

THE SENATOR PATRICK BURNS MEMORIAL FUND

SUMMARIZED FINANCIAL STATEMENTS

December 31, 2013

The Senator Patrick Burns Memorial Fund
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For the year ended December 31, 2013

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INDEPENDENT AUDITOR'S REPORT

To the Trustees of The Senator Patrick Burns Bequest Memorial Fund:

Report on the financial statements

The accompanying summarized financial statements which comprise the summarized statement of financial position as at December 31, 2013, and the summarized statement of operations and changes in net assets for the year then ended are derived from the audited financial statements of:

- (1) The Senator Patrick Burns Bequest for the Poor, Indigent and Neglected Children of the City of Calgary ("Children")
- (2) The Senator Patrick Burns Bequest for the Benefit of Widows and Orphans of the Members of the Fire Brigade of the City of Calgary ("Fire")
- (3) The Senator Patrick Burns Bequest for the Benefit of Widows and Orphans of the Members of the Police Force of the City of Calgary ("Police")

Collectively referred to as "the Bequests". We expressed unmodified audit opinions on those financial statements in our reports dated March 21, 2014.

The summarized financial statements do not contain all the disclosures required by Canadian accounting standards for not-for-profit organizations. Reading the summarized financial statements, therefore, is not a substitute for reading the audited financial statements of the Bequests.

Management's responsibility for financial statements

Management is responsible for the preparation of a summary of the audited financial statements in accordance with criteria established by management that ensures the summarized financial statements agree with the related information in the audited financial statements.

Auditor's responsibility

Our responsibility is to express an opinion on the summarized financial statements based on our audit procedures, which were conducted in accordance with Canadian Auditing Standards (CAS) 810, "Engagements to Report on Summary Financial Statements".

Opinion

In our opinion, the summarized financial statements derived from the audited financial statements of the Bequests for the year ended December 31, 2013 are a fair summary of those financial statements, in accordance with Canadian accounting standards for not-for-profit organizations.

Calvista LLP

Professional Accountants

March 21, 2014
Calgary, Alberta, Canada

The Senator Patrick Burns Memorial Fund
Summarized Statement of Financial Position
As at December 31, 2013

	Children		Fire		Police	
	2013	2012	2013	2012	2013	2012
ASSETS						
Current						
Cash	\$ 50	\$ 134,639	\$ 50	\$ 50	\$ 50	\$ 50
Funds held in trust	705,550	553,585	-	-	-	-
Due from other Bequests	7,882	51,760	27,146	-	-	-
Interest receivable	3,713	3,430	5,294	4,930	4,380	4,078
Goods and service tax recovery	1,297	1,409	-	-	-	-
Other receivables	-	334	-	333	-	333
Prepaid expenses	2,513	747	2,512	748	2,512	748
	721,005	745,904	35,002	6,061	6,942	5,209
Investments	1,499,376	1,369,089	2,278,879	2,071,283	1,840,664	1,670,496
Property and equipment	3,086	1,602	3,084	1,602	3,085	1,603
	\$ 2,223,467	\$ 2,116,595	\$ 2,316,965	\$ 2,078,946	\$ 1,850,691	\$ 1,677,308
LIABILITIES AND NET ASSETS						
Current liabilities						
Bank Indebtedness	\$ 20,792	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other Bequests	-	-	-	21,165	35,028	30,595
Accounts payable and accrued liabilities	17,739	10,378	8,946	10,220	8,947	10,221
Liabilities for funds held in trust	705,550	553,585	-	-	-	-
Grants payable	-	190,187	202,295	126,525	211,564	150,016
	744,081	754,150	211,241	157,910	255,539	190,832
Deferred contributions	101,138	58,198	-	-	-	-
	845,219	812,348	211,241	157,910	255,539	190,832
Net assets	1,378,248	1,304,247	2,105,724	1,921,036	1,595,152	1,486,476
	\$ 2,223,467	\$ 2,116,595	\$ 2,316,965	\$ 2,078,946	\$ 1,850,691	\$ 1,677,308

Approved on behalf of the Board of Trustees:

Trustee: _____

Trustee: _____

The Senator Patrick Burns Memorial Fund
Summarized Statement of Operations and Changes in Net Assets
For the year ended December 31, 2013

	Children		Fire		Police	
	2013	2012	2013	2012	2013	2012
Revenue						
Income from Burns						
Memorial Trust	\$ 313,140	\$ 313,140	\$ 313,140	\$ 313,140	\$ 313,140	\$ 313,140
Donations and grants	241,161	128,167	1,757	1,536	1,757	1,536
Cost recovery (partnership)	59,148	56,968	57,519	56,966	57,519	56,966
Investment income and other	50,367	42,837	75,155	62,792	60,379	50,646
	663,816	541,112	447,571	434,434	432,795	422,288
Expenses						
Grants	548,804	428,890	292,114	282,577	314,577	305,663
Program and facility costs	147,493	126,537	147,184	126,830	147,732	126,825
Professional fee	25,128	24,316	26,034	25,170	25,332	24,344
Amortization	1,437	803	1,438	802	1,438	802
Other	-	-	-	306	-	-
	722,862	580,546	466,770	435,685	489,079	457,634
Excess (deficiency) of revenue over expenses before other items	(59,046)	(39,434)	(19,199)	(1,251)	(56,284)	(35,346)
Other items						
Gain on disposal of investments	12,370	13,091	18,685	19,095	14,189	14,495
Unrealized gain (loss) on investment	120,677	80,145	185,202	124,650	150,770	100,242
Excess (deficiency) of revenue over expenses	74,001	53,802	184,688	142,494	108,675	79,391
Net assets - beginning of year	1,304,247	1,250,445	1,921,036	1,778,542	1,486,477	1,407,085
Net assets - end of year	\$ 1,378,248	\$ 1,304,247	\$ 2,105,724	\$ 1,921,036	\$ 1,595,152	\$ 1,486,476

**THE SENATOR PATRICK BURNS BEQUEST FOR
THE POOR, INDIGENT AND NEGLECTED
CHILDREN OF THE CITY OF CALGARY**

Financial Statements

December 31, 2013

**The Senator Patrick Burns Bequest for the Poor,
Indigent and Neglected Children of the City of Calgary**
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For the year ended December 31, 2013

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INDEPENDENT AUDITOR'S REPORT

To the Trustees of The Senator Patrick Burns Bequest for the Poor, Indigent and Neglected Children of the City of Calgary

Report on the financial statements

We have audited the accompanying financial statements of The Senator Patrick Burns Bequest for the Poor, Indigent and Neglected Children of the City of Calgary, which comprise the statement of financial position as at December 31, 2013, and the statements of operations, changes in net assets and cash flows for the year then ended December 31, 2013, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for 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 Senator Patrick Burns Bequest for the Poor, Indigent and Neglected Children of the City of Calgary as at December 31, 2013 and the results of its operations and its cash flows for the year then ended December 31, 2013 in accordance with Canadian accounting standards for not-for-profit organizations.

Calvista LLP
Professional Accountants

March 21, 2014
Calgary, Alberta, Canada

**The Senator Patrick Burns Bequest for the Poor,
Indigent and Neglected Children of the City of Calgary**
Statement of Financial Position
As at December 31, 2013

	2013	2012
ASSETS		
Current		
Cash	\$ -	\$ 134,639
Funds held in trust (note 3)	705,550	553,585
Due from Police Bequest (note 6)	7,882	51,760
Interest receivable	3,713	3,430
Goods and services tax recoverable	1,297	1,409
Other receivables	-	334
Prepaid expenses	2,513	747
	<u>720,955</u>	<u>745,904</u>
Investments (note 4)	1,499,376	1,369,089
Property and equipment (note 5)	3,086	1,602
	<u>\$ 2,223,417</u>	<u>\$ 2,116,595</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Bank Indebtedness	\$ 20,742	\$ -
Accounts payable and accrued liabilities	17,739	10,378
Liabilities for funds held in trust (note 3)	705,550	553,585
Grants payable	-	190,187
	<u>744,031</u>	<u>754,150</u>
Deferred contributions (note 7)	101,138	58,198
	<u>845,169</u>	<u>812,348</u>
Net assets	1,378,248	1,304,247
	<u>\$ 2,223,417</u>	<u>\$ 2,116,595</u>

Approved by:

Trustee: _____

Trustee: _____

**The Senator Patrick Burns Bequest for the Poor,
Indigent and Neglected Children of the City of Calgary**
Statement of Operations and Changes in Net Assets
For the year ended December 31, 2013

	2013	2012
Revenue		
Income from Burns Memorial Trust (note 8)	\$ 313,140	\$ 313,140
Donations and grants	241,161	128,167
Cost recovery (partnership)	59,148	56,968
Investment income and other	50,367	42,837
	663,816	541,112
Expenses		
Grants	548,804	428,890
Program and facility costs	147,493	126,537
Professional fee	25,128	24,316
Amortization	1,437	803
	722,862	580,546
Deficiency of revenue over expenses before other items	(59,046)	(39,434)
Other items		
Unrealized gain on investments	120,677	80,145
Gain on disposal of investments	12,370	13,091
	74,001	53,802
Excess of revenue over expenses	74,001	53,802
Net assets, beginning of the year	1,304,247	1,250,445
Net assets, end of the year	\$ 1,378,248	\$ 1,304,247

**The Senator Patrick Burns Bequest for the Poor,
Indigent and Neglected Children of the City of Calgary**
Statement of Cash Flows
For the year ended December 31, 2013

	2013	2012
OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ 74,001	\$ 53,802
Non-cash transactions		
Gain on disposal of investments	(12,370)	(13,091)
Amortization	1,437	803
Unrealized gain on investment	(120,677)	(80,145)
Change in non-cash working capital	54,353	446,199
	<u>(3,256)</u>	<u>407,568</u>
INVESTING ACTIVITIES		
Proceeds on sale of investments	315,595	424,628
Purchase of investments	(312,837)	(421,819)
Purchase of property and equipment	(2,918)	(841)
	<u>(160)</u>	<u>1,968</u>
Increase (decrease) in cash	(3,416)	409,536
Cash, beginning of the year	<u>688,224</u>	<u>278,688</u>
Cash, end of the year	\$ 684,808	\$ 688,224
Cash consists of:		
Cash (Bank indebtedness)	\$ (20,742)	\$ 134,639
Funds held in trust	<u>705,550</u>	<u>553,585</u>
	<u>\$ 684,808</u>	<u>\$ 688,224</u>

**The Senator Patrick Burns Bequest for the Poor,
Indigent and Neglected Children of the City of Calgary**
Notes to the Financial Statements
For the year ended December 31, 2013

1. DESCRIPTION OF THE ORGANIZATION

The Honourable Patrick Burns Settlements Amendment Act, 1981 (note 8), allows the trustees of the Senator Patrick Burns Bequest for the Poor, Indigent and Neglected Children of the City of Calgary (the "Bequest") to provide benefits to persons under 21 years of age and resident in the City of Calgary, whom the trustees consider to be in need and worthy of assistance through direct grants to the individual, granting funds to benefit such children to any registered Canadian charity, and funding any program deemed desirable for the benefit of said children.

The Bequest is registered as a charity under the Income Tax Act and is exempt from income taxes.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the CPA Handbook, and in management's opinion, have been properly prepared within reasonable limits of materiality and within the framework of the significant accounting policies summarized below:

a) Use of estimates

These financial statements are prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations which require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingencies at the date of the financial statements and the reported amounts of revenue and expenses during the reporting periods.

b) Investments

Investments are made in accordance with the Bequest's investment policy.

Long term investments may consist of segregated or pooled fund investments in equities, corporate and government bonds, treasury bills and money market investments which are recorded at market value. Transactions related to the purchase or sale of investments are recorded at the settlement date.

c) Property and equipment

Property and equipment are capitalized and stated at cost less accumulated amortization. Amortization is recorded to expenditures using the straight-line method at rates calculated to amortize the cost of the assets over their estimated useful lives (three to five years).

d) Revenue recognition

The Bequest follows the deferral method of accounting for contributions. Unrestricted contributions and income distributions from the Burns Memorial Trust are recognized as revenue when received.

Investment income comprises of interest, dividends, and fund distributions. Realized and unrealized gains or losses on the disposal of investments are shown separately on the statement of operations as other items. Interest and dividends earned on investments are included as revenue in the unrestricted fund on the accrual basis.

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**The Senator Patrick Burns Bequest for the Poor,
Indigent and Neglected Children of the City of Calgary**
Notes to the Financial Statements
For the year ended December 31, 2013

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

e) Grants

Grants are recorded as expenditures when they are approved by the Trustees. If all or a portion of these approved expenditures are subsequently refunded or cancelled because of changed needs or circumstances, the amount of refund or cancellation is credited to grant expenditures at that time.

3. FUNDS HELD IN TRUST AND LIABILITY FOR FUNDS HELD IN TRUST

Funds held in trust represent funds managed by the Bequest on behalf of other organizations as follows:

RADAR was created in 2008 by a range of system and community partners to help high-risk 13-15 year olds re-engage in the education system. Along with a staffed classroom, the program offers wrap-around supports to the youth, assisting in meeting their essential needs, e.g. stable living conditions, re-connection with family and positive adult relationships, access to mental and physical health supports, and access to recreation. The RADAR program ended in 2013.

CFAN (Calgary Fetal Alcohol Network) is a network of organizations and individuals committed to developing an aware and knowledgeable community that encourages a healthy response to Fetal Alcohol Spectrum Disorder. CFAN assesses needs and actively promotes opportunities to collaborate and improve services delivery, funds a continuum of coordinated services, and promotes community development through education and awareness.

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**The Senator Patrick Burns Bequest for the Poor,
Indigent and Neglected Children of the City of Calgary**
Notes to the Financial Statements
For the year ended December 31, 2013

3. FUNDS HELD IN TRUST AND LIABILITY FOR FUNDS HELD IN TRUST (Continued)

	2013	2012
RADAR		
Funds held in trust – Beginning of year	\$ 18,665	\$ 40,108
Amounts received from the Government of Alberta	-	210,685
Amounts received from the anonymous donor	-	3,600
Contribution from Burns Children Fund	270	-
Programs funded during the year:		
Boys & Girls Clubs of Calgary	-	(142,370)
Woods Homes	-	(28,415)
Burns Memorial Fund administration costs	-	(21,000)
Bank charges	(35)	-
Evaluators	(18,900)	(43,943)
Funds held in Trust – End of year	-	18,665
CFAN		
Funds held in trust – Beginning of year	534,920	109,259
Amounts received from the Government of Alberta	1,777,117	2,045,652
Fundraising income (a)	-	25,731
Disbursements during the year:		
McMan Youth Family and Community Services	(272,269)	(289,417)
Foothills Fetal Alcohol Society	(263,982)	(242,955)
Enviros Wilderness School	(210,137)	(252,474)
Calgary John Howard Society CFAN operating expenses	(185,994)	(178,330)
Calgary John Howard Society	(157,495)	(150,454)
Medigene Services Inc.	(134,904)	(139,189)
Renfrew Education Services	(104,428)	(82,839)
Burns Memorial Fund administration costs	(100,000)	(92,500)
Parent Support Association	(87,322)	(109,716)
Calgary Alternative Support Services	(75,000)	(37,500)
Alberta Children's Hospital	(10,300)	(41,440)
Empowerment Fund grants	(4,448)	(2,401)
Other CFAN operating expenses	(208)	(5,555)
Outcomes evaluation design	-	(19,572)
Sector Professional Development	-	(1,380)
Funds held in trust – End of year	705,550	534,920
Total funds held in trust	\$ 705,550	\$ 553,585

(a) Donations may be received specifically for this program. These amounts will be recognized when spent in accordance with the Bequest's policy for revenue recognition as noted in 2(d).

**The Senator Patrick Burns Bequest for the Poor,
Indigent and Neglected Children of the City of Calgary**
Notes to the Financial Statements
For the year ended December 31, 2013

4. INVESTMENTS

	2013	
	Cost	Market value
Canadian bonds and debentures	\$ 591,150	\$ 560,147
Canadian equities	703,241	939,229
Total	\$ 1,294,391	\$ 1,499,376

	2012	
	Cost	Market value
Canadian bonds and debentures	\$ 516,001	\$ 541,158
Canadian equities	724,619	827,931
Total	\$ 1,240,620	\$ 1,369,089

5. PROPERTY AND EQUIPMENT

	Cost		Accumulated Amortization		Net Book Value	
	2013	2012	2013	2012	2013	2012
Office equipment	\$ 3,717	\$ 3,717	\$ (3,717)	\$ (3,717)	\$ -	\$ -
Computer equipment	8,419	8,046	(7,889)	(7,487)	530	559
Furniture and fixtures	7,660	5,115	(5,104)	(4,072)	2,556	1,043
	\$ 19,796	\$ 16,878	\$ (16,710)	\$ (15,276)	\$ 3,086	\$ 1,602

6. DUE FROM POLICE BEQUEST

The Bequest is related to the Senator Patrick Burns Bequest for the Benefit of Widows and Orphans of the Members of the Police Force of the City of Calgary through a common management team and a common Board of Trustees.

**The Senator Patrick Burns Bequest for the Poor,
Indigent and Neglected Children of the City of Calgary**
Notes to the Financial Statements
For the year ended December 31, 2013

7. DEFERRED CONTRIBUTIONS

	2012	Contribution	Expenditure	2013
Watson Family Foundation	\$ 873	\$ 21,000	\$ 12,009	\$ 9,864
Mauro Realty	7,325	15,000	14,200	8,125
Integro Legacy Fund	20,000	-	4,000	16,000
Ruth Ramsden-Wood Education Fund	30,000	-	2,143	27,857
United Way-Detour Program	-	130,000	117,840	12,160
United Way-Donor Student Asst.Program	-	9,700	2,500	7,200
United Way-Tutoring Program	-	21,562	1,630	19,932
Balance – End of year	\$ 58,198	\$ 197,262	\$ 154,322	\$ 101,138

8. INCOME FROM BURNS MEMORIAL TRUST

The Burns Memorial Trust (the “Trust”) was established from the Estate of the Late Honourable Senator Patrick Burns, under the provisions of the Burns Memorial Trust Act (the “Act”), assented to on March 29, 1956. As at December 31, 2013, the Trust capital amounts to \$44,306,842 at cost (market value : \$51,274,545) (2012: \$43,235,296 at cost (market value \$44,707,114)). The Act directs equal distribution annually of any income received by the Trust to five non-profit or charitable organizations, one of which is the Bequest. An amount of \$313,140 (2012: \$313,140) was received during the current year.

9. STATUTORY DISCLOSURES

The Bequest is registered under the Charitable Fundraising Act of Alberta and has included all required disclosures under Section 7(2) of the Regulation in preparing these financial statements.

10. COMMITMENTS

The Bequest is committed to lease office space for various periods up to the year 2016. Future minimum lease payments are as follows:

2014	14,233
2015	14,233
2016	14,233

**The Senator Patrick Burns Bequest for the Poor,
Indigent and Neglected Children of the City of Calgary**
Notes to the Financial Statements
For the year ended December 31, 2013

11. FINANCIAL INSTRUMENTS

The Bequest's financial instruments recognized in the statement of financial position consist of cash, funds held in trust, interest receivable, other receivable, investments, due from Police and Fire Brigade Bequests, accounts payable, accrued liabilities, grants payable and liability for funds held in trust. Due to their short term nature, the carrying value of cash, receivables, accounts payable and accrued liabilities approximates their fair value with the exception of investments. Investments are recorded at fair market value.

All financial instruments are initially recognized at fair market value on the statement of financial position. Subsequent measurement of financial instruments is based on their classification. Investment financial instruments are measured at fair market value with changes in fair market value recognized in the statement of revenue and expenses and net assets.

a) Price risk

The investments of the Bequest are subject to price risk as changing interest rates impact the fair market value of the fixed rate investments, and the general economic conditions affect the market value of equity investments. This risk is mitigated through the use of a qualified investment manager and through adherence to the Board of Trustees approved investment guidelines.

b) Liquidity risk

Investments are subject to liquidity risk if the Bequest is required to sell at a time that the market for the investments is unfavorable. To manage the risk, the Bequest uses an investment manager and adheres to the Board of Trustees approved investment guidelines that recognize the Bequest's liquidity needs.

c) Interest risk

The Bequest is exposed to interest rate risk on its investments. The Bequest engages investment advisors to manage its investment portfolio in accordance with the Bequest's Board of Trustees approved investment guidelines. The maturity dates and interest rates of interest bearing investments are as follows:

	Interest rate range	Amount at cost
Maturity date from balance sheet date		
Greater than one year, but less than five years	1.645% - 5.8%	\$ 290,138
Greater than five years	2.96% - 7.768%	\$ 301,012

The remaining balance of \$703,241 comprises equity investments at cost (note 4).

**The Senator Patrick Burns Bequest for the Poor,
Indigent and Neglected Children of the City of Calgary**
Notes to the Financial Statements
For the year ended December 31, 2013

12. CAPITAL DISCLOSURES

The Bequest defines its capital as the amounts included in its net assets.

The Bequest's objective when managing its capital is to safeguard its ability to continue as a going concern so that it can continue to provide the appropriate level of benefits and services to its beneficiaries and its stakeholders. There are no externally imposed restrictions on the Bequest's capital.

The Bequest sets the amount of net assets in proportions to risks, manages the net asset structure, and makes adjustments to it in light of changes in conditions and the risk characteristics of the underlying assets.

**THE SENATOR PATRICK BURNS BEQUEST FOR THE
BENEFIT OF WIDOWS AND ORPHANS OF THE MEMBERS
OF THE POLICE FORCE OF THE CITY OF CALGARY**

Financial Statements

December 31, 2013

**The Senator Patrick Burns Bequest for the Benefit of
Widows and Orphans of the Members of the Police Force of the City of Calgary**
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INDEPENDENT AUDITOR'S REPORT

To the Trustees of The Senator Patrick Burns Bequest for the Benefit of Widows and Orphans of the Members of the Police Force of the City of Calgary:

Report on the financial statements

We have audited the accompanying financial statements of The Senator Patrick Burns Bequest for the Benefit of Widows and Orphans of the Members of the Police Force of the City of Calgary, which comprise the statement of financial position as at December 31, 2013, and the statements of operations, changes in net assets and cash flows for the year then ended December 31, 2013, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for 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 Senator Patrick Burns Bequest for the Benefit of Widows and Orphans of the Members of the Police Force of the City of Calgary as at December 31, 2013 and the results of its operations and its cash flows for the year then ended December 31, 2013 in accordance with Canadian accounting standards for not-for-profit organizations.

Calvista LLP

Professional Accountants

March 21, 2014
Calgary, Alberta, Canada

**The Senator Patrick Burns Bequest for the Benefit of
Widows and Orphans of the Members of the Police Force of the City of Calgary**
Statement of Financial Position
As at December 31, 2013

	2013	2012
ASSETS		
Current		
Cash	\$ 50	\$ 50
Interest receivable	4,380	4,078
Other receivable	-	333
Prepaid expenses	2,512	748
	<u>6,942</u>	<u>5,209</u>
Investments (note 4)	1,840,664	1,670,496
Property and equipment (note 5)	<u>3,085</u>	<u>1,603</u>
	<u>\$ 1,850,691</u>	<u>\$ 1,677,308</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued liabilities	\$ 8,947	\$ 10,221
Due to Fire and Children's Bequests (note 3)	35,028	30,595
Grants payable	211,564	150,016
	<u>255,539</u>	<u>190,832</u>
Net assets	<u>1,595,152</u>	<u>1,486,476</u>
	<u>\$ 1,850,691</u>	<u>\$ 1,677,308</u>

Approved on behalf of the Board:

Trustee: _____

Trustee: _____

**The Senator Patrick Burns Bequest for the Benefit of
Widows and Orphans of the Members of the Police Force of the City of Calgary**
Statement of Operations and Changes in Net Assets
For the year ended December 31, 2013

	2013	2012
Revenue		
Income from Burns Memorial Trust (note 6)	\$ 313,140	\$ 313,140
Cost recovery (partnership)	57,519	56,966
Investment income and other	60,379	50,646
Donations and grants	1,757	1,536
	<u>432,795</u>	<u>422,288</u>
Expenses		
Grants	314,577	305,663
Program and facility costs	147,732	126,825
Professional fee	25,332	24,344
Amortization	1,438	802
	<u>489,079</u>	<u>457,634</u>
Deficiency of revenue over expenses before other items	(56,284)	(35,346)
Other items		
Unrealized gain on investments	150,770	100,242
Gain on disposal of investments	14,189	14,495
	<u>164,959</u>	<u>114,737</u>
Excess of revenue over expenses	108,675	79,391
Net assets - beginning of year	<u>1,486,477</u>	<u>1,407,085</u>
Net assets - end of year	\$ 1,595,152	\$ 1,486,476

**The Senator Patrick Burns Bequest for the Benefit of
Widows and Orphans of the Members of the Police Force of the City of Calgary**
Statement of Cash Flows
For the year ended December 31, 2013

	2013	2012
OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ 108,675	\$ 79,391
Non-cash transactions		
Gain on disposal of investments	(14,189)	(14,495)
Amortization	1,438	802
Unrealized gain on investment	(150,770)	(100,242)
Change in non-cash working capital	62,975	34,824
	<u>8,129</u>	<u>280</u>
INVESTING ACTIVITIES		
Proceeds on sale of investments	379,268	479,399
Purchase of investments	(384,477)	(480,395)
Purchase of property and equipment	(2,920)	(838)
	<u>(8,129)</u>	<u>(1,834)</u>
Increase (decrease) in cash	-	(1,554)
Cash, beginning of the year	50	1,604
Cash, end of the year	<u>\$ 50</u>	<u>\$ 50</u>

**The Senator Patrick Burns Bequest for the Benefit of
Widows and Orphans of the Members of the Police Force of the City of Calgary**
Notes to the Financial Statements
For the year ended December 31, 2013

1. DESCRIPTION OF THE ORGANIZATION

The Honourable Patrick Burns Settlements Amendment Act, 1981 (note 6), allows the trustees of the Senator Patrick Burns Bequest for the Benefit of Widows and Orphans of the Members of the Police Force of the City of Calgary (the "Bequest"), in priority order, to provide benefits to widows and orphans of former Police Force members including paying for any part of the tuition, living costs and related expenses of children of active or retired Police Force members while they are attending an institution of learning and providing benefits to poor, indigent and neglected children of the City of Calgary.

The Company is exempt from income taxes under section 149(1) of the Income Tax Act (the "Act"). In order to maintain its non-taxable status, the Company must meet certain requirements under the Act. In the opinion of management, these requirements have been met.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the CPA Handbook, and in management's opinion, have been properly prepared within reasonable limits of materiality and within the framework of the significant accounting policies summarized below:

a) Use of estimates

These financial statements are prepared in accordance with accounting standards for not-for-profit organizations which require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingencies at the date of the financial statements and the reported amounts of revenue and expenses during the reporting periods. Actual results could differ from these estimates.

b) Investments

Investments are made in accordance with the Bequest's investment policy.

Long term investments may consist of segregated or pooled fund investments in equities, corporate and government bonds, treasury bills and money market investments, recorded at market value. Transactions related to the purchase or sale of investments are recorded at the settlement date.

c) Property and equipment

Property and equipment are capitalized and stated at cost less accumulated amortization. Amortization is recorded to expenditures using the straight-line method at rates calculated to amortize the cost of the assets over their estimated useful lives (three to five years).

d) Revenue recognition

The Bequest follows the deferral method of accounting for contributions. Unrestricted contributions and income distributions from the Burns Memorial Trust are recognized as revenue when received.

Investment income comprises of interest, dividends, and fund distributions. Realized and unrealized gains or losses on the disposal of investments are shown separately on the statement of operations as other items. Interest and dividends earned on investments are included as revenue in the unrestricted fund on the accrual basis.

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**The Senator Patrick Burns Bequest for the Benefit of
Widows and Orphans of the Members of the Police Force of the City of Calgary**
Notes to the Financial Statements
For the year ended December 31, 2013

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

e) Grants

Grants are charged to expenditures when they are approved by the Trustees. If all or a portion of these approved expenditures are subsequently refunded or cancelled because of changed needs or circumstances, the amount of refund or cancellation is credited to grant expenditures at that time.

f) Financial instruments

All financial instruments are initially recognized at fair market value on the statement of financial position. Subsequent measurement of financial instruments is based on their classification. Investment financial instruments are measured at fair market value with changes in fair market value recognized in the statement of revenue and expenses and net assets.

3. DUE TO FIRE AND CHILDREN'S BEQUESTS

The Bequest is related to the Senator Patrick Burns Bequest for the Poor, Indigent and Neglected Children of the City of Calgary (the "Children's Bequest") and the Senator Patrick Bequest for the Benefit of Widows and Orphans of the Members of the Fire Brigade of the City of Calgary (the "Fire Brigade Bequest") through a common management team and a common Board of Trustees.

The due to Fire's Bequest balance is unsecured, non-interest bearing and will be realized within a one year period.

4. INVESTMENTS

		2013	
		Cost	Market value
Bonds and debentures		\$ 717,254	\$ 681,603
Equities - Canadian		864,546	1,159,061
		\$ 1,581,800	\$ 1,840,664
		2012	
		Cost	Market value
Bonds and debentures		\$ 632,245	\$ 661,571
Equities - Canadian		882,867	1,008,925
		\$ 1,515,112	\$ 1,670,496

**The Senator Patrick Burns Bequest for the Benefit of
Widows and Orphans of the Members of the Police Force of the City of Calgary**
Notes to the Financial Statements
For the year ended December 31, 2013

5. PROPERTY AND EQUIPMENT

	2013	2012
Office equipment, at cost	\$ 3,717	\$ 3,717
Accumulated amortization, office equipment	(3,717)	(3,717)
Computer equipment, at cost	8,419	8,046
Accumulated amortization, computer equipment	(7,892)	(7,486)
Furniture and fixtures, at cost	7,662	5,115
Accumulated amortization, furniture and fixtures	(5,104)	(4,072)
	<u>\$ 3,085</u>	<u>\$ 1,603</u>

6. INCOME FROM BURNS MEMORIAL TRUST

The Burns Memorial Trust (the "Trust") was established from the Estate of the Late Honourable Senator Patrick Burns, under the provisions of the Burns Memorial Trust Act (the "Act"), assented to on March 29, 1956. As at December 31, 2012, the Trust capital amounts to \$44,306,842 at cost (market value : \$51,274,545) (2012: \$43,235,296 at cost (market value \$44,707,114)). The Act directs equal distribution annually of any income received by the Trust to five non-profit or charitable organizations, one of which is the Bequest. An amount of \$313,140 (2012: \$313,140) was received during the current year.

7. COMMITMENTS

The Bequest is committed to lease office space for various periods up to the year 2016. Future minimum lease payments are as follows:

2014	14,233
2015	14,233
2016	14,233

8. FINANCIAL INSTRUMENTS

The Bequest is required to report under the new accounting framework of Accounting Standards for Not-for-Profit Organizations as described in CPA Handbook Section 3856.

The Bequest's financial instruments recognized in the statement of financial position consist of cash, funds held in trust, interest receivable, other receivable, investments, due to Children's Bequest, accounts payable and accrued liabilities, grants payable. Due to their short term nature, the carrying value of cash, receivables, accounts payable and accrued liabilities approximates their fair value with the exception of investments. Investments are recorded at fair market value.

.../Continues

**The Senator Patrick Burns Bequest for the Benefit of
Widows and Orphans of the Members of the Police Force of the City of Calgary**
Notes to the Financial Statements
For the year ended December 31, 2013

8. FINANCIAL INSTRUMENTS (Continued)

a) Price risk

The investments of the Bequest are subject to price risk as changing interest rates impact the fair market value of the fixed rate investments, and the general economic conditions affect the market value of equity investments. This risk is mitigated through the use of a qualified investment manager and through adherence to the Board of Trustees approved investment guidelines.

b) Liquidity risk

Investments are subject to liquidity risk if the Bequest is required to sell at a time that the market for the investments is unfavorable. To manage the risk, the Bequest uses an investment manager and adheres to the Board of Trustees approved investment guidelines that recognize the Bequest's liquidity needs.

c) Interest risk

The Bequest is exposed to interest rate risk on its investments. The Bequest engages investment advisors to manage its investment portfolio in accordance with the Bequest's Board of Trustees approved investment guidelines. The maturity dates and interest rates of interest bearing investments are as follows:

	Interest rate range	Amount at cost
Maturity date from balance sheet date		
Greater than one year, but less than five years	1.645% -5.8%	\$ 348,533
Greater than five years	2.96% - 7.768%	\$ 368,721

The remaining balance of \$864,546 comprises equity investments at cost (note 4).

9. CAPITAL DISCLOSURES

The Bequest defines its capital as the amounts included in its net assets.

The Bequest's objective when managing its capital is to safeguard the Bequest's ability to continue as a going concern so that it can continue to provide the appropriate level of benefits and services to its beneficiaries and its stakeholders.

The Bequest sets the amount of net assets in proportion to risk, manages the net asset structure, and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets.

**THE SENATOR PATRICK BURNS BEQUEST FOR THE
BENEFIT OF WIDOWS AND ORPHANS OF THE MEMBERS
OF THE FIRE BRIGADE OF THE CITY OF CALGARY**

Financial Statements

December 31, 2013

**The Senator Patrick Burns Bequest for the Benefit of
Widows and Orphans of the Members of the Fire Brigade of the City of Calgary**
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For the year ended December 31, 2013

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INDEPENDENT AUDITOR'S REPORT

To the Trustees of The Senator Patrick Burns Bequest for the Benefit of Widows and Orphans of the Members of the Fire Brigade of the City of Calgary:

Report on the financial statements

We have audited the accompanying financial statements of The Senator Patrick Burns Bequest for the Benefit of Widows and Orphans of the Members of the Fire Brigade of the City of Calgary, which comprise the statement of financial position as at December 31, 2013, and the statements of operations, changes in net assets and cash flows for the year then ended December 31, 2013, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for 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 Senator Patrick Burns Bequest for the Benefit of Widows and Orphans of the Members of the Fire Brigade of the City of Calgary as at December 31, 2013 and the results of its operations and its cash flows for the year then ended December 31, 2013 in accordance with Canadian accounting standards for not-for-profit organizations.

Calvista LLP

Professional Accountants

March 21, 2014
Calgary, Alberta, Canada

**The Senator Patrick Burns Bequest for the Benefit of
Widows and Orphans of the Members of the Fire Brigade of the City of Calgary**
Statement of Financial Position
As at December 31, 2013

	2013	2012
ASSETS		
Current		
Cash	\$ 50	\$ 50
Due from Police Bequest (note 3)	27,146	-
Interest receivable	5,294	4,930
Other receivable	-	333
Prepaid expenses	2,512	748
	<u>35,002</u>	<u>6,061</u>
Investments (note 4)	2,278,879	2,071,283
Property and equipment (note 5)	<u>3,084</u>	<u>1,602</u>
	<u>\$ 2,316,965</u>	<u>\$ 2,078,946</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Due to Children's Bequest (note 3)	\$ -	\$ 21,165
Accounts payable and accrued liabilities	8,946	10,220
Grants payable	202,295	126,525
	<u>211,241</u>	<u>157,910</u>
Net assets	<u>2,105,724</u>	<u>1,921,036</u>
	<u>\$ 2,316,965</u>	<u>\$ 2,078,946</u>

Approved by:

Trustee: _____

Trustee: _____

**The Senator Patrick Burns Bequest for the Benefit of
Widows and Orphans of the Members of the Fire Brigade of the City of Calgary**
Statement of Operations and Changes in Net Assets
For the year ended December 31, 2013

	2013	2012
Revenue		
Income from Burns Memorial Trust (note 6)	\$ 313,140	\$ 313,140
Investment income and other	75,155	62,792
Cost recovery (partnership)	57,519	56,966
Donations and grants	1,757	1,536
	447,571	434,434
Expenses		
Grants	292,114	282,577
Program and facility costs	147,184	126,830
Professional fee	26,034	25,170
Amortization	1,438	802
Other	-	306
	466,770	435,685
Deficiency of revenue over expenses before other items	(19,199)	(1,251)
Other items		
Unrealized gain on investments	185,202	124,650
Gain on disposal of investments	18,685	19,095
	184,688	142,494
Excess of revenue over expenses	184,688	142,494
Net assets, beginning of the year	1,921,036	1,778,542
Net assets, end of the year	\$ 2,105,724	\$ 1,921,036

**The Senator Patrick Burns Bequest for the Benefit of
Widows and Orphans of the Members of the Fire Brigade of the City of Calgary**
Statement of Cash Flows
For the year ended December 31, 2013

	2013	2012
OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ 184,688	\$ 142,494
Non-cash transactions:		
Gain on disposal of investments	(18,685)	(19,095)
Amortization	1,438	802
Unrealized gain on investment	(185,202)	(124,650)
Change in non-cash working capital	51,536	1,234
	<u>33,775</u>	<u>785</u>
INVESTING ACTIVITIES		
Proceeds on sale of investments	482,032	594,302
Purchase of investments	(485,741)	(594,248)
Purchase of property and equipment	(2,920)	(839)
	<u>(6,629)</u>	<u>(785)</u>
Increase in cash	27,146	-
Cash, beginning of the year	50	50
Cash, end of the year	\$ 27,196	\$ 50

**The Senator Patrick Burns Bequest for the Benefit of
Widows and Orphans of the Members of the Fire Brigade of the City of Calgary**
Notes to the Financial Statements
For the Year Ended December 31, 2013

1. DESCRIPTION OF THE ORGANIZATION

The Honourable Patrick Burns Settlements Amendment Act, 1981 (note 6), allows the trustees of the Senator Patrick Burns Bequest for the Benefit of Widows and Orphans of the Members of the Fire Brigade of the City of Calgary (the "Bequest"), in priority order, to provide benefits to widows and orphans of former Fire Brigade members; including paying for any part of the tuition, living costs and related expenses of children of active or retired Fire Brigade members while they are attending an institution of learning and providing benefits to poor, indigent and neglected children of the City of Calgary.

The Company is exempt from income taxes under section 149(1) of the Income Tax Act (the "Act"). In order to maintain its non-taxable status, the Company must meet certain requirements under the Act. In the opinion of management, these requirements have been met.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the CPA Handbook, and in management's opinion, have been properly prepared within reasonable limits of materiality and within the framework of the significant accounting policies summarized below:

a) Revenue recognition

The Bequest follows the deferral method of accounting for contributions. Unrestricted contributions and income distributions from the Burns Memorial Trust are recognized as revenue when received.

Investment income comprises of interest, dividends, and fund distributions. Realized and unrealized gains or losses on the disposal of investments are shown separately on the statement of operations as other items. Interest and dividends earned on investments are included as revenue in the unrestricted fund on the accrual basis.

b) Grants

Grants are recorded as expenditures when they are approved by the Trustees. If all or a portion of these approved expenditures are subsequently refunded or cancelled because of changed needs or circumstances, the amount of refund or cancellation is credited to grant expenditures at that time.

c) Investments

Investments are made in accordance with the Bequest's investment policy.

Long term investments may consist of segregated or pooled fund investments in equities, corporate and government bonds, treasury bills and money market investments, recorded at market value. Transactions related to the purchase or sale of investments are recorded at the settlement date.

d) Property and equipment

Property and equipment are capitalized and stated at cost less accumulated amortization. Amortization is recorded using the straight-line method at rates calculated to amortize the cost of the assets over their estimated useful lives (three to five years).

.../Continues

**The Senator Patrick Burns Bequest for the Benefit of
Widows and Orphans of the Members of the Fire Brigade of the City of Calgary**
Notes to the Financial Statements
For the Year Ended December 31, 2013

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

e) Use of estimates

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations which require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingencies at the date of the financial statements and the reported amounts of revenue and expenses during the reporting periods. Actual results could differ from these estimates.

f) Financial Instruments

All financial instruments are initially recognized at fair market value on the statement of financial position. Subsequent measurement of financial instruments is based on their classification. Investment financial instruments are measured at fair market value with changes in fair market value recognized in the statement of revenue and expenses and net assets.

3. DUE FROM POLICE BEQUEST

The Bequest is related to the Senator Patrick Bequest for the Benefit of Widows and Orphans of the Members of the Police Force of the City of Calgary (the "Police Bequest") through a common management team and a common Board of Trustees.

The due from Police Bequest balance is unsecured, non-interest bearing and will be realized within a one year period.

4. INVESTMENTS

	2013	
	Cost	Market value
Bonds and debentures	\$ 889,969	\$ 845,368
Equities - Canadian	1,073,824	1,433,511
	\$ 1,963,793	\$ 2,278,879
<hr/>		
	2012	
	Cost	Market value
Bonds and debentures	\$ 783,131	\$ 819,450
Equities - Canadian	1,099,077	1,251,833
	\$ 1,882,208	\$ 2,071,283

**The Senator Patrick Burns Bequest for the Benefit of
Widows and Orphans of the Members of the Fire Brigade of the City of Calgary**
Notes to the Financial Statements
For the Year Ended December 31, 2013

5. PROPERTY AND EQUIPMENT

	2013	2012
Office equipment, at cost	\$ 3,717	\$ 3,717
Accumulated amortization, office equipment	(3,717)	(3,717)
Computer equipment, at cost	8,419	8,046
Accumulated amortization, computer equipment	(7,892)	(7,487)
Furniture and fixtures, at cost	7,662	5,115
Accumulated amortization, furniture and fixtures	(5,105)	(4,072)
	\$ 3,084	\$ 1,602

6. INCOME FROM BURNS MEMORIAL TRUST

The Burns Memorial Trust (the "Trust") was established from the Estate of the Late Honourable Senator Patrick Burns, under the provisions of the Burns Memorial Trust Act (the "Act"), assented to on March 29, 1956. As at December 31, 2013, the Trust capital amounts to \$44,306,842 at cost (market value : \$51,274,545) (2012: \$43,235,296 at cost (market value \$44,707,114)). The Act directs equal distribution annually of any income received by the Trust to five non-profit or charitable organizations, one of which is the Bequest. An amount of \$313,140 (2012: \$313,140) was received during the current year.

7. COMMITMENTS

The Bequest is committed to lease office space for various periods up to the year 2016. Future minimum lease payments are as follows:

2014	14,233
2015	14,233
2016	14,233

**The Senator Patrick Burns Bequest for the Benefit of
Widows and Orphans of the Members of the Fire Brigade of the City of Calgary**
Notes to the Financial Statements
For the Year Ended December 31, 2013

8. FINANCIAL INSTRUMENTS

The Bequest's financial instruments recognized in the statement of financial position consist of cash, funds held in trust, interest receivable, other receivable, investments, due to Children's Bequest, accounts payable and accrued liabilities and grants payable. Due to their short term nature, the carrying value of cash, receivables, accounts payable and accrued liabilities approximates their fair value with the exception of investments. Investments are recorded at fair market value.

a) Price risk

The investments of the Bequest are subject to price risk as changing interest rates impact the fair market value of the fixed rate investments, and the general economic conditions affect the market value of equity investments. This risk is mitigated through the use of a qualified investment manager and through adherence to the Board of Trustees approved investment guidelines.

b) Liquidity risk

Investments are subject to liquidity risk if the Bequest is required to sell at a time that the market for the investments is unfavorable. To manage the risk, the Bequest uses an investment manager and adheres to the Board of Trustees approved investment guidelines that recognize the Bequest's liquidity needs.

c) Interest risk

The Bequest is exposed to interest rate risk on its investments. The Bequest engages investment advisors to manage its investment portfolio in accordance with the Bequest's Board of Trustees approved investment guidelines. The maturity dates and interest rates of interest bearing investments are as follows:

	Interest rate range	Amount at cost
Maturity date from balance sheet date		
Greater than one year, but less than five years	1.645% - 5.8%	\$ 466,167
Greater than five years	2.96% - 7.768%	\$ 423,802

The remaining balance of \$1,083,303 comprises equity investments at cost (note 4).

**The Senator Patrick Burns Bequest for the Benefit of
Widows and Orphans of the Members of the Fire Brigade of the City of Calgary**
Notes to the Financial Statements
For the Year Ended December 31, 2013

9. CAPITAL DISCLOSURES

The Bequest defines its capital as the amounts included in its net assets.

The Bequest's objective when managing its capital is to safeguard its ability to continue as a going concern so that it can continue to provide the appropriate level of benefits and services to its beneficiaries and its stakeholders. There are no externally imposed restrictions on the Bequest's capital.

The Bequest sets the amount of net assets in proportion to risk, manages the net asset structure, and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets.
