
**COQUITLAM FOUNDATION
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 2020**

INDEPENDENT AUDITORS' REPORT

To the Members of:
Coquitlam Foundation

Opinion

We have audited the financial statements of Coquitlam Foundation (the Foundation), which comprise the statement of financial position as at June 30, 2020, the statement of revenue and expenses and changes in fund balances, and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as at June 30, 2020, 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.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Foundation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Foundation's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Foundation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Foundation's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

INDEPENDENT AUDITORS' REPORT (continued)

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Foundation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Manning Elliott LLP

Chartered Professional Accountants

Vancouver, British Columbia

September 17, 2020

COQUITLAM FOUNDATION
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2020

	2020	2019
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 405,225	\$ 156,346
Investments (Note 3)	202,962	279,987
	608,187	436,333
INVESTMENTS (Note 3)	3,843,508	2,778,997
	\$4,451,695	\$ 3,215,330
LIABILITIES AND FUND BALANCES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 17,469	\$ 10,031
COMMITMENTS (Note 4)		
FUND BALANCES		
UNRESTRICTED FUNDS	232,599	150,413
RESTRICTED FUNDS (Note 5)	4,201,627	3,054,886
	4,434,226	3,205,299
	\$4,451,695	\$ 3,215,330

Approved by the Board:

_____ Director

_____ Director

COQUITLAM FOUNDATION**STATEMENT OF REVENUE AND EXPENSES AND CHANGES IN FUND BALANCES****FOR THE YEAR ENDED JUNE 30, 2020**

	Unrestricted		Restricted			Total	2020	2019
	General Fund	Bursary and Legacy	Field of Interest	Donor Advised				
REVENUE								
Donations	\$ 150,685	\$ -	\$ 868,143	\$ 310,495	\$1,178,638	\$ 1,329,323	\$ 157,568	
Fundraising	1,480	-	-	-	-	1,480	29,797	
Interest and investment income	3,144	1,118	42,892	39,508	83,518	86,662	86,916	
Realized and unrealized gain (loss) on investments	9,492	446	17,590	12,938	30,974	40,466	(71,363)	
	164,801	1,564	928,625	362,941	1,293,130	1,457,931	202,918	
EXPENSES								
Honoraria and scholarships	-	-	6,000	9,250	15,250	15,250	34,743	
Donations	43,570	-	25,335	37,613	62,948	106,518	63,100	
General and administrative:								
Advertising	364	-	-	-	-	364	569	
Award ceremony	-	-	-	-	-	-	792	
Bank charges	470	-	27	514	541	1,011	1,328	
Contracted services	57,548	-	-	-	-	57,548	51,957	
Gala fundraising event	1,595	-	-	-	-	1,595	7,367	
Insurance	2,353	-	-	-	-	2,353	2,877	
Investment management fee	583	219	9,575	7,893	17,687	18,270	16,455	
Consulting, professional fees and other	26,095	-	-	-	-	26,095	16,067	
TOTAL EXPENSES	132,578	219	40,937	55,270	96,426	229,004	195,255	
EXCESS OF REVENUE OVER EXPENSES	32,223	1,345	887,688	307,671	1,196,704	1,228,927	7,663	
INTER-FUND TRANSFERS	49,963	(374)	(35,998)	(13,591)	(49,963)	-	-	
FUND BALANCES, BEGINNING OF YEAR	150,413	49,521	1,386,129	1,619,236	3,054,886	3,205,299	3,197,636	
FUND BALANCES, END OF YEAR	\$ 232,599	\$ 50,492	\$2,237,819	\$1,913,316	\$4,201,627	\$ 4,434,226	\$ 3,205,299	

COQUITLAM FOUNDATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2020

	2020	2019
CASH FROM (USED IN):		
OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ 1,228,927	\$ 7,663
Changes in non-cash working capital items:		
Accounts payable and accrued liabilities	7,438	894
	<u>7,438</u>	<u>894</u>
INVESTING ACTIVITIES		
Change in investments	<u>(987,486)</u>	<u>135,551</u>
INCREASE IN CASH AND EQUIVALENTS DURING THE YEAR	248,879	144,108
CASH AND EQUIVALENTS - BEGINNING OF YEAR	156,346	12,238
CASH AND EQUIVALENTS - END OF YEAR	<u>\$ 405,225</u>	<u>\$ 156,346</u>

COQUITLAM FOUNDATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

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 represents 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.

COQUITLAM FOUNDATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

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.

COQUITLAM FOUNDATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

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 credit, liquidity, market, currency, interest or other price risks, other than described below. In addition, the Foundation is not exposed to any material concentrations of risk and there has been no significant change in risk exposures from the prior year.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Foundation is exposed to currency and interest rate risk.

Currency risk

Currency risk is the risk to the Foundation's earnings that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Foundation is exposed to foreign currency exchange risk on cash of \$323 (2019 - \$214) and investments of \$584,315 (2019 - \$490,208) held in U.S. dollars. The Foundation does not use derivative instruments to reduce its exposure to foreign currency risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Foundation is exposed to interest rate risk on its fixed rate term deposits and investments which include fixed income debt securities and equity securities. In seeking to minimize the risks from interest rate fluctuations, the Foundation manages exposure by reviewing its term deposits as they come due. However, the fair value and related investment income stream from investments will fluctuate according to changes in interest rates among other market factors.

3. INVESTMENTS

	2020	2019
Mutual funds	\$ 731,448	\$ 810,173
Bonds and fixed income securities	1,133,857	868,645
Stocks and other investments	2,181,165	1,362,338
Foreign securities	-	17,828
	<u>4,046,470</u>	<u>3,058,984</u>
Less: investments maturing during the next fiscal year or available for prompt liquidation	202,962	279,987
	<u>\$ 3,843,508</u>	<u>\$ 2,778,997</u>

4. COMMITMENTS

The Foundation grants bursaries that allow recipients to claim their awards for up to three years. As at June 30, 2020, \$23,450 was unclaimed (2019 - \$26,950).

COQUITLAM FOUNDATION**NOTES TO FINANCIAL STATEMENTS****FOR THE YEAR ENDED JUNE 30, 2020**

5. RESTRICTED FUNDS

	2020	2019
Beverley Ann Cook Fund	\$ 93,022	\$ 85,678
Bill LeClair Community Fund	178,785	173,758
Carleigh Rae LeClair Fund	253,027	247,887
CMLA Brodie Campbell Memorial Scholarship Fund	36,357	36,670
Community Diversity Fund	30,577	21,784
Coquitlam Centre Fund	25,282	26,664
Coquitlam Metro Ford Domenic Mobilio Bursary Fund	46,502	45,617
Coquitlam Public Library Living Legacy Fund	58,914	57,769
Coquitlam Search and Rescue Fund	195,267	141,689
Coquitlam Stroke Recovery Fund	82,030	80,467
Danielle & Gary Couling Education Fund	31,004	30,393
ERH Maternity Ward Fund	11,294	11,243
Evergreen Arts Education Endowment Fund	151,674	148,777
Friends of Mundy Park Fund	17,005	16,687
Jack & Helen Stiglish/Stiglish M Fund	40,636	25,245
Margaret Susan Price Fund	816,014	-
Mayor's Community Fund	2,860	6,499
Metro-Ford Sport Scholars Fund	148,669	-
Michael Coss Brain Injury Fund	112,641	115,286
New Earth Sustainability Fund	5,144	2,614
Noura Homes Community Fund	9,075	8,862
Peter Legge Literacy Endowment Fund	24,462	23,994
R.A. Leclair Scholarship Fund	50,492	49,521
Rotary Club Community Service Award (Rotary Club of Coquitlam)	38,976	38,236
Shelagh Elaine Fulton Memorial Fund	112,974	82,701
Soroptimists Tri-Cities Fund	10,656	9,846
Steps Together Fund	3,188	4,688
Symington Endowment Fund	167,383	150,460
The Coquitlam Foundation Community Fund	878,863	885,814
The Coquitlam Foundation 125 Legacy Fund	31,267	31,107
The Della and Cam Grant Fund	49,829	51,591
The James Gordon Stewart Fund	388,699	391,464
The Johnston Legacy Fund	15,201	14,910
Trevor Wingrove Bursary Fund	26,426	25,926
Tri-Cities Chamber of Commerce Elite Athletes Fund	10,780	10,576
Tri-Cities COVID Community Response Fund	46,652	-
Wesbild Holding's Learning Initiative for Tomorrow (LIFT) Fund	-	463
	\$ 4,201,627	\$ 3,054,886

COQUITLAM FOUNDATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

6. COVID-19 Risk

In March 2020, a global health pandemic was declared due to the COVID-19 virus, which has had a significant impact on businesses and not-for-profit organizations through the restrictions put in place by the Canadian and U.S. governments regarding travel, business operations and isolation/quarantine orders. At this time, the extent of the impact that the COVID-19 health pandemic may have on the Foundation is unknown as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put in place by Canada, U.S. and other countries to fight the virus. The Foundation continues to monitor its operations and assess the impact COVID-19 will have on its operating activities. At this time, the extent of the effect of the COVID-19 pandemic on the Foundation is uncertain.