

Financial Statements of  
**The Calgary Regional Partnership Incorporated**  
December 31, 2008

## AUDITOR'S REPORT

*To the Members of the Calgary Regional Partnership Inc.*

We have audited the statement of financial position of the Calgary Regional Partnership Inc. (the "Partnership") as at December 31, 2008 and the statements of revenue and expenditures, changes in net assets 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, these financial statements present fairly, in all material respects, the financial position of the Partnership as at December 31, 2008 and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.

The financial statements as at December 31, 2007 and for the year then ended were audited by other auditors who expressed an opinion without reservation on those statements in their report dated May 13, 2008.

*Deloitte + Touche LLP*

Calgary, Canada  
May 1, 2009

Chartered Accountants

The Calgary Regional Partnership Incorporated  
**STATEMENT OF FINANCIAL POSITION**  
As at December 31

	2008 \$	2007 \$
<b>ASSETS</b>		
<b>Current</b>		
Cash and cash equivalents (Note 3)	757,790	449,675
Interest receivable	858	1,464
Accounts receivable	891,039	1,781,870
Prepaid expenses (Note 4)	96	2,485
	<b>1,649,783</b>	2,235,494
Advances to employees	14,500	17,000
Property and equipment	12,559	8,311
	<b>1,676,842</b>	2,260,805
<b>LIABILITIES AND FUNDS</b>		
<b>Current</b>		
Due to The City of Calgary (Note 5)	65,359	-
Accounts payable and accrued liabilities	472,163	511,309
Deferred revenue - current portion (Note 6)	1,098,034	1,186,012
	<b>1,635,556</b>	1,697,321
Deferred revenue - long-term portion (Note 6)	-	509,011
<b>FUNDS</b>		
Property and equipment fund (Note 1)	12,559	8,311
Project and operating (Note 1)	28,727	46,162
	<b>41,286</b>	54,473
	<b>1,676,842</b>	2,260,805

See accompanying notes

The Calgary Regional Partnership Incorporated  
**STATEMENT OF REVENUE AND EXPENDITURES**  
For the twelve month period ended December 31

	2008	2007
	\$	\$
<b>REVENUE</b>		
Grants	1,667,470	1,467,235
Membership fees	278,889	268,320
Investment income	29,874	42,778
Other contributions	4,000	5,000
	<b>1,980,233</b>	<b>1,783,333</b>
<b>EXPENDITURES</b>		
Salaries and wages	493,496	399,098
Consulting fees	1,224,386	1,133,489
Professional fees	55,778	40,440
Advertising/promotion/sponsorships	33,552	21,218
Other	178,455	171,334
Transfer Payments	-	200,000
Amortization	7,753	6,695
	<b>1,993,420</b>	<b>1,972,274</b>
<b>DEFICIENCY OF REVENUE OVER EXPENDITURES</b>	<b>(13,187)</b>	<b>(188,941)</b>

*See accompanying notes*

The Calgary Regional Partnership Incorporated

**STATEMENT OF CHANGES IN NET ASSETS**

For the twelve month period ended December 31

	2008			2007
	Project and Operating Funds \$	Property and Equipment Fund \$	Total \$	Total \$
<b>Balance, beginning of year</b>	46,162	8,311	54,473	243,414
Deficiency of revenue over expenditures	(5,434)	(7,753)	(13,187)	(188,941)
Transfers	(12,001)	12,001	-	-
<b>Balance, end of year</b>	<b>28,727</b>	<b>12,559</b>	<b>41,286</b>	<b>54,473</b>

*See accompanying notes*

**The Calgary Regional Partnership Incorporated**  
**STATEMENT OF CASH FLOWS**  
**For the twelve month period ended December 31**

	2008	2007
	\$	\$
<b>OPERATING ACTIVITIES</b>		
Deficiency of revenue over expenditures	(13,187)	(188,941)
Add items not involving cash		
Amortization	7,753	6,695
Deferred revenue	(596,989)	604,861
	(602,423)	422,615
Net changes in non-cash working capital		
Interest receivable	606	1,596
Accounts receivable	890,831	(1,781,353)
Advances to employees	2,500	-
Prepaid expenses	2,389	(1,461)
Due to The City of Calgary	65,359	(76,436)
Accounts payable	(39,146)	320,122
	320,116	(1,114,917)
<b>INVESTING ACTIVITY</b>		
Purchase of property and equipment	(12,001)	(3,881)
Net increase (decrease) in cash and cash equivalents	308,115	(1,118,798)
Cash and cash equivalents, beginning of year	449,675	1,568,473
<b>Cash and cash equivalents, end of year</b>	<b>757,790</b>	<b>449,675</b>

*See accompanying notes*

# **The Calgary Regional Partnership Incorporated**

## **Notes to the Financial Statements**

December 31, 2008

### **1. DESCRIPTION OF BUSINESS**

The Calgary Regional Partnership Incorporated (the "Partnership") is a not for profit organization incorporated under the Companies Act of Alberta on November 16, 2004 and is therefore exempt from paying tax under Section 149(1) of the Income Tax Act. The Partnership 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 Fund*

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.

##### *Property and Equipment Fund*

This fund represents the net investment in property and equipment.

### **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 Partnership follows the deferral method of accounting for project and operating funds. Grant revenue is recognized in the period in which the related expenses are incurred. 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.

#### **Property and Equipment**

Property and Equipment, consisting of computer equipment, are recorded at cost and are depreciated on a straight-line basis over three years. The Partnership regularly reviews its property and equipment for obsolete items.

## The Calgary Regional Partnership Incorporated

### Notes to the Financial Statements

December 31, 2008

#### Financial instruments

Under new accounting standards, effective January 1, 2007, financial assets and liabilities are initially recognized at fair value and are subsequently accounted for based on their classification as described below. The classification depends on the purpose for which the financial instruments were acquired and their characteristics. The financial instrument classifications and measurement criteria are as follows:

Held for trading	Measured at fair value with changes recognized in the statement of operations.
Available for sale	Measured at fair value with changes recognized in other comprehensive income.
Held to maturity, loans and receivables and other financial liabilities	Measured at amortized cost based on effective interest rate method with changes in fair value recognized in the statement of operations.

Financial instruments include cash and cash equivalents, which are classified as held for trading; interest receivable, accounts receivable, advances to employees, which are classified as loans and receivables; due to The City of Calgary, accounts payable and accrued liabilities, which are classified as financial liabilities.

#### 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 expenditures during the year. Significant estimates include allowance for doubtful accounts, impairment of property and equipment and accrued liabilities. Actual results could differ from these estimates.

#### Changes in accounting policies and new accounting developments

##### Financial Instruments

Effective January 1, 2008, the Partnership has adopted new CICA Handbook Sections 3862, Financial Instruments - Disclosure and 3863, Financial Instruments - Presentation. Under these new standards, an entity is required to disclose information about its financial instruments. This information is intended to enable users of its financial statements to evaluate the entity's risks associated with financial instruments (See Note 5).

The Partnership adopted these policies retrospectively without restatement. There was no material effect on the financial statements as a result of adoption of this policy other than additional disclosure in the notes to the financial statements.

##### Hedges and Derivatives

The Partnership currently does not utilize hedges or other derivative financial instruments in its operations, and as a result the adoption of Section 3865, Hedges currently has no material impact on the financial statements.

##### Capital Disclosures

Effective January 1, 2008, the Partnership has adopted new CICA Handbook Section 1535, Capital Disclosures. Under this new standard, an entity is required to disclose information about its capital and how it is managed. This information is intended to enable users of its financial statements to evaluate the entity's objectives, policies and processes for managing capital (See Note 6).

**The Calgary Regional Partnership Incorporated**  
**Notes to the Financial Statements**

December 31, 2008

**3. CASH AND CASH EQUIVALENTS**

Cash and cash equivalents includes short-term investments of \$449,132 (2007 - Nil) consisting entirely of investments in Canadian treasury bills with maturity dates of 90 days or less. Short-term investments yielded an interest rate of 2.4% (2007– 4.2%).

**4. PROPERTY AND EQUIPMENT**

	<b>2008</b>		
	<b>Cost</b>	<b>Accumulated</b>	<b>Net Book</b>
	<b>\$</b>	<b>\$</b>	<b>Value</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Computer equipment	23,723	11,164	12,559
	<b>2007</b>		
	<b>Cost</b>	<b>Accumulated</b>	<b>Net Book</b>
	<b>\$</b>	<b>\$</b>	<b>Value</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Computer equipment	23,405	15,094	8,311

**5. DUE TO THE CITY OF CALGARY**

The Partnership'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 Partnership. The City of Calgary performs all of the accounting functions and fund administration charges on behalf of the Partnership.

Funds due to The City of Calgary in the amount of \$65,359 (2007 - Nil) represents payments made to third parties by The City of Calgary that have not been repaid to The City of Calgary out of the trust funds. These transactions have been conducted in the normal course of operations and have been recorded at the exchange amount, which is the amount agreed to by both parties.

**The Calgary Regional Partnership Incorporated**  
**Notes to the Financial Statements**

December 31, 2008

**6. DEFERRED REVENUE**

	2008	2007
	\$	\$
<b>Current</b>		
Alberta Municipal Affairs	768,359	872,939
Alberta Infrastructure and Transportation	163,923	-
Calgary Regional Partnership (one-time funding)	140,752	288,073
Alberta Employment, Immigration and Industry	-	25,000
Alberta Finance and Enterprise	25,000	-
	<b>1,098,034</b>	<b>1,186,012</b>
<b>Long Term</b>		
Calgary Regional Partnership (one-time funding)	-	129,037
Alberta Municipal Affairs	-	379,974
	<b>1,098,034</b>	<b>1,695,023</b>

**7. COMMITMENTS AND CONTINGENCIES**

The Partnership receives a majority of its funding through grants that specify the term of the funding and the eligible expenditures under the grant. The Partnership 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.

**8. FINANCIAL INSTRUMENTS**

It is management's opinion that the Partnership is not exposed to significant interest, currency or credit risks arising from its financial instruments. The Partnership is not subject to significant credit risk as the majority of receivable balances relate to transactions with municipal and provincial governments. The fair value of the Partnership's financial instruments approximates their carrying values, due to their short term nature.

**9. CAPITAL MANAGEMENT**

The Partnership's objective when managing capital is to ensure it has adequate cash flow to maintain operations and fund required capital expenditures. Management carefully monitor the level of government grants and member revenue to ensure sufficient funds will be available to meet the Partnership's short and long-term objectives.