

Financial Statements

The Calgary Regional Partnership Incorporated
December 31, 2006

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, 2006 and the statements of changes in net assets, revenue and expenditures and cash flows for the year then ended. These financial statements are the responsibility of the Partnership's management. 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 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, 2006 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Calgary, Canada
March 9, 2007

Chartered Accountants

The Calgary Regional Partnership Incorporated

STATEMENT OF FINANCIAL POSITION

As at December 31

	2006	2005
	\$	\$
ASSETS		
Current		
Cash and cash equivalents <i>[note 3]</i>	1,568,473	710,015
Interest receivable	3,060	444
Accounts receivable	517	8,968
Prepaid expenses	1,024	425
	1,573,074	719,852
Advances to employees	17,000	14,000
Equipment <i>[note 4]</i>	11,125	8,438
	1,601,199	742,290
LIABILITIES AND FUNDS		
Current		
Due to The City of Calgary <i>[note 5]</i>	76,436	32,418
Accounts payable and accrued liabilities	191,187	128,844
Deferred revenue – current portion <i>[note 6]</i>	911,525	257,250
	1,179,148	418,512
Deferred revenue – long-term portion <i>[note 6]</i>	114,699	58,312
Commitments and contingencies <i>[note 7]</i>		
FUNDS		
Capital asset fund <i>[note 1]</i>	11,125	8,438
Project and operating <i>[note 1]</i>	296,227	257,028
	307,352	265,466
	1,601,199	742,290

See accompanying notes

On behalf of the Board:

Director

Director

The Calgary Regional Partnership Incorporated

STATEMENT OF CHANGES IN NET ASSETS

Year ended December 31

	2006			2005
	Project and Operating Funds	Capital Asset Fund	Total	Total
	\$	\$	\$	\$
				<i>[unaudited]</i>
Balance, beginning of year	257,028	8,438	265,466	325,175
Surplus (deficiency) of revenue over expenditures	47,040	(5,154)	41,886	(59,709)
Transfers	(7,841)	7,841	—	—
Balance, end of year	296,227	11,125	307,352	265,466

See accompanying notes

The Calgary Regional Partnership Incorporated

STATEMENT OF REVENUE AND EXPENDITURES

Year ended December 31

	2006	2005
	\$	\$
		<i>[unaudited]</i>
REVENUE		
Grants	1,036,738	330,950
Membership fees	257,704	251,228
Investment income	41,900	16,634
Other contributions	4,000	13,251
	1,340,342	612,063
EXPENDITURES		
Salaries and wages	339,482	164,650
Consulting fees	803,698	335,491
Professional fees	8,902	22,545
Advertising/promotion/sponsorships	26,115	70,332
Other expenses	115,105	76,747
Amortization	5,154	2,007
	1,298,456	671,772
Surplus (deficiency) of revenue over expenditures	41,886	(59,709)

See accompanying notes

The Calgary Regional Partnership Incorporated

STATEMENT OF CASH FLOWS

Year ended December 31

	2006	2005
	\$	\$
		<i>[unaudited]</i>
OPERATING ACTIVITIES		
Surplus (deficiency) of revenue over expenditures	41,886	(59,709)
Add items not involving cash		
Amortization	5,154	2,007
Deferred revenue	710,662	289,862
	757,702	232,160
Net change in non-cash working capital		
Interest receivable	(2,616)	55
Accounts receivable	8,451	166,470
Advances to employees	(3,000)	(10,000)
Prepaid expenses	(599)	(167)
Due to The City of Calgary	44,018	(34,684)
Accounts payable	62,343	92,894
	866,299	446,728
INVESTING ACTIVITY		
Purchase of capital assets	(7,841)	(6,774)
Increase in cash and cash equivalents	858,458	439,954
Cash and cash equivalents, beginning of year	710,015	270,061
Cash and cash equivalents, end of year	1,568,473	710,015

See accompanying notes

The Calgary Regional Partnership Incorporated

NOTES TO FINANCIAL STATEMENTS

December 31, 2006

(Information as at 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 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.

Equipment

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

The Calgary Regional Partnership Incorporated

NOTES TO FINANCIAL STATEMENTS

December 31, 2006

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

Financial instruments

Financial instruments include cash and cash equivalents, 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 the 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 \$1,290,699 (2005 - \$398,552) consisting entirely of investments in Canadian treasury bills with maturity dates of 90 days or less. Short-term investments yielded an interest rate of 4.3% (2005 - 2.6%).

4. EQUIPMENT

	2006		
	Cost \$	Accumulated Amortization \$	Net Book Value \$
Computer equipment	19,524	8,399	11,125

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

The Calgary Regional Partnership Incorporated

NOTES TO FINANCIAL STATEMENTS

December 31, 2006

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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 performs all of the accounting functions and fund administration charges on behalf of the Association.

Funds due to The City of Calgary in the amount of \$76,436 (2005 - \$32,418) 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

	2006	2005
	\$	\$
Current		
Alberta Municipal Affairs	746,525	233,250
Alberta Infrastructure and Transportation	140,000	—
Alberta Environment	—	5,000
Alberta Economic Development	25,000	19,000
	911,525	257,250
Long term		
Alberta Municipal Affairs	114,699	58,312
	1,026,224	315,562

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 of 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.