
**COQUITLAM FOUNDATION
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 2011**



MANNING ELLIOTT
CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

To the Members of
Coquitlam Foundation

Report on the Financial Statements

We have audited the accompanying financial statements of Coquitlam Foundation, which comprise the statement of financial position as at June 30, 2011, and the statement of operations and changes in net assets and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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



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Basis for Qualified Opinion

In common with many not-for-profit organizations, the completeness of the Foundation's revenue generating activities is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Foundation and we were unable to determine whether any adjustments might be necessary to revenue, excess of revenue over expenses, assets and net assets.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Coquitlam Foundation as at June 30, 2011 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Manning Elliott LLP

Chartered Accountants

Vancouver, British Columbia

September 15, 2011

COQUITLAM FOUNDATION
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2011

	2011	2010
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 77,878	\$ 117,012
Investments - short-term (Note 3)	243,814	207,686
	321,692	324,698
INVESTMENTS - LONG-TERM (Note 3)	1,500,047	1,394,317
	<u>\$1,821,739</u>	<u>\$1,719,015</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 13,911	\$ 11,170
NET ASSETS		
UNRESTRICTED FUNDS	42,132	55,505
BURSARY AND LEGACY FUNDS (Note 4)	42,545	41,649
RESTRICTED FUNDS (Note 5)	1,723,151	1,610,691
	<u>1,807,828</u>	<u>1,707,845</u>
	<u>\$1,821,739</u>	<u>\$1,719,015</u>

Approved by the Board:

_____ Director

_____ Director

COQUITLAM FOUNDATION**STATEMENT OF OPERATIONS AND CHANGE IN NET ASSETS****FOR THE YEAR ENDED JUNE 30, 2011**

	Unrestricted		Restricted				
	General	Bursary and	Field of	Donor	Total	2011	2010
	Fund	Legacy	interest	Advised			
REVENUE							
Donations	\$ 18,315	\$ -	\$ 736	\$ 68,588	\$ 69,324	\$ 87,639	\$ 49,936
Gala fundraising event	17,206	-	-	-	-	17,206	23,619
Interest and investment income	-	1,822	42,921	29,380	72,301	74,123	74,111
Realized and unrealized gain on investments	3,116	1,640	39,557	25,133	64,690	69,446	130,574
	<u>38,637</u>	<u>3,462</u>	<u>83,214</u>	<u>123,101</u>	<u>206,315</u>	<u>248,414</u>	<u>278,240</u>
EXPENSES							
Honoraria and scholarships	-	2,000	3,000	3,000	6,000	8,000	4,000
Donations	-	-	32,610	17,709	50,319	50,319	49,770
General and administrative							
Advertising	2,469	-	-	-	-	2,469	-
Accounting and legal	2,484	-	-	-	-	2,484	3,000
Award ceremony	1,066	-	-	-	-	1,066	1,756
Bank charges	1,289	-	-	-	-	1,289	1,225
Contracted services	48,383	-	-	-	-	48,383	26,922
Gala fundraising event	12,937	-	-	-	-	12,937	16,309
Insurance	909	-	-	-	-	909	909
Investment management fee	219	240	5,657	3,903	9,560	10,019	10,485
Other	10,556	-	-	-	-	10,556	10,244
TOTAL EXPENSES	<u>80,312</u>	<u>2,240</u>	<u>41,267</u>	<u>24,612</u>	<u>65,879</u>	<u>148,431</u>	<u>124,620</u>
EXCESS OF REVENUES OVER EXPENSES	(41,675)	1,222	41,947	98,489	140,436	99,983	153,620
INTER-FUND CHARGES AND TRANSFERS (Note 6)	28,302	(326)	(22,731)	(5,245)	(27,976)	-	-
NET ASSETS, BEGINNING OF YEAR	<u>55,505</u>	<u>41,649</u>	<u>980,224</u>	<u>630,467</u>	<u>1,610,691</u>	<u>1,707,845</u>	<u>1,554,225</u>
NET ASSETS, END OF YEAR	\$ <u>42,132</u>	\$ <u>42,545</u>	\$ <u>999,440</u>	\$ <u>723,711</u>	\$ <u>1,723,151</u>	\$ <u>1,807,828</u>	\$ <u>1,707,845</u>

COQUITLAM FOUNDATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2011

	2011	2010
CASH FROM (USED IN):		
OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ 99,983	\$ 153,620
Changes in non-cash operating working capital:		
Accounts payable and accrued liabilities	2,741	(5,109)
Prepaid expenses	-	10,300
	<hr/> 102,724	<hr/> 158,811
INVESTING ACTIVITY		
Net purchase of investments	(141,858)	(116,814)
INCREASE IN CASH AND EQUIVALENTS DURING THE YEAR	(39,134)	41,997
CASH AND EQUIVALENTS - BEGINNING OF YEAR	117,012	75,015
CASH AND EQUIVALENTS - END OF YEAR	<hr/> \$ 77,878	<hr/> \$ 117,012

CASH FLOW SUPPLEMENTAL INFORMATION

Interest received	\$ 63,271	\$ 70,551
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COQUITLAM FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011

1. PURPOSE

Coquitlam Foundation ("the Foundation") was incorporated as a Community Foundation under the Coquitlam Foundation Act of British Columbia and commenced operations on June 4, 1992. It is considered to be a not-for-profit body under the Income Tax Act of Canada.

The purpose of the Foundation is to raise and administer funds for the support of worthy programs and projects, which enhance the quality of life, and sense of community in the City of Coquitlam.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of presentation

These financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles for not-for-profit organizations.

(b) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying disclosures. Although these estimates are based on management's best knowledge of current events and actions the Foundation may undertake in the future, actual results may differ from these estimates. Areas involving the use of estimates are the accruals of income and expenses at the statement of financial position date.

(c) Foreign currency translation

Transactions and balances in currencies other than the Canadian dollar are translated using the temporal method whereby revenue, expenses and non-monetary balances are translated at the rate of exchange prevailing at the transaction dates and monetary balances are translated at the rate prevailing at the statement of financial position date with resulting exchange gains and losses being included in the determination of income.

(d) Revenue recognition

The Foundation follows the restricted method of accounting for contributions. Donations are recorded on the cash basis.

(e) Fund accounting

The Foundation follows fund accounting procedures to delineate restrictions on the use of resources. The Fund classifications are as follows:

(i) Unrestricted Fund:

The Unrestricted Fund represents funds available for general operations.

(ii) Bursary and Legacy Funds:

The Bursary and Legacy Funds are endowment funds whose principal remains intact but income therefrom is available for distribution.

(iii) Restricted Funds:

The Restricted Funds are primarily donations received, which have been designated for specific purposes by the donor.

COQUITLAM FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Financial instruments

The Foundation has elected to classify its financial instruments (consisting of cash and cash equivalents, investments and accounts payable) as “held for trading” and record them at their fair values. Subsequent changes in fair value are recognized as gains or losses in the period in which the change in value takes place. It is management’s opinion that the Foundation is not exposed to significant interest rate, foreign exchange rate or credit risk arising from these financial instruments, except as explained in the following paragraph.

The Foundation’s investments include fixed income debt securities and equity securities. The fair value and related investment income stream from these investments will fluctuate according to changes in interest rates among other market factors.

(g) Cash and cash equivalents

Cash consists of cash on hand and balances with banks and brokers.

(h) Contributed services

A substantial number of volunteers contribute a significant amount of time to the Foundation each year. Due to the difficulty in determining the fair market value of these contributed services, the amounts are not recognized in the financial statements.

(i) Recent accounting pronouncements

For its fiscal year beginning July 1, 2012 the Foundation is required to prepare financial statements in accordance with Canadian accounting standards for not-for-profit organizations (“ASNPO”) or International Financial Reporting Standards (“IFRS”). Management anticipates that the Foundation will adopt ASNPO and has not yet determined the effect on the financial statements.

3. INVESTMENTS

	2011	2010
Mutual funds	\$ 177,859	\$ 128,390
Bonds and fixed income securities	1,183,623	1,068,048
Stocks and other investments	382,379	405,565
	<hr/> 1,743,861	<hr/> 1,602,003
Less: investments maturing during the next fiscal year or available for prompt liquidation	243,814	207,686
	<hr/> \$ 1,500,047	<hr/> \$ 1,394,317

4. BURSARY AND LEGACY FUNDS

	2011	2010
R.A. Leclair Scholarship	\$ 42,545	\$ 41,649

COQUITLAM FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011

5. RESTRICTED FUNDS

	2011	2010
Beverley Ann Cook Fund	\$ 49,863	\$ 39,116
Builders' Trust Fund	945,710	918,144
Bursary Fund	25	-
Carleigh Rae Leclair Fund	157,664	137,341
CCS - Domenic Mobilio Bursary Fund	27,433	20,106
Community Wellness Fund	459	3,979
Coquitlam Search and Rescue Fund	82,542	67,310
CMLA Brodie Campbell Fund	28,889	26,375
Cultural Fund	11,509	12,798
Drug Awareness Fund	-	209
Educational Fund	4,047	4,879
Elite Athlete's Fund	4,840	4,534
Embracing Diversity Fund	1,310	-
Environment Fund	9,184	9,660
Evergreen Arts Education Fund	162,122	151,656
Gaming Fund	46	46
Heritage Fund	11,667	12,950
Johnston Legacy Fund	16,793	17,559
Mayors Fund	7,083	-
Peter Legge Literacy Fund	21,944	23,766
Rotary Club Fund	36,625	35,382
Shelagh Fulton Fund	48,216	43,268
Stroke Recovery Fund	64,759	66,197
Symington Fund	25,608	15,416
Trevor Wingrove Fund	4,813	-
	\$ 1,723,151	\$ 1,610,691

6. INTER-FUND CHARGES AND TRANSFERS

During the year \$28,302 (2010: \$12,187) was transferred to the General Fund from Restricted Funds to cover administrative costs.

6. CAPITAL MANAGEMENT

The capital structure of the Foundation consists of net assets invested in an unrestricted fund, bursary and legacy funds and restricted funds as described in Note 2(e).

The objective of the Foundation's capital management is to invest in a manner to provide a reasonable rate of return, minimize risk, ensure that adequate liquid investments are available for current cashflow requirements and comply with its stated objective.

7. COMPARATIVE FIGURES

Certain of the comparative figures have been reclassified to conform with the current year's financial statement presentation. Such reclassification does not have any effect on the earnings or net assets previously reported.