



Calgary Police

FOUNDATION

Financial Statements
December 31, 2013

INDEPENDENT AUDITOR'S REPORT

To the Members of the Calgary Police Foundation:

We have audited the accompanying financial statements of the Calgary Police Foundation, which comprise the statement of financial position as at December 31, 2013, and the statements of operations and changes in fund balances and cash flows for the year ended December 31, 2013 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 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 the auditor's 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, the auditor considers 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 audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Calgary Police Foundation as at December 31, 2013 and its results of operations, changes in fund balances and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Deloitte LLP

Chartered Accountants
September 12, 2014

Calgary Police Foundation

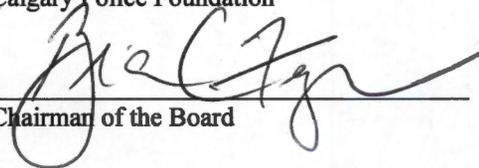
STATEMENT OF FINANCIAL POSITION

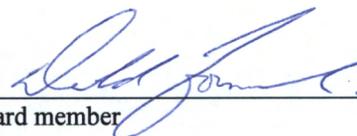
As at December 31, 2013

	General \$	Designated \$	TOTAL \$	2012 \$
ASSETS				
Current				
Cash	1,015,021	1,348,817	2,363,838	812,500
Accounts receivable [Note 3]	16,076	-	16,076	392
	1,031,097	1,348,817	2,379,914	812,892
LIABILITIES AND FUND BALANCES				
Current				
Accounts payable and accrued liabilities	13,800	-	13,800	2,500
	13,800	-	13,800	2,500
Fund balances				
Unrestricted fund	1,017,297	-	1,017,297	293,617
Restricted fund	-	1,348,817	1,348,817	516,775
	1,017,297	1,348,817	2,366,114	810,392
	1,031,097	1,348,817	2,379,914	812,892

See accompanying notes

Approved on behalf of the Board of Directors of
Calgary Police Foundation


Chairman of the Board


Board member

Calgary Police Foundation

**STATEMENT OF OPERATIONS AND
CHANGES IN FUND BALANCES**

For the Year Ended December 31, 2013

	General	Designated	Total	2012
	\$	\$	\$	\$
REVENUE				
Contributions	700,621	2,533,310	3,233,931	1,015,734
Interest	10,316	-	10,316	-
Miscellaneous	38,910	-	38,910	15,055
	<u>749,847</u>	<u>2,533,310</u>	<u>3,283,157</u>	<u>1,030,789</u>
EXPENDITURES				
Administration	15,076	125	15,201	4,298
Communication	871	-	871	16,099
Fundraising	10,220	-	10,220	-
Project disbursements [Note 4]	-	1,701,143	1,701,143	200,000
Total Expenditures	<u>26,167</u>	<u>1,701,268</u>	<u>1,727,435</u>	<u>220,397</u>
Excess of revenue over expenditures	723,680	832,042	1,555,722	810,392
Fund balances, beginning of year	293,617	516,775	810,392	-
Fund balances, end of year	<u>1,017,297</u>	<u>1,348,817</u>	<u>2,366,114</u>	<u>810,392</u>

See accompanying notes

Calgary Police Foundation

STATEMENT OF CASH FLOWS

For the Year Ended December 31

	2013	2012
	\$	\$
<hr/>		
Cash provided by (used in):		
OPERATING ACTIVITIES		
Excess of revenue over expenditures	1,555,722	810,392
Change in non-cash working capital		
Accounts receivable	(15,684)	(392)
Accounts payable	11,300	2,500
	<hr/> 1,551,338	<hr/> 812,500
Increase in cash during year	1,551,338	812,500
Cash, beginning of year	812,500	-
Cash, end of year	<hr/> 2,363,838	<hr/> 812,500

See accompanying notes

Calgary Police Foundation

NOTES TO FINANCIAL STATEMENTS

December 31, 2013

1. OPERATIONS

The Calgary Police Foundation (the “Foundation”) is a registered charity that was incorporated under the Alberta Companies Act on January 24, 2011 and accordingly is not subject to income taxes. Operations of the Foundation commenced during the first quarter of 2012. The Foundation was established to partner with the Calgary Police Service (“CPS”) and fund programs that focus on education, prevention and early intervention. Funded programs are collaborative initiatives between the CPS and its community partners. The Foundation targets areas where the need is greatest and programs have the most impact on our children, youth and families.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Foundation are prepared by management in accordance with Canadian accounting standards for not-for-profit organizations as established by the Chartered Professional Accountants of Canada.

The following are the Foundation’s significant accounting policies:

a) Basis of presentation

The financial statements include and reflect all of the assets, liabilities, revenues, and expenditures of the Foundation. Personnel, premises and administrative goods and services provided by the CPS at no cost have not been assigned a fair value and are not recorded in these financial statements.

b) Basis of accounting – Fund accounting

The Foundation follows the Restricted Fund Method for accounting for contributions. The Foundation maintains the following Funds:

The *General Fund* contains the assets, liabilities, revenue and expenditures related to the Foundation’s activities. Funds are allocated to the projects at the discretion of the Board of Directors.

The *Designated Fund* contains the assets, liabilities, revenue and expenditures related to the Foundation’s funded programs. Donations are received into the Designated Fund and disbursed to designated programs based on the terms of the donor agreement with the Foundation and are granted to specific projects under the terms of the various agreements.

Calgary Police Foundation

NOTES TO FINANCIAL STATEMENTS

December 31, 2013

c) Revenue recognition

Restricted contributions are recognized as revenue of the appropriate restricted fund when received or when future receipt of cash is reasonably assured by a funding agreement. If no restricted fund exists, they are recognized in the General Fund when the related expenditures are incurred. Unrestricted contributions are recognized as revenue of the General Fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Restricted investment income is recognized as revenue of the Designated Fund when earned.

Unrestricted investment income is recognized as revenue of the General Fund when earned.

d) Use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and use assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenditures during the period. Items subject to estimation include accrued liabilities. Where estimation uncertainty exists, the financial statements have been prepared within reasonable limits of materiality. Actual results could differ from estimates.

e) Financial instruments

Financial instruments are recorded at fair value on initial recognition. Equity instruments that are quoted in an active market are subsequently recorded at fair value. All other financial instruments are recorded at cost or amortized cost, unless management has elected to record at fair value. The Foundation has not elected to carry any such financial instruments at fair value.

Transaction costs related to financial instruments measured at fair value are expensed as incurred. For all other financial instruments, the transaction costs are added to the carrying value of the asset or netted against the carrying value of the liability and are then recognized over the expected life of the instrument using the straight-line method. Any premium or discount related to an instrument measured at amortized cost is amortized over the expected life of the item using the straight-line method and recognized in the excess of revenue over expenses.

With respect to financial assets measured at cost or amortized cost, the Foundation recognizes in the excess of revenue over expenses an impairment loss, if any, when it determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows. When the extent of impairment of a previously written-down asset decreases and the decrease can be related to an event occurring after the impairment was recognized, the previously recognized impairment loss shall be reversed in the excess of revenue over expenses in the period the reversal occurs.

The Foundation does not enter into any derivative financial instrument arrangements.

Calgary Police Foundation

NOTES TO FINANCIAL STATEMENTS

December 31, 2013

3. RELATED PARTY TRANSACTIONS

The Foundation receives rent-free use of office space from the CPS, which has representation on the Foundation's Board of Directors.

The CPS contributed administrative costs of \$40,154 (2012- \$47,570) and salaries in-kind of \$174,846 (2012 - \$ nil). The Foundation does not record the value of these administrative costs and salaries in-kind in the financial statements.

The CPS reimbursed the Foundation for salary costs amounting to \$129,168 (2012 - \$nil). Receivables outstanding as at December 31, 2013 from the CPS total \$14,054 (2012 - \$ nil) which relate to the reimbursed salary costs.

4. DESIGNATED FUNDS AND PROJECT DISBURSEMENTS

As at December 31, 2013, the Foundation endorsed the following projects to receive disbursements as specified in the Fund Agreements:

- Calgary Police Cadets Corps
- Calgary Police Service Flood Relief for Youth
- Child Advocacy Centre
- Get-A-Life
- Multi Agency School Support Team (MASST)
- YouthLink Calgary

5. PLEDGED FUNDS

The Foundation has received pledges from a number of Corporations and individuals which will be paid on an installment basis over the next four years. Amounts pledged but not received by December 31, 2013 total \$6,377,283 (2012 - \$5,307,513) and have not been accrued for in the financial statements.

6. FINANCIAL INSTRUMENTS

The Foundation's financial instruments consist of cash, accounts receivable, and accounts payable and accrued liabilities. The fair values of these instruments approximate their carrying values due to their short-term maturities.

It is management's opinion that the Foundation is not exposed to significant interest, foreign exchange or credit risks arising from these financial instruments.