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**COQUITLAM FOUNDATION  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
JUNE 30, 2010**

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MANNING ELLIOTT  
CHARTERED ACCOUNTANTS

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## AUDITORS' REPORT

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To the Members of  
Coquitlam Foundation

We have audited the statements of financial position of Coquitlam Foundation as at June 30, 2010 and the statements of changes in net assets, operations and cash flows for the year then ended. These financial statements are the responsibility of the organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as explained in the following paragraph, we conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation.

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

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of the revenues referred to in the preceding paragraph, these financial statements present fairly, in all material respects the financial position of the Foundation as at June 30, 2010 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 7, 2010

**COQUITLAM FOUNDATION**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT JUNE 30, 2010**

	2010	2009
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 117,012	\$ 75,015
Accounts receivable and accrued interest	21,028	8,940
Investments - short-term (Note 3)	207,686	185,651
Prepaid expenses	-	10,300
	345,726	279,996
<b>INVESTMENTS - LONG-TERM (Note 3)</b>	<b>1,373,289</b>	<b>1,290,598</b>
	<b>\$1,719,015</b>	<b>\$1,570,504</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 11,170	\$ 16,279
<b>NET ASSETS</b>		
UNRESTRICTED FUNDS	55,505	69,419
BURSARY AND LEGACY FUNDS (Note 4)	41,649	36,209
RESTRICTED FUNDS (Note 5)	1,610,691	1,448,597
	1,707,845	1,554,225
	<b>\$1,719,015</b>	<b>\$1,570,504</b>

Approved by the Board:

 Director

 Director

**COQUITLAM FOUNDATION**

**STATEMENT OF OPERATIONS AND CHANGE IN NET ASSETS**

**FOR THE YEAR ENDED JUNE 30, 2010**

	Unrestricted		Restricted		Total	2010	2009
	General Fund	Bursary and Legacy	Field of Interest	Donor Advised			
<b>REVENUE</b>							
Donations	\$ 2,150	\$ 2,566	\$ 2,934	\$ 42,286	\$ 45,220	\$ 49,936	\$ 191,990
Gala fundraising event	23,619	--	--	--	--	23,619	--
Interest and investment income	5,054	2,084	54,266	32,707	86,973	94,111	59,207
Gaming grant	--	--	--	--	--	--	14,500
Realized and unrealized gain on investments	4,907	2,284	65,656	37,727	103,383	110,574	--
	<b>35,730</b>	<b>6,934</b>	<b>122,856</b>	<b>112,720</b>	<b>235,576</b>	<b>278,240</b>	<b>265,697</b>
<b>EXPENSES</b>							
Honoraria and scholarships	--	1,000	3,000	--	3,000	4,000	9,000
Donations	--	--	42,823	6,947	49,770	49,770	43,733
General and administrative							
Advertising	--	--	--	--	--	--	3,919
Accounting and legal	3,000	--	--	--	--	3,000	4,779
Award ceremony	1,756	--	--	--	--	1,756	2,275
Bank charges	1,225	--	--	--	--	1,225	1,059
Contracted services	26,922	--	--	--	--	26,922	29,262
Gala fundraising event	16,309	--	--	--	--	16,309	--
Insurance	909	--	--	--	--	909	955
Investment management fee	1,466	210	5,512	3,297	8,809	10,485	6,450
Other	10,244	--	--	--	--	10,244	6,704
<b>TOTAL EXPENSES</b>	<b>61,831</b>	<b>1,210</b>	<b>51,335</b>	<b>10,244</b>	<b>61,579</b>	<b>124,620</b>	<b>108,136</b>
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<b>(26,101)</b>	<b>5,724</b>	<b>71,521</b>	<b>102,476</b>	<b>173,997</b>	<b>153,620</b>	<b>157,561</b>
<b>INTER-FUND CHARGES AND TRANSFERS (Note 6)</b>	<b>12,187</b>	<b>(284)</b>	<b>(7,442)</b>	<b>(4,461)</b>	<b>(11,903)</b>	<b>--</b>	<b>--</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>69,419</b>	<b>36,209</b>	<b>916,145</b>	<b>532,452</b>	<b>1,448,597</b>	<b>1,554,225</b>	<b>1,396,664</b>
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 55,505</b>	<b>\$ 41,649</b>	<b>\$980,224</b>	<b>\$630,467</b>	<b>\$1,610,691</b>	<b>\$1,707,845</b>	<b>\$1,554,225</b>

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**COQUITLAM FOUNDATION**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2010**

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	2010	2009
CASH FROM (USED IN):		
OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ 153,620	\$ 157,561
Changes in non-cash operating working capital:		
Accounts receivable and accrued interest	(12,088)	(4,389)
Accounts payable and accrued liabilities	(5,109)	(2,422)
Prepaid expenses	10,300	(10,300)
	<hr/> 146,723	<hr/> 140,450
INVESTING ACTIVITY		
Net purchase of investments	(104,726)	(136,999)
INCREASE IN CASH AND EQUIVALENTS DURING THE YEAR	41,997	3,451
CASH AND EQUIVALENTS - BEGINNING OF YEAR	75,015	71,564
CASH AND EQUIVALENTS - END OF YEAR	<hr/> \$ 117,012	<hr/> \$ 75,015

CASH FLOW SUPPLEMENTAL INFORMATION

Interest received	\$ 70,551	\$ 54,818
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**COQUITLAM FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2010**

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**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, 2010**

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Financial instruments

The Foundation has elected to classify its financial instruments (consisting of cash and cash equivalents, accounts receivable, 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.

3. INVESTMENTS

	2010	2009
Mutual funds	\$ 128,390	\$ 85,729
Bonds and fixed income securities	1,068,048	972,123
Stocks and other investments	384,537	418,397
	1,580,975	1,476,249
Less: investments maturing during the next fiscal year or available for prompt liquidation	207,686	185,651
	\$ 1,373,289	\$ 1,290,598

4. BURSARY AND LEGACY FUNDS

	2010	2009
R.A. Leclair Scholarship	\$ 41,649	\$ 33,275
SFU Science Scholarship	-	2,934
	\$ 41,649	\$ 36,209

**COQUITLAM FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2010**

5. RESTRICTED FUNDS

	2010	2009
Beverley Ann Cook Fund	\$ 39,116	\$ 30,243
Builders' Trust Fund	918,144	852,496
Carleigh Rae Leclair Fund	137,341	111,826
CCS - Domenic Mobilio Bursary Fund	20,106	18,004
Community Wellness Fund	3,979	5,802
Coquitlam Search and Rescue Fund	67,310	60,283
CMLA Brodie Campbell Fund	26,375	22,390
Cultural Fund	12,798	11,457
Drug Awareness Fund	209	4,209
Educational Fund	4,879	4,372
Elite Athlete's Fund	4,534	4,533
Environment Fund	9,660	8,645
Evergreen Arts Education Fund	151,656	135,827
Gaming Fund	46	46
Heritage Fund	12,950	13,388
Johnston Legacy Fund	17,559	15,730
Peter Legge Literacy Fund	23,766	22,175
Rotary Club Fund	35,382	31,688
Shelagh Fulton Fund	43,268	36,707
Stroke Recovery Fund	66,197	58,776
Symington Fund	15,416	-
	<b>\$ 1,610,691</b>	<b>\$ 1,448,597</b>

6. INTER-FUND CHARGES AND TRANSFERS

During the year \$12,187 (2009: \$10,165) was transferred to the General Fund from Restricted Funds to cover administrative costs.

7. 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.