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**COQUITLAM FOUNDATION  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
JUNE 30, 2021**

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## INDEPENDENT AUDITORS' REPORT

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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, 2021, 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, 2021, 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:

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## INDEPENDENT AUDITORS' REPORT (continued)

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- 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 auditors' 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 9, 2021

**COQUITLAM FOUNDATION**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT JUNE 30, 2021**

	<b>2021</b>	<b>2020</b>
<b>ASSETS</b>		
CURRENT ASSETS		
Cash and cash equivalents	\$ 415,474	\$ 405,225
Investments (Note 3)	531,961	202,962
	947,435	608,187
INVESTMENTS (Note 3)	5,641,981	3,843,508
	<b>\$ 6,589,416</b>	<b>\$ 4,451,695</b>
<b>LIABILITIES AND FUND BALANCES</b>		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 13,334	\$ 17,469
COMMITMENTS (Note 4)		
FUND BALANCES		
UNRESTRICTED FUNDS	146,317	232,599
RESTRICTED FUNDS (Note 5)	6,429,765	4,201,627
	6,576,082	4,434,226
	<b>\$ 6,589,416</b>	<b>\$ 4,451,695</b>

Approved by the Board:

\_\_\_\_\_ Director

\_\_\_\_\_ Director

**COQUITLAM FOUNDATION**

**STATEMENT OF REVENUE AND EXPENSES AND CHANGES IN FUND BALANCES**

**FOR THE YEAR ENDED JUNE 30, 2021**

	Unrestricted	Restricted			Total	2021	2020
	General Fund	Bursary and Legacy	Field of Interest	Donor Advised			
<b>REVENUE</b>							
Donations	\$ 189,103	\$ -	\$ 1,509,108	\$ 61,393	\$ 1,570,501	\$ 1,759,604	\$ 1,329,323
Fundraising	1,715	-	-	-	-	1,715	1,480
Interest and investment income	67,791	1,203	57,475	47,498	106,176	173,967	86,662
Realized and unrealized gain (loss) on investments	(41,085)	8,890	409,695	350,058	768,643	727,558	40,466
	<u>217,524</u>	<u>10,093</u>	<u>1,976,278</u>	<u>458,949</u>	<u>2,445,320</u>	<u>2,662,844</u>	<u>1,457,931</u>
<b>EXPENSES</b>							
Honoraria and scholarships	-	4,000	9,250	12,700	25,950	25,950	15,250
Donations	264,240	-	66,804	37,690	104,494	368,734	106,518
General and administrative:							
Advertising	558	-	-	-	-	558	364
Award ceremony	-	-	-	-	-	-	-
Bank charges	402	-	17	267	284	686	1,011
Contracted services	75,357	-	-	-	-	75,357	57,548
Gala fundraising event (recovery)	(150)	-	-	-	-	(150)	1,595
Insurance	3,170	-	-	-	-	3,170	2,353
Investment management fee	591	261	13,440	10,425	24,126	24,717	18,270
Consulting, professional fees and other	21,966	-	-	-	-	21,966	26,095
<b>TOTAL EXPENSES</b>	<u>366,134</u>	<u>4,261</u>	<u>89,511</u>	<u>61,082</u>	<u>154,854</u>	<u>520,988</u>	<u>229,004</u>
<b>EXCESS OF REVENUE OVER EXPENSES</b>	(148,610)	5,832	1,886,767	397,867	2,290,466	2,141,856	1,228,927
<b>INTER-FUND TRANSFERS</b>	62,328	(399)	(45,896)	(16,033)	(62,328)	-	-
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<u>232,599</u>	<u>50,492</u>	<u>2,237,819</u>	<u>1,913,316</u>	<u>4,201,627</u>	<u>4,434,226</u>	<u>3,205,299</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ 146,317</u>	<u>\$ 55,925</u>	<u>\$ 4,078,690</u>	<u>\$ 2,295,150</u>	<u>\$ 6,429,765</u>	<u>\$ 6,576,082</u>	<u>\$ 4,434,226</u>

**COQUITLAM FOUNDATION**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

	<b>2021</b>	<b>2020</b>
CASH FROM (USED IN):		
OPERATING ACTIVITIES		
Excess of revenue over expenses for the year	\$ 2,141,856	\$ 1,228,927
Changes in non-cash working capital items:		
Change in fair value of investments	(489,838)	70,941
Accounts payable and accrued liabilities	(4,135)	7,438
	<u>1,647,883</u>	<u>1,307,306</u>
INVESTING ACTIVITIES		
Change in investments	(1,637,634)	(1,058,427)
INCREASE IN CASH AND EQUIVALENTS DURING THE YEAR	10,249	248,879
CASH AND EQUIVALENTS, BEGINNING OF YEAR	405,225	156,346
CASH AND EQUIVALENTS, END OF YEAR	<u>\$ 415,474</u>	<u>\$ 405,225</u>

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**COQUITLAM FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

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**NATURE OF OPERATIONS**

The purpose of the Coquitlam Foundation (the "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.

During 2020, a global pandemic was declared due to the COVID-19 virus, which has had a significant impact on economic and social activity through the restrictions put in place by various levels of government regarding travel, business operations, and isolation/quarantine orders. At this time, the extent the COVID-19 pandemic will have on the Foundation is unknown and will depend on future developments that are highly uncertain and that cannot be predicted with confidence. The Foundation will continue to monitor its cash reserves and will make all necessary adjustments to maintain its financial position.

**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 and records interfund transfers as approved by the Board. 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. Restricted and unrestricted contributions are recognized as revenue of the appropriate funds when received or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured. Restricted contributions for which there is no corresponding restricted fund are deferred and recognized as revenue in the general fund in the year in which the related expenses are incurred, in accordance with the deferral method of accounting for contributions.

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

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**COQUITLAM FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

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1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(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.

(e) Use of estimates

The preparation of the financial statements in conformity with Canadian accounting standards for not-for-profit organizations 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 instruments at fair value. The Foundation subsequently measures all of its financial instruments at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in the statement of revenue and expenses in the period incurred.

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.

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**COQUITLAM FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

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(g) Financial instruments (*continued*)

iii) Transaction costs

Transaction costs that are directly attributable to the origination, issuance or assumption of a financial instrument that is subsequently measured at amortized cost are assigned to those financial instruments. All other transaction costs are recognized in the statement of revenue and expenses in the period incurred.

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.

Credit risk

Credit risk is the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The Foundation is not exposed to credit risk.

Liquidity risk

Liquidity risk is the risk that the Foundation will encounter difficulty in meeting obligations associated with liabilities. The Foundation is exposed to this risk mainly in respect of its accounts payable. The Foundation's ability to meet obligations depends on the receipt of donations and the liquidity of its investments. The Foundation controls liquidity risk by managing its working capital and cash flows.

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.

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 \$129,463 (2020 - \$323) and investments of \$705,989 (2020 - \$584,315) held in U.S. dollars. The Foundation does not use derivative instruments to reduce its exposure to foreign currency risk. The Foundation regularly monitors foreign currency fluctuations to manage 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 investments. In seeking to minimize the risks from interest rate fluctuations, the Foundation manages exposure by reviewing its investments as they come due and fixing interest rates, and through its normal operating and financing activities to create cash flow certainty.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Foundation is exposed to other price risk through its investments. The Foundation mitigates the risk through controls to monitor and limit concentration in these investments and through the use of an investment advisor. There has been minimal other price risk impact as a result of the COVID-19 health pandemic.

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**COQUITLAM FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

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3. INVESTMENTS

	<b>2021</b>	<b>2020</b>
Mutual funds	\$ 1,434,001	\$ 731,448
Bonds and fixed income securities	1,137,028	1,133,857
Stocks and other investments	3,602,913	2,181,165
	<hr/> 6,173,942	<hr/> 4,046,470
Less: investments maturing during the next fiscal year or available for prompt liquidation	531,961	202,962
	<hr/> \$ 5,641,981	<hr/> \$ 3,843,508

4. COMMITMENTS

The Foundation grants bursaries that allow recipients to claim their awards for up to three years. As at June 30, 2021, \$45,750 was unclaimed (2020 - \$23,450).

**COQUITLAM FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

5. RESTRICTED FUNDS

	<b>2021</b>	<b>2020</b>
Beverley Ann Cook Fund	\$ 113,255	\$ 93,022
Bill LeClair Community Fund	213,629	178,785
Carleigh Rae LeClair Fund	303,384	253,027
CMLA Brodie Campbell Memorial Scholarship Fund	42,227	36,357
Community Diversity Fund	27,503	30,577
Coquitlam Centre Fund	30,163	25,282
Coquitlam Metro Ford Domenic Mobilio Bursary Fund	55,509	46,502
Coquitlam Public Library Living Legacy Fund	70,355	58,914
Coquitlam Search and Rescue Fund	238,154	195,267
Coquitlam Stroke Recovery Fund	97,948	82,030
Danielle & Gary Couling Education Fund	35,918	31,004
Engineered Bodies Continuing Education Fund	5,823	-
ERH Maternity Ward Fund	13,290	11,294
Evergreen Arts Education Endowment Fund	181,079	151,674
Friends of Mundy Park Fund	20,309	17,005
Jack & Helen Stiglish/Stiglish M Fund	48,527	40,636
Margaret Susan Price Fund	974,246	816,014
Mayor's Community Fund	5,701	2,860
Metro-Ford Sport Scholars Fund	177,468	148,669
Michael Coss Brain Injury Fund	134,492	112,641
New Earth Sustainability Fund	8,837	5,144
Noura Homes Community Fund	11,633	9,075
Peter Legge Literacy Endowment Fund	28,500	24,462
R.A. Leclair Scholarship Fund	55,925	50,492
Rotary Club Community Service Award (Rotary Club of Coquitlam)	45,343	38,976
Shelagh Elaine Fulton Memorial Fund	131,663	112,974
Soroptomists Tri-Cities Fund	15,903	10,656
Steps Together Fund	3,158	3,188
Symington Endowment Fund	205,811	167,383
The Coquitlam Foundation Community Fund	1,020,319	878,863
The Coquitlam Foundation 125 Legacy Fund	36,807	31,267
The Della and Cam Grant Fund	1,562,868	49,829
The James Gordon Stewart Fund	452,834	388,699
The Johnston Legacy Fund	18,176	15,201
Trevor Wingrove Bursary Fund	30,687	26,426
Tri-Cities Chamber of Commerce Elite Athletes Fund	12,170	10,780
Tri-Cities COVID Community Response Fund	151	46,652
	<b>\$ 6,429,765</b>	<b>\$ 4,201,627</b>