



CALGARY POLICE FOUNDATION

Financial Statements
December 31, 2018



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Independent Auditor's Report

To the Members of
Calgary Police Foundation

Opinion

We have audited the financial statements of Calgary Police Foundation (the "Foundation"), which comprise the statement of financial position as at December 31, 2018, and the statements of operations and changes in fund balances and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as at December 31, 2018, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Foundation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Foundation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Foundation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Foundation's financial reporting process.

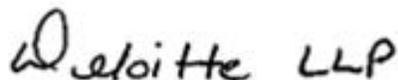
Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Foundation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A handwritten signature in black ink that reads "Deloitte LLP". The signature is written in a cursive, flowing style.

Chartered Professional Accountants
May 30, 2019

Calgary Police Foundation

STATEMENT OF FINANCIAL POSITION

As at December 31, 2018

	General	Designated	Total	2017
	\$	\$	\$	\$
ASSETS				
Current				
Cash	1,615,650	1,631,807	3,247,457	3,343,425
Investments	4,000	-	4,000	4,000
Accounts receivable [Note 3]	67,438	-	67,438	100,117
Accrued revenue	152,948	-	152,948	93,201
Government remittances recoverable	6,833	-	6,833	2,584
Inventories	-	-	-	6,500
	1,846,869	1,631,807	3,478,676	3,549,827
LIABILITIES AND FUND BALANCES				
Current				
Accounts payable and accrued liabilities	281,652	210,838	492,490	357,610
Government remittances payable	8,611	-	8,611	8,327
	290,263	210,838	501,101	365,937
Fund balances				
Unrestricted fund	1,556,606	-	1,556,606	1,681,715
Restricted fund	-	1,420,969	1,420,969	1,502,175
	1,556,606	1,420,969	2,977,575	3,183,890
	1,846,869	1,631,807	3,478,676	3,549,827

The accompanying notes to the financial statements are an integral part of this financial statement.

Approved on behalf of the Board of Directors of

Calgary Police Foundation


Chairman of the Board


Board member

Calgary Police Foundation

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

For the Year Ended December 31, 2018

	General	Designated	Total	2017
	\$	\$	\$	\$
REVENUE				
Contributions	367,669	579,575	947,244	2,057,104
Campaigns	110,102	-	110,102	129,471
Events	156,796	-	156,796	69,515
Interest	53,680	-	53,680	28,752
	688,247	579,575	1,267,822	2,284,842
EXPENDITURES				
Administration [Note 3]	71,793	-	71,793	40,788
Communication & development	125,341	-	125,341	22,753
Campaigns	40,165	-	40,165	47,100
Events	65,511	-	65,511	27,940
Project disbursements [Notes 3 and 4]	510,546	660,781	1,171,327	1,363,377
	813,356	660,781	1,474,137	1,501,958
(Deficiency) excess of revenue over expenditures	(125,109)	(81,206)	(206,315)	782,884
Fund balances, beginning of year	1,681,715	1,502,175	3,183,890	2,401,006
Fund balances, end of year	1,556,606	1,420,969	2,977,575	3,183,890

The accompanying notes to the financial statements are an integral part of this financial statement.

Calgary Police Foundation

STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2018

	2018	2017
	\$	\$
<hr/>		
Cash provided by (used in):		
OPERATING ACTIVITIES		
(Deficiency) excess of revenue over expenditures	(206,315)	782,884
Changes in non-cash working capital		
Accounts receivable	32,679	(76,021)
Accrued revenue	(59,747)	(32,757)
Government remittances recoverable	(4,249)	1,735
Inventory	6,500	8,748
Accounts payable and accrued liabilities	134,880	(24,807)
Government remittances payable	284	2,637
	<hr/> (95,968)	662,419
(Decrease) increase in cash	(95,968)	662,419
Cash, beginning of year	3,343,425	2,681,006
Cash, end of year	<hr/> 3,247,457	3,343,425

The accompanying notes to the financial statements are an integral part of this financial statement.

Calgary Police Foundation

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

1. OPERATIONS

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

2. SIGNIFICANT ACCOUNTING POLICIES

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

The following are the Foundation’s significant accounting policies:

a) Basis of presentation

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

b) Basis of accounting – Fund accounting

The Foundation follows the restricted fund method of accounting for contributions. The Foundation maintains the following funds:

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

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

Calgary Police Foundation

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

c) Revenue recognition

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

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

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

Revenue from events and campaigns is recognized as revenue of the General Fund when earned.

d) Cash

Cash consists of cash on hand and cash on deposit in bank accounts.

e) Investments

Investments are comprised of short term deposits with an original maturity period of greater than 90 days. They earn interest at an effective annual rate of 0.900% per annum (2017 – 0.900%).

f) Inventories

Inventories consist of goods held for resale during fundraising campaigns, and are carried at the lower of cost and net realizable value which is calculated on a specific item basis. Net realizable value is generally equal to the selling price of the inventory goods less the selling costs. Amounts expensed during the year are included in campaigns expenditures on the statement of operations and changes in fund balances.

g) Financial instruments

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

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

Calgary Police Foundation

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

h) Contributed services

Volunteers contribute a number of hours each year to assist the Foundation in carrying out its services and activities. Because of the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

i) Use of estimates

The preparation of financial statements in conformity with ASNPO requires management to make estimates and use assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenditures during the period. Items subject to estimation include the determination of collectability of accounts receivable and accrued liabilities. Where estimation uncertainty exists, the financial statements have been prepared within reasonable limits of materiality. These estimates are reviewed periodically, and as adjustments become necessary, they are reported in the statement of operations and changes in fund balances in the year in which they become known. Actual results could differ from these estimates.

3. RELATED PARTY TRANSACTIONS

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

The CPS contributed administrative costs of \$5,539 (2017 - \$12,428) and salaries in-kind of \$ nil (2017 - \$98,641). The Foundation does not record the value of these administrative costs and salaries in-kind in the financial statements.

The CPS reimbursed the Foundation for salary costs amounting to \$450,321 (2017 - \$392,803). Receivables outstanding as at December 31, 2018 from the CPS, relating to the reimbursed salary costs, total \$67,438 (2017 - \$100,117).

Calgary Police Foundation

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

3. RELATED PARTY TRANSACTIONS (continued)

During the year, the Foundation and YouthLink had the following transactions:
The Foundation made donations to YouthLink in the amount of \$261,620 (2017 - \$200,000), which is included in project disbursements under the Designated Fund on the statement of operations and changes in fund balances.

These transactions have been recorded at the exchange amount, which represents the amount of consideration established and agreed to by the related parties.

4. DESIGNATED FUNDS AND PROJECT DISBURSEMENTS

As at December 31, 2018, the Foundation endorsed the following projects to receive disbursements as specified in funding agreements:

Calgary Police Cadet Corps
Integrated School Support Program (ISSP)
Multi Agency School Support Team (MASST)
Power Play
Youth At Risk Development Program (YARD)
YouthLink Calgary – The Calgary Police Interpretive Centre

5. PLEDGED FUNDS

The Foundation has received pledges from a number of corporations and individuals which will be paid on an installment basis over the next three years. Amounts pledged but not received by December 31, 2018 total \$394,271 (2017 - \$777,768) and have not been accrued for in the financial statements.

The Foundation reasonably expects to receive all amounts pledged based on contributions recognized in past years and discussions held with donors to reaffirm their intent to fulfill their commitment.

6. SHARE CAPITAL

The Foundation is authorized to issue one hundred (100) common shares without nominal or par value.

	<u>2018</u>	<u>2017</u>
Number of shares issued as at December 31	<u>6</u>	<u>6</u>

Calgary Police Foundation

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

7. FINANCIAL INSTRUMENTS

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

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

8. ADDITIONAL INFORMATION

As required under section 7(2) of the Charitable Fund-raising Regulation in Alberta, the Foundation reports that the total amount paid as remuneration to employees whose principal duties involve fundraising was \$96,721 (2017 - \$103,208).