

**THE SENATOR PATRICK BURNS MEMORIAL FUND**

**SUMMARIZED FINANCIAL STATEMENTS**

**December 31, 2015**

**The Senator Patrick Burns Memorial Fund**  
**Index to the Summarized Financial Statements**  
**For the year ended December 31, 2015**

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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, 2015, 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 18, 2016.

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, 2015 are a fair summary of those financial statements, in accordance with Canadian accounting standards for not-for-profit organizations.

*Calvista LLP*  
Chartered Professional Accountants

March 18, 2016  
Calgary, Alberta, Canada

**The Senator Patrick Burns Memorial Fund**  
**Summarized Statement of Financial Position**  
**As at December 31, 2015**

	Children		Fire		Police	
	2015	2014	2015	2014	2015	2014
<b>Assets</b>						
Current						
Cash	\$ 70,578	\$ 273,598	\$ 50	\$ 44,000	\$ 50	\$ 33,866
Funds held in trust	-	517,493	-	-	-	-
Due from other Bequests	157,926	-	-	-	-	-
Interest receivable	3,617	4,003	5,218	5,672	4,365	4,674
Goods and service tax recovery	2,607	1,297	-	-	-	-
Prepaid expenses	767	1,614	767	1,615	767	1,615
	<u>235,495</u>	<u>798,005</u>	<u>6,035</u>	<u>51,287</u>	<u>5,182</u>	<u>40,155</u>
Investments	1,586,551	1,692,223	2,136,819	2,280,533	1,644,922	1,760,796
Property and equipment	<u>33,423</u>	<u>2,027</u>	<u>33,423</u>	<u>2,026</u>	<u>33,423</u>	<u>2,027</u>
	<u>\$ 1,855,469</u>	<u>\$ 2,492,255</u>	<u>\$ 2,176,277</u>	<u>\$ 2,333,846</u>	<u>\$ 1,683,527</u>	<u>\$ 1,802,978</u>
<b>Liabilities and Net Assets</b>						
Current liabilities						
Due to other Bequests	\$ -	\$ -	\$ 86,608	\$ -	\$ 71,319	\$ -
Accounts payable and accrued liabilities	8,770	9,525	8,607	9,524	8,605	9,525
Liabilities for funds held in trust	-	517,493	-	-	-	-
Grants payable	<u>530,700</u>	<u>330,705</u>	<u>60,000</u>	<u>74,628</u>	<u>131,900</u>	<u>123,750</u>
	<u>539,470</u>	<u>857,723</u>	<u>155,215</u>	<u>84,152</u>	<u>211,824</u>	<u>133,275</u>
Deferred contributions	<u>119,883</u>	<u>223,467</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>659,353</u>	<u>1,081,190</u>	<u>155,215</u>	<u>84,152</u>	<u>211,824</u>	<u>133,275</u>
<b>Net Assets</b>						
Operating reserve	\$ 604,538	\$ -	\$ 1,116,378	\$ -	\$ 779,079	\$ -
Opportunity reserve	591,578	-	904,684	-	692,624	-
Unrestricted	-	1,411,065	-	2,249,694	-	1,669,703
	<u>1,196,116</u>	<u>1,411,065</u>	<u>2,021,062</u>	<u>2,249,694</u>	<u>1,471,703</u>	<u>1,669,703</u>
	<u>\$ 1,855,469</u>	<u>\$ 2,492,255</u>	<u>\$ 2,176,277</u>	<u>\$ 2,333,846</u>	<u>\$ 1,683,527</u>	<u>\$ 1,802,978</u>

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, 2015**

	Children		Fire		Police	
	2015	2014	2015	2014	2015	2014
<b>Revenue</b>						
Income from Burns						
Memorial Trust	\$367,984	\$339,384	\$367,984	\$339,384	\$367,984	\$339,384
Donations and grants	292,487	300,171	2,135	2,433	1,868	1,958
Cost recovery (partnership)	72,676	65,923	48,270	62,649	48,270	62,649
Investment income and other	55,214	55,415	75,198	75,764	58,504	59,617
	<u>788,361</u>	<u>760,893</u>	<u>493,587</u>	<u>480,230</u>	<u>476,626</u>	<u>463,608</u>
<b>Expenses</b>						
Grants	689,410	635,831	362,566	301,489	351,375	324,261
Program and facility costs	158,711	155,457	158,703	155,732	158,703	155,732
Professional fee	26,256	25,831	27,145	26,660	26,658	26,172
Amortization	5,383	1,622	5,384	1,622	5,384	1,622
	<u>879,760</u>	<u>818,741</u>	<u>553,798</u>	<u>485,503</u>	<u>542,120</u>	<u>507,787</u>
<b>Deficiency of revenue over expenses before other items</b>	(91,399)	(57,848)	(60,211)	(5,273)	(65,494)	(44,179)
<b>Other items</b>						
Gain (loss) on disposal of investments	(54,225)	24,428	(80,255)	23,663	(61,549)	21,215
Unrealized gain (loss) on investment	(69,325)	66,237	(88,166)	125,580	(70,957)	97,515
<b>Excess (deficiency) of revenue over expenses</b>	(214,949)	32,817	(228,632)	143,970	(198,000)	74,551
Net assets - beginning of year	<u>1,411,065</u>	<u>1,378,248</u>	<u>2,249,694</u>	<u>2,105,724</u>	<u>1,669,703</u>	<u>1,595,152</u>
<b>Net assets - end of year</b>	<u>\$ 1,196,116</u>	<u>\$ 1,411,065</u>	<u>\$ 2,021,062</u>	<u>\$ 2,249,694</u>	<u>\$ 1,471,703</u>	<u>\$ 1,669,703</u>

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

**Financial Statements**

**December 31, 2015**

**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, 2015

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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, 2015, and the statements of operations, changes in net assets and cash flows for the year then ended December 31, 2015, 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, 2015 and the results of its operations and its cash flows for the year then ended December 31, 2015 in accordance with Canadian accounting standards for not-for-profit organizations.

*Calvista LLP*  
Chartered Professional Accountants

March 18, 2016  
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, 2015

	2015	2014
<b>Assets</b>		
Current		
Cash	\$ 70,578	\$ 273,598
Funds held in trust (note 3)	-	517,493
Due from Fire and Police Bequests (note 7)	157,926	-
Interest receivable	3,617	4,003
Goods and services tax recoverable	2,607	1,297
Prepaid expenses	767	1,614
	<u>235,495</u>	<u>798,005</u>
Investments (note 5)	1,586,551	1,692,223
Property and equipment (note 6)	<u>33,423</u>	<u>2,027</u>
	<u>\$ 1,855,469</u>	<u>\$ 2,492,255</u>
<b>Liabilities and Net Assets</b>		
Current liabilities		
Accounts payable and accrued liabilities	8,770	9,525
Liabilities for funds held in trust (note 3)	-	517,493
Grants payable (note 4)	<u>530,700</u>	<u>330,705</u>
	<u>539,470</u>	<u>857,723</u>
Deferred contributions (note 8)	<u>119,883</u>	<u>223,467</u>
	<u>659,353</u>	<u>1,081,190</u>
<b>Net Assets</b>		
Operating reserve (note 12)	\$ 604,538	\$ -
Opportunity reserve (note 12)	591,578	-
Unrestricted	<u>-</u>	<u>1,411,065</u>
	<u>1,196,116</u>	<u>1,411,065</u>
	<u>\$ 1,855,469</u>	<u>\$ 2,492,255</u>

Approved on behalf of the Board of Trustees:

Trustee: \_\_\_\_\_

Trustee: \_\_\_\_\_

**The Senator Patrick Burns Bequest for the Poor,  
Indigent and Neglected Children of the City of Calgary**  
Statement of Operations  
For the year ended December 31, 2015

	2015	2014
<b>Revenue</b>		
Income from Burns Memorial Trust (note 9)	\$ 367,984	\$ 339,384
Donations and grants	292,487	300,171
Cost recovery (partnership)	72,676	65,923
Investment income and other	55,214	55,415
	<u>788,361</u>	<u>760,893</u>
<b>Expenses</b>		
Grants	689,410	635,831
Program and facility costs	158,711	155,457
Professional fee	26,256	25,831
Amortization	5,383	1,622
	<u>879,760</u>	<u>818,741</u>
<b>Deficiency of revenue over expenses before other items</b>	<b>(91,399)</b>	<b>(57,848)</b>
<b>Other Items</b>		
Unrealized gain (loss) on investments	(69,325)	66,237
Gain (loss) on disposal of investments	(54,225)	24,428
	<u>(123,550)</u>	<u>90,665</u>
<b>Excess (deficiency) of revenue over expenses</b>	<b>(214,949)</b>	<b>32,817</b>
<b>Net assets, beginning of the year</b>	<b>1,411,065</b>	<b>1,378,248</b>
<b>Net assets, end of the year</b>	<b>\$ 1,196,116</b>	<b>\$ 1,411,065</b>

**The Senator Patrick Burns Bequest for the Poor,  
Indigent and Neglected Children of the City of Calgary**  
Statement of Changes in Net Assets  
For the year ended December 31, 2015

	Operating Reserve (Note 12)	Opportunity Reserve (Note 12)	Unrestricted	2015	2014
Net assets, beginning of year	\$ -	\$ -	\$ 1,411,065	\$ 1,411,065	\$ 1,378,248
Excess (deficiency) of revenue over expenses	-	(214,949)	-	(214,949)	32,817
Interfund transfer	604,538	806,527	(1,411,065)	-	-
Net assets, end of year	\$ 604,538	\$ 591,578	\$ -	\$ 1,196,116	\$ 1,411,065

**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, 2015

	2015	2014
<b>Operating activities</b>		
Excess (deficiency) of revenue over expenses	\$ (214,949)	\$ 32,817
Non-cash transactions		
Gain (loss) on disposal of investments	54,225	(24,428)
Amortization	5,383	1,622
Unrealized gain (loss) on investment	69,325	(66,237)
Change in non-cash working capital	(579,840)	265,254
	<u>(665,856)</u>	<u>209,028</u>
<b>Investing activities</b>		
Proceeds on sale of investments	499,275	342,916
Purchase of investments	(517,154)	(445,098)
Purchase of property and equipment	(36,772)	(563)
	<u>(54,651)</u>	<u>(102,745)</u>
<b>Increase (decrease) in cash</b>	<b>(720,507)</b>	<b>106,283</b>
Cash, beginning of the year	<u>791,091</u>	<u>684,808</u>
<b>Cash, end of the year</b>	<b>\$ 70,584</b>	<b>\$ 791,091</b>
<b>Cash consists of:</b>		
Cash	\$ 70,578	\$ 273,598
Funds held in trust	-	517,493
	<u>\$ 70,578</u>	<u>\$ 791,091</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, 2015

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**1. Description of the organization**

The Honourable Patrick Burns Settlements Amendment Act, 1981 (note 9), 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.

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**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 Canada 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). Leasehold improvement is amortized over the term of the lease which is five year.

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, 2015

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**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.

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**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:

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. The BMF-CFAN program ended in December, 2015.

Collaborative Funders' Table: Several funders came together in early 2014 to collectively fund and govern the Out-of-School Programs for Vulnerable Children and Youth collaborative funding project ("The Project"). The Project was designed to serve the following dual purpose: 1) To promote positive socio-emotional development among vulnerable children and youth by removing barriers to participation in quality out-of-school programming; 2) To strengthen the effectiveness of social investments by developing and testing a collaborative funding model. The funds contributed by each funder are pooled in a common fund held and administered by the Burns Memorial Fund. Burns Memorial Fund also coordinates distribution of the funds.

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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, 2015

**3. Funds held in trust and liability for funds held in trust (continued)**

	2015	2014
<b>CFAN</b>		
Funds held in trust – Beginning of year	\$ 517,493	\$ 705,550
Amounts received from the Government of Alberta	2,088,127	1,835,127
Fundraising/event income (a)	3,750	20,272
Disbursements during the year:		
Funds returned to CFAN	(484,297)	-
Foothills Fetal Alcohol Society	(402,184)	(298,409)
McMan Youth Family and Community Services	(285,818)	(293,537)
Enviros Wilderness School	(240,287)	(438,032)
Medigene Services Inc.	(203,779)	(161,243)
Siksika Health Services	(189,750)	-
Calgary John Howard Society CFAN operating expenses	(165,592)	(210,055)
Calgary John Howard Society	(169,661)	(171,201)
Calgary Alternative Support Services	(147,054)	(133,684)
Other CFAN operating expenses	(114,892)	-
Parent Support Association	(92,134)	(94,903)
Burns Memorial Fund administration costs	(82,000)	(107,390)
Renfrew Education Services	(28,972)	(122,759)
Empowerment Fund grants	(2,950)	(5,091)
Community Engagement Strategy	-	(7,152)
Funds held in trust – End of year	\$ -	\$ 517,493

(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, 2015

**4. Collaborative funders' table**

Grants payable contains the balance from the Collaborative Funder's Table.

Several funders came together in early 2014 to collectively fund and govern the Out-of-School Programs for vulnerable Children and Youth collaborative funding project ("The Project"). The Project was designed to serve the following dual purpose: 1) To promote positive socio-emotional development among Vulnerable Children and Youth by removing barriers to participation in quality out-of-school programming; 2) To strengthen the effectiveness of social investments by developing and testing a collaborative funding model. The funds contributed by each funder are pooled in a common fund held and administered by the Burns Memorial Fund. Burns Memorial Fund also coordinates distribution of the funds.

	2015	2014
Balance - Beginning of year	\$ 63,752	\$ -
Amounts received during the year:		
City of Calgary	100,000	5,000
Burns Memorial Fund	70,000	5,000
United Way	-	55,000
RBC Foundation	50,000	-
Anonymous Donor	21,000	6,300
Disbursements during the year:		
Evaluation Support	(25,130)	(7,548)
Women's Centre of Calgary	(25,000)	-
Pathways Community Service	(23,500)	-
Two Wheel View	(17,650)	-
Portail de l'immigrant Association	(15,000)	-
Antyx Community Arts Society	(17,400)	-
Translation Services	(137)	-
Balance - End of year	\$ 180,935	\$ 63,752



**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, 2015

**5. Investments**

	2015		2014	
	Cost	Market value	Cost	Market value
Common stock	\$ 622,120	\$ 776,052	\$ 615,330	\$ 838,781
Canadian fixed income	211,030	207,486	95,686	96,353
Government bonds	165,379	179,662	200,271	216,351
Corporate bonds	153,633	156,041	162,330	169,530
Canadian equity funds	140,947	127,977	138,252	137,590
Canadian short term fixed income	82,448	80,608	79,837	79,008
International equity funds	28,156	30,218	-	-
Municipal bonds	24,320	24,033	21,604	22,608
Emerging market equity funds	4,945	4,475	-	-
Other securities	2,343	2,343	24,351	24,414
Global fixed income	-	-	104,601	104,780
US equity funds	-	-	14,957	16,153
Less: Cash portion	(2,343)	(2,343)	(9,342)	(9,342)
Less: Accrued interest	-	-	(4,003)	(4,003)
<b>Total</b>	<b>\$ 1,432,978</b>	<b>\$ 1,586,551</b>	<b>\$ 1,443,874</b>	<b>\$ 1,692,223</b>

**6. Property and equipment**

	Cost		Accumulated Amortization		Net Book Value	
	2015	2014	2015	2014	2015	2014
Computer equipment	\$ 9,619	\$ 8,982	\$ (9,007)	\$ (8,480)	\$ 612	\$ 502
Furniture and fixtures	9,225	7,660	(6,956)	(6,135)	2,269	1,525
Leasehold improvements	34,572	-	(4,031)	-	30,541	-
	<b>\$ 53,416</b>	<b>\$ 16,642</b>	<b>\$ (19,993)</b>	<b>\$ (14,615)</b>	<b>\$ 33,423</b>	<b>\$ 2,027</b>

**7. Due from Fire and 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") and 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 "Fire Bequest") through a common management team and a common Board of Trustees.

The due from and Fire and Police Bequests 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, 2015

**8. Deferred contributions**

	2014	Contribution	Expenditure	2015
Watson Family Foundation	\$ 4,464	\$ 9,000	\$ 10,302	\$ 3,162
Mauro Realty	12,875	-	10,213	2,663
Integro Legacy Fund	12,000	-	4,000	8,000
Ruth Ramsden-Wood Education Fund	25,714	-	2,143	23,571
United Way-Detour Program	107,963	101,692	162,312	47,343
United Way-Partnership Initiative	15,000	-	9,319	5,681
United Way-Donor Student Asst. Program	5,075	22,874	23,773	4,176
United Way-Tutoring Program	40,376	-	15,088	25,289
Balance – End of year	\$ 223,467	\$ 133,566	\$ 237,149	\$ 119,883

**9. 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, 2015, the Trust capital amounts to \$47,445,365 at cost (market value: \$52,206,470) (2014: \$45,068,615 at cost (market value \$51,848,501)). 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 \$367,984 (2014: \$339,384) was received during the current year.

**10. 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.

**11. Commitments**

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

2016	14,393
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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, 2015

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**12. Reserves**

During the year, the Board of Trustees have approved a total of \$2.5 million in Operating Reserves for the three funds (the Children's, Fire, and Police Bequests) with the balance of net assets in the Opportunity Reserve. with the balance of net assets in the Opportunity Reserves. \$604,538 was allocated to the Children's Bequest's Operating Reserve, \$1,116,378 was allocated to the Fire Bequest's Operating Reserve, and \$779,079 was allocated to the Police Bequest's Operating Reserve for 2015.

The Operating Reserve is intended to provide an internal source of funds for situations such as one-time unbudgeted expenses, unanticipated loss of revenue or a planned wind-down of the organization.

The Opportunity Reserve is intended to provide funds to meet community needs and take advantage of emerging opportunities.

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**13. 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, investments, due from Fire and Police 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.

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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, 2015

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**14. 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.

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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**

**Financial Statements**

**December 31, 2015**

**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, 2015

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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, 2015, and the statements of operations, changes in net assets and cash flows for the year then ended December 31, 2015, 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, 2015 and the results of its operations and its cash flows for the year then ended December 31, 2015 in accordance with Canadian accounting standards for not-for-profit organizations.

*Calvista LLP*  
Chartered Professional Accountants

March 18, 2016  
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, 2015

	2015	2014
<b>Assets</b>		
Current		
Cash	\$ 50	\$ 44,000
Interest receivable	5,218	5,672
Prepaid expenses	767	1,615
	<u>6,035</u>	<u>51,287</u>
Investments (note 4)	2,136,819	2,280,533
Property and equipment (note 5)	<u>33,423</u>	<u>2,026</u>
	<u>\$ 2,176,277</u>	<u>\$ 2,333,846</u>
<b>Liabilities and Net Assets</b>		
Current liabilities		
Due to Children's Bequest (note 3)	\$ 86,608	\$ -
Accounts payable and accrued liabilities	8,607	9,524
Grants payable	60,000	74,628
	<u>155,215</u>	<u>84,152</u>
<b>Net Assets</b>		
Operating reserve (note 9)	\$ 1,116,378	\$ -
Opportunity reserve (note 9)	904,684	-
Unrestricted	-	2,249,694
	<u>2,021,062</u>	<u>2,249,694</u>
	<u>\$ 2,176,277</u>	<u>\$ 2,333,846</u>

Approved on behalf of the Board of Trustees:

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, 2015

	2015	2014
<b>Revenue</b>		
Income from Burns Memorial Trust (note 6)	\$ 367,984	\$ 339,384
Investment income and other	75,198	75,764
Cost recovery (partnership)	48,270	62,649
Donations, grants and other revenue	2,135	2,433
	<u>493,587</u>	<u>480,230</u>
<b>Expenses</b>		
Grants	362,566	301,489
Program and facility costs	158,703	155,732
Professional fee	27,145	26,660
Amortization	5,384	1,622
	<u>553,798</u>	<u>485,503</u>
<b>Deficiency of revenue over expenses before other items</b>	<b>(60,211)</b>	<b>(5,273)</b>
<b>Other items</b>		
Unrealized gain (loss) on investments	(88,166)	125,580
Gain (loss) on disposal of investments	(80,255)	23,663
	<u>(228,632)</u>	<u>143,970</u>
<b>Excess (deficiency) of revenue over expenses</b>	<b>(228,632)</b>	<b>143,970</b>
<b>Net assets, beginning of the year</b>	<b>2,249,694</b>	<b>2,105,724</b>
<b>Net assets, end of the year</b>	<b>\$ 2,021,062</b>	<b>\$ 2,249,694</b>

**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 Changes in Net Assets  
For the year ended December 31, 2015

	Operating Reserve (Note 9)	Opportunity Reserve (Note 9)	Unrestricted	2015	2014
Net assets, beginning of year	\$ -	\$ -	\$ 2,249,694	\$ 2,249,694	\$ 2,105,724
Excess (deficiency) of revenue over expenses	-	(228,632)	-	(228,632)	143,970
Interfund transfer	1,116,378	1,133,316	(2,249,694)	-	-
Net assets, end of year	\$ 1,116,378	\$ 904,684	\$ -	\$ 2,021,062	\$ 2,249,694

**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, 2015

	2014	2014
<b>Operating activities</b>		
Excess (deficiency) of revenue over expenses	\$ (228,632)	\$ 143,970
Non-cash transactions:		
Gain (loss) on disposal of investments	80,255	(23,663)
Amortization	5,384	1,622
Unrealized gain (loss) on investment	88,166	(125,580)
Change in non-cash working capital	72,365	(99,424)
	<u>17,538</u>	<u>(103,075)</u>
<b>Investing activities</b>		
Proceeds on sale of investments	729,339	590,526
Purchase of investments	(754,046)	(442,934)
Purchase of property and equipment	(36,781)	(567)
	<u>(61,488)</u>	<u>147,025</u>
<b>Increase (decrease) in cash</b>	<b>(43,950)</b>	<b>43,950</b>
Cash, beginning of the year	44,000	50
<b>Cash, end of the year</b>	<b>\$ 50</b>	<b>\$ 44,000</b>

**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, 2015

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**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 Bequest 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.

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**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 Canada 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). Leasehold improvement is amortized over the term of the lease which is five year.

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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**  
Notes to the Financial Statements  
For the Year Ended December 31, 2015

**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 to Children's bequest**

The Bequest is related to the Senator Patrick Burns Bequest for the Poor, Indigent and Neglected Children of the City of Calgary (the "Children Bequest") through a common management team and a common Board of Trustees.

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

**4. Investments**

	2015		2014	
	Cost	Market value	Cost	Market value
Common Stock	\$ 932,605	\$ 1,158,641	\$ 889,773	\$ 1,256,448
Government bonds	244,138	264,116	305,973	330,124
Canadian fixed income	230,055	226,750	104,866	106,141
Corporate bonds	215,212	218,041	210,956	220,463
Canadian short term fixed income	119,333	116,669	115,554	114,353
Canadian equity funds	55,109	55,714	53,936	59,899
Municipal bonds	47,015	46,754	38,695	39,969
International equity funds	40,618	43,587	-	-
Emerging market equity funds	7,234	6,547	-	-
Other securities	4,038	4,038	34,007	34,096
Global fixed income	-	-	113,215	113,668
US equity funds	-	-	21,857	23,324
Less: Cash portion	(4,038)	(4,038)	(12,280)	(12,280)
Less: Accrued interest	-	-	(5,672)	(5,672)
	<b>\$ 1,891,318</b>	<b>\$ 2,136,819</b>	<b>\$ 1,870,880</b>	<b>\$ 2,280,533</b>

**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, 2015

**5. Property and equipment**

	Cost		Accumulated Amortization		Net Book Value	
	2015	2014	2015	2014	2015	2014
Computer equipment	\$ 9,619	\$8,982	\$ (9,007)	(8,483)	\$ 612	\$ 499
Furniture and fixtures	9,225	7,662	(6,956)	(6,135)	2,269	1,527
Leasehold improvements	34,572	-	(4,031)	-	30,541	-
	<u>\$ 53,416</u>	<u>\$ 16,644</u>	<u>\$ (19,993)</u>	<u>\$ (14,618)</u>	<u>\$ 33,423</u>	<u>\$ 2,026</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, 2015, the Trust capital amounts to \$47,445,365 at cost (market value : \$52,206,470) (2014: \$45,068,615 at cost (market value \$51,848,501)). 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 \$367,984 (2014: \$339,384) 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:

2016	14,393
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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**  
Notes to the Financial Statements  
For the Year Ended December 31, 2015

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**8. Financial instruments**

The Bequest's financial instruments recognized in the statement of financial position consist of cash, funds held in trust, interest 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.

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**9. Reserves**

During the year, the Board of Trustees have approved a total of \$2.5 million in Operating Reserves for the three funds (the Children's, Fire, and Police Bequests) with the balance of net assets in the Opportunity Reserves. \$604,538 was allocated to the Children's Bequest's Operating Reserve, \$1,116,378 was allocated to the Fire Bequest's Operating Reserve, and \$779,079 was allocated to the Police Bequest's Operating Reserve for 2015.

The Operating Reserve is intended to provide an internal source of funds for situations such as one-time unbudgeted expenses, unanticipated loss of revenue or a planned wind-down of the organization.

The Opportunity Reserve is intended to provide funds to meet community needs and take advantage of emerging opportunities.

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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**  
Notes to the Financial Statements  
For the Year Ended December 31, 2015

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**10. 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.

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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**

**Financial Statements**

**December 31, 2015**

**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, 2015, and the statements of operations, changes in net assets and cash flows for the year then ended December 31, 2015, 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, 2015 and the results of its operations and its cash flows for the year then ended December 31, 2015 in accordance with Canadian accounting standards for not-for-profit organizations.

*Calvista LLP*  
Chartered Professional Accountants

March 18, 2016  
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, 2015

	2015	2014
<b>Assets</b>		
Current		
Cash	\$ 50	\$ 33,866
Interest receivable	4,365	4,674
Prepaid expenses	767	1,615
	<u>5,182</u>	<u>40,155</u>
Investments (note 4)	1,644,922	1,760,796
Property and equipment (note 5)	<u>33,423</u>	<u>2,027</u>
	<u>\$ 1,683,527</u>	<u>\$ 1,802,978</u>
<b>Liabilities and Net Assets</b>		
Current liabilities		
Accounts payable and accrued liabilities	\$ 8,605	\$ 9,525
Due to Children's Bequests (note 3)	71,319	-
Grants payable	131,900	123,750
	<u>211,824</u>	<u>133,275</u>
<b>Net Assets</b>		
Operating reserve (note 9)	\$ 779,079	\$ -
Opportunity reserve (note 9)	692,624	-
Unrestricted	-	1,669,703
	<u>1,471,703</u>	<u>1,669,703</u>
	<u>\$ 1,683,527</u>	<u>\$ 1,802,978</u>

Approved on behalf of the Board of Trustees:

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, 2015

	2015	2014
<b>Revenue</b>		
Income from Burns Memorial Trust (note 6)	\$ 367,984	\$ 339,384
Cost recovery (partnership)	48,270	62,649
Investment income and other	58,504	59,617
Donations and grants	1,868	1,958
	<u>476,626</u>	<u>463,608</u>
<b>Expenses</b>		
Grants	351,375	324,261
Program and facility costs	158,703	155,732
Professional fee	26,658	26,172
Amortization	5,384	1,622
	<u>542,120</u>	<u>507,787</u>
<b>Deficiency of revenue over expenses before other items</b>	<b>(65,494)</b>	<b>(44,179)</b>
<b>Other items</b>		
Unrealized gain (loss) on investments	(70,957)	97,515
Gain (loss) on disposal of investments	(61,549)	21,215
<b>Excess (deficiency) of revenue over expenses</b>	<b>(198,000)</b>	<b>74,551</b>
<b>Net assets - beginning of year</b>	<b>1,669,703</b>	<b>1,595,152</b>
<b>Net assets - end of year</b>	<b>\$ 1,471,703</b>	<b>\$ 1,669,703</b>

**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 Changes in Net Assets  
For the year ended December 31, 2015

	Operating Reserve (Note 9)	Opportunity Reserve (Note 9)	Unrestricted	2015	2014
Net assets, beginning of year	\$ -	\$ -	\$ 1,669,703	\$ 1,669,703	\$ 1,595,152
Excess (deficiency) of revenue over expenses	-	(198,000)	-	(198,000)	74,551
Interfund transfer	779,079	890,624	(1,669,703)	-	-
<b>Net assets, end of year</b>	<b>\$ 779,079</b>	<b>\$ 692,624</b>	<b>\$ -</b>	<b>\$ 1,471,703</b>	<b>\$ 1,669,703</b>

**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, 2015

	2015	2014
<b>Operating activities</b>		
Excess (deficiency) of revenue over expenses	\$ (198,000)	\$ 74,551
Non-cash transactions		
Gain (loss) on disposal of investments	61,549	(21,215)
Amortization	5,384	1,622
Unrealized gain (loss) on investment	70,957	(97,515)
Change in non-cash working capital	79,706	(121,661)
	<u>19,596</u>	<u>(164,218)</u>
<b>Investing activities</b>		
Proceeds on sale of investments	577,930	512,806
Purchase of investments	(594,562)	(314,209)
Purchase of property and equipment	(36,780)	(563)
	<u>(53,412)</u>	<u>198,034</u>
<b>Increase (decrease) in cash</b>	<b>(33,816)</b>	<b>33,816</b>
Cash, beginning of the year	33,866	50
<b>Cash, end of the year</b>	<b>\$ 50</b>	<b>\$ 33,866</b>

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**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 Bequest 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.

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**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 Canada 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). Leasehold improvement is amortized over the term of the lease which is five year.

**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  
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**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 Children's bequest**

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

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

**4. Investments**

	2015		2014	
	Cost	Market value	Cost	Market value
Common Stock	\$ 740,897	\$ 916,098	\$ 700,341	\$ 994,460
Government bonds	203,242	219,900	248,304	267,888
Corporate bonds	172,824	175,292	174,838	182,654
Canadian fixed income	142,549	140,280	58,700	59,428
Canadian short term fixed income	95,466	93,335	92,443	91,483
Municipal bonds	38,655	38,441	32,469	33,499
International equity funds	31,099	33,244	-	-
Canadian equity funds	21,224	22,021	20,760	23,675
Emerging market equity funds	6,974	6,311	-	-
Other securities	4,045	4,045	27,178	27,189
Global fixed income	-	-	76,117	76,542
US equity funds	-	-	17,111	18,484
Less: Cash portion	(4,045)	(4,045)	(9,832)	(9,832)
Less: Accrued interest	-	-	(4,674)	(4,674)
	<b>\$ 1,452,929</b>	<b>\$ 1,644,922</b>	<b>\$ 1,433,755</b>	<b>\$ 1,760,796</b>

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**5. Property and equipment**

	Cost		Accumulated Amortization		Net Book Value	
	2015	2014	2015	2014	2015	2014
Computer equipment	\$ 9,619	\$8,982	\$ (9,007)	\$ (8,480)	\$ 612	\$ 502
Furniture and fixtures	9,225	7,660	(6,956)	(6,135)	2,269	1,525
Leasehold improvements	34,572	-	(4,031)	-	30,541	-
	<u>\$ 53,416</u>	<u>\$ 16,642</u>	<u>\$ (19,993)</u>	<u>\$ (14,615)</u>	<u>\$ 33,423</u>	<u>\$ 2,027</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, 2015, the Trust capital amounts to \$47,445,365 at cost (market value : \$52,206,470) (2014: \$45,068,615 at cost (market value : \$51,848,501)). 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 \$367,984 (2014: \$339,384) 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:

2016	14,393
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**8. Financial instruments**

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

The Bequest's financial instruments recognized in the statement of financial position consist of cash, funds held in trust, interest 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.

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.

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**9. Reserves**

During the year, the Board of Trustees have approved a total of \$2.5 million in Operating Reserves for the three funds (the Children's, Fire, and Police Bequests) with the balance of net assets in the Opportunity Reserves. \$604,538 was allocated to the Children's Bequest's Operating Reserve, \$1,116,378 was allocated to the Fire Bequest's Operating Reserve, and \$779,079 was allocated to the Police Bequest's Operating Reserve for 2015.

The Operating Reserve is intended to provide an internal source of funds for situations such as one-time unbudgeted expenses, unanticipated loss of revenue or a planned wind-down of the organization.

The Opportunity Reserve is intended to provide funds to meet community needs and take advantage of emerging opportunities.

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**10. 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.

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