

THE SENATOR PATRICK BURNS MEMORIAL FUND

SUMMARIZED FINANCIAL STATEMENTS

December 31, 2014

The Senator Patrick Burns Memorial Fund
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For the year ended December 31, 2014

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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, 2014, 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 20, 2015.

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, 2014 are a fair summary of those financial statements, in accordance with Canadian accounting standards for not-for-profit organizations.

March 20, 2015
Calgary, Alberta, Canada

Calvista LLP
Professional Accountants

CALVISTA LLP
PROFESSIONAL ACCOUNTANTS

Suite 1705, 1632 - 14th Ave NW
Calgary, AB T2N 1M7

TEL: 403.777.2299
403.283.1088

FAX: 403.777.4201
WEB: WWW.CALVISTA.CA

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The Senator Patrick Burns Memorial Fund
Summarized Statement of Financial Position
As at December 31, 2014

	Children		Fire		Police	
	2014	2013	2014	2013	2014	2013
ASSETS						
Current						
Cash	\$ 273,598	\$ 50	\$ 44,000	\$ 50	\$ 33,866	\$ 50
Funds held in trust	517,493	705,550	-	-	-	-
Due from other Bequests	-	7,882	-	27,146	-	-
Interest receivable	4,003	3,713	5,672	5,294	4,674	4,380
Goods and service tax recovery	1,297	1,297	-	-	-	-
Prepaid expenses	1,614	2,513	1,615	2,512	1,615	2,512
	798,005	721,005	51,287	35,002	40,155	6,942
Investments	1,692,223	1,499,376	2,280,533	2,278,879	1,760,796	1,840,664
Property and equipment	2,027	3,086	2,026	3,084	2,027	3,085
	\$ 2,492,255	\$ 2,223,467	\$ 2,333,846	\$ 2,316,965	\$ 1,802,978	\$ 1,850,691
LIABILITIES AND NET ASSETS						
Current liabilities						
Bank Indebtedness	\$ -	\$ 20,792	\$ -	\$ -	\$ -	\$ -
Due to other Bequests	-	-	-	-	-	35,028
Accounts payable and accrued liabilities	9,525	17,739	9,524	8,946	9,525	8,947
Liabilities for funds held in trust	517,493	705,550	-	-	-	-
Grants payable	330,705	-	74,628	202,295	123,750	211,564
	857,723	744,081	84,152	211,241	133,275	255,539
Deferred contributions	223,467	101,138	-	-	-	-
	1,081,190	845,219	84,152	211,241	133,275	255,539
Net assets	1,411,065	1,378,248	2,249,694	2,105,724	1,669,703	1,595,152
	\$ 2,492,255	\$ 2,223,467	\$ 2,333,846	\$ 2,316,965	\$ 1,802,978	\$ 1,850,691

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, 2014

	Children		Fire		Police	
	2014	2013	2014	2013	2014	2013
Revenue						
Income from Burns						
Memorial Trust	\$ 339,384	\$ 313,140	\$ 339,384	\$ 313,140	\$ 339,384	\$ 313,140
Donations and grants	300,171	241,161	2,433	1,757	1,958	1,757
Cost recovery (partnership)	65,923	59,148	62,649	57,519	62,649	57,519
Investment income and other	55,415	50,367	75,764	75,155	59,617	60,379
	760,893	663,816	480,230	447,571	463,608	432,795
Expenses						
Grants	635,831	548,804	301,489	292,114	324,261	314,577
Program and facility costs	155,457	147,493	155,732	147,184	155,732	147,732
Professional fee	25,831	25,128	26,660	26,034	26,172	25,332
Amortization	1,622	1,437	1,622	1,438	1,622	1,438
	818,741	722,862	485,503	466,770	507,787	489,079
Excess (deficiency) of revenue over expenses before other items	(57,848)	(59,046)	(5,273)	(19,199)	(44,179)	(56,284)
Other items						
Gain on disposal of investments	24,428	12,370	23,663	18,685	21,215	14,189
Unrealized gain on investment	66,237	120,677	125,580	185,202	97,515	150,770
Excess (deficiency) of revenue over expenses	32,817	74,001	143,970	184,688	74,551	108,675
Net assets - beginning of year	1,378,248	1,304,247	2,105,724	1,921,036	1,595,152	1,486,477
Net assets - end of year	\$ 1,411,065	\$ 1,378,248	\$ 2,249,694	\$ 2,105,724	\$ 1,669,703	\$ 1,595,152

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

Financial Statements

December 31, 2014

**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, 2014

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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, 2014, and the statements of operations, changes in net assets and cash flows for the year then ended December 31, 2014, 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, 2014 and the results of its operations and its cash flows for the year then ended December 31, 2014 in accordance with Canadian accounting standards for not-for-profit organizations.

Calvista LLP
Professional Accountants

March 20, 2015
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, 2014**

	2014	2013
ASSETS		
Current		
Cash	\$ 273,598	\$ 50
Funds held in trust (note 3)	517,493	705,550
Due from Police Bequest (note 6)	-	7,882
Interest receivable	4,003	3,713
Goods and services tax recoverable	1,297	1,297
Prepaid expenses	1,614	2,513
	798,005	721,005
Investments (note 4)	1,692,223	1,499,376
Property and equipment (note 5)	2,027	3,086
	\$ 2,492,255	\$ 2,223,467
LIABILITIES AND NET ASSETS		
Current liabilities		
Bank Indebtedness	\$ -	\$ 20,792
Accounts payable and accrued liabilities	9,525	17,739
Liabilities for funds held in trust (note 3)	517,493	705,550
Grants payable	330,705	-
	857,723	744,081
Deferred contributions (note 7)	223,467	101,138
	1,081,190	845,219
Net assets	1,411,065	1,378,248
	\$ 2,492,255	\$ 2,223,467

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, 2014

	2014	2013
Revenue		
Income from Burns Memorial Trust (note 8)	\$ 339,384	\$ 313,140
Donations and grants	300,171	241,161
Cost recovery (partnership)	65,923	59,148
Investment income and other	55,415	50,367
	<u>760,893</u>	<u>663,816</u>
Expenses		
Grants	635,831	548,804
Program and facility costs	155,457	147,493
Professional fee	25,831	25,128
Amortization	1,622	1,437
	<u>818,741</u>	<u>722,862</u>
Deficiency of revenue over expenses before other items	(57,848)	(59,046)
Other items		
Unrealized gain on investments	66,237	120,677
Gain on disposal of investments	24,428	12,370
	<u></u>	<u></u>
Excess of revenue over expenses	32,817	74,001
Net assets, beginning of the year	<u>1,378,248</u>	<u>1,304,247</u>
Net assets, end of the year	\$ 1,411,065	\$ 1,378,248

**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, 2014

	2014	2013
OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ 32,817	\$ 74,001
Non-cash transactions		
Gain on disposal of investments	(24,428)	(12,370)
Amortization	1,622	1,437
Unrealized gain on investment	(66,237)	(120,677)
Change in non-cash working capital	265,254	54,353
	<u>209,028</u>	<u>(3,256)</u>
INVESTING ACTIVITIES		
Proceeds on sale of investments	342,916	315,595
Purchase of investments	(445,098)	(312,837)
Purchase of property and equipment	(563)	(2,918)
	<u>(102,745)</u>	<u>(160)</u>
Increase (decrease) in cash	106,283	(3,416)
Cash, beginning of the year	684,808	688,224
Cash, end of the year	\$ 791,091	\$ 684,808
Cash consists of:		
Cash (Bank indebtedness)	\$ 273,598	\$ (20,792)
Funds held in trust	517,493	705,600
	<u>\$ 791,091</u>	<u>\$ 684,808</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, 2014

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 the payment of 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, 2014

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

e) 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.

f) 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.

g) GST receivable

GST paid on materials and services are recoverable at 50% of the amount paid as a rebate. The unrecoverable portion is recorded as an expense with the rebate treated as a receivable.

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, 2014

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

	2014	2013
RADAR		
Funds held in trust – Beginning of year	\$ -	\$ 18,665
Contribution from Burns Children Fund	-	270
Programs funded during the year:		
Bank charges	-	(35)
Evaluators	-	(18,900)
Funds held in Trust – End of year	-	-
CFAN		
Funds held in trust – Beginning of year	705,550	534,920
Amounts received from the Government of Alberta	1,835,127	1,777,117
Fundraising/event income (a)	20,272	-
Disbursements during the year:		
Enviros Wilderness School	(438,032)	(210,137)
Foothills Fetal Alcohol Society	(298,409)	(263,982)
McMan Youth Family and Community Services	(293,537)	(272,269)
Other CFAN operating expenses	-	(208)
Medigene Services Inc.	(161,243)	(134,904)
Calgary John Howard Society	(171,201)	(157,495)
Calgary Alternative Support Services	(133,684)	(75,000)
Renfrew Education Services	(122,759)	(104,428)
Burns Memorial Fund administration costs	(107,390)	(100,000)
Parent Support Association	(94,903)	(87,322)
Community Engagement Strategy	(7,152)	-
Empowerment Fund grants	(5,091)	(4,448)
Calgary John Howard Society CFAN operating expenses	(210,055)	(185,994)
Alberta Children's Hospital	-	(10,300)
Funds held in trust – End of year	517,493	705,550
Total funds held in trust	\$ 517,493	\$ 705,550

(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, 2014

4. INVESTMENTS

	2014	
	Cost	Market value
Common stock	\$ 615,330	\$ 838,781
Government bonds	200,271	216,351
Corporate bonds	162,330	169,530
Canadian equity funds	138,252	137,590
Global fixed income	104,601	104,780
Canadian fixed income	95,686	96,353
Canadian short term fixed income	79,837	79,008
Municipal bonds	21,604	22,608
US equity funds	14,957	16,153
Other securities	24,351	24,414
Less: Cash portion	(9,342)	(9,342)
Less: Accrued interest	(4,003)	(4,003)
Total	\$ 1,443,874	\$ 1,692,223

	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

5. PROPERTY AND EQUIPMENT

	Cost		Accumulated Amortization		Net Book Value	
	2014	2013	2014	2013	2014	2013
Office equipment	\$ 3,717	\$ 3,717	\$ (3,717)	\$ (3,717)	\$ -	\$ -
Computer equipment	8,982	8,419	(8,480)	(7,889)	502	530
Furniture and fixtures	7,660	7,660	(6,135)	(5,104)	1,525	2,556
	\$ 20,359	\$ 19,796	\$ (18,332)	\$ (16,710)	\$ 2,027	\$ 3,086

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 (the "Police Bequest") through a common management team and a common Board of Trustees.

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

**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, 2014

7. DEFERRED CONTRIBUTIONS

	2013	Contribution	Expenditure	2014
Watson Family Foundation	\$ 9,864	\$ 9,000	\$ 14,400	\$ 4,464
Mauro Realty	8,125	20,000	15,250	12,875
Integro Legacy Fund	16,000	-	4,000	12,000
Ruth Ramsden-Wood Education Fund	27,857	-	2,143	25,714
United Way-Detour Program	12,160	215,383	119,580	107,963
United Way-Community Benefit Initiative	-	15,000	-	15,000
United Way-Donor Student Asst. Program	7,200	18,382	20,507	5,075
United Way-Tutoring Program	19,932	23,719	3,275	40,376
Balance – End of year	\$ 101,138	\$ 301,484	\$ 179,155	\$ 223,467

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, 2014, the Trust capital amounts to \$45,068,615 at cost (market value : \$51,848,501) (2013: \$44,306,842 at cost (market value \$51,274,545)). 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 \$339,384 (2013: \$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:

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, 2014

11. FINANCIAL INSTRUMENTS

The Bequest's financial instruments recognized in the statement of financial position consist of cash, bank indebtedness, funds held in trust, interest receivable, other receivable, investments, due from Police Bequest, 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.

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 FIRE BRIGADE OF THE CITY OF CALGARY**

Financial Statements

December 31, 2014

**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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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, 2014, and the statements of operations, changes in net assets and cash flows for the year then ended December 31, 2014, 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, 2014 and the results of its operations and its cash flows for the year then ended December 31, 2014 in accordance with Canadian accounting standards for not-for-profit organizations.

Calvista LLP
Professional Accountants

March 20, 2015
Calgary, Alberta, Canada

CALVISTA LLP
PROFESSIONAL ACCOUNTANTS

Suite 1705, 1632 - 14th Ave NW
Calgary, AB T2N 1M7

TEL: 403.777.2299
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FAX: 403.777.4201
WEB: WWW.CALVISTA.CA

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**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, 2014

	2014	2013
ASSETS		
Current		
Cash	\$ 44,000	\$ 50
Due from Police Bequest (note 3)	-	27,146
Interest receivable	5,672	5,294
Prepaid expenses	1,615	2,512
	<u>51,287</u>	<u>35,002</u>
Investments (note 4)	2,280,533	2,278,879
Property and equipment (note 5)	<u>2,026</u>	<u>3,084</u>
	<u>\$ 2,333,846</u>	<u>\$ 2,316,965</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued liabilities	\$ 9,524	\$ 8,946
Grants payable	74,628	202,295
	<u>84,152</u>	<u>211,241</u>
Net assets	<u>2,249,694</u>	<u>2,105,724</u>
	<u>\$ 2,333,846</u>	<u>\$ 2,316,965</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, 2014

	2014	2013
Revenue		
Income from Burns Memorial Trust (note 6)	\$ 339,384	\$ 313,140
Investment income and other	75,764	75,155
Cost recovery (partnership)	62,649	57,519
Donations, grants and other revenue	2,433	1,757
	<u>480,230</u>	<u>447,571</u>
Expenses		
Grants	301,489	292,114
Program and facility costs	155,732	147,184
Professional fee	26,660	26,034
Amortization	1,622	1,438
Other	-	-
	<u>485,503</u>	<u>466,770</u>
Deficiency of revenue over expenses before other items	(5,273)	(19,199)
Other items		
Unrealized gain on investments	125,580	185,202
Gain on disposal of investments	23,663	18,685
	<u>149,243</u>	<u>203,887</u>
Excess of revenue over expenses	143,970	184,688
Net assets, beginning of the year	<u>2,105,724</u>	<u>1,921,036</u>
Net assets, end of the year	\$ 2,249,694	\$ 2,105,724

**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, 2014

	2014	2013
OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ 143,970	\$ 184,688
Non-cash transactions:		
Gain on disposal of investments	(23,663)	(18,685)
Amortization	1,622	1,438
Unrealized gain on investment	(125,580)	(185,202)
Change in non-cash working capital	(99,424)	24,390
	<u>(103,075)</u>	<u>6,629</u>
INVESTING ACTIVITIES		
Proceeds on sale of investments	590,526	482,032
Purchase of investments	(442,934)	(485,741)
Purchase of property and equipment	(567)	(2,920)
	<u>147,025</u>	<u>(6,629)</u>
Increase in cash	43,950	-
Cash, beginning of the year	<u>50</u>	<u>50</u>
Cash, end of the year	\$ 44,000	\$ 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, 2014

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 the payment of 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, 2014

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 was unsecured, non-interest bearing and was realized within a one year period.

4. INVESTMENTS

	2014	
	Cost	Market value
Common Stock	\$ 889,773	\$ 1,256,448
Government bonds	305,973	330,124
Corporate bonds	210,956	220,463
Canadian short term fixed income	115,554	114,353
Global fixed income	113,215	113,668
Canadian fixed income	104,866	106,141
Canadian equity funds	53,936	59,899
Municipal bonds	38,695	39,969
US equity funds	21,857	23,324
Other securities	34,007	34,096
Less: Cash portion	(12,280)	(12,280)
Less: Accrued interest	(5,672)	(5,672)
	<u>\$ 1,870,880</u>	<u>\$ 2,280,533</u>
	2013	
	Cost	Market value
Bonds and debentures	\$ 889,969	\$ 845,368
Equities - Canadian	1,073,824	1,433,511
	<u>\$ 1,963,793</u>	<u>\$ 2,278,879</u>

**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, 2014

5. PROPERTY AND EQUIPMENT

	Cost		Accumulated Amortization		Net Book Value	
	2014	2013	2014	2013	2014	2013
Office equipment	\$ 3,717	\$ 3,717	\$ (3,717)	\$ (3,717)	\$ -	\$ -
Computer equipment	8,982	8,419	(8,483)	(7,892)	499	527
Furniture and fixtures	7,662	7,662	(6,135)	(5,105)	1,527	2,557
	\$ 20,361	\$ 19,798	\$ (18,335)	\$ (16,714)	\$ 2,026	\$ 3,084

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, 2014, the Trust capital amounts to \$45,068,615 at cost (market value : \$51,848,501) (2013: \$44,306,842 at cost (market value \$51,274,545)). 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 \$339,384 (2013: \$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:

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, 2014

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 from Police 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.

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.

**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, 2014

**The Senator Patrick Burns Bequest for the Benefit of
Widows and Orphans of the Members of the Police Force of the City of Calgary**
Index to the Financial Statements
For the year ended December 31, 2014

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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, 2014, and the statements of operations, changes in net assets and cash flows for the year then ended December 31, 2014, 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, 2014 and the results of its operations and its cash flows for the year then ended December 31, 2014 in accordance with Canadian accounting standards for not-for-profit organizations.

Calvista LLP
Professional Accountants

March 20, 2015
Calgary, Alberta, Canada

CALVISTA LLP
PROFESSIONAL ACCOUNTANTS

Suite 1705, 1632 - 14th Ave NW
Calgary, AB T2N 1M7

TEL: 403.777.2299
403.283.1088

FAX: 403.777.4201
WEB: WWW.CALVISTA.CA


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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**
Statement of Financial Position
As at December 31, 2014

	2014	2013
ASSETS		
Current		
Cash	\$ 33,866	\$ 50
Interest receivable	4,674	4,380
Prepaid expenses	1,615	2,512
	<u>40,155</u>	<u>6,942</u>
Investments (note 4)	1,760,796	1,840,664
Property and equipment (note 5)	<u>2,027</u>	<u>3,085</u>
	<u>\$ 1,802,978</u>	<u>\$ 1,850,691</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued liabilities	\$ 9,525	\$ 8,947
Due to Fire and Children's Bequests (note 3)	-	35,028
Grants payable	123,750	211,564
	<u>133,275</u>	<u>255,539</u>
Net assets	<u>1,669,703</u>	<u>1,595,152</u>
	<u>\$ 1,802,978</u>	<u>\$ 1,850,691</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, 2014

	2014	2013
Revenue		
Income from Burns Memorial Trust (note 6)	\$ 339,384	\$ 313,140
Cost recovery (partnership)	62,649	57,519
Investment income and other	59,617	60,379
Donations and grants	1,958	1,757
	<u>463,608</u>	<u>432,795</u>
Expenses		
Grants	324,261	314,577
Program and facility costs	155,732	147,732
Professional fee	26,172	25,332
Amortization	1,622	1,438
	<u>507,787</u>	<u>489,079</u>
Deficiency of revenue over expenses before other items	(44,179)	(56,284)
Other items		
Unrealized gain on investments	97,515	150,770
Gain on disposal of investments	21,215	14,189
	<u>74,551</u>	<u>108,675</u>
Excess of revenue over expenses	74,551	108,675
Net assets - beginning of year	1,595,152	1,486,477
Net assets - end of year	\$ 1,669,703	\$ 1,595,152

**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, 2014

	2014	2013
OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ 74,551	\$ 108,675
Non-cash transactions		
Gain on disposal of investments	(21,215)	(14,189)
Amortization	1,622	1,438
Unrealized gain on investment	(97,515)	(150,770)
Change in non-cash working capital	(121,661)	62,975
	<u>(164,218)</u>	<u>8,129</u>
INVESTING ACTIVITIES		
Proceeds on sale of investments	512,806	379,268
Purchase of investments	(314,209)	(384,477)
Purchase of property and equipment	(563)	(2,920)
	<u>198,034</u>	<u>(8,129)</u>
Increase in cash	33,816	-
Cash, beginning of the year	<u>50</u>	<u>50</u>
Cash, end of the year	\$ 33,866	\$ 50

**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, 2014

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 the payment of 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.

.../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, 2014

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 Bequest") through a common management team and a common Board of Trustees.

The due to Fire and Children's Bequests balance was unsecured, non-interest bearing and was realized within a one year period.

4. INVESTMENTS

	2014	
	Cost	Market value
Common Stock	\$ 700,341	\$ 994,460
Government bonds	248,304	267,888
Corporate bonds	174,838	182,654
Canadian short term fixed income	92,443	91,483
Global fixed income	76,117	76,542
Canadian fixed income	58,700	59,428
Municipal bonds	32,469	33,499
Canadian equity funds	20,760	23,675
US equity funds	17,111	18,484
Other securities	27,178	27,189
Less: Cash portion	(9,832)	(9,832)
Less: Accrued interest	(4,674)	(4,674)
	\$ 1,433,755	\$ 1,760,796
	2013	
	Cost	Market value
Bonds and debentures	\$ 717,254	\$ 681,603
Equities - Canadian	864,546	1,159,061
	\$ 1,581,800	\$ 1,840,664

**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, 2014

5. PROPERTY AND EQUIPMENT

	Cost		Accumulated Amortization		Net Book Value	
	2014	2013	2014	2013	2014	2013
Office equipment	\$ 3,717	\$ 3,717	\$ (3,717)	\$ (3,717)	\$ -	\$ -
Computer equipment	8,982	8,419	(8,482)	(7,892)	500	527
Furniture and fixtures	7,662	7,662	(6,135)	(5,104)	1,527	2,558
	\$ 20,361	\$ 19,798	\$ (18,334)	\$ (16,713)	\$ 2,027	\$ 3,085

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, 2014, the Trust capital amounts to \$45,068,615 at cost (market value : \$51,848,501) (2013: \$44,306,842 at cost (market value \$51,274,545)). 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 \$339,384 (2013: \$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:

2015	14,233
2016	14,233

**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, 2014

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 Fire and Children's Bequests, 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.

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.

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.
