



2019 Annual Report



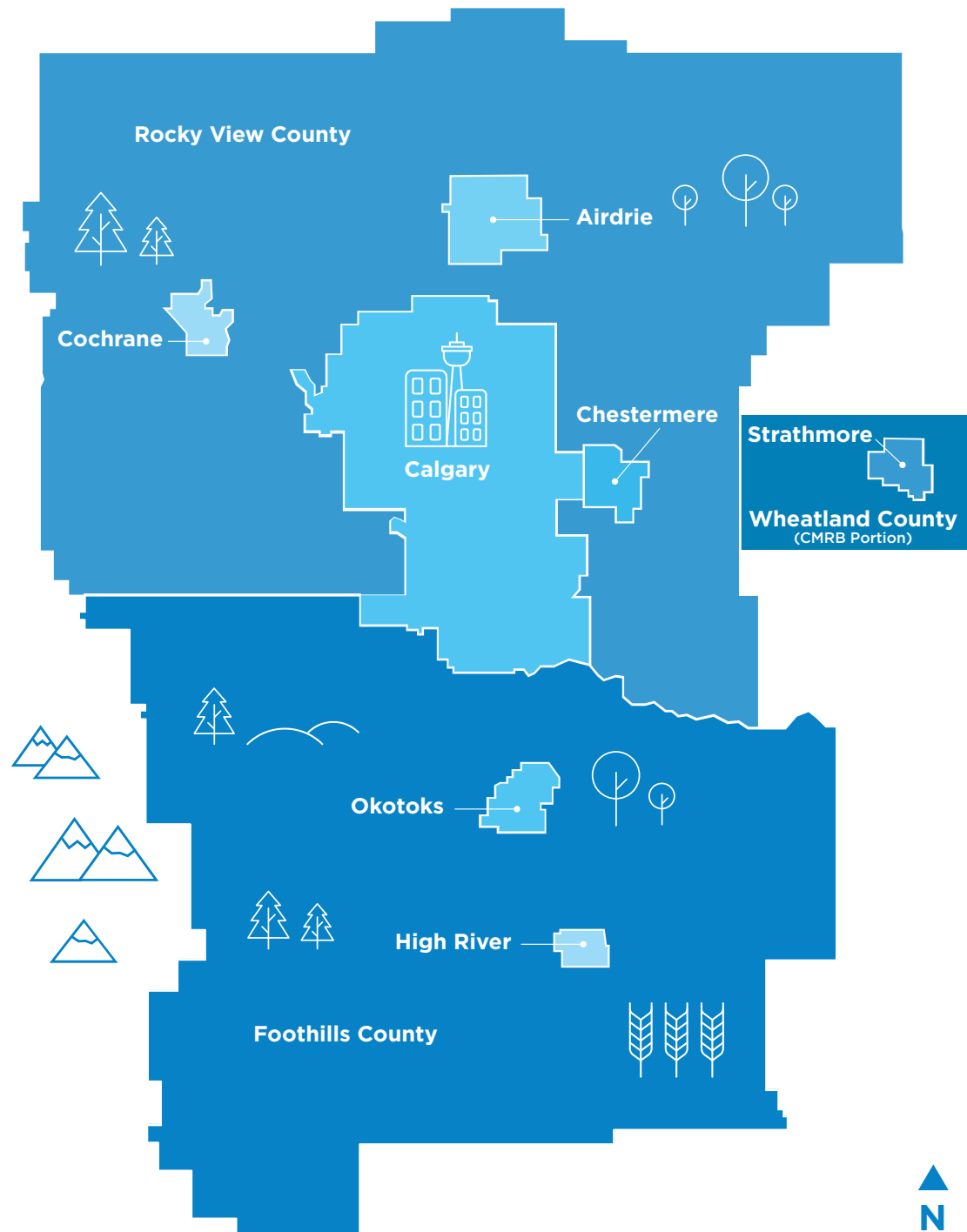


Table of Contents

A Message from the Board Chair and Chief Officer	4
About the Calgary Metropolitan Region Board	6
Board Committees	8
Mandate of the Board	10
Our Values	12
Accomplishments	14
Organizational Structure	22
CMRB Audited Financial Statements	25



A Message from the Board Chair and Chief Officer

The past year has been one of strengthened relationships in the region, intensive collection of regional data and focussed effort toward completion of the growth and servicing plan for the region. As only the second year of the CMRB's existence, and the first full year of operations, it was a year of learning, testing and refining of policies and practices that will serve the CMRB for years to come. It was also a year of challenges as some members continue to struggle with the purpose of the Board, their role, impacts to local autonomy, and lack of dispute and/or appeal mechanism.

We wish to acknowledge the expert work of CMRB administration, who have charted a course for the work of the Board in a field where little precedent exists to guide them. Further, we wish to acknowledge the dedicated elected officials from our 10 member municipalities who have spent countless hours constructively collaborating about the future of this region. They deserve recognition and thanks, as do their municipal staff whose support has been constant. We'd also like to thank the Government of Alberta, particularly the Minister and staff at Municipal Affairs, whose support has been invaluable.

Together, we are working to provide greater certainty to municipalities, investors and citizens in the Calgary Metropolitan Region, laying the groundwork for sustainable prosperity.



Jordon Copping
Chief Officer



Chris Sheard
Board Chair

“ Together, we are working to provide greater certainty to municipalities, investors and citizens in the Calgary Metropolitan Region, laying the groundwork for sustainable prosperity. ”



About the Calgary Metropolitan Region Board

The Calgary Metropolitan Region Board (CMRB) supports the long-term economic, environmental and social wellbeing of the Calgary Metropolitan Region (CMR) by facilitating collaborative regional planning practices, optimizing shared services and land use, and fostering sustainable growth.



Board Structure and Governance

The Board is comprised of an elected official representing each of the Region's 10 member municipalities.

CALGARY METROPOLITAN REGION BOARD



City of Airdrie
Peter Brown
Mayor



City of Calgary
Nanheed Nenshi
Mayor



City of Chestermere
Marshall Chalmers
Mayor



Town of Cochrane
Jeff Genung
Mayor



Foothills County
Suzanne Oel
Reeve



Town of High River
Craig Snodgrass
Mayor



Town of Okotoks
Bill Robertson
Mayor



Rocky View County
Greg Boehlke
Reeve



Town of Strathmore
Pat Fule
Mayor



Wheatland County
Amber Link
Reeve

NON-VOTING MEMBERS



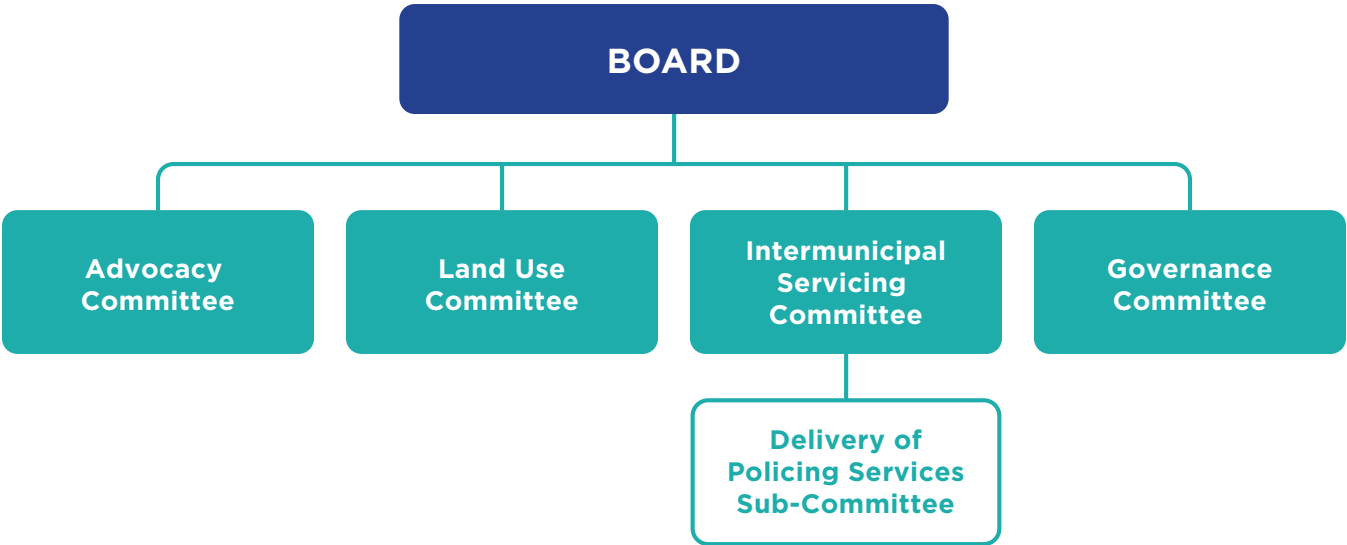
Chris Sheard
Board Chair



Dale Beesley
Government of Alberta

Board Committees

Board Committees help the CMRB more effectively advance the interests of the Region. Each Committee has a specific mandate to support the operations and goals of the CMRB and is charged with making recommendations to be brought before the Board.



Land Use Committee

The Land Use Committee guides the preparation of a Growth Plan for the Calgary Metropolitan Region for review and approval by the CMRB. The Growth Plan must contain a comprehensive, integrated regional land-use plan for the Calgary Metropolitan Region and must be submitted to the Minister of Municipal Affairs no later than December 31, 2020.

Intermunicipal Servicing Committee

The Intermunicipal Servicing Committee guides the preparation of a Servicing Plan for review and approval by the CMRB. The Servicing Plan is required to support the development outlined in the Growth Plan and must be submitted to the Minister of Municipal Affairs no later than December 31, 2020.

DELIVERY OF POLICING SERVICES SUB-COMMITTEE

The Delivery of Policing Services Sub-Committee is established under the Intermunicipal Servicing Committee and is focussed on examining how policing is delivered in the Calgary Metropolitan Region to ensure that the policing needs of citizens in the Region are being met in the most efficient and cost-effective manner possible.

Governance Committee

The Governance Committee is established by the Board and reports to the Board through the Committee Chair. The Committee Chair provides leadership to Committee members in fulfilling the mandate in areas of Board governance and operations, finance, and human resources.

Advocacy Committee

The Advocacy Committee guides the development of educational and outreach strategies to advance the goals of the Region, particularly as these strategies pertain to intergovernmental relations with the Governments of Alberta and Canada.



Mandate of the Board

The Calgary Metropolitan Region Board supports the long term sustainability of the Calgary Metropolitan Region by:

- Ensuring environmentally responsible land-use planning, growth management and efficient use of land
- Developing policies regarding the coordination of regional infrastructure investment and service delivery
- Promoting the economic wellbeing and competitiveness of the Calgary Metropolitan Region
- Developing policies outlining how the Board shall engage the public in consultation

The CMRB's mandate is defined and can be viewed in its entirety in the Calgary Metropolitan Region Board Regulation (Alberta Regulation 190/2017).



Our Values



Collaboration

We work together to identify opportunities and efficiencies that reduce the costs of growth and help achieve sustained prosperity for our region.



Respect

We respect each other, our neighbours, our environment, and the land on which our region is built.



Innovation

We embrace new ideas and the development, testing and iteration of bold solutions to complex regional challenges.



Diversity

We embrace our differences and celebrate the diverse people and places that make up our region.



Good Governance

We are purposeful and thoughtful in our actions, prioritizing the development of strategies and plans that guide and enhance the work we do.



Accomplishments

The CMRB recognizes that the benefits and challenges of growth extend beyond municipal boundaries. When one municipality makes large-scale changes to infrastructure or land-use, neighbouring municipalities are impacted – either directly or indirectly. Our role is to ensure planning for regionally-significant growth is coordinated between municipalities. To do this, we provide policies and guidance at a regional level, undertaking studies and engaging with experts to help build a region that is a growing destination to live, work and play.

The following is a summary of the work accomplished by the CMRB during its second year of operation in 2019.

Interim Regional Evaluation Framework (IREF) Applications

The Interim Regional Evaluation Framework is a tool to objectively evaluate and approve statutory plans with regional significance, ensuring plans are consistent with the long-term regional interests identified in the Interim Growth and Servicing Plan.

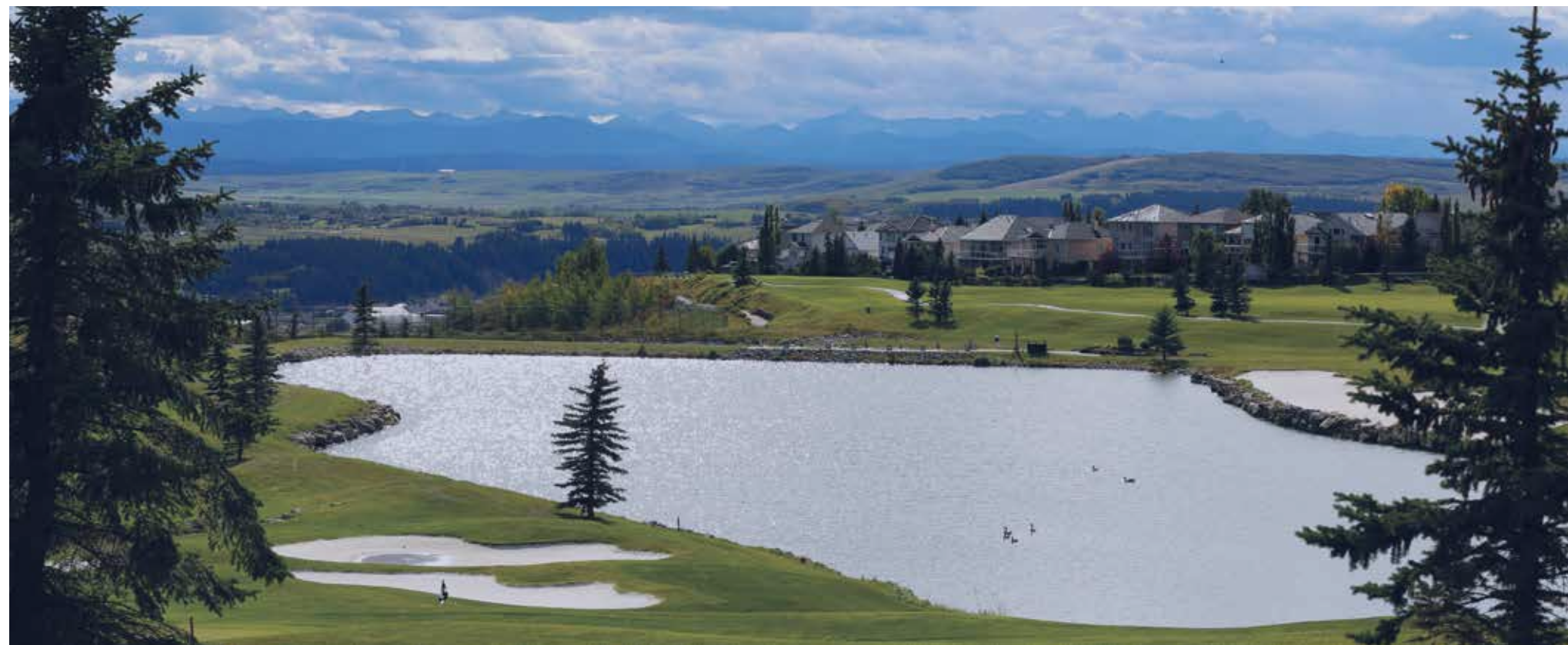
In 2019, a total of eight statutory plans from member municipalities were received. IREF recommendations were submitted to the Board in 10 to 25 working days after a complete IREF application was received, with an average time of 21 working days.

Technical Background Reports and Studies

In late 2018 and early 2019, CMRB committees directed administration to complete technical background reports and studies to inform the development of the Growth and Servicing Plan. Background reports and studies describe the current state of the CMR, educate the Board about best practices, define what regional means, and provide the CMRB with the opportunity to discuss preferred planning approaches compatible with Board values. They also provide the CMRB, including its committees, technical advisory groups, municipal and subject matter experts with the opportunity to establish a common perspective on complex issues and influence the technical foundations of the Plan.

REPORTS AND STUDIES COMPLETED IN 2019

- **Water Use and Conservation in the CMR:**
This study examines municipal water use in the Region on a per capita basis by municipality. It summarizes the conservation measures member municipalities have implemented for water efficiency and conservation over past 10 years and offers opportunities for continued improvement through regional efforts.
- **Natural and Managed Capacity of Regional Water Supply in the CMR:**
This report summarizes studies completed throughout the Region by various technical groups and includes considerations such as climate variability. The report also provides a summary of previously identified opportunities for regional collaboration among municipalities and other water users.
- **CMR Existing Water and Wastewater Servicing and Regional Potential:**
This study provides a baseline fact set of the current infrastructure capacities relative to current and projected demands (expressed in population equivalents) provided by member municipalities regarding water supply, wastewater collection, and treatment infrastructure.



- **Regional Employment Projections - Status Quo Scenario:**

Using the Board-approved population forecasts as a base, this analysis provides an understanding of regional employment, establishes employment projections and provides discussion around what defines regional employment areas. The results of the analysis form a background technical report for consideration in the development of regional growth scenarios.

- **Environmentally Sensitive Areas (ESAs) Background Study:**

This study provides guidance towards the development of a cooperative regional framework to support municipalities in planning for ESAs, particularly those that span jurisdictional boundaries. The study also provides guidance for the development of CMRB's Growth and Servicing Plan to help ensure wise stewardship of the region's irreplaceable environmental features.

- **CMR Stormwater Background Report:**

This report helps establish definitions that differentiate between municipal and regional significance in regards to stormwater management. The report summarizes how stormwater servicing is regulated and administered within in each municipality in the CMR and identifies best practices within the region, Canada and the world. The report also summarizes key themes and opportunities for regional collaboration for consideration of the Growth Plan consultant.

ONGOING STUDIES

- Sub-Regional Transportation Study
- Regional Recreation
- Regional Employment Analysis
- Agriculture in the Calgary Metropolitan Region
- Transit in the Calgary Metropolitan Region

These studies were developed with significant support from representatives of municipal administrations. We wish to acknowledge and express our gratitude for their contributions to these studies and those currently ongoing.





THE GROWTH AND SERVICING PLAN

The Growth and Servicing Plan will serve as a best-practice guide for achieving long-term prosperity in the Calgary Metropolitan Region, providing policies and high-level guidance on regionally significant topics including:

- Residential, commercial and industrial land use
- Corridors for transportation, recreation, energy transmission, utilities and transit
- Infrastructure planning and development
- Water quality, water use and management (including flood mitigation)
- Environmental sustainability and the conservation of agricultural lands

Selection of and Engagement with Growth Plan Consultant

In 2019, a request for proposal was put out to select a Growth Plan consultant whose scope of work includes development of the Growth and Servicing Plan deliverables and associated public engagement. The request for proposal process was undertaken collaboratively with municipal administrations and the CMRB and resulted in five proponent responses.

The outcome of the extensive proposal evaluation process resulted in the Board's selection of HDR | Calthorpe as the successful proponent. HDR | Calthorpe is a pioneer in the development and implementation of regional plans that support diverse, walkable, vibrant, environmentally responsible, mixed-use communities across the world.

The firm's long history of high-quality urban design and regional planning give their designers, planners and engineers the skills and vision to work on a project of the stature and complexity of the Growth and Servicing Plan for the Calgary Metropolitan Region.

SUMMARY OF THE GROWTH AND SERVICING PLAN WORK COMPLETED

- Communications and Engagement Framework, approved by the Board in June 2019
- Communications and Engagement Plans for internal and external stakeholders and the public, developed by HDR | Calthorpe and approved by the Land Use and Servicing Committees in December 2019
- Development tour of the Calgary Metropolitan Region with HDR | Calthorpe, completed in October 2019
- Workshop with municipal staff and elected officials from CMR, conducted by HDR | Calthorpe in October 2019 to introduce the firm's scenario development process and typical regional planning metrics for scenario evaluations

Board Governance

In 2019, the Board Governance Committee undertook the following work for approval by the Board:

- Procedural Policy on Motions
- Code of Conduct Policy
- Conflict of Interest Policy (in progress)
- Appeal Dispute Mechanism (in progress)
- Cost Sharing Model (suspended)
- 2019 Financial Statements
- 2020 Budget

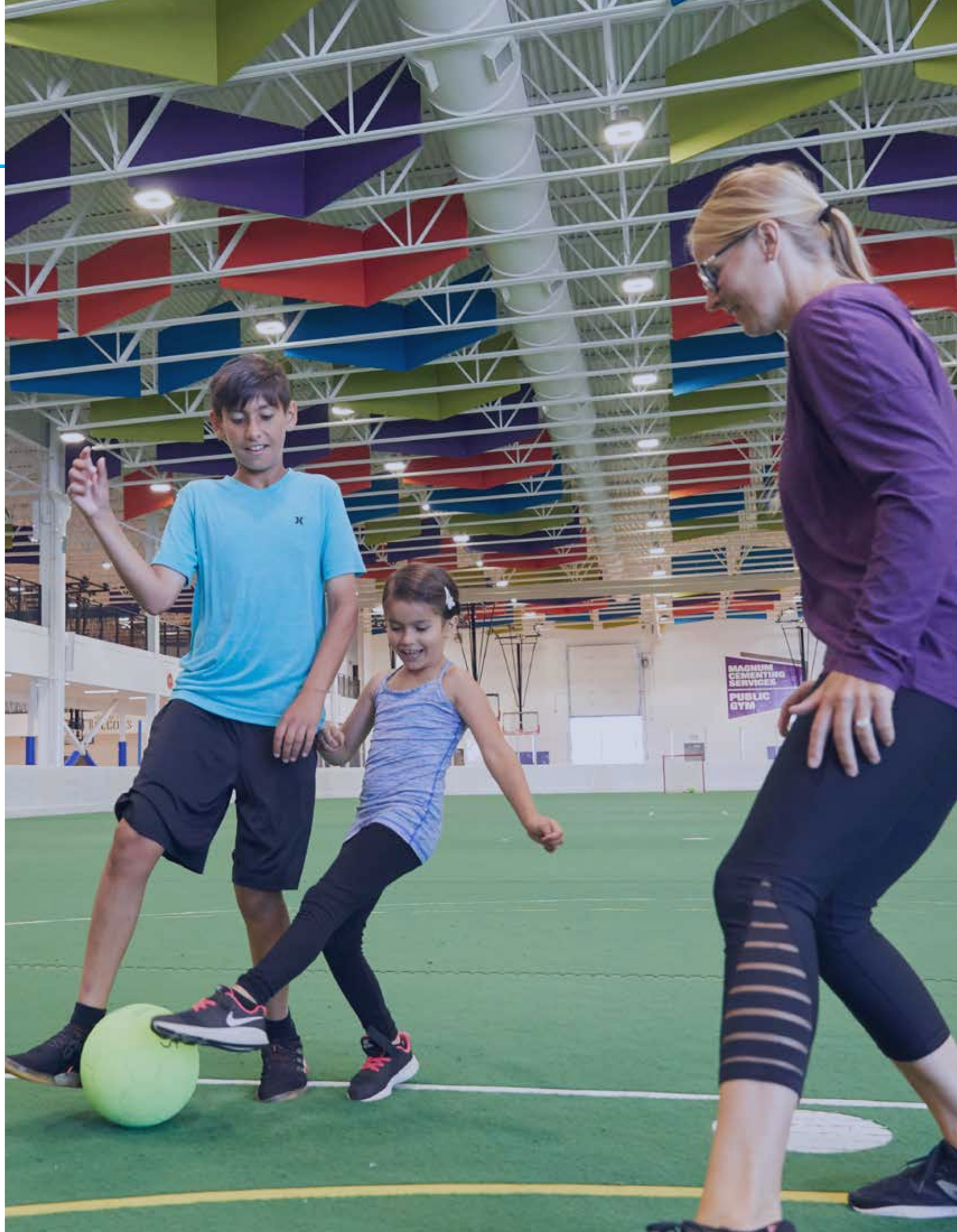
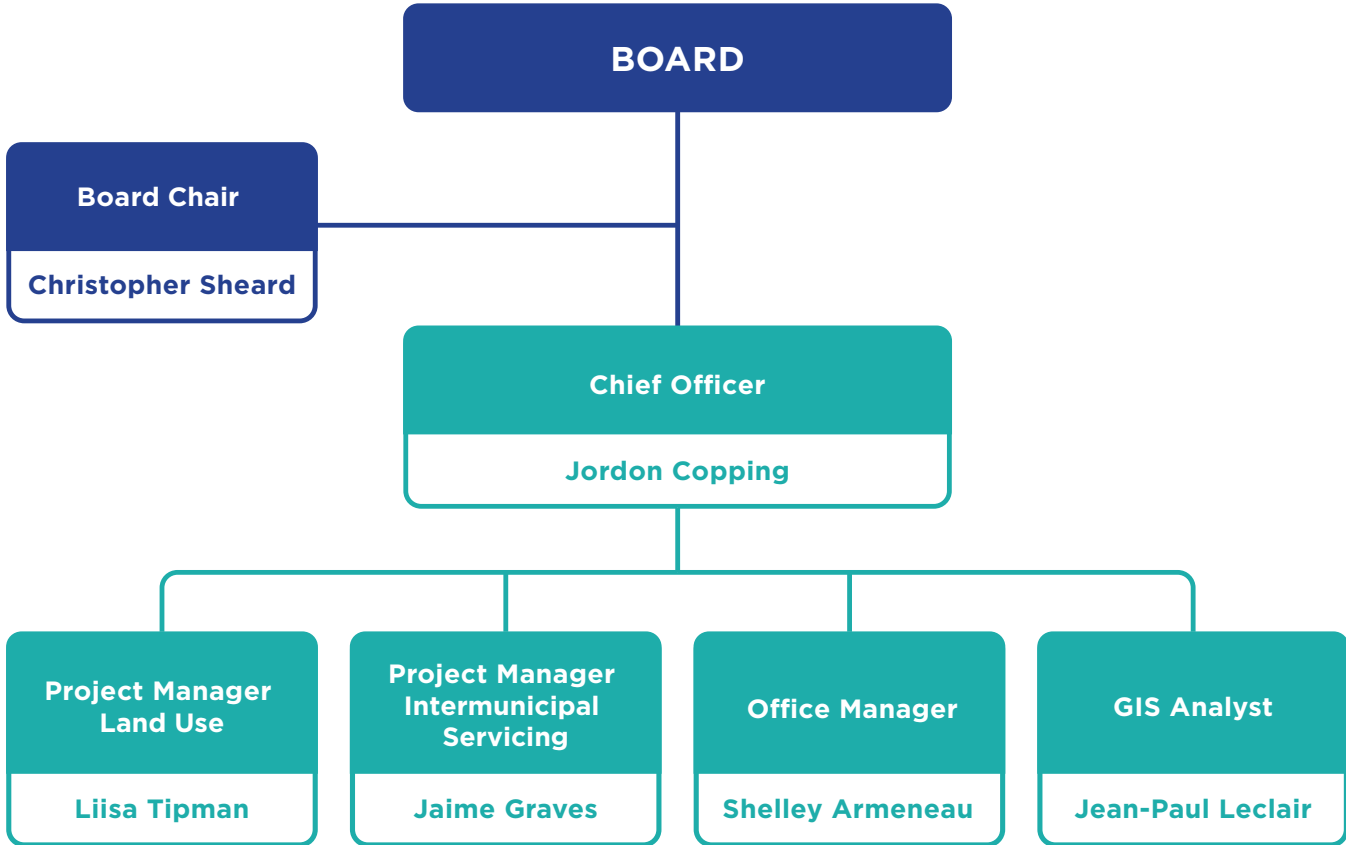
Workshops

Two workshops were held with municipal administrations and elected officials on the topics of water regulation, policy and approvals (June 2019); and flood policy (October 2019).



Organizational Structure

The CMRB is a not-for-profit corporation comprised of five staff and an external Board Chair, reporting to the Board in the below structure.





CMRB Audited Financial Statements

For the year ended December 31, 2019

Independent Auditors Report	26
Management Report	28
Financial Statements	29
Statement of Financial Position	29
Statement of Operations	30
Statement of Change in Net Financial Assets	31
Statement of Cash Flows	32
Noted to the Financial Statements	33
Schedules to the Financial Statements	38

INDEPENDENT AUDITOR'S REPORT

To: The Board of
 Calgary Metropolitan Region Board

Opinion

We have audited the financial statements of the Calgary Metropolitan Region Board which comprise the statement of financial position as at December 31, 2019, and the statements of operations, change in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Board as at December 31, 2019, its results of operations, change in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. 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 Board 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 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 public sector accounting standards, 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 Board'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 Board or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Board'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 generally accepted auditing standards 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 generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

INDEPENDENT AUDITOR'S REPORT, continued

- 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 Board'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 Board'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 company 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.

Lethbridge, Alberta

January 30, 2020



Chartered Professional Accountants

MANAGEMENT REPORT

The financial statements are the responsibility of the management of the Calgary Metropolitan Region Board.

These financial statements have been prepared from information provided by management. Financial statements are not precise since they include certain amounts based on estimates and judgments. Management has determined such amounts on a reasonable basis in order to ensure that the financial statements are presented fairly, in all material respects.

The Board maintains systems of internal accounting and administrative controls that are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and that the Board's assets are properly accounted for and adequately safeguarded.

The elected Board of the Calgary Metropolitan Region Board is responsible for ensuring that management fulfils its responsibilities for financial statements. The Board carries out its responsibility principally through the Governance committee.

The Board meets annually with management and the external auditors to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, and to satisfy itself that each party is properly discharging its responsibilities. The Board also considers the engagement or re-appointment of the external auditors. The Board reviews the monthly financial reports.

The Board's financial statements have been audited by Avail LLP Chartered Professional Accountants, the external auditors, in accordance with Canadian generally accepted auditing standards on behalf of the Board. Avail LLP has full and free access to the Board members.

[original signed]

Chief Officer

CALGARY METROPOLITAN REGION BOARD STATEMENT OF FINANCIAL POSITION As at December 31, 2019

	2019	2018
Financial assets		
Cash and cash equivalents	\$ 394,301	\$ 380,278
Short term investments (note 3)	2,625,125	2,825,000
Accounts receivable	14,292	19,731
GST receivable	31,432	10,078
	<u>3,065,150</u>	<u>3,235,087</u>
Liabilities		
Accounts payable and accrued liabilities	130,926	91,149
Deferred revenue (note 4)	992,061	1,250,921
	<u>1,122,987</u>	<u>1,342,070</u>
Net financial assets	<u>1,942,163</u>	<u>1,893,017</u>
Non-financial assets		
Prepaid expenses (and deposits)	6,109	12,043
Tangible capital assets (schedule 1)	10,689	16,661
	<u>16,798</u>	<u>28,704</u>
Accumulated surplus (note 5, schedule 2)	<u>\$ 1,958,961</u>	<u>\$ 1,921,721</u>

Commitments (note 10)

Approved on behalf of the board:

Member _____ [original signed]

Member _____ [original signed]

CALGARY METROPOLITAN REGION BOARD
STATEMENT OF OPERATIONS
For the year ended December 31, 2019

	Budget (unaudited)	2019	2018
Revenue			
Alberta Municipal Affairs	\$ 2,000,000	\$ 2,258,861	\$ 819,079
Calgary Regional Partnership	-	-	1,873,286
Interest	-	60,555	19,731
	<u>2,000,000</u>	<u>2,319,416</u>	<u>2,712,096</u>
Expenses			
Consulting fees	1,524,000	1,141,440	126,245
Wages and benefits	753,000	780,397	560,979
Board chair remuneration	140,000	104,878	-
Meeting costs	175,800	93,796	40,604
Rent	85,980	70,928	8,430
Professional fees	30,000	26,870	15,951
Travel and accommodation	55,000	20,242	1,361
Dues and subscriptions	12,000	15,379	9,089
Office and administration	15,600	9,579	10,976
Insurance	5,040	5,480	2,229
Professional development	-	3,538	1,079
Utilities	3,000	1,663	3,053
Interest and bank charges	-	810	562
Advertising and promotion	-	775	1,847
Freight and delivery	-	429	1,998
Amortization	5,972	5,972	5,972
	<u>2,805,392</u>	<u>2,282,176</u>	<u>790,375</u>
(Deficiency) excess of revenue over expenses	(805,392)	37,240	1,921,721
Accumulated deficit surplus, beginning of year	1,921,721	1,921,721	-
Accumulated deficit surplus, end of year	\$ 1,116,329	\$ 1,958,961	\$ 1,921,721

CALGARY METROPOLITAN REGION BOARD
STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
For the year ended December 31, 2019

	Budget (unaudited)	2019	2018
(Deficiency) excess of revenue over expenses	\$ (805,392)	\$ 37,240	\$ 1,921,721
Acquisition of tangible capital assets	15,000	-	(22,633)
Amortization of tangible capital assets	5,972	5,972	5,972
	<u>20,972</u>	<u>5,972</u>	<u>(16,661)</u>
Net change in inventory for consumption	-	5,934	(12,043)
Change in net financial assets	(784,420)	49,146	1,893,017
Net financial assets, beginning of year	1,893,017	1,893,017	-
Net financial assets, end of year	\$ 1,108,597	\$ 1,942,163	\$ 1,893,017

CALGARY METROPOLITAN REGION BOARD
STATEMENT OF CASH FLOWS
For the year ended December 31, 2019

	2019	2018
Operating transactions		
Excess of revenue over expenses	\$ 37,240	\$ 1,921,721
Adjustments for items which do not affect cash		
Amortization of tangible capital assets	5,972	5,972
	43,212	1,927,693
Net change in non-cash working capital items		
Accounts receivable	5,439	(19,731)
GST receivable	(21,354)	(10,078)
Prepaid expenses (and deposits)	5,934	(12,043)
Accounts payable and accrued liabilities	39,777	91,149
Deferred revenue	(258,860)	1,250,921
	(185,852)	3,227,911
Capital transactions		
Acquisition of tangible capital assets	-	(22,633)
Investing transactions		
Change in short-term investments	199,875	(2,825,000)
Increase in cash and cash equivalents	14,023	380,278
Cash and cash equivalents, beginning of year	380,278	-
Cash and cash equivalents, end of year	\$ 394,301	\$ 380,278

CALGARY METROPOLITAN REGION BOARD
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2019

1. Nature of operations

Calgary Metropolitan Region Board is constituted under the Municipal Government Act and was approved by the Minister of Municipal Affairs on Monday, January 1, 2018 for the purpose of promoting long term sustainability, ensuring environmentally responsible land-use planning, growth management and efficient land use, developing policies regarding the coordination of regional infrastructure investment and service delivery, and promoting economic well-being and competitiveness of the region.

The members of the Board are as follows; City of Airdrie, City of Calgary, City of Chestermere, Town of Cochrane, Town of High River, Town of Okotoks, Town of Strathmore, Rocky View County, Municipal District of Foothills, and Wheatland County.

The Board is exempt from income taxation under Section 149 of the Canada Income Tax Act.

2. Significant accounting policies

The financial statements are prepared in accordance with Canadian public sector accounting standards and reflect the assets, liabilities, revenues and expenses, and change in the financial position of the Board. Significant aspects of the accounting policies adopted by the Board are as follows:

- (a) Cash and cash equivalents
Cash and cash equivalents consists of cash on deposit and are recorded at cost.
- (b) Short term investments
Short term investments consists of term deposits with original maturities of greater than one month at the date of acquisition and are recorded at cost.
- (c) Revenue recognition
Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis, except when accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable.

Restricted investment income is recognized in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

Government transfers are recognized in the period when the related expenses are incurred, services performed, or the tangible capital assets acquired.

CALGARY METROPOLITAN REGION BOARD
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2019

2. Significant accounting policies, continued

(d) Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the normal course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the consolidated Change in Net Financial Assets for the year.

(i) Tangible capital assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets is amortized on a straight-line basis over the estimated useful life as follows:

	Years
Furniture and fixtures	10
Buildings	5
Computer equipment	3

The full amount of the annual amortization is charged in the year of acquisition and none in the year of disposal.

(ii) Contributions of tangible capital assets

Tangible capital assets received as contributions are recorded at fair value at the date of receipt and also are recorded as revenue.

(iii) Leases

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

(e) Use of estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount 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 expense during the period. Where measurement uncertainty exists, the financial statements have been prepared within reasonable limits of materiality. Actual results could differ from those estimates.

CALGARY METROPOLITAN REGION BOARD
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2019

3. Cash in trust

Short term investments consists of Guaranteed Investment Certificates (GICs) that have effective interest rates of 0.50% to 1.95% and mature between March to August 2020.

4. Deferred revenue

	2018	Received	Recognized	2019
Alberta Municipal Affairs	1,250,921	2,017,343	2,276,204	992,060

Deferred revenue consists of the unspent portion of the Alberta Municipal Affairs conditional start-up and core operations grant.

5. Accumulated surplus

Accumulated surplus consists of internally restricted and unrestricted amounts and equity in tangible capital assets as follows:

	2019	2018
Unrestricted surplus	\$ 1,948,272	\$ 1,905,060
Equity in tangible capital assets	10,689	16,661
	\$ 1,958,961	\$ 1,921,721

6. Equity in tangible capital assets

	2019	2018
Tangible capital assets (schedule 1)	\$ 22,633	\$ 22,633
Accumulated amortization (schedule 1)	(11,944)	(5,972)
	\$ 10,689	\$ 16,661

CALGARY METROPOLITAN REGION BOARD
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2019

7. Financial instruments

The Board's financial instruments consist of cash and cash equivalents, short term investments, accounts receivables, and accounts payable and accrued liabilities. It is management's opinion that the Board is not exposed to significant interest or currency risks arising from these financial instruments.

The carrying value of these financial instruments approximates their fair value.

8. Economic dependence

The Board is economically dependent on Alberta Municipal Affairs, as Alberta Municipal Affairs provides the Board with a substantial portion of its revenues.

9. Local authorities pension plan

Employees of the Board participate in the Local Authorities Pension Plan (LAPP), which is one of the plans covered by the Alberta Public Sector Pensions Plans Act. The plan serves about 459,000 people and 421 employers. The LAPP is financed by the employer and employee contributions and by investment earnings of the LAPP Fund.

Contributions for current service are recorded as expenditures in the year in which they become due.

The Board is required to make current service contributions to the LAPP of 10.39% of pensionable earnings up to the year's maximum pensionable earnings under the Canada Pension Plan and 14.84% on pensionable earnings above this amount. Employees of the Board are required to make current service contributions of 9.39% of pensionable salary up to the year's maximum pensionable salary and 13.84% on pensionable salary above this amount.

Total current service contributions by the Board to the LAPP in 2019 were \$71,897 (2018 - \$39,588). Total current service contributions by the employees of the Board to the LAPP in 2019 were \$65,783 (2018 - \$36,460).

At December 31, 2018, the LAPP disclosed an actuarial surplus of \$3.5 billion.

CALGARY METROPOLITAN REGION BOARD
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2019

10. Commitments

The Board entered into various consulting agreements prior to December 31, 2019. As at December 31, 2019, the Board had funding commitments outstanding which totaled \$1,144,277. These commitments are not recorded in the records until they are payable in accordance with the consulting agreements.

The Board has also entered into operating leases for a building and a digital printer. The Board's total obligation under these leases are \$111,787.

Payments over the next five years are as follows:

2020	\$	27,980
2021		29,697
2022		33,132
2023		20,978
		\$ 111,787

11. Approval of financial statements

These financial statements were approved by Board and Management.

12. Budget amounts

The 2019 budget was approved by the Board and has been reported in the financial statements for information purposes only. The budget amounts have not been audited, reviewed, or otherwise verified.

In addition, the approved budget did not contain an amount for amortization expense. In order to enhance comparability, the actual amortization expense has been included as a budget amount.

Budgeted deficit per financial statements	\$	(805,392)
Less: Capital expenditures		(15,000)
Add: Amortization		5,972
		\$ (814,420)

CALGARY METROPOLITAN REGION BOARD
SCHEDULES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2019

Schedule of tangible capital assets	Schedule 1				
	Buildings	Furniture and fixtures	Computer equipment	2019	2018
Cost:					
Balance, beginning of year	\$ 5,285	\$ 3,719	\$ 13,629	\$ 22,633	\$ -
Acquisitions	-	-	-	-	22,633
Balance, end of year	5,285	3,719	13,629	22,633	22,633
Accumulated amortization:					
Balance, beginning of year	1,057	372	4,543	5,972	-
Annual amortization	1,057	372	4,543	5,972	5,972
Balance, end of year	2,114	744	9,086	11,944	5,972
Net book value	\$ 3,171	\$ 2,975	\$ 4,543	\$ 10,689	\$ 16,661
2018 net book value	\$ 4,228	\$ 3,347	\$ 9,086	\$ 16,661	

CALGARY METROPOLITAN REGION BOARD
SCHEDULES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2019

Schedule of changes in accumulated surplus	Schedule 2			
	Unrestricted	Equity in tangible capital assets	2019	2018
Balance, beginning of year	\$ 1,905,060	\$ 16,661	\$ 1,921,721	\$ -
Excess of revenue over expenses	37,240	-	37,240	1,921,721
Annual amortization expense	5,972	(5,972)	-	-
Change in accumulated surplus	43,212	(5,972)	37,240	1,921,721
Balance, end of year	\$ 1,948,272	\$ 10,689	\$ 1,958,961	\$ 1,921,721

The image is a vertical split. The left side is a faded, light-colored aerial photograph of a city and its surrounding landscape, including a river and a golf course. The right side is a clear, vibrant aerial photograph of the same area, showing a river winding through a lush green landscape with a golf course in the foreground and a residential area in the background. The sky is clear and blue.

Calgary Metropolitan Region Board

Suite 305, 602 - 11th Avenue S.W.

Calgary, AB T2R 1J8

www.calgarymetroregion.ca