

2024

# Treasury Report

*For the year ended December 31, 2024*

Coquitlam

June 23, 2025

The City of Coquitlam is introducing its first annual Treasury Report which will form part of the City's suite of annual financial reports. The annual Treasury Report is intended to provide a comprehensive overview of the City's investment and debt portfolios.

The majority of the City's cash and investment portfolio consists of capital reserves designated to fund capital projects over the coming years. The remainder includes working capital to support the City's day-to-day operations, operating reserves to buffer against fluctuations in regular operations, and deposits held in trust on behalf of third parties to ensure specific performance obligations are fulfilled.

The City strategically utilizes internal and external debt to finance infrastructure and amenities where appropriate. The City has not obtained external debt since 2013. Instead, the City has been able to borrow internally, leveraging certain long-term equity balances to advance priority capital projects. This approach allows the City to manage interest rate risk while providing greater flexibility to align debt repayment schedules with evolving municipal cash flow needs.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read 'Gorana Cabral', written in a cursive style.

Gorana Cabral, CPA, CGA  
Director Finance and Chief Financial Officer

# TREASURY REPORT

*City of Coquitlam Finance Division*

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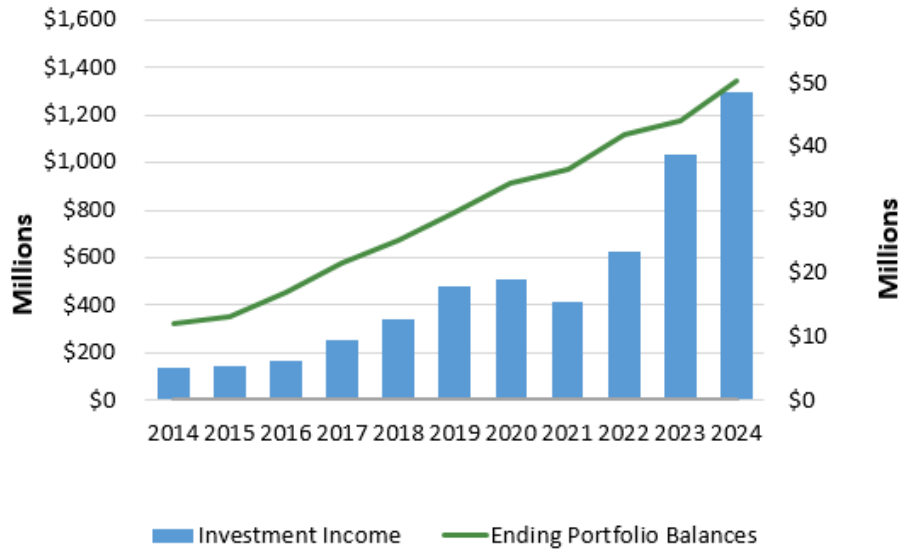
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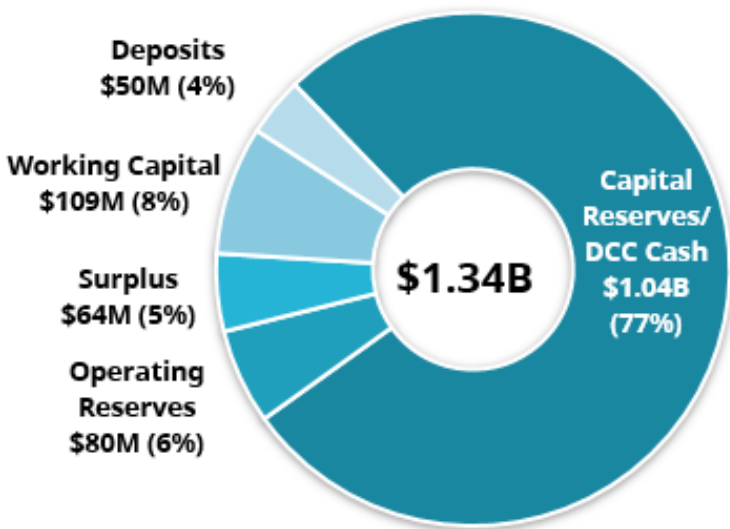
# INVESTMENT PORTFOLIO

# Investment Returns

- The City's closing 2024 portfolio balance totals is **\$1.34B**
- 2024 return totals **\$55.7M** representing a ROI of 4.26%
- The balance has grown over the last decade due to development revenues and increasing investment income
- The decrease in 2021 return is attributed to much lower rates during the pandemic



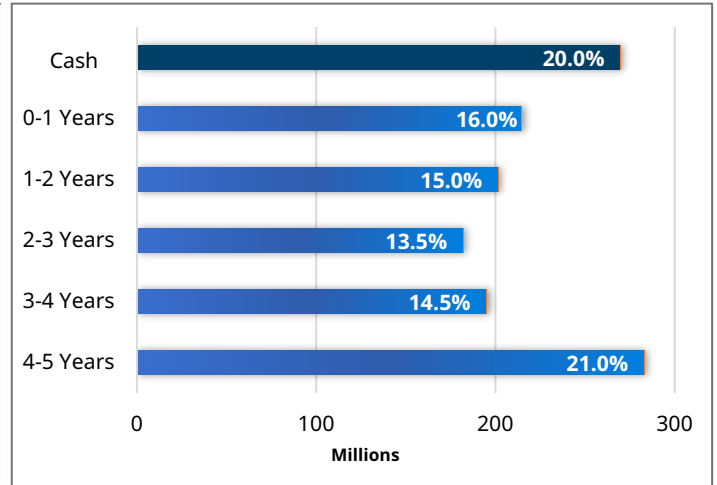
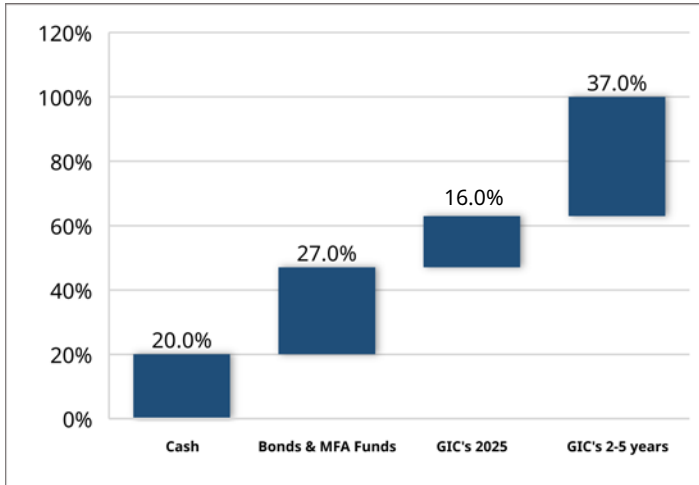
# Sources of Investable Funds



- The majority of the City's investable funds are related to reserves that are earmarked for future delivery of capital assets and infrastructure
- The majority of the City's reserves are allocated in the 2025 - 2029 Financial Plan totaling approximately **\$800M**
- The growing working capital balance reflects the larger tax/rate payer base

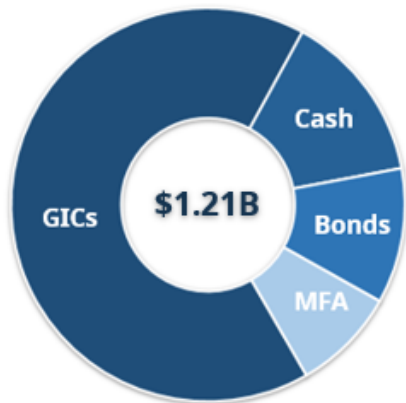
# Investment Liquidity Mix

## Portfolio Liquidity as of December 31, 2024



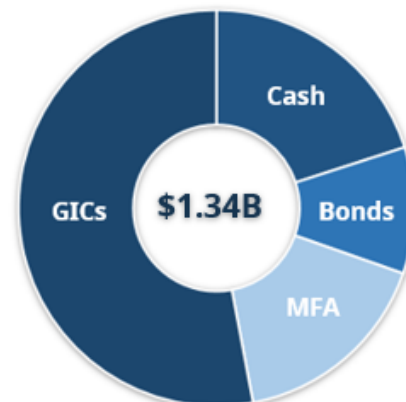
# Investment Asset Mix

## 2023



GICs (non-redeemable)	\$802M	66%
Cash	\$170M	14%
Bonds	\$135M	11%
MFA Pooled Funds	\$103M	9%

## 2024



GICs (non-redeemable)	\$704M	53%
Cash	\$271M	20%
Bonds	\$226M	17%
MFA Pooled Funds	\$139M	10%

- Bank of Canada Policy rates were cut 1.75% in 2024
- The majority of GIC holdings are locked in at high rates
- The portfolio continues to become more diversified

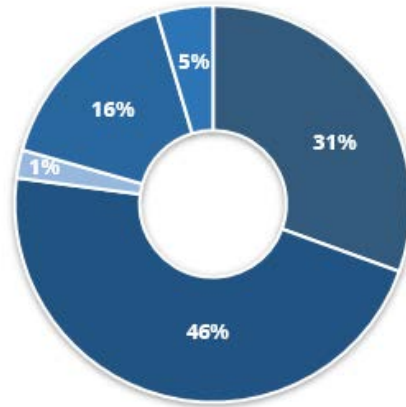
# DEBT PORTFOLIO



# 2024 Debt Servicing

	Debt Servicing 2024 (\$)
Facilities	6,065,083
Utilities	1,446,042
Other	2,961,946
Transportation	591,000
Parks	30,907
<b>Internal Debt Grand Total</b>	<b>11,094,984</b>
NE Arterial Road Expansion	888,891
Crouch & Harper Reservoirs	572,320
City Centre Pump Station	263,885
Coast Meridian Widening	257,704
<b>External Debt Grand Total</b>	<b>1,982,800</b>
<b>Total Debt</b>	<b>13,077,784</b>

2024 Debt Servicing by Repayment Source



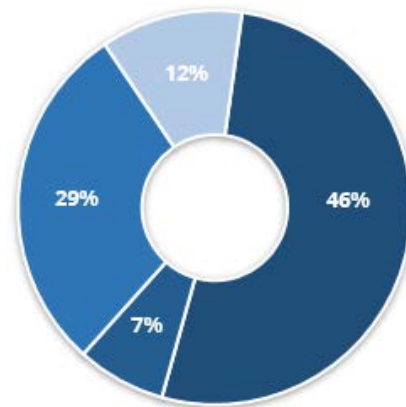
- The City's annual debt servicing for both internal and external debt for 2024 was \$13.1 million, accounting for **3.24%**<sup>1</sup> of total sustainable annual revenues
- Under the City's Debt Management Policy, the limit for total debt servicing is set at 15% of sustainable revenues, while the legislated cap for *external* debt servicing only is 25%

Development Cost Charges (DCCs)	\$6.1M	46%
Community Amenity Contributions Loughed Burquitlam (CAC LB)	\$4.0M	31%
Taxation	\$2.1M	16%
Taxation (Operating Savings)	\$0.6M	5%
QNet Operating Surplus	\$0.3M	2%

# 2024 Outstanding Debt

	Outstanding Balance Debt 31, 2024 (\$)
Facilities	40,272,663
Utilities	24,473,485
Other	6,689,081
Transportation	3,259,034
Parks	207,003
<b>Internal Debt Grand Total</b>	<b>74,901,266</b>
NE Arterial Road Expansion	4,989,617
Crouch & Harper Reservoirs	3,212,642
City Centre Pump Station	1,481,174
Coast Meridian Widening	249,351
<b>External Debt Grand Total</b>	<b>9,932,784</b>
<b>Total Debt</b>	<b>84,834,050</b>

2024 Outstanding Debt by Financing Source



- Total debt has decreased from 2023 as debt continues to be repaid
- New debt in 2024 mostly relates to the Burke Mountain Athletic Park

Land Sales Reserve	\$44.2M	52%
Sewer & Drainage Operating Surplus	\$24.5M	29%
Municipal Finance Authority	\$9.9M	12%
Other	\$6.2M	7%

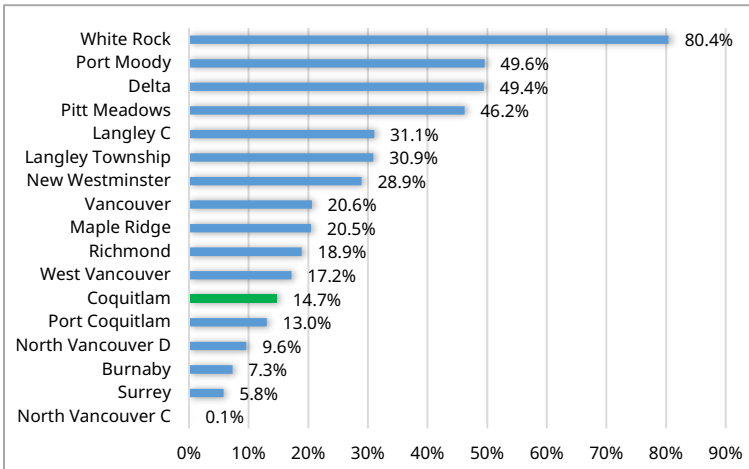
<sup>1</sup> 3.24% is prior to inclusion of the available debt financing for the Northeast Community Centre, Park and Plaza



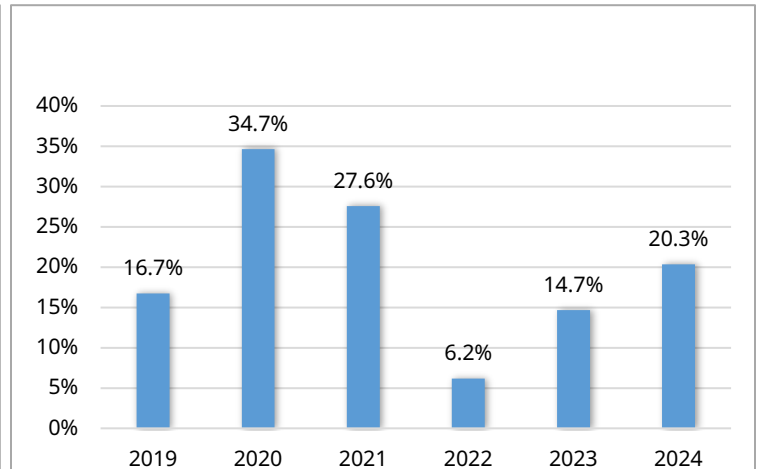
# FINANCIAL RATIOS



## Cash % of Portfolio (2023 Municipal Scan)

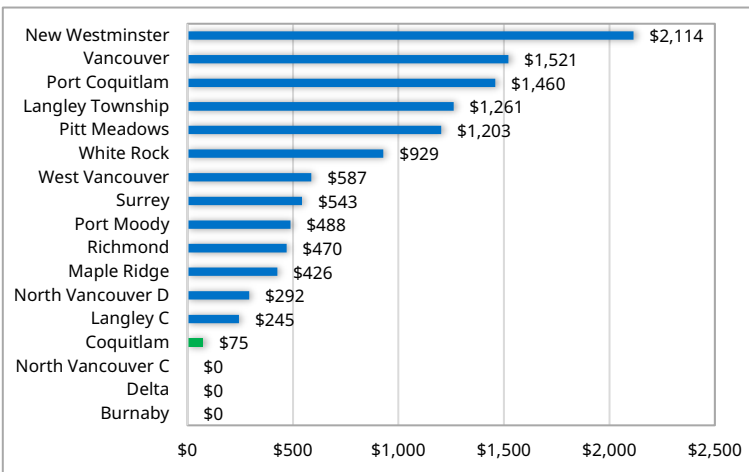


## Coquitlam Historical Cash % of Portfolio

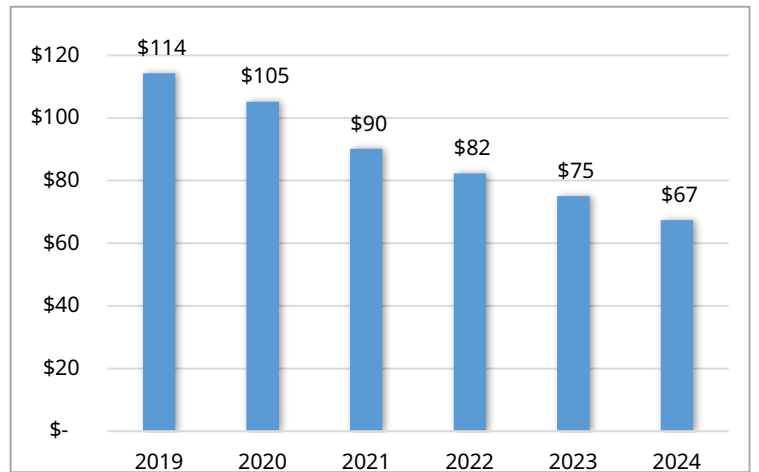


- Cash as a percent of the City's investment portfolio is targeted between 10% and 20%.
- 2024's increase was planned in order to take advantage of high short term rates.

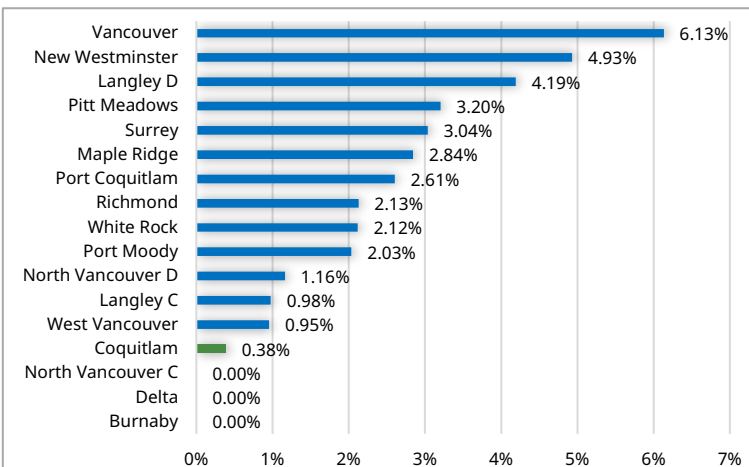
## External Debt per Capita (2023 Municipal Scan)



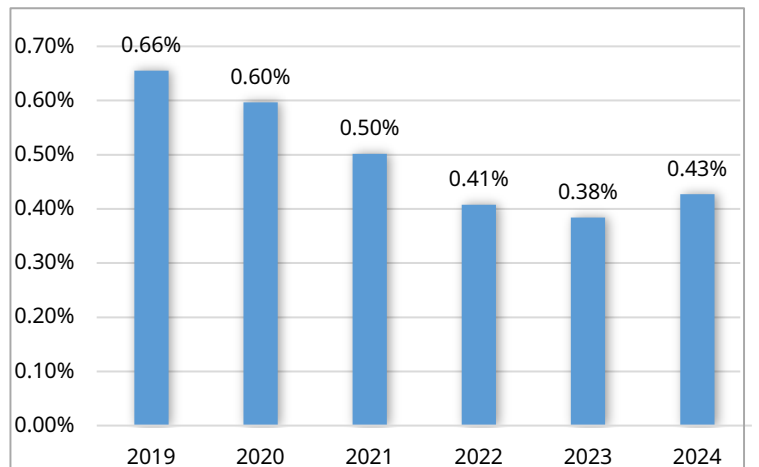
## Coquitlam External Debt per Capita



## Debt Burden (2023 Municipal Scan)



## Coquitlam External Debt Burden



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- Debt burden represents the City's annual *external* debt payments as a percent of sustainable revenues.
- The City's internal and external debt burden at the end of 2024 was 3.24%.



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