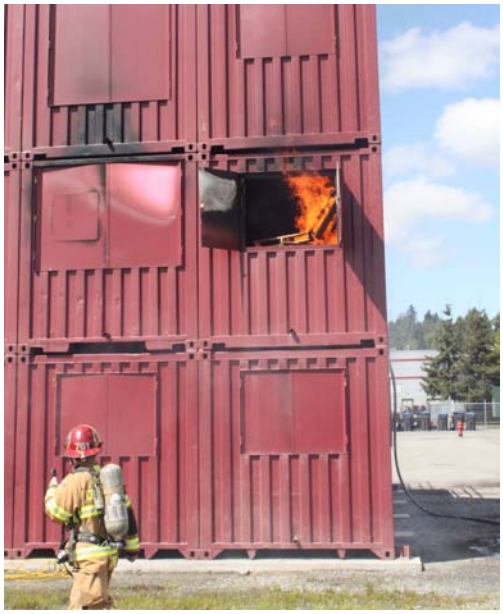
STRATEGIC OUTCOME: COMMUNITY WELL-BEING

COMMUNITY SAFETY • PARKS / NATURAL AREAS • WASTE MANAGEMENT • UTILITY SERVICES

DIRECTIONS	2012 PERFORMANCE MEASURES
Protect residents, businesses and property.	• Improved road safety by doubling the enforcement of distracted drivers from 2011 and partnering in Mothers Against Drunk Drivers' 911 program. • Opened a live fire training facility to allow firefighters to get critical hands-on training in Port Coquitlam. • Recruited and trained four new firefighters. • Partnered with the community to launch the I Am Someone anti-bullying campaign to address the effects of bullying on citizens' health and safety. • Renewed the format of free community emergency preparedness courses to encourage more people to take this training. • Responded to potential Fraser River spring flooding by developing and updating response plans and informing the public.
Provide City utility services to sustain the community's quality of life.	• Extended weekly pickup of green carts in the spring and fall. • Installed three-bin waste-sorting stations at all City facilities to help keep food scraps and recyclables out of the landfill. • Promoted waste diversion with a community Waste-Loss Challenge contest. • Continued to upgrade aging water mains to prevent potential property damage. • Upgraded the Kingsway sanitary pump station to ensure reliability.
Value parks and natural areas.	• Completed a number of park, sportfield and trail upgrades.

GOALS FOR 2013

- Promote diversion of waste away from the landfill through a "Biggest Waste Loser" contest and other initiatives.
- Introduce more than 50 three-bin waste-sorting stations in public locations throughout the community to promote diversion of food scraps and recycling away from the landfill.
- Expand the trail network with a trail connection on the west side of the Coquitlam River.
- Improve community safety by adding firefighting and RCMP staff and resources, and a program to reduce the risk of fire and other hazards associated with medical marijuana grow operations.
- Study opportunities for the expansion of the Port Coquitlam Recreation Complex.
- Implement mobile fire and building inspection systems for more efficient inspections.



STRATEGIC OUTCOME: STRATEGIC SERVICE DELIVERY

STAFF PRODUCTIVITY / EFFECTIVENESS • TRANSPARENCY • HEALTH WORK ENVIRONMENT

DIRECTIONS	2012 PERFORMANCE MEASURES
Continue to strengthen public confidence and trust in municipal service delivery.	• Received a first place best practices award for the use of social media to connect with citizens. • Began development of a Strategic Communications Plan to improve how the City communicates with residents. • Surveyed residents and businesses on City service delivery, communications and transportation to ensure future decisions are aligned with community priorities. • Signed the Municipal Policing Unit Agreement for RCMP services and participated in a study that looked at the viability of a regional police force.
Support a strong team environment inclusive of the public, City staff, and elected officials.	• Hired a new Chief Administrative Officer who will lead the City in a progressive direction. • Conducted a wide range of training and skills development for staff in a variety of departments. • Researched and planned for an intranet site and staff newsletter to promote information-sharing within the organization. • Started negotiations for IAFF (firefighters) and CUPE (City staff) collective agreements.
Maintain a healthy work environment.	• Maintained the Certificate of Recognition from the BC Municipal Safety Association that recognizes the City's employee health and safety programs and brings a savings in WorkSafeBC fees.

GOALS FOR 2013

- Update the City website and develop a content management strategy to ensure content is updated in a timely fashion.
- Complete and implement the Strategic Communications Plan to improve communications and information-sharing with the community and within the organization.
- Implement staff succession planning and professional development opportunities.
- Implement Council meeting webcasts to provide another opportunity for citizens to engage with their civic government.
- Launch an intranet site and other tools to promote information-sharing within the organization.

LETTER OF TRANSMITTAL

CITY OF PORT COQUITLAM

2580 Shaughnessy Street, Port Coquitlam BC, Canada, V3C 2A8
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corporateservices@portcoquitlam.ca

LETTER OF TRANSMITTAL

May 13, 2013

Mayor and Council
City of Port Coquitlam

I am pleased to report the year 2012 saw the City's finances improve following several years of large expenditures on construction projects. The $135 million Coast Meridian Overpass (CMO) completed in 2010 and the $13.8 million Broadway Reconstruction Project completed in 2011. These years also saw completion of the City's Corporate Strategic Plan. Council's direction to add funds to long term reserves for the infrastructure gap and repay internal debt contributed to the improved finances.

The Vision 2020 Corporate Strategic Plan was built on a foundation of core municipal service delivery principles and concepts, layered with industry best practices and tailored to the community served. It is a strategic document approved by Council, supported by the community, staff and stakeholders following extensive research, consultation and plan development.

The finances of the City take direction from the Corporate Strategic Plan and remain consistent with prior years while reserve levels improve to support sustainable service delivery.

It is my pleasure to present to you the City's Financial Statements and Annual Report for the fiscal year ending December 31, 2012. The purpose of this report is to publish the City's audited Financial Statements pursuant to Section 167 of the Community Charter.

Preparation and presentation of the Financial Statements (Statements) and related information in the 2012 Annual Report is the responsibility of the City. The Statements were prepared in accordance with generally accepted accounting principles as recommended by the Public Sector Accounting Board (PSAB) of the Institute of Chartered Accountants.

The City maintains a system of internal controls designed to safeguard assets of the corporation and to provide reliable financial information. Expenditures and revenues are analyzed daily by departments and finance staff and quarterly through variance reports.

City Council ensures management fulfills its responsibilities for financial reporting, budgeting, and internal controls and exercises its responsibility through approval of bylaws and policies at Council; a review of variance reports and financial statements at the Finance and Intergovernmental (FIG) Committee meetings and discussions with the City's auditors in a Closed FIG Committee meeting.

LETTER OF TRANSMITTAL

The audit firm of KPMG LLP, appointed by Council has expressed their opinion that the Statements prepared by management, fairly present the financial position of the City and the results of 2012 operations in accordance with PSAB.

MUNICIPAL OVERVIEW

The City provides a complete range of municipal services to residents and local businesses. Services include police, fire, water, sewer, transportation, planning, recreation and other programs benefitting the community.

Where possible, services are cost-shared with other municipalities for cost effective service delivery including emergency communications, fire dispatch, and police services.

The City is dependent on the Greater Vancouver Water District for the supply of water, the Greater Vancouver Regional District for the disposal of sewage and Metro Vancouver for the co-ordination of common services with other municipalities.

FINANCIAL OVERVIEW

In 2012 capital projects consisted of infrastructure renewal, maintenance and replacement. These expenses were capitalized to comply with PSAB recommendations.

Reporting capital revenue contributions on the Statement of Operations with the corresponding capital expenses on the Statement of Financial Position we show a large annual surplus in the year. The components of the surplus include funds expended on capital assets; internal debt repayment; reserve transfers; amortization and gain (loss) on asset disposal. Amortization and gain (loss) on asset disposal are non-cash items and affect non-cash equity. Reserve transfers and internal debt repayments are the use of funds to pay for past or future commitments. The residual balance is the cash surplus (deficit) for the year.

The City has taken a long-term approach to its finances for a sustainable future. This approach requires setting sufficient funds aside for replacement of assets consumed in the year as well as addressing the gap created from underfunding in prior years. As with many cities in the world, minimal funds have been set aside in the past for the eventual replacement of our assets as they reach the end of their useful lives. The approach taken by the City will take time to implement and will build City reserves to address upcoming funding pressures for infrastructure in the next few decades.

Positive steps have been taken to address these future challenges. As shown on the Statement of Accumulated Surplus, funds are slowly collecting in long term reserves to address the infrastructure gap.

LETTER OF TRANSMITTAL

Annual operations have remained constant in the year. Fire and emergency services, police protection, water supply, sewer discharge, development, recreation, parks, culture and other primary and support services were delivered to the residents and businesses in the City consistent with prior years with minor adjustments for a change in demand and market conditions.

Following a global economic downturn that began in 2008, the economy in 2012 is still slow in its recovery. There is cautious optimism as development revenues have improved. Interest rates remain low affecting City investment decisions. Capital costs for large capital projects, have affected reserve balances, deferred development cost charges and have added debt to the City's finances. The City is now rebuilding its finances.

CONCLUSION

City services provide the community with a quality of life that includes safety and protection, supply of essential services, a sense of community and economic well-being. A long-term approach to the city's finances will ensure these services will be available to the community in the years to come. The City's new Corporate Strategic Plan supports sustainability and effective service delivery.

In addition, following PSAB recommendations to quantify the long-term financial needs of the City and taking steps to fund these needs in the City's reserves has been an important step for the City in its goal to reach sustainability of city finances.

Balancing affordability for the community today and tomorrow will continue to be our financial challenge. The annual financial statements will monitor our progress.

Respectfully,

John Leeburn, MBA
Chief Administrative Officer

DEPARTMENT OVERVIEWS

ADMINISTRATIVE SERVICES

OFFICE OF THE CHIEF EXECUTIVE OFFICER

The Chief Administrative Officer executes policies and decisions of Council and directs and coordinates the activities of all City departments. The CAO conducts long-range and corporate planning, and oversees the development and proper expenditure of the City's operating and capital budgets. City organizational improvement initiatives are led by the CAO.

The CAO also directs the Administrative Services Department, which includes the following divisions.

COMMUNICATIONS & ADMINISTRATIVE SERVICES

- Responsible for all internal and external City communications.
- Informs the public of City news, initiatives, programs and opportunities for input via the media, various printed and online tools, and displays and kiosks at civic facilities and events.
- Provides marketing, communications and issue-management support to all City departments.
- Manages reception services at City Hall.
- Provides administrative support to the Office of the Mayor and City Councillors.

CORPORATE OFFICE

- Supports and manages the Council meeting process and supports Standing Committees.
- Manages and maintains City bylaws.
- Maintains and protects corporate records.
- Considers / facilitates access to City information and deals with related privacy issues.
- Manages City land holdings, civic elections, Board of Variance and Joint Family Court Committee.

HUMAN RESOURCES

- Champions the City's initiatives to develop a positive and engaging organizational culture.
- Provides specialized advice and assistance to internal and external customers, including City employees and the public.
- Provides support to all City departments in recruitment, labour relations, occupational health and safety, human resource programs, training and development, benefit administration, wage and salary administration and many other areas that involve City employees.

2012 HIGHLIGHTS

- Substantially revised the Financial Plan development process for Council and staff.
- Initiated development of the City's first Strategic Communications Plan.
- Received a first place best practices award from the Union of BC Municipalities' for innovative use of social media.
- Developed guidelines for email management and software business practices.
- Implemented online training for Health and Safety, and Respectful Workplace Policy.
- Used BCIT students to research and review the City's Attendance Management Program.
- Supported Council participation in over 300 civic and community events.

STATS & FACTS

- Website visits: 545,481
- New Facebook/Twitter followers: 1,194
- Total Facebook/Twitter followers: 5,561
- Media release pickup rate: 85%
- Number of media releases: 90
- Freedom of Information requests: 56
- Events supported: 317
- Council/committee meetings supported: 61
- Bylaws processed: 40
- External staff hires: 65
- Job candidates interviewed: 170

CORPORATE SERVICES

2012 HIGHLIGHTS

- Received a clean audit report following a major change in local government accounting recommendations and retirements of several senior finance staff.
- Received the Government Finance Officers Association's Distinguished Budget Presentation Award and Award for Financial Reporting.
- Generated additional revenue and collection from dog licences, summons for payment hearings, two-tier municipal ticketing, and unlicensed businesses.
- Assumed administrative responsibility for the Community Policing Station.
- Liaised with the Tri-Cities and provincial authorities to develop an inter-municipal business licence program.
- Upgraded the operating system and the Office software on each City computer.
- Continued development of virtualized servers, which makes the best use of existing server hardware by extending the reach and number of servers.
- Worked with BC local governments and the Minister of Justice and Attorney General to address issues with the Municipal Policing Unit Agreement that led to signing of the 20-year agreement.
- Developed a study on alternative policing service models in cooperation with five Lower Mainland local governments.

The Corporate Services Department supports the City's Vision 2020 by providing financial and technological support for the services enjoyed by the community today and expected to continue into the future. The department further ensures the safety of the community through protection of life and property in its delivery of bylaw enforcement services and as the principal police contact with the RCMP.

The Department advises on corporate direction in the areas of finance, information systems and bylaw enforcement. The department provides support to other departments; liaises with intergovernmental organizations; complies with senior government policies and legislation; and interacts with the public.

Services provided by the department include:

FINANCE

Financial leadership and strategy, policy and bylaw development; financial reporting; financial planning; billings and collections; purchasing and risk management; payroll; accounts payable; accounts receivable; internal audit and other financial functions.

INFORMATION SERVICES

IS leadership and strategy, network systems, operational software; backup and security, personal computers, e-mail, internet, telephone and other software and hardware services.

BYLAW SERVICES

Bylaw enforcement leadership and strategy; bylaw enforcement; business licenses; animal control, vector control, community policing administration and related services.

POLICE LIAISON

Principle Police Contact with Royal Canadian Mounted Police.

COMMON OFFICE SERVICE

Office equipment, insurance, various corporate contracts and other common services.

DEVELOPMENT SERVICES

Development Services serves Council and its committees, residents, businesses, property owners, builders, design professionals, other departments, senior levels of government, and community groups.

The Department's administration directs the activities of the Department, strategically manages development processes, provides advice on sustainable land use and development polices / regulations, and guides decisions related to the sale / acquisition of City lands.

PLANNING DIVISION

- Processes land use applications within the context of regional and municipal plans.
- Develops and communicates planning and social planning policies and land-use regulations.
- Reviews business, signage, liquor licence, subdivision, and watercourse applications.

Economic Development Function

- Promotes strengthening of commercial, industrial and agricultural businesses and land use.
- Maintains and communicates demographic, land use and development data.
- Liaises with business organizations.

Social Planning Function

- Addresses housing needs, homelessness issues and the special requirements of children, seniors, and persons with disabilities by guiding applicants and serving as an advocate.

Heritage Planning Function

- Develops policy, maintains and communicates information on the City's heritage, and liaises with the Port Coquitlam Heritage and Cultural Society.

BUILDING DIVISION

- Reviews permit applications and conducts inspections based on City and BC regulations.
- Communicates regulations and practices to meet building public safety, health, energy reduction, water efficiency and accessibility requirements.
- Reviews business licence and land use applications; enforces land use regulations.

Plumbing Section Function

- Reviews plans and conducts plumbing inspections.
- Reviews, inspects, enforces cross-connection, grease and oil interceptor regulations.

2012 HIGHLIGHTS

- Processed a high volume of development and building permit applications (value of more than $100 million), conducted inspections and ensured compliance.
- Oversaw major projects including:
  - Fremont Village
  - Rivers Edge Business Park
  - Dominion Riverfront Neighbourhood
  - Lougheed Highway rezoning for highway commercial centre
  - Pitt River Middle School and James Park Elementary School construction
  - Apartments in and adjacent to the Downtown including 115 units at Burleigh/Chine; 48 units on Kelly Avenue; 14 units at Maple/Whyte; and 44 units on Fraser
  - Townhouses near Dominion Avenue, Prairie Avenue and Salisbury Avenue
- Trained staff in evaluation and application of recent amendments to the BC Building and Plumbing Codes. Participated in changes to regulations including adaptable housing, subdivision servicing, soil deposit and removal, and development cost charge bylaw reviews.
- Took a leadership role in the work of the Mayor's Task Force on Business Development Opportunities.
- Drafted a Regional Context Statement to implement the Regional Growth Strategy.

ENGINEERING & OPERATIONS

2012 HIGHLIGHTS

- Approved the City's first air space parcel strata lot development.
- Engaged residents in updating the Master Transportation Plan.
- Installed three City-owned bus shelters.
- Implemented operating maintenance policies / practices for the Coast Meridian Overpass and Broadway Street.
- Expanded weekly green cart pickup.
- Expanded school-based food scraps and recycling program.

STATS & FACTS

- Public requests and inquiries: 3,962
- PoCoMAP visits: 21,424
- After-hours call-outs: 182
- Building permit applications: 337
- Subdivision applications: 13 (plus 9 off-site)
- Site profile applications: 35
- Water, sewer and storm connections: 64
- Dikes maintained: 17.8 km
- Roads/lanes maintained: 464 km
- Water mains maintained: 213.1 km
- Sewer mains maintained: 178.3 km
- Collection of garbage, recycling, food scraps/ yard trimmings: 11,664 households
- Multi-family recycling collection: 4,554 units
- Water supplied: 9.1 million cubic metres
- Bathroom Fixture Program rebates for switching to high-efficiency fixtures: 221
- Capital projects: 84, valued at $6.7 million

Engineering & Operations provides and maintains a number of essential municipal services and infrastructure including transportation, roads and drainage, environmental protection, solid waste collection, management of the City's fleet, and related engineering services including PoCoMAP and liaising with other levels of government, consultants, contractors, staff, special interest groups and the public.

ENGINEERING SERVICES

- Reviews and processes development proposals, subdivision and building permit applications, and a variety of other requests and permit applications for infrastructure purposes.
- Manages the City's GIS system (PoCoMAP) to provide the public and staff with maps and related information, and as a municipal infrastructure tangible capital assets management tool.
- Manages all Department capital projects and the City's long-range infrastructure programs / plans.
- Maintains the City's fleet and equipment.
- Provides internal engineering survey services.
- Manages Department Information Services in conjunction with the City's IS Division.

TRANSPORTATION & DRAINAGE

- Manages, operates, plans and maintains the City's:
  - street system, including road surface, bridges, street lighting, sidewalks, paths, traffic signals, and traffic signage,
  - storm drainage systems, including drainage pump stations, storm mains, catch basins, culverts, streams, and dikes, and
  - water distribution and sewage collection systems.
- Develops and manages long-term plans for major streets, commuter routes and drainage systems.
- Manages in-stream works including work in fish-sensitive watercourses.

SOLID WASTE & RECYCLING

- Provides and manages garbage, recycling and green waste collection activities.
- Develops new solid waste programs to meet environmental goals.
- Manages the City's inventory of solid waste carts.

FIRE & EMERGENCY SERVICES

Since 1913, Fire & Emergency Services has provided emergency response to our community to ensure a safe place for its citizens to live, work, and play. These services provide for the preservation of life, property and the environment, and are essential to the City's strategic goal of community well-being.

The role of the Department has evolved since its inception. It is not only responsible for fire response, but response to rescues and other emergency situations including medical and environmental disasters, as well as fire prevention, public education and support to several community events.

FIRE PROTECTIVE SERVICES

Administration

- Plans, organizes and directs the Department's other divisions, and coordinates all matters related to staffing, human resources, budgets and personnel.

Public Education

- Coordinates and delivers a variety of public education and awareness programs to citizens.

Emergency Preparedness (EP)

- Develops and implements the City's EP Plan.
- Oversees the City Emergency Operations Centre and trains/exercises City Staff.
- Delivers public EP courses / awareness sessions.
- Responsible for EP equipment, volunteers and communications.

EMERGENCY SERVICES

Suppression Operations

Facilities and Training

- Ensures the training requirements and all certifications and operational standards are met.
- Ensures the operation / maintenance of facilities.
- Responsible for staff development.

Operations and Fleet

- Maintains the Department's fleet and equipment.
- Oversees contracted dispatch services.
- Secures Department resources.

Fire Protective Services

- Provides life safety and fire protection services.
- Conducts Code and Bylaw enforcement.
- Responsible for fire investigations.

2012 HIGHLIGHTS

- Opened an on-site live fire training facility.
- Updated the Emergency Operations Centre.
- Became a registered Training Partner with Canadian Red Cross to ensure enhanced First Responder Training to crews.
- Took a lead role in developing the City's Environmental Spill Response Plan.
- Completed a comprehensive Department operational review.
- Recruited and trained four new firefighters.

STATS & FACTS

- Total calls for service: 3,346
- Alarm systems activated: 95
- Carbon monoxide alarms: 7
- Burning complaints: 72
- Explosions: 2
- Total fires: 181
  - Structure fires: 63
  - Vehicle fires: 17
  - Brush/wildland fires: 63
- Hazardous materials calls: 32
- Medical response: 1,942
- Motor vehicle accidents: 394
  - Extrication required: 27
- Public service assist: 129
- Rescues – trench, high angle, confined space: 1
- Smoke/unknown odours reports: 29
- Wires down: 43
- Fire bylaw inspections: 2,659
- Community participation in emergency preparedness courses: 568 attendees

PARKS & RECREATION

2012 HIGHLIGHTS

- Added a new artificial turf field and outdoor gym equipment at Gates Park.
- Implemented the Adopt-a-SPOT (street, park or trail) program.
- Was recognized for 290,000-kwh reduction through workplace energy conservation.
- Implemented waste separation projects at recreation facilities and civic events.
- Implemented a sportfield update webpage.
- Developed a Corporate Strategic Energy Management Plan.

STATS & FACTS

- Trees planted: 174
- Recreation activities offered: 1,388
- Courses offered: 12,303
- Hours of programming: 43,043
- Program registrations: 28,529
- Services utilized: 674,555
- Grade 5/Grade 6 passes – distributed: 576, utilized: 4,160 times
- Participation in aquatics programs and services: 236,620
- Participation in health, wellness, sports, active programs and services: 197,568
- Participation in children and youth programs and services: 109,225
- Library items borrowed: 398,484
- Library visits: 197,290
- Library cardholders: 20,553
- New library cards issued: 2,903
- Library program attendance: 12,218

Parks & Recreation contributes to the quality of life and personal wellness of the community by providing a variety of programs, services and facilities. It also oversees the Terry Fox Library.

RECREATION SERVICES

- Operates Hyde Creek Recreation Centre, Leigh Square Community Arts Village, Port Coquitlam Recreation Complex, Wilson Centre, Terry Fox Library, outdoor and learner pools, outdoor gym and youth skate/bike parks.
- Provides programming in aquatics, skating, sports and fitness, active living, arts and culture, and general programming for children, youth, adults and seniors of all abilities.
- Coordinates volunteer program and civic events.
- Supports Emergency Social Services.
- Creates opportunities for supporting the growth of individuals' abilities and increasing the community's capacity to address issues.
- Manages leasehold contracts (e.g. physiotherapy, retail, massage therapy and food services).
- Administers facility/parks bookings and cash management.

PARKS & FACILITY SERVICES

Parks Section

- Responsible for numerous parks, trails, athletic fields, playgrounds, ornamental and urban forestry areas and cemetery operations, along with support of the various civic events.

Facilities Services Section

- Responsible for the City's Facilities Life Cycle and Energy Management programs, the Department's Asset Management Program, and providing support to other departments to assist in the operation and repair of their facilities.
- Coordinates designated renovation and construction projects.

PARKS PLANNING & DESIGN

- Plans and designs the open space systems and manages implementation of larger park projects.
- Coordinates the Department's capital program, parkland acquisition and environmental considerations related to parks.

POLICE SERVICES

The Coquitlam RCMP team serves a jurisdiction that includes the villages of Anmore and Belcarra as well as the cities of Coquitlam and Port Coquitlam, a permanent resident population of more than 185,000 people that is augmented by the thousands who visit our area every day for business and recreation.

From 24/7 emergency response and criminal investigations; to crime reduction, community engagement and partnerships, our team is always working to become more effective and deliver top quality police services that help make Port Coquitlam a happy, vibrant and safe community.

In 2012, the Coquitlam RCMP consisted of 211 regular members, 98.33 FTE municipal employees and more than a thousand volunteers all working under the direction of an integrated leadership team comprised

of senior RCMP officers and civilian managers. It also participates in regional services such as Integrated Forensic Identification Services (IFIS), Integrated Police Dog Service (IPDS) and Integrated Collision Analysis and Reconstruction Service (ICARS).

STATS & FACTS

Crime Types	2011 totals	2012 totals	% change
Person Crimes			
Abduction	1	2	100%
Assault	664	735	11%
Attempted Murder	1	2	100%
Murder *(1st & 2nd degree)*	1	**1**	0%
[1] Robbery *(w/weapon/to steal firearm)*	51	95	86%
[1] Robbery *(other)*	53	59	11%
Sexual Assault/Offence	68	77	13%
Property Crimes			
Arson	50	60	20%
[1] Break & enter *(bus.)*	431	455	6%
[1] Break & enter *(other)*	127	144	13%
[1] Break & enter *(res.)*	459	604	32%
[1] Fraud *(credit/debit card)*	106	117	10%
[1] Fraud *(identity)*	79	80	1%
Mischief	1373	1499	9%
Possession of stolen property	106	121	14%
[1] Theft *(identity)*	13	11	-15%
Theft *(other)*	940	1094	16%
[1] Theft of vehicle	394	415	5%
[1] Theft from vehicle	2119	2077	-2%

Crime Types	2012 totals	2012 totals	% change
Drugs			
Cocaine *(possession)*	85	76	-11%
Grow operation	17	21	24%
Heroin *(possession)*	19	36	89%
Methamphetamine *(possession)*	41	42	2%
Cocaine *(traffic)*	45	59	31%
Heroin *(traffic)*	13	22	69%
Methamphetamine *(traffic)*	4	7	75%
Traffic			
Collision (fatal)	2	4	100%
Collision *(injury/non-fatal)*	379	441	16%
Collision *(property damage)*	785	909	16%
Dangerous Operation	11	10	-9%
[3] Impaired Operation	197	228	16%
Prohibited Driver	122	97	-20%
[2] Roadside Prohibitions	208	170	-18%
[2] Immediate Roadside Prohibitions	613	241	-61%
Other			
[1] Breach (bail/probation)	316	354	12%

Data Notes and Qualifiers:

Data are for Coquitlam RCMP jurisdiction (see above.)

[1] 2011 & 2012 Crime Reduction Strategy signal crimes. ***Fraud (debit/credit card)*** offence code 2160-20 expired Dec 31, 2011. 2011 Fraud (debit/credit card) stats were collected using 2160-20; 2012 Fraud (debit/credit card) stats were collected using CCJS: Fraud Type – Credit Card. ***Theft of Vehicle*** offence codes 2135, 2131, & 2141 were used to obtain vehicle theft statistics for 2011 due to Bill S-9, Tackling Auto Theft and Trafficking in Property Obtained by Crime. UCR code changes were in effect April 29, 2011. Offence code 2135 was used to obtain 2012 vehicle theft statistics.

[2] The provincial government's Immediate Roadside Prohibition (IRP) legislation was enforced from September 21, 2010 until a judicial ruling on November 30, 2011 found some portions of the IRP prohibitions violated the *Canadian Charter of Rights and Freedoms*. Enforcement of the IRP legislation was suspended from December 1, 2011 until a re-written IRP was brought back into force on June 15, 2012. During the IRP suspension, police enforced the impaired driving sanctions in the Criminal Code, coupled with the Administrative Driving Prohibition (ADP).

[3] Impaired Operation: impaired by alcohol &/or drugs.

Criminal Code offence data was compiled using select PRIME BC files and is not comprehensive. All data is preliminary and subject to change based on investigational factors and records data quality processes. In cases of discrepancy with previous/subsequent data, the most current data will take precedence. Data were collected using "most serious offence" scoring consistent with Statistics Canada and BC Justice Ministry (Police Services Division) data collection practices.

FINANCIAL SECTION

AUDITORS' REPORT TO THE MAYOR AND COUNCIL

KPMG LLP
Chartered Accountants
Metrotower II
Suite 2400 - 4720 Kingsway
Burnaby BC V5H 4N2

Telephone (604) 527-3600
Fax (604) 527-3636
Internet www.kpmg.ca

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying consolidated financial statements of the Corporation of the City of Port 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 Corporation of the City of Port Coquitlam as at December 31, 2012, 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.

KPMG LLP

Chartered Accountants
May 13, 2013
Burnaby, Canada

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2012

		2012	2011
FINANCIAL ASSETS			
Cash and cash equivalents		$ 4,415,670	$ 19,156,847
Investments	Note 2	96,945,934	69,452,030
Accounts receivable	Note 3	8,358,262	7,585,233
Due from other governments	Note 3	120,233	209,540
		109,840,099	96,403,650
LIABILITIES			
Accounts payable	Note 4	17,804,486	17,499,884
Deferred revenues	Note 5	8,800,313	9,054,868
Development cost charges	Note 6	16,168,234	13,381,545
Post-employment future benefits	Note 7	2,637,000	2,483,733
Debt	Note 8	23,596,492	24,082,814
		69,006,525	66,502,844
NET FINANCIAL ASSETS		40,833,574	29,900,806
NON-FINANCIAL ASSETS			
Tangible capital assets	Note 14	624,343,868	615,872,378
Inventories		340,143	383,462
Prepaid expenses		243,252	149,171
		624,927,263	616,405,011
ACCUMULATED SURPLUS	Note 9	$ 665,760,837	$ 646,305,817

Commitments and Contingencies (Note 11)

See accompanying Notes to the Consolidated Financial Statements

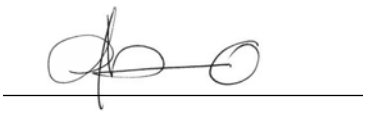
John Leeburn, MBA
Chief Administrative Officer

CONSOLIDATED STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2012

		2012 Budget *(Unaudited – Note 1c)*	2012 Actual	2011 Actual
REVENUES				
Taxation and other levies		$ 53,148,422	$ 53,223,045	$ 51,408,761
Utility charges		16,899,900	17,142,437	15,986,605
Sale of services		13,775,200	9,291,771	9,316,520
Contributions		8,447,172	16,343,520	26,385,317
Investment income		325,000	1,599,460	1,377,712
Other revenue		876,700	1,860,320	2,060,253
		93,472,394	99,460,553	106,535,168
EXPENSES	Note 15			
Engineering & Operations		19,835,564	16,732,490	15,771,176
Parks & Recreation		17,422,989	16,104,407	15,507,201
Police Services		12,946,605	12,205,654	11,682,596
General Government		8,878,165	8,009,999	8,120,318
Fire & Emergency Services		8,481,031	8,523,834	7,990,827
Development Services		2,203,896	2,116,719	2,030,454
Water Operations		9,964,100	9,072,132	8,804,087
Sanitary Sewer Operations		7,829,500	7,240,298	6,895,857
		87,561,850	80,005,533	76,802,516
ANNUAL SURPLUS		5,910,544	19,455,020	29,732,652
ACCUMULATED SURPLUS, beginning of year		646,305,817	646,305,817	616,573,165
ACCUMULATED SURPLUS, end of year		$ 652,216,361	$ 665,760,837	$ 646,305,817

See accompanying Notes to the Consolidated Financial Statements



John Leeburn, MBA
Chief Administrative Officer

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2012

CASH PROVIDED (USED) BY:	2012	2011
OPERATING TRANSACTIONS		
Annual surplus	$ 19,455,020	$ 29,732,652
Increase in non-cash operating items	2,102,252	4,599,638
Items not involving cash:		
Non-cash developer contributions	(12,560,684)	(19,494,583)
Amortization	11,214,392	10,771,403
Loss on disposals	750,382	537,018
Write-downs of Tangible Capital Assets	1,869,727	187,548
Non-cash pension expense	153,267	112,000
Cash contributed by operations	22,984,356	26,445,676
FINANCING TRANSACTIONS		
Debt repayment	(486,322)	(471,434)
Cash used in financing	(486,322)	(471,434)
CAPITAL TRANSACTIONS		
Cash used to acquire tangible capital assets	(9,745,307)	(12,594,018)
Cash received from disposals of tangible capital assets	-	586,469
Cash used in capital	(9,745,307)	(12,007,549)
INVESTING TRANSACTIONS		
Net purchase of investments	(129,493,904)	(199,641,135)
Redemption of investments	102,000,000	197,000,000
Cash used in investing	(27,493,904)	(2,641,135)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(14,741,177)	11,325,558
CASH AND CASH EQUIVALENTS, beginning of year	19,156,847	7,831,289
CASH AND CASH EQUIVALENTS, end of year	$ 4,415,670	$ 19,156,847

See accompanying Notes to the Consolidated Financial Statements

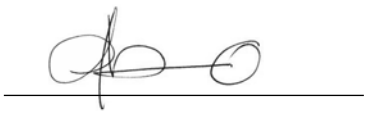
John Leeburn, MBA
Chief Administrative Officer

CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2012

	2012 Budget *(Unaudited – Note 1c)*	2012 Actual	2011 Actual
Annual Surplus	$ 5,910,544	$ 19,455,020	$ 29,732,652
Acquisition of Tangible Capital Assets	(20,071,940)	(9,745,307)	(12,594,018)
Contribution of Tangible Capital Assets	(1,000,000)	(12,560,684)	(19,494,583)
Amortization of Tangible Capital Assets	13,000,000	11,214,392	10,771,403
Write-downs and net disposals	-	2,620,109	1,311,035
Use of inventories	-	43,319	69,412
Acquisition of prepaid expenses	-	(94,081)	(12,359)
INCREASE IN NET FINANCIAL ASSETS	(2,161,396)	10,932,768	9,783,542
OPENING NET FINANCIAL ASSETS	29,900,806	29,900,806	20,117,264
CLOSING NET FINANCIAL ASSETS	$ 27,739,410	$ 40,833,574	$ 29,900,806

See accompanying Notes to the Consolidated Financial Statements



John Leeburn, MBA
Chief Administrative Officer

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2012

1. SIGNIFICANT ACCOUNTING POLICIES

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.

The consolidated financial statements of the City are prepared in accordance with Canadian generally accepted accounting principals as prescribed by the Public Sector Accounting Board ("PSAB") of the Canadian Institute of Chartered Accountants.

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 have been eliminated.

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 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.
(iii) Development Cost Charges are reserves restricted by the *Local Government Act*. The legislation and bylaws define the funding source for each reserve and their usage.

Trust funds are those that are administered for certain beneficiaries. In accordance with PSAB recommendations, trust funds are not included in the City's consolidated financial statements. Trust funds administered by the City are presented in note 12.

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 receipt of goods and services and/or the creation of a legal obligation to pay.

c. Unaudited Budget Information

The unaudited budget information reported in the consolidated statement of operations and the consolidated statement of change in net financial assets reflects the 2012 Financial Plan Bylaw adopted by City Council on May 14, 2012.

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. Investments

Investments are recorded at cost. Investment premiums and discounts are amortized over the term of the respective investment. An investment is written down when there is a loss in the value of the investment that is other than a temporary decline.

f. Deferred Revenue

Deferred revenue consists of prepaid property taxes, utilities, and recreation program fees paid in advance for services yet to be provided. The City defers a portion of the revenue collected from permits, licenses and other fees and recognizes this revenue in the year in which related inspections are performed or other related expenditures are incurred.

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

1. SIGNIFICANT ACCOUNTING POLICIES (CONT.)

g. **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.

h. **Post-employment Future Benefits**
The City and its employees make contributions to the Municipal Pension Plan. As this plan is a multi-employee plan, contributions are expensed as incurred.

Post-employment benefits 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.

i. **Long-Term Debt**
Long-term debt is recorded in the consolidated financial statements net of repayments and actuarial adjustments.

j. **Non-financial Assets**
Non Financial Assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

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, is amortized on a straight line basis over the asset's useful life as follows:

MAJOR ASSET CATEGORY	USEFUL LIFE	MAJOR ASSET CATEGORY	USEFUL LIFE
Land	Not amortized	Drainage Infrastructure	25 to 100 years
Parks Infrastructure	3 to 100 years	Land Improvements	45 to 100 years
Vehicles, Machinery & Equipment	5 to 25 years	Water Infrastructure	25 to 80 years
Transportation Infrastructure	10 to 100 years	Sanitary Infrastructure	25 to 100 years
Buildings	20 to 70 years		

Amortization begins the month 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 fair value at the date of receipt and the value recorded as revenue.

Interest is capitalized whenever external debt is issued to finance the construction of tangible capital assets.

Any leases for tangible capital assets 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 payments charged to expenses as incurred.

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

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

k. **Use of Estimates**

Preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported revenue and expenditures during the reporting period. Significant areas requiring the use of management estimates relate to the determination of post-employment benefits, allowance for doubtful accounts receivable, provision for contingencies and useful lives of tangible capital assets. Actual results may differ from management's estimates as additional information becomes available. 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.

l. **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 15.

2. INVESTMENTS

Investments have maturity dates of more than 90 days at acquisition and include term deposits in credit unions and deposits in the Municipal Finance Authority. Short-term deposits include term deposits in credit unions with varying maturity dates from January 2013 to December 2013. Investments are guaranteed by either the Province of BC or Alberta. Investments have rates of return ranging from 0.97% to 6.49% with varying maturity dates from January 2013 up to December 2014.

	2012	2011
Short-term deposits	$ 73,000,000	$ 46,000,000
Government bonds	3,657,104	3,433,743
Municipal Finance Authority Intermediate Fund	20,288,830	20,018,287
	$ 96,945,934	$ 69,452,030

3. ACCOUNTS RECEIVABLE AND DUE FROM OTHER GOVERNMENTS

	2012	2011
ACCOUNTS RECEIVABLE		
Property tax and utility receivable	$ 3,188,335	$ 3,012,910
Accounts receivable	2,357,198	2,001,082
Development cost charges receivable	1,448,280	1,242,708
HST receivable	545,638	574,313
Other	818,811	754,220
	8,358,262	7,585,233
DUE FROM OTHER GOVERNMENTS		
Government of Canada	$ 15,536	$ -
Province of BC	62,785	49,673
City of Coquitlam	-	115,173
School District #43	41,912	44,694
	120,233	209,540
	$ 8,478,495	$ 7,794,773

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4. ACCOUNTS PAYABLE

	2012	2011
Accounts payable and accrued liabilities	$ 13,186,789	$ 13,670,332
Wages and benefits payable	3,538,814	2,824,934
Statutory holdbacks	309,503	756,581
Due to other governments		
Province of BC	12,242	73,101
Metro Vancouver	757,138	174,936
	$ 17,804,486	$ 17,499,884

5. DEFERRED REVENUES

Deferred revenues relate to amounts deposited in advance of services performed.

	2012	2011
Property tax and utilities	$ 6,658,652	$ 7,353,376
Programs and services	2,141,661	1,701,492
	$ 8,800,313	$ 9,054,868

6. DEVELOPMENT COST CHARGES

	Balance, beginning of year	Third Party Contributions	Interest Allocation	Capital Expenses	Balance, end of year
AREA 1					
Drainage	$ 3,520,808	$ 118,121	$ 66,500	($ 37,372)	$ 3,668,057
Transportation	6,409,698	730,502	113,753	(2,999)	7,250,954
Parks	3,743,382	678,651	-	(619,488)	3,802,545
Water	4,148,336	51,452	79,890	-	4,279,678
Sanitary	1,268,419	28,374	24,359	-	1,321,152
AREA 2					
Drainage	(1,352,542)	148,137	(24,636)	-	(1,229,041)
Transportation	(8,497,651)	1,798,516	(147,049)	(65,152)	(6,911,336)
Parks	1,251,990	26,524	-	-	1,278,514
Water	919,105	28,084	17,981	-	965,170
Sanitary	581,280	28,494	11,476	-	621,250
Parks Interest	1,012,954	-	112,443	(4,106)	1,121,291
	$ 13,005,779	$ 3,636,855	$ 254,717	($ 729,117)	$ 16,168,234
Other	375,766	-	-	(375,766)	-
TOTAL DEVELOPER CONTRIBUTIONS	$ 13,381,545	$ 3,636,855	$ 254,717	($ 1,104,883)	$ 16,168,234

7. POST-EMPLOYMENT FUTURE BENEFITS

The City provides certain post-employment benefits, compensated absences, and termination benefits to its employees. Upon leaving the City, certain exempt employees, and Union employees are paid a severance.

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, 2012.

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

	2012	2011
Accrued benefit obligation, beginning of the year	$ 2,736,000	$ 2,624,000
Service cost	155,000	160,000
Interest cost	111,000	127,000
Benefit payments	(153,000)	(226,000)
Amortization of net actuarial losses	(77,000)	51,000
Accrued benefit obligation, end of the year	2,772,000	2,736,000
Unamortized actuarial loss	(135,000)	(252,267)
Accrued benefit liability	$ 2,637,000	$ 2,483,733

The unamortized actuarial loss is amortized over a period equal to the employees' average remaining service lifetime. The significant actuarial assumptions adopted in measuring the City's accrued benefit liability are as follows:

	2012	2011
Discount rates	3.50%	4.00%
Expected future inflation rates	2.25%	2.25%
Expected compensation increases	2.50%	3.25%

8. DEBT

The City incurs debt through the Municipal Finance Authority in accordance with the Community Charter to finance certain capital expenditures. The 2012 interest expense is $1,032,500 (2011 - $1,032,500). The debt balance is as follows:

	Gross Debt	2012 Repayments and Actuarial Adjustments	Net Debt	2011 Net Debt
Coast Meridian Overpass, Bylaw 3611, 4.13%, due 2039	$ 25,000,000	$ 1,403,508	$ 23,596,492	$ 24,082,814

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

2013	$ 445,752
2014	445,752
2015	445,752
2016	445,752
2017	445,752
Thereafter	21,367,732
	$ 23,596,492

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

9. ACCUMULATED SURPLUS

	2012	2011
EQUITY IN FINANCIAL ASSETS		
Restricted Reserves:		
General	$ 38,005,534	$ 31,866,547
Water	2,019,467	1,852,612
Sewer	3,367,923	3,261,567
	43,392,924	36,980,726
Unrestricted Reserves:		
General	(7,506,995)	(10,325,040)
Water	3,669,718	2,368,528
Sewer	1,277,927	876,592
	(2,559,350)	(7,079,920)
EQUITY IN NON-FINANCIAL ASSETS		
Tangible Capital Assets	624,343,868	615,872,378
Inventory and Prepaids	583,395	532,633
	624,927,263	616,405,011
	$ 665,760,837	$ 646,305,817

10. PENSION PLAN

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

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

The City paid $2,169,844 (2011 - $2,087,309) for employer contributions to the Plan in fiscal 2012. Employees contributed $1,769,075 in 2012 (2011 - $1,665,513).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

11. COMMITMENTS AND CONTINGENCIES

a. The City has a contract with the federal government whereby the federal government provides Royal Canadian Mounted Police (RCMP) policing services. RCMP members and the federal government are currently in legal proceedings regarding pay raises for 2009 and 2010 that were retracted for RCMP members. As the final outcome of the legal action and the potential financial impact to the City is not determinable, the City has not recorded any provision for this matter in the financial statements as at December 31, 2012.

b. The loan agreements with the Greater Vancouver Regional District and the Municipal Finance Authority provide that, if at any time the scheduled payments provided for in the agreements are not sufficient to meet the Authority's obligations in respect of such borrowing; the resulting deficiency becomes a joint and several liability of the City and the other participants.

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 realized. Liability insurance is carried by the City, subject to a deductible of $250,000. The City self insures claims under $250,000.

d. The City is a shareholder and member of E-Comm 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 1 Class A share and 2 Class B shares. Class A shareholders are obligated to share in both funding the ongoing operations and any additional costs relating to capital assets (in accordance with a cost sharing formula) while Class B shareholders are not obligated to share in funding of ongoing operating costs. In accordance with the members' agreement, upon withdrawal from E-Comm, class A shareholders shall be obligated to pay to the withdrawal date as requested by E-Comm their share of the class A shareholders' obligation to any long-term capital obligations, including any lease obligations. This includes any lease obligations or repayments thereof committed to by E-comm up to the withdrawal date.

e. The City provides a share of both the ongoing operations and any additional costs relating to capital assets (in accordance with a negotiated agreement) for the RCMP building located at 2986 Guildford Way, Coquitlam.

12. 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 fund is excluded from the City's financial statements:

CEMETERY PERPETUAL CARE FUND	2012	2011
Cash balance, beginning of year	$ 1,146,049	$ 1,093,149
Net contributions received (refunded)	39,305	32,088
Interest earned	22,463	20,812
Cash balance, end of year	$ 1,207,817	$ 1,146,049

13. COMPARATIVE FIGURES

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

14. TANGIBLE CAPITAL ASSETS

a. Assets Under Construction: Assets under construction having a value of $2,262,875 (2011 - $1,654,205) 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 (including transportation, drainage, water and sanitary sewer assets) have been recognized at fair market value at the date of contribution. The value of contributed assets received during the year is $10,699,542 (2011 - $19,494,583).

AS AT DECEMBER 31, 2012	Land	Parks Infrastructure	Vehicles, Machinery, Equipment	Transportation Infrastructure
COST				
Opening Balance	$ 213,837,028	$ 19,889,502	$ 18,875,940	$ 247,522,651
Add: Additions	2,645,646	1,767,453	1,002,749	6,725,784
Add/(Deduct): Transfers from AUC	-	705,633	-	148,399
Less: Disposals	-	604,170	197,512	1,536,948
Less: Write-downs (adjustments)	-	-	-	1,046,236
Closing Balance	216,482,674	21,758,418	19,681,177	251,813,650
ACCUMULATED AMORTIZATION				
Opening balance	-	11,493,408	10,899,820	39,664,288
Add: Amortization	-	755,920	1,376,330	4,128,806
Less: Accumulated Amortization on Disposals	-	591,234	197,512	853,609
Closing balance	-	11,658,094	12,078,638	42,939,485
Net book value as at December 31, 2012	$ 216,482,674	$ 10,100,324	$ 7,602,539	$ 208,874,165

AS AT DECEMBER 31, 2011	Land	Parks Infrastructure	Vehicles, Machinery, Equipment	Transportation Infrastructure
COST				
Opening Balance	$ 204,289,469	$ 19,143,923	$ 18,105,910	$ 236,572,624
Add: Additions	9,547,812	76,709	967,003	7,269,356
Add/(Deduct): Transfers from AUC	-	1,034,362	269,960	5,126,343
Less: Disposals	253	365,500	466,919	1,446,456
Less: Write-downs (adjustments)	-	(8)	14	(784)
Closing Balance	213,837,028	19,889,502	18,875,940	247,522,651
ACCUMULATED AMORTIZATION				
Opening balance	-	11,182,081	9,851,393	36,386,250
Add: Amortization	-	676,827	1,515,346	3,893,984
Less: Accumulated Amortization on Disposals	-	365,500	466,919	615,946
Closing balance	-	11,493,408	10,899,820	39,664,288
Net book value as at December 31, 2011	$ 213,837,028	$ 8,396,094	$ 7,976,120	$ 207,858,363

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 (adjustments) of tangible capital assets: The write-down of tangible capital assets during the year was $1,869,727 (2011 - $187,548).

	Buildings	Drainage	Land Improvements	Water	Sanitary Sewer	Assets Under Construction (AUC)	2012 Total
	$ 35,662,961	$ 81,584,965	$ 20,257,243	$ 67,798,245	$ 55,406,058	$ 1,654,205	$ 762,488,798
	2,170	4,968,733	61,241	1,891,148	901,306	2,339,761	22,305,991
	-	154,687	-	713,787	-	(1,722,506)	-
	-	10,905	-	130,548	21,737	-	2,501,820
	-	1,042,292	-	(205,877)	(21,508)	8,584	1,869,727
	35,665,131	85,655,188	20,318,484	70,478,509	56,307,135	2,262,876	$ 780,423,242
	13,762,417	24,254,304	4,610,407	25,017,325	16,914,451	-	$ 146,616,420
	1,017,837	1,242,484	286,805	1,577,873	828,337	-	11,214,392
		5,519	-	89,104	14,460	-	1,751,438
	14,780,254	25,491,269	4,897,212	26,506,094	17,728,328	-	156,079,374
	$ 20,884,877	$ 60,163,919	$ 15,421,272	$ 43,972,415	$ 38,578,807	$ 2,262,876	$ 624,343,868

	Buildings	Drainage	Land Improvements	Water	Sanitary Sewer	Assets Under Construction (AUC)	2011 Total
	$ 33,177,727	$ 73,126,745	$ 16,846,405	$ 63,740,491	$ 53,576,974	$ 15,247,901	$ 733,828,169
	-	3,150,466	-	1,868,257	1,361,892	7,847,106	32,088,601
	3,184,051	5,297,332	3,410,838	2,401,077	503,629	(21,227,592)	-
	698,817	22,055	-	204,871	35,553	-	3,240,424
	-	(32,477)	-	6,709	884	213,210	187,548
	35,662,961	81,584,965	20,257,243	67,798,245	55,406,058	1,654,205	762,488,798
	13,313,613	23,128,636	4,349,191	23,618,272	16,132,518	-	$ 137,961,954
	978,406	1,135,711	261,216	1,509,843	800,070	-	10,771,403
	529,602	10,043	-	110,790	18,137	-	2,116,937
	13,762,417	24,254,304	4,610,407	25,017,325	16,914,451	-	146,616,420
	$ 21,900,544	$ 57,330,661	$ 15,646,836	$ 42,780,920	$ 38,491,607	$ 1,654,205	$ 615,872,378

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

15. OPERATIONS BY SEGMENT

The City of Port Coquitlam provides a wide range of municipal services to its residents, businesses, industries, farms and other properties within its boundaries. Engineering structures and services, parks and recreation facilities, police, general government, fire and emergency, planning and development, water and sanitary sewer are the operating segments of the City. 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:

Engineering & Operations: Provides and maintains a number of essential municipal services and infrastructure including transportation, roads and drainage, environmental protection, solid waste collection, management of the City's fleet and related engineering services.

Parks & Recreation: Supports a sense of community and community well-being. Parks, trails, athletic fields, aquatics, skating, sports, fitness, active living, arts, culture, and the library along with general programming for people of all ages are services provided for community spirit and health.

Police Services: Is a shared service with the City of Coquitlam that protects the community from criminal activity and ensures public safety. Reactive, response-oriented policing is combined with strategic, proactive policing to deliver an effective, affordable policing model to the community.

	Engineering & Operations	Parks & Recreation	Police Services	General Government
REVENUE				
Taxation and other levies	$ -	$ -	$ -	$ 53,071,344
Utility Rates	-	-	-	-
Sale of Services	3,239,749	3,601,911	42,395	1,012,441
Contributions	11,407,088	991,102	882,728	756,012
Investment Income	-	-	-	1,494,652
Other Revenue	576,270	12,913	-	1,205,522
	$ 15,223,107	$ 4,605,926	$ 925,123	$ 57,539,971
EXPENSES				
Salaries and Benefits	$ 5,382,632	$ 9,385,340	$ 74,879	$ 5,077,273
Contracted and Other Services	3,133,004	2,420,397	11,958,054	1,045,827
Supplies and Materials	1,194,152	2,819,240	18,084	267,318
Amortization	6,333,978	1,479,430	154,637	579,867
Interest and Bank Charges	-	-	-	1,039,714
Loss on Disposals and Writedowns	688,724	-	-	-
	$ 16,732,490	$ 16,104,407	$ 12,205,654	$ 8,009,999
Annual Surplus	$ (1,509,383)	$ (11,498,481)	$ (11,280,531)	$ 49,529,972

General Government: Supports the primary services provided by the City. These support services include, legislative, finance, information systems, bylaw services, human resources, and communications. The segment is responsible for adopting bylaws and policy; levying and collecting taxes and utilities; acquiring, disposing and managing City assets; maintaining information technology systems and applications; ensuring effective financial management and communication; administering collective agreements and payroll; emergency planning and corporate training; and performance reporting.

Fire & Emergency Services: The mandate of the Fire & Emergency Services Department is to protect life, property and the environment through the provision of emergency response, inspections, code enforcement and public education.

Development Services: Development Services is responsible for preparing land use plans, bylaws and policies for sustainable development of the City and for reviewing and approving new development and building permits and inspections.

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.

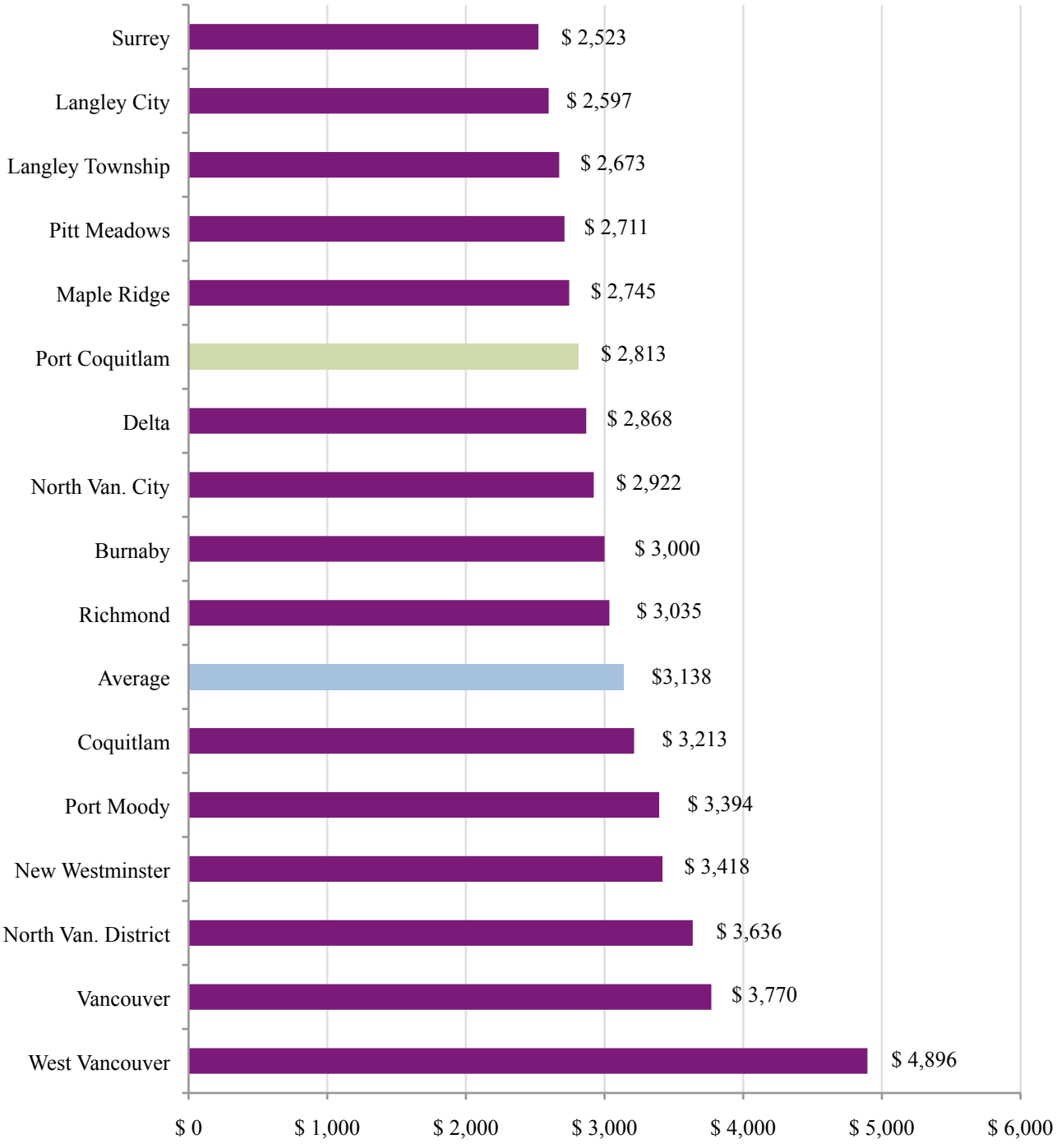
Sanitary Sewer Operations: The sanitary sewer utility is an essential service provided by the City to its residents and businesses for the collection and disposal of liquid wastes.

Fire & Emergency Services	Development Services	Water Operations	Sanitary Sewer Operations	2012	2011
$ -	$ 151,701	$ -	$ -	$ 53,223,045	$ 51,408,761
-	-	9,847,126	7,295,311	17,142,437	15,986,605
6,901	1,388,374	-	-	9,291,771	9,316,520
-	-	1,561,614	744,976	16,343,520	26,385,317
-	-	47,380	57,428	1,599,460	1,377,712
58,965	-	6,650	-	1,860,320	2,060,253
$ 65,866	$ 1,540,075	$ 11,462,770	$ 8,097,715	$ 99,460,553	$ 106,535,168
$7,533,172	$1,833,083	$573,144	$303,074	$30,162,597	$28,760,927
412,724	268,027	1,288,647	6,031,996	26,558,676	25,046,523
317,666	15,609	5,578,088	69,614	10,279,771	10,096,490
260,272	-	1,577,873	828,337	11,214,394	10,771,404
-	-	-	-	1,039,714	1,041,015
-	-	54,380	7,277	750,381	1,086,157
$ 8,523,834	$ 2,116,719	$ 9,072,132	$ 7,240,298	$ 80,005,533	$ 76,802,516
$ (8,457,968)	$ (576,644)	$ 2,390,638	$ 857,417	$ 19,455,020	$ 29,732,652

STATISTICAL SECTION
(unaudited)

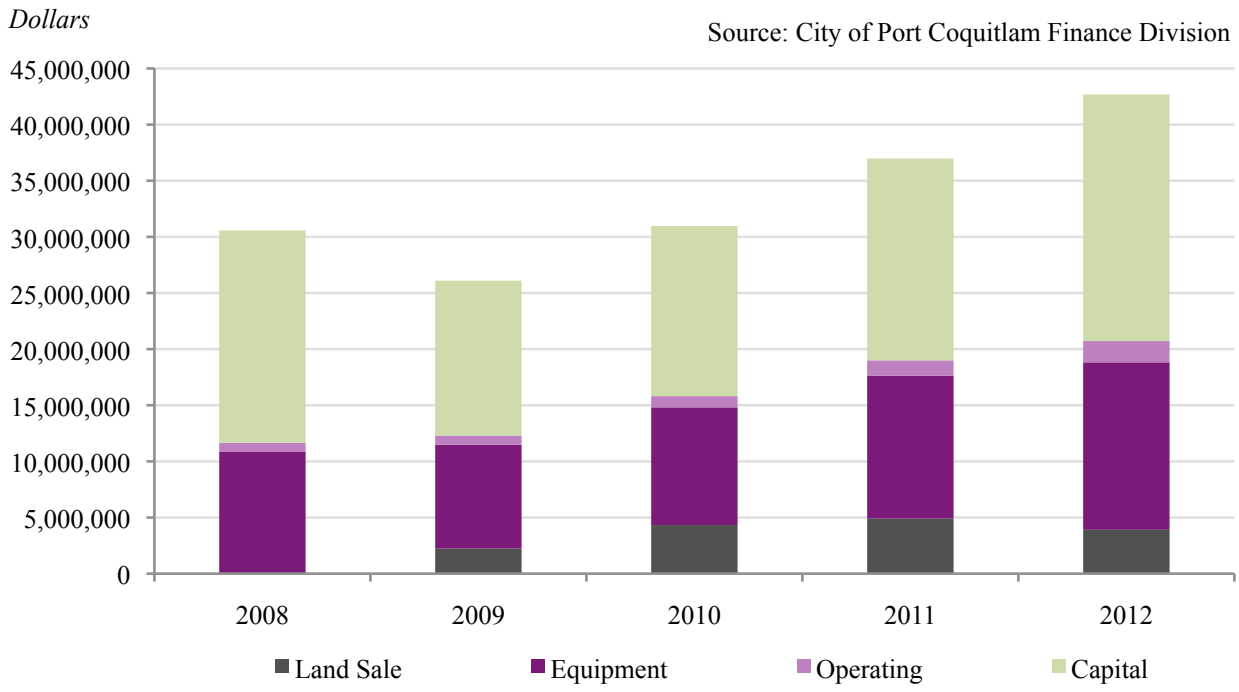
AVERAGE HOME MUNICIPAL PROPERTY TAXATION AND UTILITY LEVELS

Source: BC Ministry of Community, Sport & Cultural Development

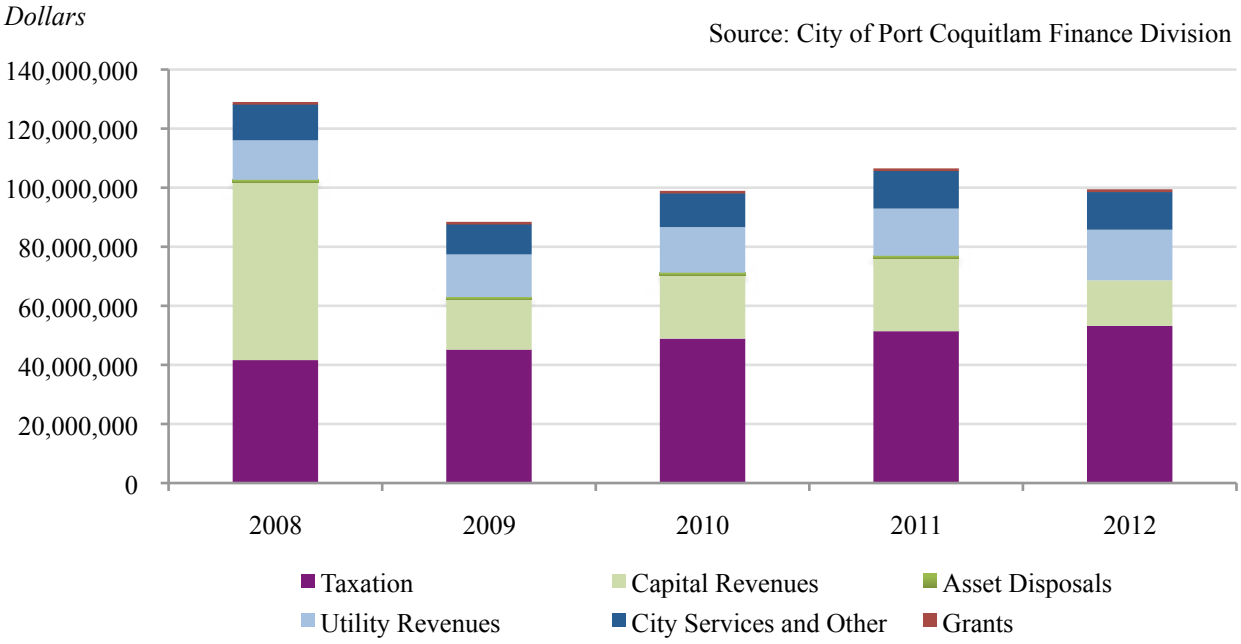


ASSESSED VALUES FOR GENERAL MUNICIPAL PURPOSES

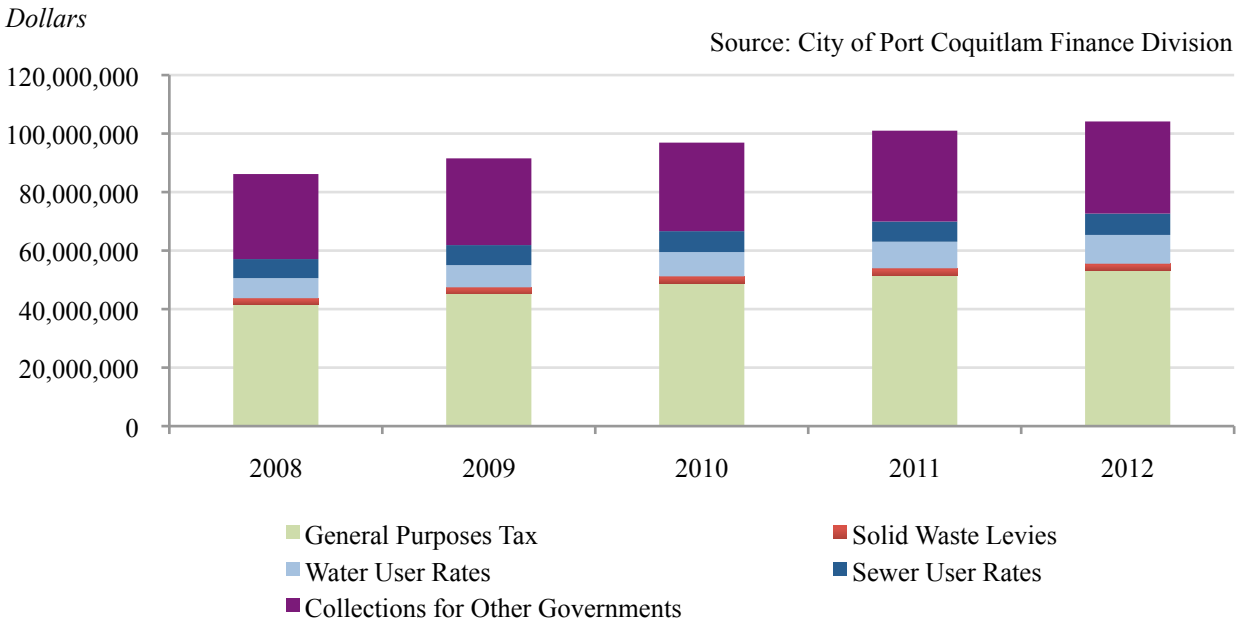
SUMMARY OF MAJOR STATUTORY RESERVE FUNDS



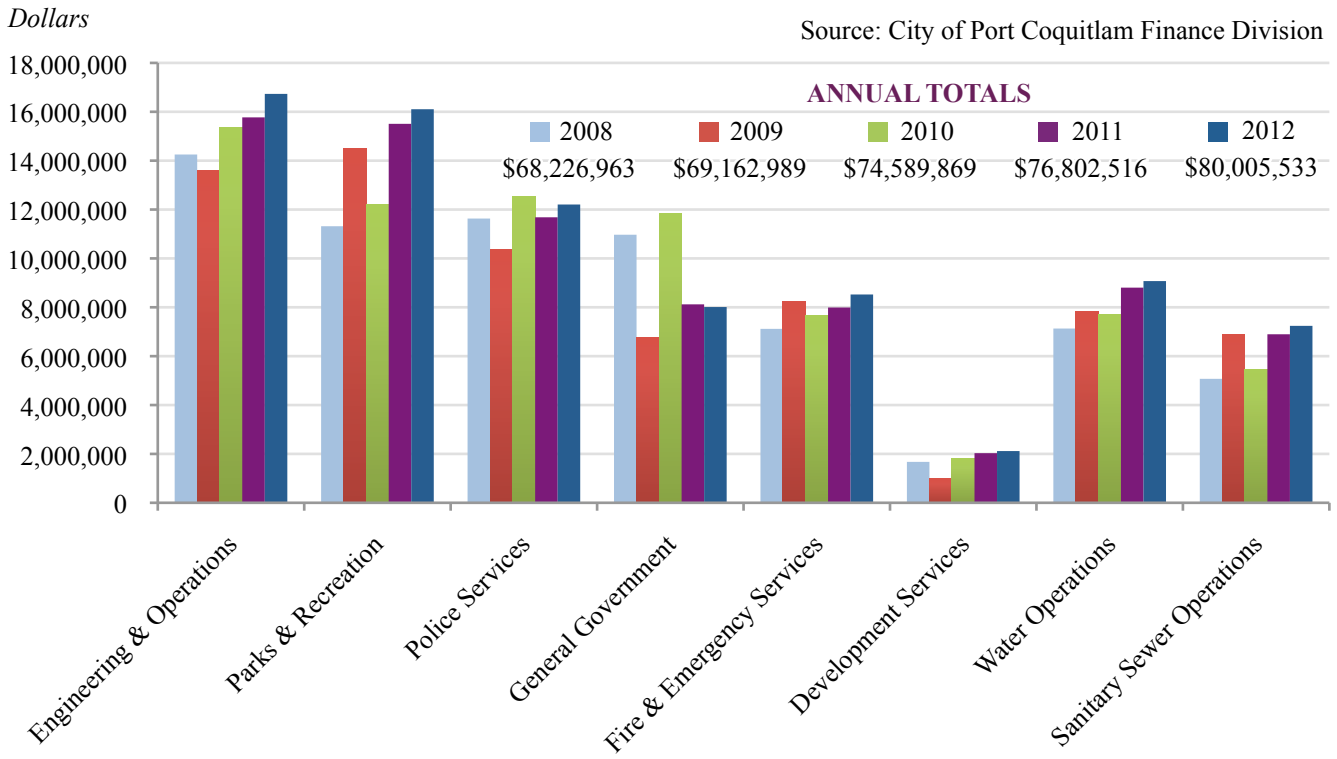
REVENUES BY SOURCE



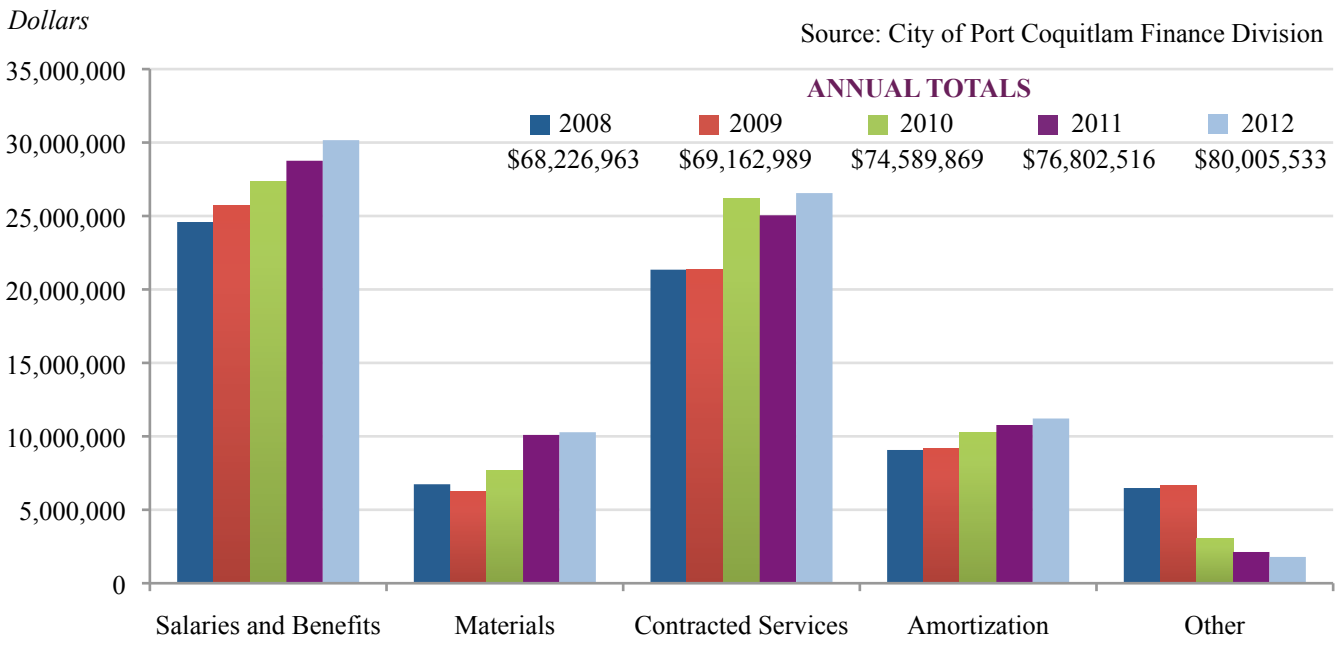
TAXES, MAJOR LEVIES AND OTHER GOVERNMENT COLLECTIONS



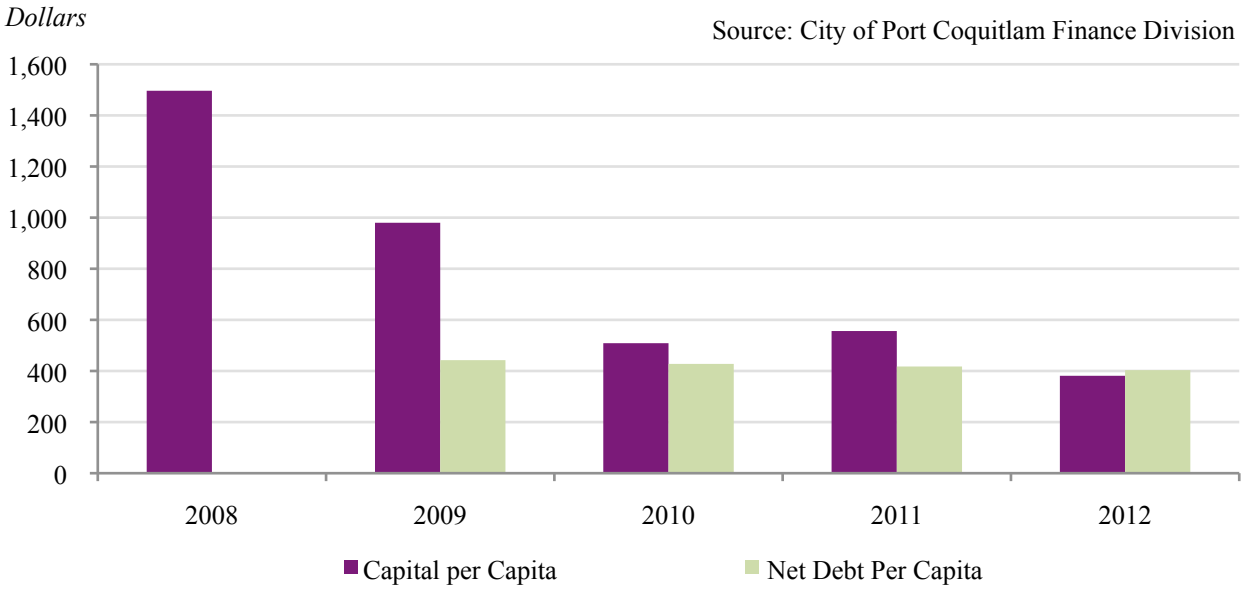
EXPENSE BY FUNCTION



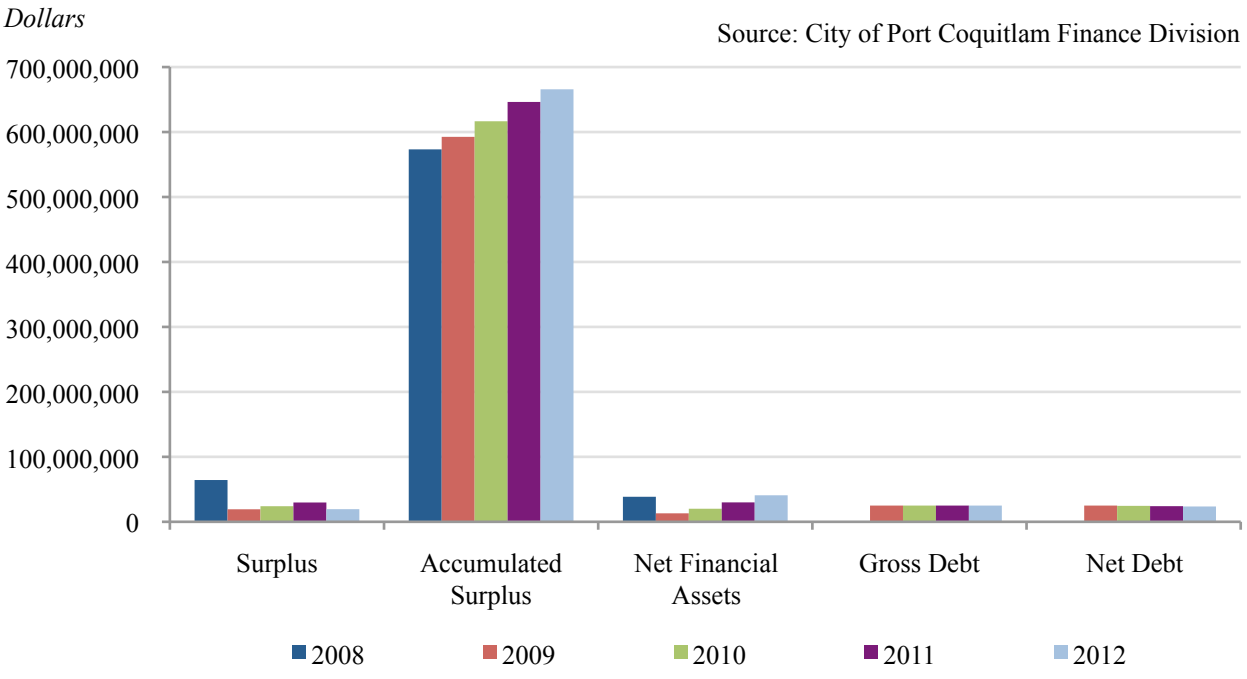
EXPENSE BY OBJECT



CAPITAL EXPENDITURES AND NET DEBT PER CAPITA



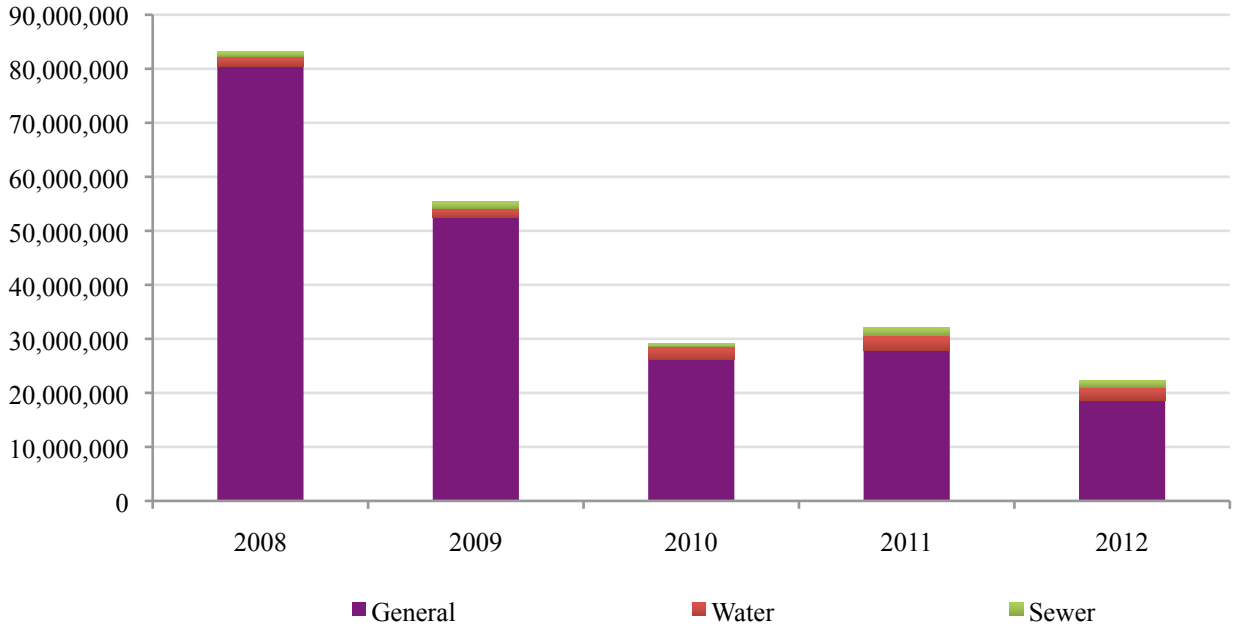
SURPLUS, ACCUMULATED SURPLUS, NET FINANCIAL ASSETS AND DEBT



CAPITAL EXPENDITURES BY FUND

Dollars

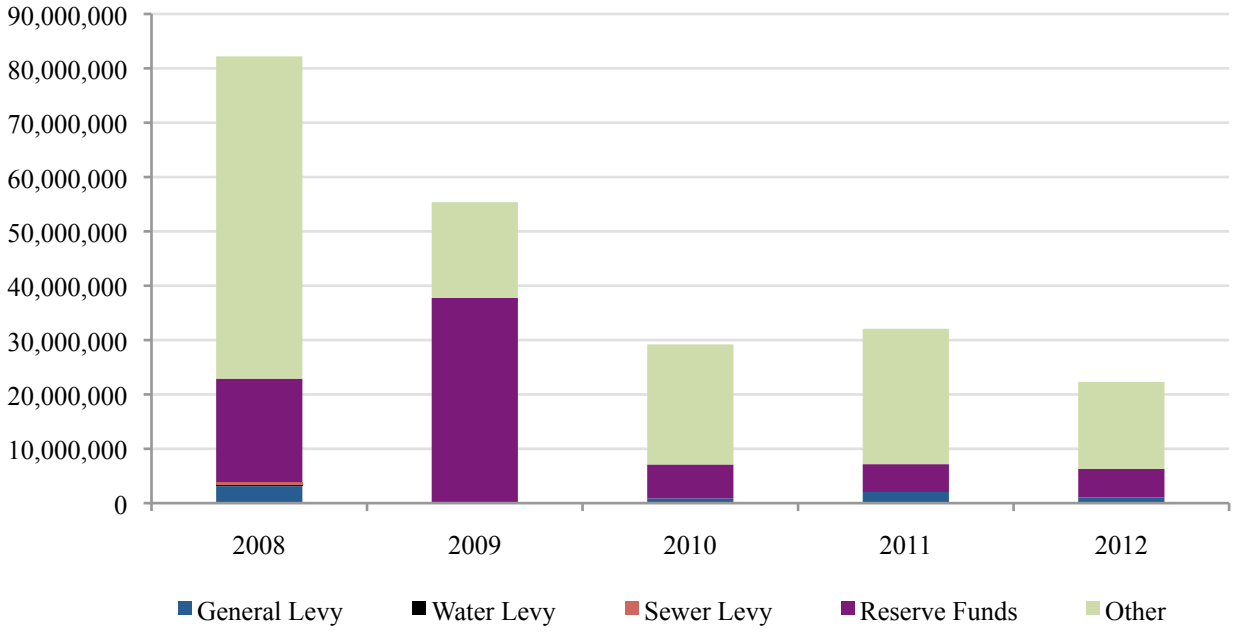
Source: City of Port Coquitlam Finance Division



CAPITAL EXPENDITURES BY SOURCE

Dollars

Source: City of Port Coquitlam Finance Division



PROPERTY TAXES LEVIED AND COLLECTED

Thousands

Source: City of Port Coquitlam Finance Division

	2008	2009	2010	2011	2012
City of Port Coquitlam - tax	$ 40,068	$ 43,613	$ 46,926	$ 49,594	**$ 51,408**
Regional District	689	709	744	791	**755**
BC Assessment	721	765	786	814	**821**
Finance Authority	2	2	2	2	**3**
School District	22,773	22,940	23,346	23,853	**24,369**
BC Transit Authority	4,879	5,232	5,384	5,598	**5,546**
TOTAL CURRENT TAXES LEVIED	69,132	73,261	77,188	80,651	**82,902**
Current tax collected ($)	67,617	71,776	75,306	79,035	**81,158**
Current tax collected (%)	97.81%	97.97%	97.56%	98.00%	**97.90%**
Tax arrears beginning of year	1,562	1,987	2,503	2,515	**2,182**
Tax arrears collected ($)	1,085	1,449	1,765	1,696	**1,354**
Tax arrears collected (%)	69.46%	72.92%	70.52%	67.43%	**62.04%**
TOTAL TAX COLLECTIONS ($)	**$ 68,702**	**$ 73,225**	**$ 77,071**	**$ 80,731**	**$ 82,512**

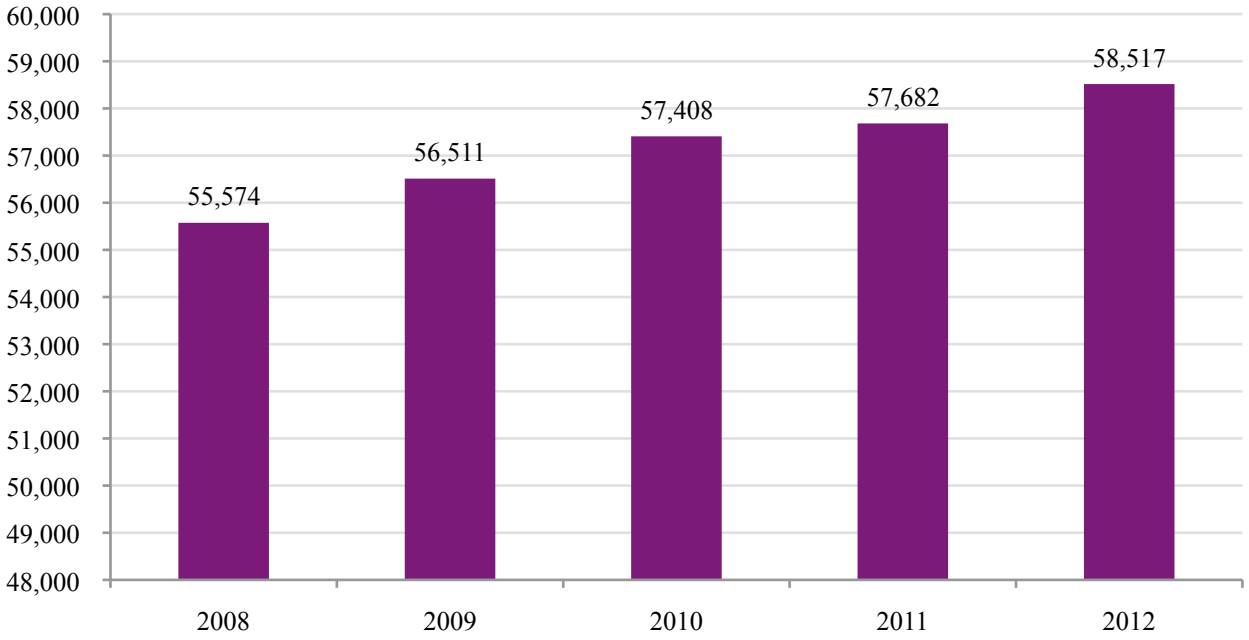
BUILDING PERMITS AND TOTAL TAX COLLECTION

Dollars

Source: City of Port Coquitlam Finance Division

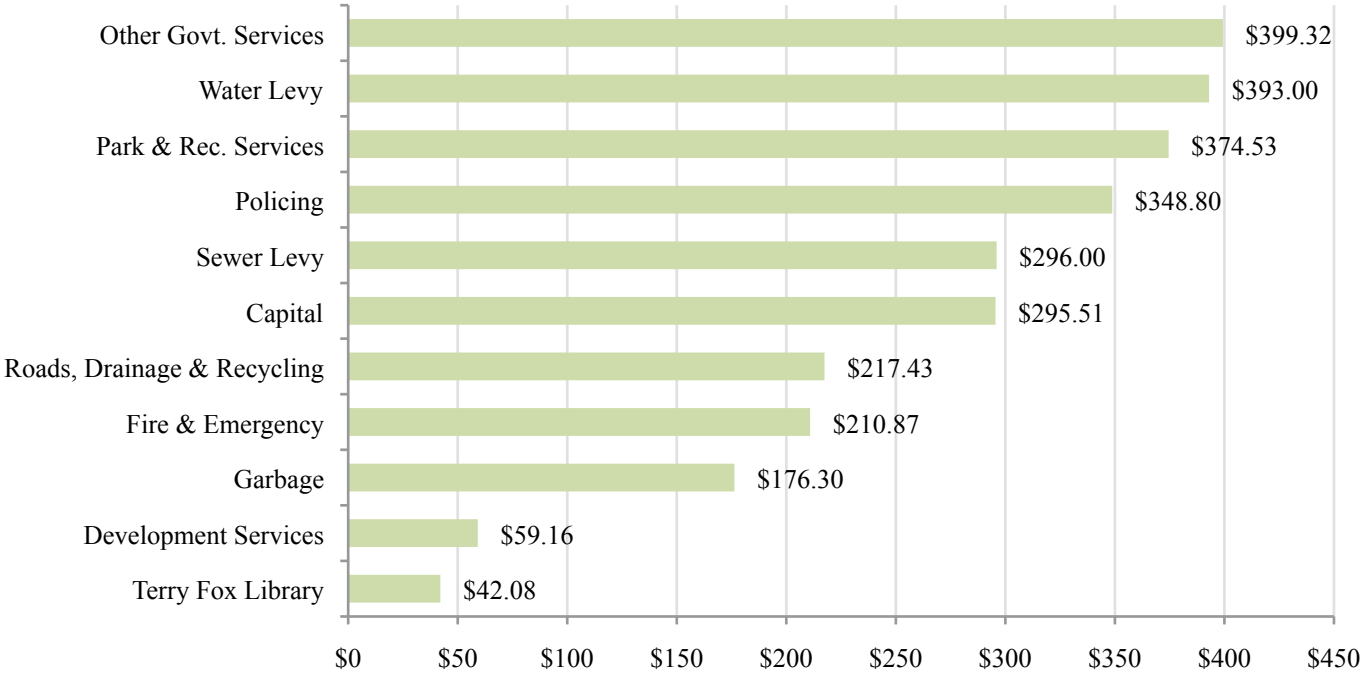
POPULATION ESTIMATES

Source: BC Ministry of Citizens' Services

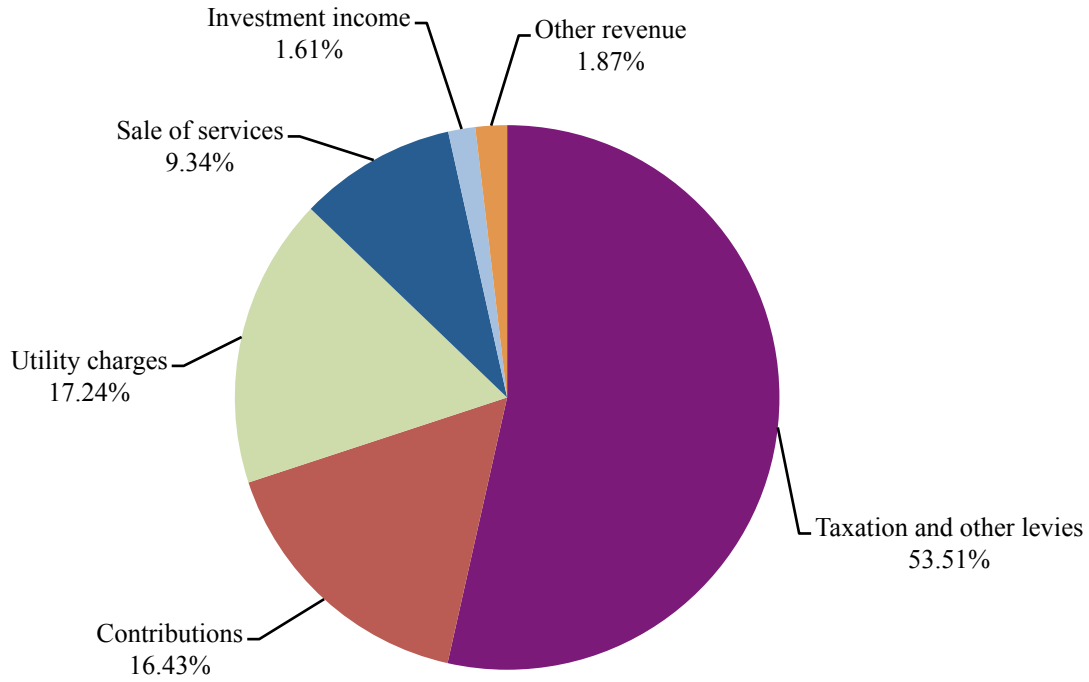


ESTIMATED HOUSEHOLD COSTS OF CITY SERVICES FOR AN AVERAGE SINGLE FAMILY RESIDENCE

Source: City of Port Coquitlam Finance Division

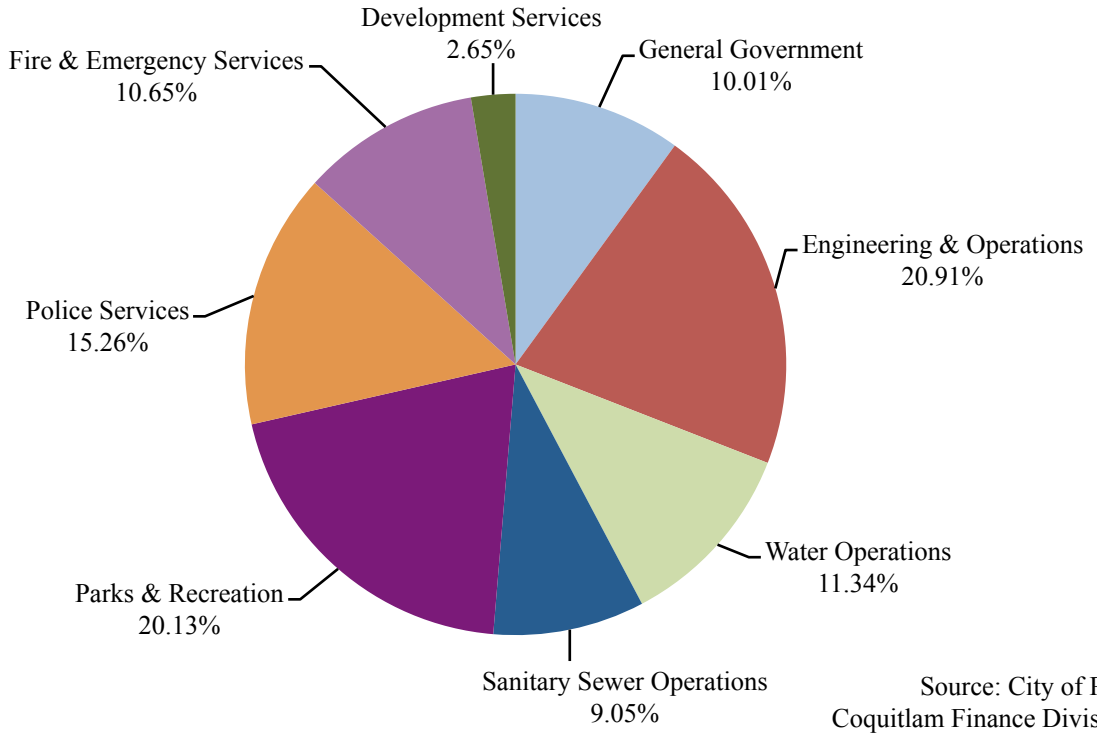


2012 REVENUE



Source: City of Port Coquitlam Finance Division

2012 EXPENSES



Source: City of Port Coquitlam Finance Division

2012 PRINCIPAL CORPORATE TAXPAYERS

REGISTERED OWNER	PRIMARY PROPERTY	TAXES LEVIED
Canadian Pacific Railway	Railyard	$1,696,632.08
0697788 BC Ltd	Shopping Centre	1,248,756.71
629654 BC Ltd	Warehouse Distribution	1,025,501.58
Kebet Holdings Ltd	Miscellaneous	809,656.41
Mondi Properties	Miscellaneous	690,766.08
Onni Development Corp	Miscellaneous	542,294.95
Artis Poco Place Ltd	Shopping Centre	506,816.08
Costco Wholesale Canada Ltd	Retail Sales	374,371.38
1510060 Ontario Inc	Shopping Centre	360,722.56
RPMG Holdings Ltd	Miscellaneous	356,111.42
Esco Limited	Manufacturing	337,373.93
Sysco Canada Inc	Food Distributor	332,900.26
Westlo Financial Corp	Shopping Centre	329,067.24
De Gobbi Industries Ltd	Miscellaneous	310,761.29
Home Depot Holdings Inc	Retail Sales	270,945.86
Consolidated Fastfrate (BC) Holdings Inc	Shipping Company	260,653.49
Sears Canada Inc	Distributor	258,170.82
Runnel Holdings Inc	Shopping Centre	255,012.04
Yen Hoy Enterprises Ltd	Shopping Centre	255,012.04
566203 BC Ltd	Miscellaneous	238,052.11
Vansea Holdings Ltd	Miscellaneous	222,442.16
Sunrise Investments Inc	Miscellaneous	212,837.14
Jim Pattison Developments	Retail Sales	205,933.69
677129 British Columbia Ltd	Miscellaneous	197,893.19
351623 BC Ltd	Warehouse Distribution	182,125.98
		$ 11,480,810

2012 PERMISSIVE PROPERTY TAX EXEMPTIONS

NAME	TAX RELIEF
Port Coquitlam Heritage and Cultural Society	$ 1,564
Hyde Creek Streamkeepers	5,520
Port Coquitlam Kinsmen Club	6,050
Tri-City Women's Centre	6,453
Victory Baptist Church	8,304
Southside Baptist Church	9,483
Port Coquitlam Seniors Housing	10,381
Coquitlam Chinese Evangelical Free Church	11,737
Port Coquitlam Pentecostal Assembly	11,858
Northside Foursquare Gospel	18,163
BC Conference of Mennonite Brethren Church	20,949
Vancouver Bible Presbyterian	22,810
Hope Lutheran Church	24,749
Tri-City Islamic Centre	25,027
Fellowship Deaconry Association of British Columbia	27,232
Foresquare Gospel	27,517
Hawthorne Care Centre	81,554
Our Lady of Assumption Roman Catholic Church and Elementary	83,343
Archbishop Carney Roman Catholic Highschool	158,260
	$ 560,954

THE CORPORATION OF THE CITY OF PORT COQUITLAM

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Port Coquitlam, British Columbia
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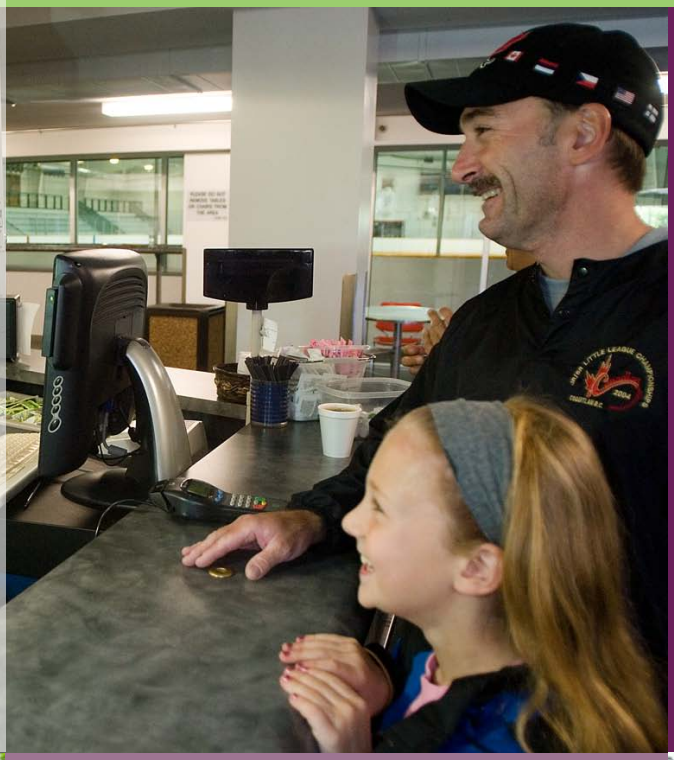
www.portcoquitlam.ca

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