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**COQUITLAM FOUNDATION  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
JUNE 30, 2018**

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## **INDEPENDENT AUDITOR'S REPORT**

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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, 2018, and the statements of revenue and expenses and changes in fund balances and cash flows for the year then ended, and the related notes comprising 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 accounting standards for not-for-profit organizations, 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

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### **Basis for Qualified Opinion**

In common with many charitable organizations, the Foundation derives revenue from donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of donation revenue 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 donation revenue, excess (deficiency) of revenue over expenses, and cash flows from operations for the years ended June 30, 2018 and 2017, total assets as at June 30, 2018 and 2017, and fund balances at both the beginning and end of the June 30, 2018 and 2017 years. Our audit opinion on the financial statements for the year ended June 30, 2017 also contained a qualification because of these matters.

### **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, 2018 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for profit organizations.

*Manning Elliott LLP*

Chartered Professional Accountants

Vancouver, British Columbia

August 30, 2018

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**COQUITLAM FOUNDATION**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT JUNE 30, 2018**

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	<b>2018</b>	<b>2017</b>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 12,238	\$ 31,881
Investments (Note 3)	201,943	213,495
	214,181	245,376
INVESTMENTS (Note 3)	2,992,592	2,683,681
	<u>\$3,206,773</u>	<u>\$ 2,929,057</u>
LIABILITIES AND FUND BALANCES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 9,137	\$ 8,900
COMMITMENTS (Note 4)		
FUND BALANCES		
UNRESTRICTED FUNDS	156,619	150,000
RESTRICTED FUNDS (Note 5)	3,041,017	2,770,157
	3,197,636	2,920,157
	<u>\$3,206,773</u>	<u>\$ 2,929,057</u>

Approved by the Board:

\_\_\_\_\_ Director

\_\_\_\_\_ Director

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**COQUITLAM FOUNDATION****STATEMENT OF REVENUE AND EXPENSES AND CHANGES IN FUND BALANCES****FOR THE YEAR ENDED JUNE 30, 2018**

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	Unrestricted		Restricted			Total	2018	2017
	General Fund	Bursary and Legacy	Field of Interest	Donor Advised				
REVENUE								
Donations	\$ 16,375	\$ 1,000	\$ -	\$ 277,669	\$ 278,669	\$ 295,044	\$ 172,136	
Fundraising	23,613	-	-	-	-	23,613	35,129	
Interest and investment income	3,739	1,200	34,969	34,616	70,785	74,524	77,208	
Realized and unrealized gain on investments	7,049	2,211	64,257	61,284	127,752	134,801	121,971	
	50,776	4,411	99,226	373,569	477,206	527,982	406,444	
EXPENSES								
Honoraria and scholarships	-	1,500	2,250	21,016	24,766	24,766	23,831	
Donations	-	-	18,250	103,845	122,095	122,095	190,655	
General and administrative:								
Advertising	1,932	-	-	-	-	1,932	2,622	
Award ceremony	762	-	-	-	-	762	1,812	
Bank charges	363	-	1	776	777	1,140	2,062	
Contracted services	45,104	-	-	-	-	45,104	45,792	
Gala fundraising event	7,582	-	-	-	-	7,582	10,260	
Insurance	2,615	-	-	-	-	2,615	756	
Investment management fee	764	255	7,452	7,550	15,257	16,021	15,108	
Consulting, professional fees and other	28,486	-	-	-	-	28,486	17,004	
TOTAL EXPENSES	87,608	1,755	27,953	133,187	162,895	250,503	309,902	
EXCESS OF REVENUE OVER EXPENSES (EXPENSES OVER REVENUE)	(36,832)	2,656	71,273	240,382	314,311	277,479	96,542	
INTER-FUND TRANSFERS	43,451	(869)	(32,082)	(10,500)	(43,451)	-	-	
FUND BALANCES, BEGINNING OF YEAR	150,000	48,153	1,392,640	1,329,364	2,770,157	2,920,157	2,823,615	
FUND BALANCES, END OF YEAR	\$ 156,619	\$ 49,940	\$1,431,831	\$1,559,246	\$3,041,017	\$ 3,197,636	\$ 2,920,157	

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**COQUITLAM FOUNDATION**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

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	<b>2018</b>	<b>2017</b>
CASH FROM (USED IN):		
OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ 277,479	\$ 96,542
Changes in non-cash working capital items:		
Deposits	-	1,500
Accounts payable and accrued liabilities	237	899
	<hr/> 237	<hr/> 2,399
INVESTING ACTIVITIES		
Purchase of investments, net	<hr/> (297,359)	<hr/> (134,252)
DECREASE IN CASH AND EQUIVALENTS DURING THE YEAR	(19,643)	(35,311)
CASH AND EQUIVALENTS - BEGINNING OF YEAR	31,881	67,192
CASH AND EQUIVALENTS - END OF YEAR	<hr/> \$ 12,238	<hr/> \$ 31,881

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**COQUITLAM FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

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The purpose of the Coquitlam Foundation is to raise and administer funds for the support of worthy programs and projects to enhance the quality of life and sense of community in the City of Coquitlam. The Foundation was incorporated in 1992 and is a not-for-profit body under the Income Tax Act of Canada.

**1. SIGNIFICANT ACCOUNTING POLICIES**

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (“ASNPO”) under Part III of the CPA Canada Handbook - Accounting.

These financial statements have, in management’s opinion, been prepared within reasonable limits of materiality using the significant accounting policies noted below:

**(a) Fund accounting**

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

**(i) Unrestricted Fund:**

The Unrestricted Fund represents funds available for general operations.

**(ii) Restricted - Bursary and Legacy Funds:**

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

**(iii) Restricted - Field of Interest Fund and Donor Advised Fund:**

The Field of Interest Fund and Donor Advised Fund primarily represent donations received, which have been designated for specific purposes by the donor.

**(b) Cash and cash equivalents**

Cash and cash equivalents consist of cash on hand and balances with banks and brokers.

**(c) Revenue recognition**

The Foundation follows the restricted fund method of accounting for contributions. Donations and fundraising are recorded if the amount to be received can be reasonably estimated and collection is reasonably assured, which may be upon actual receipt.

Interest and investment income is recognized in the period the income is earned.

**(d) Contributed services and materials**

The Foundation benefits greatly from contributed services in the form of volunteer time, the value of which is not determinable. Contributed services are consequently not recognized in these financial statements.

The Foundation records contributed materials at their fair value when fair value is readily determinable and when the materials and services are used in the normal course of operations and would otherwise have been purchased. No contributed materials were recorded in these financial statements.

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**COQUITLAM FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

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1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) The preparation of the financial statements in conformity with Canadian ASNPO requires management to make estimates and assumptions about future events that affect the reported amounts of assets, liabilities, revenues and expenses as at the end of or during the reporting period. Management believes that the estimates used are reasonable and prudent, however, actual results could differ from those estimates. Significant areas requiring estimates relate to the valuation of investments and the amounts recorded as accrued liabilities.

(f) 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.

(g) Financial instruments

i) Measurement

The Foundation's financial instruments consist of cash and cash equivalents, investments, and accounts payable.

The Foundation initially measures all of its financial assets and liabilities at fair value. The Foundation subsequently measures all of its financial assets and liabilities at amortized cost.

ii) Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of any write-down that is determined is recognized in the statement of revenue and expenses. A previously recognized impairment loss may be reversed to the extent of any improvement, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in the statement of revenue and expenses in the period in which it is determined.

2. FINANCIAL INSTRUMENTS RISKS

The Foundation's financial instruments are described in Note 1(g). In management's opinion the Foundation is not exposed to significant currency, credit, liquidity, interest rate or other market risks, other than described below. In addition, the Foundation is not exposed to any material concentrations of risk and there has been no change in risk exposures from the prior year.

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.

**COQUITLAM FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

3. INVESTMENTS

	<b>2018</b>	<b>2017</b>
Mutual funds	\$ 735,487	\$ 318,132
Bonds and fixed income securities	960,736	1,282,779
Stocks and other investments	1,498,312	1,296,265
	<u>3,194,535</u>	<u>2,897,176</u>
Less: investments maturing during the next fiscal year or available for prompt liquidation	201,943	213,495
	<u>\$ 2,992,592</u>	<u>\$ 2,683,681</u>

4. COMMITMENTS

The Foundation grants bursaries that allow recipients to claim their awards for up to three years. As at June 30, 2018, \$44,800 was unclaimed (2017 - \$73,112).

5. RESTRICTED FUNDS

	<b>2018</b>	<b>2017</b>
Beverley Ann Cook Fund	\$ 83,563	\$ 78,837
Bill LeClair Community Fund	159,953	-
Carleigh Rae LeClair Fund	250,067	235,331
CMLA Brodie Campbell Memorial Scholarship Fund	38,997	35,694
Community Diversity Fund	21,582	19,163
Coquitlam Centre Fund	26,857	26,363
Coquitlam Metro Ford Domenic Mobilio Bursary Fund	45,983	43,450
Coquitlam Public Library Living Legacy Fund	57,956	58,439
Coquitlam Search and Rescue Fund	122,984	82,043
Coquitlam Stroke Recovery Fund	81,002	76,655
Danielle & Gary Couling Education Fund	33,611	28,119
ERH Maternity Ward Fund	11,504	11,036
Evergreen Arts Education Endowment Fund	159,076	167,474
Friends of Mundy Park Fund	16,796	15,886
Mayor's Community Fund	10,503	3,586
Michael Coss Brain Injury Fund	120,583	114,428
Noura Homes Community Fund	9,153	4,900
Peter Legge Literacy Endowment Fund	24,180	22,855
R.A. Leclair Scholarship Fund	49,940	48,153
Rotary Club Community Service Award (Rotary Club of Coquitlam)	43,576	47,212
Shelagh Elaine Fulton Memorial Fund	65,732	63,857
Soroptimists Tri-Cities Fund	12,583	15,149
Steps Together Fund	3,738	3,538
Symington Endowment Fund	133,924	114,167
The Coquitlam Foundation Community Fund	915,416	892,770
The Coquitlam Foundation 125 Legacy Fund	31,845	30,558
The Della and Cam Grant Fund	52,818	50,652
The James Gordon Stewart Fund	405,220	393,420
The Johnston Legacy Fund	15,029	14,204
Trevor Wingrove Bursary Fund	27,024	22,019
Tri-Cities Chamber of Commerce Elite Athletes Fund	6,616	6,244
Wesbild Holding's Learning Initiative for Tomorrow (LIFT) Fund	3,206	43,955
	<u>\$ 3,041,017</u>	<u>\$ 2,770,157</u>