
**COQUITLAM FOUNDATION
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 2012**



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, 2012, 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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INDEPENDENT AUDITOR'S REPORT

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, 2012 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

August 9, 2012

COQUITLAM FOUNDATION
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2012

	2012	2011
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 92,179	\$ 77,878
Investments - short-term (Note 3)	153,529	243,814
	245,708	321,692
INVESTMENTS - LONG-TERM (Note 3)	1,980,223	1,500,047
EQUIPMENT (Note 4)	2,474	-
	<u>\$2,228,405</u>	<u>\$1,821,739</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 7,410	\$ 13,911
NET ASSETS		
UNRESTRICTED FUNDS	36,458	42,132
RESTRICTED FUNDS (Note 5)	2,184,537	1,765,696
	2,220,995	1,807,828
	<u>\$2,228,405</u>	<u>\$1,821,739</u>

Approved by the Board:

_____ Director

_____ Director

COQUITLAM FOUNDATION**STATEMENT OF OPERATIONS AND CHANGE IN NET ASSETS****FOR THE YEAR ENDED JUNE 30, 2012**

	Unrestricted		Restricted			Total	2012	2011
	General Fund	Bursary and Legacy	Field of interest	Donor Advised				
REVENUE								
Donations	\$ 1,820	\$ 356,588	\$ 2,500	\$ 106,189	\$ 465,277	\$ 467,097	\$ 87,639	
Fundraising	5,526	-	-	-	-	5,526	17,206	
Interest and investment income	1,482	4,884	37,490	28,821	71,195	72,677	74,123	
Realized and unrealized gain (loss) on investments	(534)	(4,279)	(8,856)	(5,426)	(18,561)	(19,095)	69,446	
	8,294	357,193	31,134	129,584	517,911	526,205	248,414	
EXPENSES								
Honoraria and scholarships	-	3,941	301	624	4,866	4,866	8,000	
Donations	-	1,100	29,266	22,500	52,866	52,866	50,319	
General and administrative								
Advertising	1,010	-	-	-	-	1,010	2,469	
Accounting and legal	1,411	-	-	-	-	1,411	2,484	
Amortization	495	-	-	-	-	495	-	
Award ceremony	1,156	-	-	-	-	1,156	1,066	
Bank charges	472	3	83	223	309	831	1,289	
Contracted services	27,615	-	-	-	-	27,615	48,383	
Gala fundraising event	1,500	-	-	-	-	1,500	12,937	
Insurance	1,000	-	-	-	-	1,000	909	
Investment management fee	207	1,158	5,316	4,134	10,608	10,815	10,019	
Other	9,473	-	-	-	-	9,473	10,556	
TOTAL EXPENSES	44,389	6,202	34,966	27,481	68,649	113,038	148,431	
EXCESS OF REVENUES OVER EXPENSES	(36,095)	350,991	(3,832)	102,103	449,262	413,167	99,983	
INTER-FUND CHARGES AND TRANSFERS (Note 6)	30,421	(2,339)	(22,290)	(5,792)	(30,421)	-	-	
NET ASSETS, BEGINNING OF YEAR	42,132	49,653	999,413	716,630	1,765,696	1,807,828	1,707,845	
NET ASSETS, END OF YEAR	\$ 36,458	\$ 398,305	\$973,291	\$812,941	\$2,184,537	\$2,220,095	\$1,807,828	

COQUITLAM FOUNDATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2012

	2012	2011
CASH FROM (USED IN):		
OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ 413,167	\$ 99,983
Item not involving cash:		
Amortization of equipment	495	-
Changes in non-cash operating working capital:		
Accounts payable and accrued liabilities	(6,501)	2,741
	<hr/> 407,161	<hr/> 102,724
INVESTING ACTIVITY		
Net purchase of investments	(389,891)	(141,858)
Purchase of equipment	(2,969)	-
	<hr/> (392,860)	<hr/> 102,724
INCREASE (DECREASE) IN CASH AND EQUIVALENTS DURING THE YEAR	14,301	(39,134)
CASH AND EQUIVALENTS - BEGINNING OF YEAR	77,878	117,012
CASH AND EQUIVALENTS - END OF YEAR	<hr/> \$ 92,179	<hr/> \$ 77,878
CASH FLOW SUPPLEMENTAL INFORMATION		
Interest received	\$ 58,769	\$ 63,271

COQUITLAM FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012

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 amortization periods for capital assets, 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, 2012

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) Equipment

Equipment is stated at cost less accumulated amortization, which is recorded over the estimated useful life of the asset on a straight-line basis over 3 years.

(i) Long-lived assets

The Association monitors the recoverability of long-lived assets, based on factors such as current market value and future asset utilization and records impairment losses when it is determined that the carrying amount of the assets may not be recoverable. To June 30, 2012, no impairment losses have been recorded.

(j) 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.

(k) 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

	2012	2011
Mutual funds	\$ 138,014	\$ 177,859
Bonds and fixed income securities	1,461,865	1,183,623
Stocks and other investments	533,873	382,379
	<hr/> 2,133,752	<hr/> 1,743,861
Less: investments maturing during the next fiscal year or available for prompt liquidation	153,529	243,814
	<hr/> \$ 1,980,223	<hr/> \$ 1,500,047

COQUITLAM FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012

4. EQUIPMENT

				2012		2011
		Cost	Accumulated Amortization	Net Book Value		Net Book Value
Computer equipment	\$	2,969	\$ 495	\$ 2,474	\$	-

5. RESTRICTED FUNDS

		2012		2011
Beverley Ann Cook Fund	\$	52,083	\$	49,863
Builders' Trust Fund		924,093		945,710
Bursary		-		25
Carleigh Rae Leclair Fund		171,636		157,664
CCS - Domenic Mobilio Bursary Fund		33,915		27,433
Community Wellness Fund		457		459
Coquitlam Centre Fund		18,197		-
Coquitlam Public Library Fund		46,069		-
Coquitlam Search and Rescue Fund		88,916		82,542
CMLA Brodie Campbell Fund		30,370		28,889
Cultural Fund		10,513		11,509
Educational Fund		3,575		4,047
Elite Athlete's Fund		4,917		4,840
Embracing Diversity Fund		3,161		1,310
Environment Fund		8,187		9,184
Evergreen Arts Education Fund		155,695		162,122
Gaming Fund		245		46
Heritage Fund		10,673		11,667
James Gordon Stewart Fund		351,968		-
Johnston Legacy Fund		15,550		16,793
Mayor's Fund		2,055		7,083
Peter Legge Literacy Fund		20,785		21,944
R.A. Leclair Scholarship		44,281		42,545
Rotary Club Fund		37,211		36,625
Shelagh Fulton Fund		50,756		48,216
Stroke Recovery Fund		63,311		64,759
Symington Fund		30,788		25,608
Trevor Wingrove Fund		5,130		4,813
		\$ 2,184,537		\$ 1,765,696

6. INTER-FUND CHARGES AND TRANSFERS

During the year \$30,421 (2011: \$28,302) was transferred to the General Fund from Restricted Funds to cover administrative costs.

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.