



CALGARY POLICE FOUNDATION

Financial Statements
December 31, 2023

Independent Auditor's Report

To the Board of Directors 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, 2023 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, 2023 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.

Deloitte LLP

Chartered Professional Accountants
Calgary, Alberta
June 27, 2024

Calgary Police Foundation

STATEMENT OF FINANCIAL POSITION

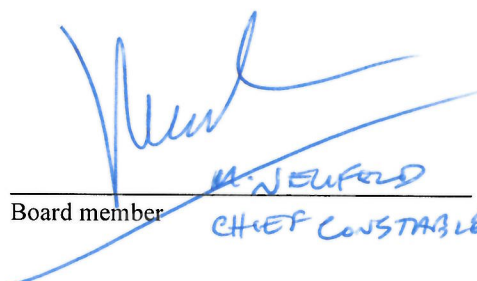
As at December 31, 2023

	General \$	Designated \$	Total \$	2022 \$
ASSETS				
Current				
Cash	1,183,500	7,197,805	8,381,305	5,962,384
Accounts receivable [Note 3]	68,534	-	68,534	114,987
Accrued revenue	103,358	-	103,358	89,476
Investments [Note 7]	317,514	1,825,040	2,142,554	1,182,268
Prepaid expenses	1,073	-	1,073	1,032
Government remittances recoverable	8,647	-	8,647	7,648
	1,682,626	9,022,845	10,705,471	7,357,795
Investments [Note 7]	2,264,614	-	2,264,614	2,896,982
	3,947,240	9,022,845	12,970,085	10,254,777
LIABILITIES AND FUND BALANCES				
Current				
Accounts payable and accrued liabilities	364,817	372,972	737,789	328,496
Government remittances payable	11,295	-	11,295	19,381
Deferred revenue [Note 8]	309,030	3,847,263	4,156,293	2,598,593
	685,142	4,220,235	4,905,377	2,946,470
Deferred revenue [Note 8]	-	4,000,000	4,000,000	3,662,732
	685,142	8,220,235	8,905,377	6,609,202
Fund balances				
Unrestricted fund	3,262,098	-	3,262,098	2,943,799
Restricted fund	-	802,610	802,610	701,776
	3,262,098	802,610	4,064,708	3,645,575
	3,947,240	9,022,845	12,970,085	10,254,777

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


Chair of the Board


Board member
M. NEWFORD
CHIEF CONSTABLE

Calgary Police Foundation

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

For the Year Ended December 31, 2023

	General \$	Designated \$	Total \$	2022 \$
REVENUE				
Contributions	755,920	449,307	1,205,227	960,762
Grants	110,000	1,159,062	1,269,062	304,325
Interest income	125,398	309,068	434,466	136,058
Events	288,409	-	288,409	670,189
Campaigns	107,036	-	107,036	112,448
	1,386,763	1,917,437	3,304,200	2,183,782
EXPENDITURES				
Administration [Note 3]	106,964	-	106,964	106,617
Campaigns	60,061	-	60,061	73,843
Events	113,999	-	113,999	94,503
Project disbursements [Notes 3 and 4]	273,114	2,330,929	2,604,043	1,662,197
	554,138	2,330,929	2,885,067	1,937,160
Excess (deficiency) of revenue over expenditures	832,625	(413,492)	419,133	246,622
Interfund transfers [Note 4]	(514,326)	514,326		
Fund balances, beginning of year	2,943,799	701,776	3,645,575	3,398,953
Fund balances, end of year	3,262,098	802,610	4,064,708	3,645,575

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, 2023

	2023	2022
	\$	\$
Cash provided by (used in):		
OPERATING ACTIVITIES		
Excess of revenue over expenditures	419,133	246,622
Changes in non-cash working capital		
Accounts receivable	46,453	(65,056)
Accrued revenue	(13,882)	(646)
Government remittances recoverable	(999)	(3,271)
Prepaid expenses	(41)	(1,032)
Accounts payable and accrued liabilities	409,293	(54,274)
Deferred revenue	1,894,968	5,931,325
Government remittances payable	(8,086)	9,383
	2,746,839	6,063,051
INVESTING ACTIVITIES		
Sale of Investments	1,286,225	-
Purchase of Investments	(1,614,143)	(1,612,268)
	(327,918)	(1,612,268)
Increase in cash	2,418,921	4,450,783
Cash, beginning of year	5,962,384	1,511,601
Cash, end of year	8,381,305	5,962,384

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

Calgary Police Foundation

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

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.

On March 31, 2022 the Foundation and the Ministry of Mental Health and Addiction (MMHA) entered into an agreement for a three year term whereby MMHA agreed to provide the Foundation with \$12,000, 000 for the expansion of the Integrated School Support Program to additional schools throughout the province. This is a restricted grant and exclusively for the Provincial Integrated School Support Program specifically the mental health professional embedded in the school and has been recorded in the *Designated Fund*

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, 2023

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

c) Revenue recognition

Restricted contributions are recognized as revenue of the appropriate restricted fund when received or when the related expenditures are incurred. 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.

Investment transactions are recognized on the transaction date and resulting revenue is recognized on an accrual basis.

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) 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.

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

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

Calgary Police Foundation

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

f) 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.

g) 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. The amounts recorded in these financial statements are based on the last reliable information available to management at the time the financial statements were prepared where that information reflects conditions as at the date of the financial statements. However, there is inherent uncertainty about these assumptions and estimates which could result in outcomes that require adjustments to the carrying amount of the affected assets or liabilities in the future. 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 services to the Foundation that are not recognized in the financial statements because of the difficulty in determining the fair value.

The CPS also reimburses certain salary and operating costs. In 2023, these reimbursements amounted to \$565,802 (2022 - \$481,344) for wages and benefits and \$nil (2022 - \$nil) for operating costs. Receivables outstanding as at December 31, 2023 from the CPS, relating to the reimbursed salary costs and operating costs, total \$68,534 (2022 - \$114,987).

During the year, the Foundation and YouthLink Calgary – The Calgary Police Interpretive Centre ("YouthLink") had the following transactions:

The Foundation made donations to YouthLink in the amount of \$397,427 (2022 - \$327,370), 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.

Calgary Police Foundation

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

4. DESIGNATED FUNDS AND PROJECT DISBURSEMENTS

For the year ended December 31, 2023, the Foundation endorsed the following projects to receive disbursements as specified in funding agreements:

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

Specifically for Integrated School Support Program (ISSP) and Provincial Integrated School Support Program, the Foundation endorsed disbursements based on estimated costs for the year. These programs are managed entirely by the Foundation and not subject to a funding agreement with CPS.

Amounts of \$372,688, \$80,855 and \$60,783 were transferred respectively from the general funds to the ISSP, YARD and YouthLink designated funds to fund disbursements for activities and programs. The above amounts transferred into the designated funds are not available for any other purpose without approval of the board of directors.

5. PLEDGED FUNDS

The Foundation has received pledges from a number of corporations and individuals which will be paid on an installment basis over the next four years. Amounts pledged but not received by December 31, 2023 total \$555,000 (2022 - \$810,000) 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>2023</u>	<u>2022</u>
Number of shares issued as at December 31	6	6

7. INVESTMENTS

Investments consist of GICs of \$2,290,980 (2022 - \$2,622,268) with a maturity date not greater than three years from December 31, 2023 bearing at an effective annual rate of 2.0% to 5.4% per annum (2022 – 1.13% to 4.35%), mutual funds held as cash of \$264,104 (2022 - \$nil) and corporate bonds

Calgary Police Foundation

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

of \$1,852,084 (2022 - \$1,456,982), maturing between July 29, 2024 and January 27, 2026. Interest income of \$48,788 (2022 - \$34,841) has been recognized in the statement of operations and changes in fund balances.

8. DEFERRED REVENUES

	2023	2022
	\$	\$
Opening balance	6,261,325	330,000
Contributions	3,489,030	6,261,325
Recognized to revenue	(1,594,062)	(330,000)
	8,156,293	6,261,325

Deferred revenue is comprised of the following:

	2023	2022
	\$	\$
Deferred funding for future services	459,030	455,000
Grant revenue	7,697,263	5,806,325
	8,156,293	6,261,325

9. FINANCIAL INSTRUMENTS

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

The Foundation is not exposed to significant credit risk, liquidity risk, interest rate risk or other price risk.

The Foundation is exposed to interest rate risk on its fixed interest rate financial instruments as a result of investments in GICs, bonds and mutual funds; however, the Foundation recognizes these instruments at amortized cost and therefore this risk is limited.

10. 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 \$165,617 (2022 - \$115,265).

Calgary Police Foundation

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

11. COMPARATIVE FIGURES

Certain comparative figures have been changed to conform to current year presentation.

12. SUBSEQUENT EVENT

On March 28, 2024 the Foundation and the Ministry of Mental Health and Addiction (MMHA) entered in an amending agreement whereby the MMHA agreed to increase the amount payable to the Foundation from \$12,000,000 to \$16,500,000 for the further expansion of the Integrated School Support Program to additional schools throughout the province.

This additional funding is an advance of funding to Phase 2 of the ISSP expansion which will be subject to a new agreement or expansion to the existing grant between the Foundation and the Ministry of Mental Health and Addiction.