

Financial Statements

The Calgary Regional Partnership Incorporated
December 31, 2005

AUDITORS' REPORT

To the Members of
The Calgary Regional Partnership Incorporated

We have audited the statement of financial position of **The Calgary Regional Partnership Incorporated** as at December 31, 2005. The statement of financial position is the responsibility of the Association's management. Our responsibility is to express an opinion on the statement of financial position based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, the statement of financial position presents fairly, in all material respects, the financial position of the Association as at December 31, 2005 in accordance with Canadian generally accepted accounting principles.

The statements of revenue and expenditures, changes in net assets and cash flows for the year ended December 31, 2005 and the financial statements for the preceding period are unaudited.

Ernst + Young LLP

Calgary, Canada
April 7, 2006

Chartered Accountants

The Calgary Regional Partnership Incorporated

STATEMENT OF FINANCIAL POSITION

As at December 31

	2005	2004
	\$	\$
		<i>(unaudited)</i>
ASSETS		
Current		
Cash and cash equivalents <i>[note 3]</i>	710,015	270,061
Interest receivable	444	499
Accounts receivable	8,968	175,438
Advances to employees	14,000	4,000
Prepaid expenses	425	258
	733,852	450,256
Capital assets <i>[note 4]</i>	8,438	3,671
	742,290	453,927
LIABILITIES AND FUNDS		
Current		
Due to The City of Calgary <i>[note 5]</i>	32,418	67,102
Accounts payable and accrued liabilities	128,844	35,950
Deferred revenue – current portion <i>[note 6]</i>	257,250	25,700
	418,512	128,752
Deferred revenue – long-term portion <i>[note 6]</i>	58,312	—
Commitments and contingencies <i>[note 7]</i>		
FUNDS		
Capital asset fund	8,438	3,671
Project and operating	257,028	321,504
	265,466	325,175
	742,290	453,927

See accompanying notes

On behalf of the Board:

Director

Director

The Calgary Regional Partnership Incorporated

STATEMENT OF CHANGES IN NET ASSETS

(unaudited)

Year ended December 31

	2005			2004
	Project and Operating Funds	Capital Asset Fund	Total	Total
	\$	\$	\$	\$
Balance, beginning of year	321,504	3,671	325,175	453,619
Deficiency of revenue over expenditures	(57,702)	(2,007)	(59,709)	(128,444)
Transfers	(6,774)	6,774	—	—
Balance, end of year	257,028	8,438	265,466	325,175

See accompanying notes

The Calgary Regional Partnership Incorporated

STATEMENT OF REVENUE AND EXPENDITURES

(unaudited)

Year ended December 31

	2005	2004
	\$	\$
<hr/>		
REVENUE		
Grants	330,950	209,238
Membership fees	251,228	226,639
Investment income	16,634	8,101
Other contributions	13,251	1,500
	<hr/>	<hr/>
	612,063	445,478
<hr/>		
EXPENDITURES		
Salaries and wages	164,650	91,760
Consulting fees	335,491	325,331
Professional fees	22,545	25,898
Advertising/promotion/sponsorships	70,332	47,838
Other expenses	76,747	81,926
Amortization	2,007	1,169
	<hr/>	<hr/>
	671,772	573,922
Deficiency of revenue over expenditures	<hr/>	<hr/>
	(59,709)	(128,444)

See accompanying notes

The Calgary Regional Partnership Incorporated

STATEMENT OF CASH FLOWS

(unaudited)

Year ended December 31

	2005	2004
	\$	\$
OPERATING ACTIVITIES		
Deficiency of revenue over expenditures	(59,709)	(128,444)
Add items not involving cash		
Amortization	2,007	1,169
Deferred revenue	289,862	25,700
	232,160	(101,575)
Net change in non-cash working capital		
Interest receivable	55	1,899
Accounts receivable	166,470	(175,438)
Advances to employees	(10,000)	(4,000)
Prepaid expenses	(167)	(258)
Due to The City of Calgary	(34,684)	60,717
Accounts payable	92,894	35,950
	446,728	(182,705)
INVESTING ACTIVITY		
Purchase of capital assets	(6,774)	(2,409)
Change in cash and cash equivalents	439,954	(185,114)
Cash and cash equivalents, beginning of year	270,061	455,175
Cash and cash equivalents, end of year	710,015	270,061

See accompanying notes

The Calgary Regional Partnership Incorporated

NOTES TO FINANCIAL STATEMENTS

December 31, 2005

(Information as at and for the year ended December 31, 2004 and for the year ended December 31, 2005 is unaudited)

1. DESCRIPTION OF BUSINESS

The Calgary Regional Partnership Incorporated (the "Association") is a not for profit organization incorporated under the Companies Act of Alberta on November 16, 2004. The Association provides the opportunity for regional municipalities and jurisdictions in and around the Calgary Region to discuss and work on issues that cross their respective boundaries and is supportive of the many regional and inter-municipal initiatives that currently exist in the Calgary Region.

Description of Funds

Project and Operating Funds

These funds account for revenue and expenditures related to program delivery and administration. These projects support municipal services, sustainable environments, and prosperity within the region.

Capital Asset Fund

This fund represents the net investment in capital assets.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with the Canadian generally accepted accounting principles and reflect the following significant accounting policies:

Revenue recognition

The Association follows the deferral method of accounting for project and operating funds. Grant revenue is recognized over the life of the grant. Grant funds received are recorded as deferred revenue until recognized.

Membership fees are recognized in the accounts as revenue when invoiced and when the amount to be received can be reasonably estimated and collection is reasonably assured.

Investment income is recognized as it is earned.

Capital assets

Capital assets, consisting of computer equipment, are recorded at cost and are depreciated on a straight-line basis over three years.

The Calgary Regional Partnership Incorporated

NOTES TO FINANCIAL STATEMENTS

December 31, 2005

(Information as at and for the year ended December 31, 2004 and for the year ended December 31, 2005 is unaudited)

Financial instruments

Financial instruments include investments, interest receivable, accounts receivable, advances to employees, due to The City of Calgary and accounts payable. The fair value of the Association's financial assets and liabilities approximates their carrying value due to their short period to maturity.

Use of estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from these estimates.

3. CASH AND CASH EQUIVALENTS

Cash and cash equivalents includes short-term investments of \$398,552 (2004 - \$269,295) consisting entirely of investments in Canadian treasury bills with maturity dates of 90 days or less. Short-term investments yielded an interest rate of 2.6% (2004 - 2.3%).

4. CAPITAL ASSETS

	2005		
	Cost \$	Accumulated Amortization \$	Net Book Value \$
Computer equipment	11,683	3,245	8,438

	2004		
	Cost \$	Accumulated Amortization \$	Net Book Value \$
Computer equipment	4,909	1,238	3,671

The Calgary Regional Partnership Incorporated

NOTES TO FINANCIAL STATEMENTS

December 31, 2005

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5. DUE TO THE CITY OF CALGARY

The Association's surplus cash is held by The City of Calgary in a miscellaneous trust fund. The cash is controlled, invested and accounted for in accordance with the terms of the trust arrangement. Interest is allocated annually to the Association. The City of Calgary charges the Association for payroll related costs to administer the funds and to perform all of the accounting functions on behalf of the Association.

The amount due to The City of Calgary represents payments made to third parties by The City of Calgary that have not been repaid to The City out of the trust funds.

6. DEFERRED REVENUE

	2005	2004
	\$	\$
Current		
Alberta Municipal Affairs	233,250	—
Alberta Environment	5,000	25,700
Alberta Economic Development	19,000	—
	257,250	25,700
Long term		
Alberta Municipal Affairs	58,312	—
	315,562	25,700

7. COMMITMENTS AND CONTINGENCIES

The Association receives a majority of its funding through grants that specify the term of the funding and the eligible expenditures under the grant. The Association may be required to repay all or a portion of the grant if ineligible expenditures are incurred, or if all of the grant monies are not spent within the designated time frame.