

MUNICIPAL SERVICE AND SUPPLIERS ASSOCIATION
FINANCIAL STATEMENTS
December 31, 2007



MUNICIPAL SERVICE AND SUPPLIERS ASSOCIATION
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December 31, 2007

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AUDITOR'S REPORT

To the board of Municipal Service and Suppliers Association

We have audited the statement of financial position of Municipal Service and Suppliers Association as at December 31, 2007 and the statement of operations and changes in net assets for the year then ended. These financial statements are the responsibility of the association'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. These 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 association as at December 31, 2007 and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.


Certified General Accountants

Partners

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MUNICIPAL SERVICE AND SUPPLIERS ASSOCIATION
STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
For the Year Ended December 31, 2007

	2007	2006
RECEIPTS		
Membership	\$ 38,855	\$ 17,330
Interest	759	1,882
	<u>39,614</u>	<u>19,212</u>
DISBURSEMENTS		
Tradeshows and conferences	19,972	11,746
Contracted Services- WCWWA	2,659	2,391
Program Support- Water for People	964	1,423
Levy- WCWWA	3,307	1,231
Professional fees	3,327	1,080
Insurance	788	747
Advertising and promotion	-	633
Telephone and internet	105	193
Interest and bank charges	234	87
Postage office and miscellaneous	138	48
	<u>31,496</u>	<u>19,579</u>
EXCESS OF (DEFICIT) RECEIPTS OVER DISBURSEMENTS	8,118	(367)
UNRESTRICTED NET ASSETS, BEGINNING OF THE YEAR	<u>47,523</u>	<u>47,890</u>
UNRESTRICTED NET ASSETS, END OF THE YEAR	<u>\$ 55,641</u>	<u>\$ 47,523</u>

The accompanying notes form an integral part of the audited financial statements



**MUNICIPAL SERVICE AND SUPPLIERS ASSOCIATION
STATEMENT OF FINANCIAL POSITION
As at December 31, 2007**

	2007	2006
ASSETS		
CURRENT		
Cash	\$ 37,626	\$ 45,709
Marketable securities (note 2)	17,030	16,271
Deposits and prepaid expenses	306	306
Due from WCWWA (note 5)	24,737	-
	<u>\$ 79,699</u>	<u>\$ 62,286</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 3,246	\$ 500
Unearned revenue (note 3)	18,975	13,740
Due to WCWWA (Note 5)	1,837	523
	<u>24,058</u>	<u>14,763</u>
NET ASSETS		
UNRESTRICTED	<u>55,641</u>	<u>47,523</u>
	<u>55,641</u>	<u>47,523</u>
	<u>\$ 79,699</u>	<u>\$ 62,286</u>

ON BEHALF OF THE BOARD

Director

Director

The accompanying notes form an integral part of the audited financial statements



MUNICIPAL SERVICE AND SUPPLIERS ASSOCIATION
NOTES TO THE AUDITED FINANCIAL STATEMENTS
December 31, 2007

1. PURPOSE OF THE ORGANIZATION

Municipal Service and Suppliers Association ("the association") was incorporated on April 24, 1995, by Letters Patent under the *Canadian Corporations Act*. The primary purpose of the association is to provide a venue for suppliers, manufacturers, consultants, contractors and other interested parties to support, strengthen and build alliances with organizations dedicated to the preservation and enhancement of water quality and resources throughout Canada. The association is a not-for-profit organization that is exempt from taxation under section 149(1)(l) of the *Income Tax Act (Canada)*.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles and in management's opinion, have been properly prepared within reasonable limits of materiality and within the framework of the significant accounting policies summarized below.

Revenue recognition

The association follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Financial instruments

Effective January 1, 2007, the association adopted new accounting standards related to financial instruments that were issued by the Accounting Standards Board in 2005. These standards were adopted prospectively with no restatement. The accounting policies adopted as a result of these new standards are as follows:

The association classifies all financial instruments as held for trading and carries them at fair value. Unrealized gains and losses on trading assets are recognized as part of the excess of revenue over expenses.

The fair value of financial instruments reported at fair value is based on current interest rates, market values, and pricing of financial instruments with comparative terms.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Statement of cash flows

A statement of cash flows has not been included as it would not provide additional meaningful information.



**MUNICIPAL SERVICE AND SUPPLIERS ASSOCIATION
NOTES TO THE AUDITED FINANCIAL STATEMENTS
December 31, 2007**

3. UNEARNED REVENUE

Unearned revenue represents membership dues received near the end of the fiscal year that pertain to the following fiscal period.

4. DUE FROM (TO) AFFILIATED ORGANIZATIONS

	<u>2007</u>	<u>2006</u>
Due from (to) affiliated organizations		
Western Canada Water and Wastewater Association	\$ 22,900	\$ (523)

The association is affiliated with other groups which have similar goals and objectives. The amounts payable to Western Canada Water and Wastewater Association are unsecured and non-interest bearing.

5. AFFILIATED ORGANIZATIONS TRANSACTIONS

The following is a summary of the association's transactions with other affiliated organizations:

	<u>2007</u>	<u>2006</u>
Western Canada Water and Wastewater Association		
Membership levy charge	\$ 3,307	\$ 1,231
Contract services fee for use of office and staff	2,659	2,391
	<u>\$ 5,966</u>	<u>\$ 3,622</u>

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

6. FINANCIAL INSTRUMENTS

The association's financial instruments consist of cash, short term interest bearing securities, accounts payable and accrued liabilities, all of which are reported at fair value, which approximates cost unless otherwise noted. It is management's opinion that the association is not exposed to significant interest rate, market or credit risks due to the nature of financial instruments held.

7. COMPARATIVE FIGURES

Certain of the prior year figures have been restated to reflect the current year presentation. The prior year financial information was audited by another professional accounting firm.

