

CTCC

CALGARY
TELUS
CONVENTION
CENTRE
AR 2015

- 03 WE CREATE
MASTERPIECES**
- 04 WE BUILD
COMMUNITY**
- 04 WE MEET
EXPECTATIONS**
- 07 WE TRANSFORM
MEETINGS**
- 08 WE WELCOME
THE WORLD**
- 11 WE FIND
SOLUTIONS**
- 11 WE FIND
MARKETS**

- 12 MESSAGE FROM
THE CHAIR &
ACTING GENERAL
MANAGER**
- 14 BOARD
OF DIRECTORS**
- 16 OPERATIONAL
HIGHLIGHTS**
- 18 FINANCIALS**

WHAT WE DO

THE CALGARY TELUS CONVENTION CENTRE

is managed, marketed and operated by the Calgary Convention Centre Authority on behalf of the City of Calgary. The Authority is charged with maximizing overall economic benefits to Calgarians and maintaining acceptable financial performance.

***ORGANIZERS OF
THE CALGARY
ANIME FESTIVAL
ARE BRACING FOR
+9,000 PEOPLE
TO ATTEND***



WE CREATE MASTERPIECES

THE CALGARY TELUS CONVENTION CENTRE is a blank canvas: a clean, unblemished surface upon which artists (event organizers) express themselves.

Every event at the CTCC is a distinct expression, even when it returns for a second, third or 30th time.

We work with event organizers to help them create masterpieces. From conferences and conventions to graduations and AGMs, our clients want the broad and fine strokes of their events executed with skill, talent, and originality.

The Elizabeth Fry Society (EFry) of Calgary recently hosted a fundraiser called *The View from Behind Bars—An Evening with Piper Kerman*. She's the author of the best-selling book *Orange is the New Black*, *My Year in a Women's Prison*, and the inspiration behind the Netflix series of the same name.

Kerman's evening of storytelling about the women she met—and their issues with mental health, substance abuse and prison life—raised funds for the EFry's Supporting 50 Years of New Chances. The event was the EFry's largest ever and funds raised at it will help local vulnerable women and youth affected by poverty, legal and justice issues.

The 18th annual Otafest is also expected to be its host's largest ever event. Organizers of the Calgary Anime Festival are bracing for more than 9,000 people from throughout Western Canada to attend Otafest, which celebrates Japanese animation (anime), comics (manga), costuming (cosplay) and video games, as well as pop culture in general and more. This year is the festival's first time at the CTCC.

Creative inspiration was the theme of INPUT, the International Public Television Festival, held in April at the CTCC. Held in North America for the first time in 10 years, the festival brought together TV and web producers, directors, writers and creators to view and discuss innovative content from international public broadcasters. More than 900 people attended from Canada, Finland, Switzerland, Taiwan, Japan and South Korea.

The theme of events may range from formal and traditional to modern and cutting edge, but organizers always want to be remembered as classic, strategic and highly experiential.

WE BUILD COMMUNITY

WHEN THE UNIVERSITY OF CALGARY'S Faculty of Social Work teamed with the Calgary TELUS Convention Centre to bring the 2016 World Congress of the International Society for Prevention of Child Abuse and Neglect to Calgary, they turned to a secret weapon to clinch the bid.

"We went to the community and asked them to be involved and everyone said yes. And when we submitted our second bid, that made the difference," faculty dean Jackie Sieppert says. "The community is what makes Calgary special."

Human Services Alberta, the Sheldon Kennedy Child Advocacy Centre, the Child Welfare League of Canada, the Alberta Association for Services for Children and Families and Woods Homes are just some of the community groups that joined the bid and will be part of the congress this summer.


WE MEET EXPECTATIONS

IT CAN'T BE SEEN, heard or felt. Without it, we feel powerless, adrift.

It is wi-fi. In everyday terms, it's how we connect to people and information almost anywhere in the world.

People attending meetings, conventions and gatherings today expect to be automatically connected to wi-fi. To meet that expectation, the CTCC creates customized high-functioning, behind-the-scenes communications networks.

During the annual Calgary Teachers' Convention—attendance 6,000 plus—the CTCC had 55 access points and 200 radio broadcast relays to three separate bandwidths or channels for convention-goers, presenters and exhibitors.



***WE CONNECT
TO PEOPLE AND
INFORMATION
ALMOST
ANYWHERE IN
THE WORLD***

***MEETINGS
ARE LESS ABOUT
CONTENT
AND SPEAKER,
MORE ABOUT
HOW PEOPLE CAN
CONNECT***



WE TRANSFORM MEETINGS

DEMOGRAPHICS ARE SHAPING and reshaping events at the CTCC. Millennials (people born in the early 1980s to 2000) have an insatiable appetite for wireless technology and a growing desire to connect with fellow delegates in more informal settings.

They generally like bigger mingling spaces and pop-up offices. And they want to be on social media sending out and receiving messages about their event's sessions.

Experts say this attitude will transform meetings. In the coming years, meetings at the CTCC and around the world will be less about content and speakers, and more about who's attending and how people can connect at and to physical events.

WE WELCOME THE WORLD

AT THE CTCC, we're in the business of welcoming the world to Calgary. It's more than a matter of tourism and civic pride. It's also a powerful and effective way to showcase the city's intellectual capital and to introduce visitors to the benefits of working, living and investing in our city.

Every major city and region around the world has its own distinct intellectual capital—a unique combination of its residents' expertise and experience that shapes the local economy and personality.

Calgary's intellectual capital is largely shaped by the energy, legal and financial, and technology sectors.

Research has proven that when meeting- and convention-goers connect to a city's intellectual capital it can promote future city investment, encourage leisure travel and foster repeat business, further improving economic success.

***WE'RE IN
THE BUSINESS
OF WELCOMING
THE WORLD
TO CALGARY***





***18% REDUCTION
OF ELECTRICAL
CONSUMPTION
– A SAVINGS
OF NEARLY
\$70,000 IN 2015***

WE FIND SOLUTIONS

For several years, we've worked to reduce our operating costs and waste through environmental programs. In 2015, the CTCC and Glenbow Museum reduced their combined electrical consumption by 2.2 million kilowatt/hours or 18 per cent. This saved nearly \$70,000 a year.

The CTCC also contributed in 2015 to the City of Calgary's Action Plan to reduce energy and climate change impact by:

- ➔ Retrofitting our lighting systems
- ➔ Renovating our South Building washrooms
- ➔ Finding ways to reduce air conditioning operation
- ➔ Exploring ways to divert waste food from landfills.

WE FIND MARKETS

At CTCC, we will continue to shift our business mix to attract quality, small- to medium-size conventions (50 to 4,000 people) held by organizers from across Canada, North America and overseas markets.

Conventions of any size are reliable economic drivers and offer operating stability given that they are typically booked 24 to 36 months in advance.

Our CTCC sales team is already focused on exploring and securing bookings for new and non-traditional events. As of May 2016, we had 17 confirmed and 61 tentative bookings for 2017.

Working with our many partners and for the benefit of the city of Calgary, we will align our activities to initiatives such as Calgary Economic Development's 10-year strategy, Calgary Awareness Branding and Soul of the City.

Through Meetings + Conventions Calgary (MCC), we will continue sales and marketing efforts in our key markets with our partners Business Events Canada (BEC, a division of Destination Canada), Travel Alberta and the Calgary Stampede. This includes strengthening our presence in the United States.

MCC, which was jointly founded by the Calgary Hotel Association and the CTCC, has confirmed bookings for 63,386 room nights in 2016, which is 189 per cent above our annual pace target. MCC reports confirmed room bookings of 28,597 for 2017, which is 139 per cent above our pace target.

***THE CALGARY
TELUS CONVENTION
CENTRE EXISTS
TO HOST LOCAL,
NATIONAL AND
INTERNATIONAL
MEETINGS +
CONVENTIONS***

**MESSAGE FROM
THE CHAIR & ACTING
GENERAL MANAGER**

THE CALGARY TELUS CONVENTION CENTRE EXISTS TO HOST LOCAL, NATIONAL AND INTERNATIONAL MEETINGS AND CONVENTIONS THAT BRING PEOPLE TOGETHER TO SHARE IDEAS, SOLVE PROBLEMS AND CELEBRATE ACCOMPLISHMENTS. THE ESSENCE OF OUR BUSINESS HAS REMAINED CONSTANT SINCE THE CTCC OPENED IN 1974.

We have, however, seen many changes in our industry and our city's economy. The most recent is the dramatic effect lower oil prices have had on meetings, conventions and gatherings. We experienced a significant drop in local corporate events in 2015 due to an economic downturn that began in the fall of 2014.

Although we saw a drop in attendees (a total of 191,192 in 2015 compared to 228,423 in 2014), we did host a number of prestigious events in 2015. Among them:

- ➔ The National Conference & Showcase for the Canadian Society of Association of Executives
- ➔ A large incentive event for Farmers Insurance, which we co-hosted with the BMO Centre
- ➔ 15th Annual World Buddhist Women's Convention.

Both our board and staff proved highly flexible in adapting to changing economic times in order to maintain and grow business levels.

The past year became a "maintenance year." We focused our marketing efforts on pursuing events that are a good fit for organizers as well as for Calgary and the CTCC. We defined and refined our role as a forum for national and international knowledge transfer. And we turned considerable attention to maintaining and upgrading our processes and facilities, which is always essential to our sustainability.

Most importantly, we became more deeply rooted in the community in several ways. The CTCC has proven to be a great venue for organizations related to education, networking, business development, academics and research. We are also now a Silver Action Calgary partner with Calgary Economic Development and a co-host and co-sponsor of the annual First Flip Stampede Breakfast on Stephen Avenue Mall.

The past year has given us clarity of purpose: We will continue to welcome people to our city and help them host unforgettable events.

We would like to thank the City of Calgary and the Board of Directors, staff and partners of CTCC for their ongoing support to our operations.



TOM BORNHORST
Chair
**Calgary Convention
Centre Authority**



HEATHER LUNDY
Acting General Manager
**Calgary TELUS
Convention Centre**

CALGARY
CONVENTION CENTRE
AUTHORITY BOARD
OF DIRECTORS

MEMBERS

TOM BORNHORST
Chair
Dean, School of Hospitality and Tourism, SAIT

LESLIE WEEKES
Vice Chair
Carscallen, LLP

DARREN DEMCHUK
Chair, Audit and Finance Committee
Partner, Private Enterprise, MNP, LLP

LEVONNE LOUIE
Chair, Governance and Human Resources Committee

GEORGINE ULMER
President, Churchill Strategies Inc.

WELLINGTON HOLBROOK
Executive Vice President, Business and Agriculture, ATB Financial

GILL BASFORD

GREG YONT

MAYOR NAHEED NENSHI
The City of Calgary

DIANE COLLEY URQUHART
Council Member, The City of Calgary

KURT HANSON
General Manager, Community Services, The City of Calgary

HEATHER LUNDY
Acting General Manager, Calgary TELUS Convention Centre

BOARD NOTES:

- A succession plan for the CTCC's General Manager was completed in November 2015.
- In April 2016, the Board of Directors named Heather Lundy as Acting General Manager, following the departure of General Manager Marcia Lyons.
- An executive search for a new General Manager began immediately after and expected to be completed in September 2016.
- The CCCA developed a robust process for recruiting and vetting new board members in 2015.
- With the advice and guidance of Conroy Ross, an executive search firm, the CCCA recruited three board members in 2015.
- Wellington Holbrook, Gill Bashford and Greg Yont began their inaugural terms with the board on April 4, 2016.

PARTNERS

THE CTCC PARTNERS WITH A NUMBER OF LOCAL, NATIONAL AND INTERNATIONAL ORGANIZATIONS TO LEVERAGE ITS REACH, RESOURCES AND EXPERTISE. THEY ARE:

- Meetings + Conventions Calgary
- Calgary Hotel Association
- Calgary Economic Development
- Calgary Stampede
- Calgary Downtown Association
- Travel Alberta
- Energy Cities Alliance
- Business Events Canada/
Destination Canada
- Professional Convention
Management Association
- Meeting Professionals International.

INDUSTRY MEMBERSHIPS

THE CTCC BELONGS TO THE FOLLOWING LOCAL, NATIONAL AND INTERNATIONAL ORGANIZATIONS:

- International Association
of Congress Centres
- Convention Centres of Canada
- International Congress
and Convention Association
- International Association
of Assembly Managers
- Meeting Professionals International
- Professional Convention
Management Association
- American Society of
Association Executives
- Canadian Society of
Association Executives
- International Association of
Venue Managers
- Calgary Chamber of Commerce
- Tourism Calgary.

OPERATING AGREEMENTS

**THE CCCA HAS
OPERATING
AGREEMENTS
IN PLACE TO:**

- Maintain, repair and
clean the Glenbow
Museum; with the
City of Calgary
- Maintain and repair
retail spaces owned
by the City of Calgary
in the North Building
- Operate and maintain
the shared loading
dock in the North
Building; with the
City of Calgary and
Balboa Land
Investments
- Assign exclusive
rights for all food and
beverage services in
the CTCC to the
attached hotel, which
is currently the
Calgary Marriott
Downtown
- Manage Meetings +
Conventions Calgary;
with Calgary Hotel
Association
- Assign naming rights
to Calgary TELUS
Convention Centre;
with TELUS.

OPERATIONAL
HIGHLIGHTS

REVENUES:

MEETINGS &
EVENTS
= \$21.47 MILLION

CITY OF
CALGARY GRANT
= \$1.76 MILLION

TOTAL
= \$23.23 MILLION

EXPENSES:

OPERATING
= \$22.32 MILLION

BEFORE AMORTIZATION & MRR:

= \$0.907 MILLION
NET
= \$0.30 MILLION

CAPITAL IMPROVEMENTS:

CTCC
= \$0.76 MILLION
GLENBOW
(CITY OF
CALGARY/MSI)
= \$0.15 MILLION

RESERVES:

**TOTAL OPERATING
RESERVE
= \$4.55 MILLION**

**MAJOR
REPLACEMENT
RESERVE
= \$0.06 MILLION**

RESULTS:

**TOTAL DELEGATES
= 191,192**

**NON-RESIDENT
DELEGATES
= 20,761**

**TOTAL EVENTS
= 458
Overseas (3)
United States (3)
Local (420)
National (21)
Provincial (11)**

**ECONOMIC
IMPACT¹
= \$13.9 MILLION**

**OCCUPANCY
(MACLEOD
HALL)
= 43.0%**

**OCCUPANCY
(EXHIBITION
HALL)
= 39.5%**

**EMPLOYMENT
= 94 FULL TIME
EQUIVALENT**

**CLIENT
SATISFACTION
= 93% GOOD
OR EXCELLENT**

¹ Based on out-of-Calgary visitors
at events for two days

***A PROLONGED
ECONOMIC
DOWNTURN IN
ALBERTA
CONTRIBUTED
TO A GRADUAL
OVERALL DECLINE
IN EVENTS AND
ATTENDANCE AT
THE CTCC IN
RECENT YEARS***

A PROLONGED ECONOMIC DOWNTURN IN ALBERTA CONTRIBUTED TO A GRADUAL OVERALL DECLINE IN EVENTS AND ATTENDANCE AT THE CTCC IN RECENT YEARS. IN 2011, THE CTCC HOSTED 649 EVENTS, COMPARED TO 572 EVENTS IN 2014 AND 458 IN 2015. WHILE ATTENDANCE RALLIED TO 228,423 IN 2014, IT FELL TO 191,192 IN 2015, COMPARED TO 220,841 IN 2011.

Visitors from outside of Calgary spent, on average, \$329 on transportation, accommodation, food and beverage, shopping and sightseeing each day they were in the city.

In October 2015, and at the recommendation of the City of Calgary, the Calgary Convention Centre Authority adopted a strategic candidate recruitment process for new members to its Board of Directors. The Authority's goal is to strengthen its governance model and ensure members have the experience and skills needed to guide the organization through a complex operating environment.

Subsequently, we retained Conroy Ross to assist in recruiting three new board directors. More than 100 people applied for the positions and 22 were interviewed.

The CTCC invested \$763,664 in capital spending in 2015. Projects included: upgrades to the South Building washrooms; North Building kitchen; and security, housekeeping and communications equipment. The CTCC also upgraded the Glenbow Museum's electrical system at an additional cost of \$144,213.

As is our practice, we continue to safeguard the CTCC's assets by identifying their exposures to risk. Our risk management team oversees a detailed risk management plan, which is regularly reviewed and updated. The risk management team also assists all our business units to ensure key CTCC services are maintained during major interruptions in operations, such as the floods in the 2013.

Our top strategic risk in 2015 was, and continues to be, the deferred maintenance of CTCC facilities. Some outstanding projects are currently and potentially critical and could increase costs and reduce the quality of our guests' experiences.

FINANCIAL STATEMENTS OF THE CALGARY CONVENTION CENTRE AUTHORITY

DECEMBER 31, 2015

INDEPENDENT
AUDITOR'S REPORT
21

STATEMENT OF
FINANCIAL POSITION
22

STATEMENT OF
REVENUE, EXPENSES
AND OPERATING
RESERVE
23

STATEMENT OF
CHANGES IN NET
FINANCIAL ASSETS
24

STATEMENT
OF CASH FLOWS
25

NOTES TO THE
FINANCIAL
STATEMENTS
26

**TO THE DIRECTORS OF
THE CALGARY CONVENTION CENTRE AUTHORITY**

We have audited the accompanying financial statements of The Calgary Convention Centre Authority, which comprise the statement of financial position as at December 31, 2015, the statements of revenue, expenses and operating reserve, changes in net financial assets and cash flows for the year then ended, and the notes to the financial statements.

**MANAGEMENT'S RESPONSIBILITY FOR
THE FINANCIAL STATEMENTS**

Management is responsible for the preparation and fair presentation of these 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.

AUDITOR'S RESPONSIBILITY

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment

of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the financial statements present fairly, in all material respects, the financial position of The Calgary Convention Centre Authority as at December 31, 2015 and the results of its operations, changes in net financial assets and cash flows for the year then ended in accordance with Canadian public sector accounting standards.



**Chartered Professional Accountants,
Chartered Accountants**

June 8, 2016

THE CALGARY CONVENTION CENTRE AUTHORITY
STATEMENT OF FINANCIAL POSITION

As at December 31, 2015

	2015	2014
	\$	\$
FINANCIAL ASSETS		
Cash and cash equivalents	3,405,120	1,828,520
Restricted cash (Note 12)	88,905	97,830
Accounts receivable	1,281,649	2,151,777
Due from The City of Calgary – major replacement reserve	213,104	253,392
Investments (Note 5)	3,867,180	5,937,709
	8,855,958	10,269,228
FINANCIAL LIABILITIES		
Accounts payable and accrued liabilities (Notes 8 and 12)	4,644,582	6,169,185
Client deposits	2,140,318	2,186,986
	6,784,900	8,356,171
NET FINANCIAL ASSETS	2,071,058	1,913,057
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 6)	2,487,938	2,306,917
Prepaid expenses	54,583	69,699
	2,542,521	2,376,616
ACCUMULATED SURPLUS IS REPRESENTED BY		
Major replacement reserve (Note 4)	61,778	33,105
Operating reserve	4,551,801	4,256,568
	4,613,579	4,289,673

The accompanying notes to the financial statements are an integral part of this financial statement.

Approved by the Board



Director



Director

THE CALGARY CONVENTION CENTRE AUTHORITY
STATEMENT OF REVENUE, EXPENSES AND OPERATING RESERVE

Year ended December 31, 2015

		2015	2014
	Budget (Note 11)		
	\$	\$	\$
REVENUE			
Operating (Note 12)	23,159,916	21,470,498	22,508,086
Grants from The City of Calgary	1,758,207	1,758,207	1,701,383
	24,918,123	23,228,705	24,209,469
EXPENSES			
Administrative and general	2,289,853	2,057,680	2,180,345
Amortization	696,000	553,195	616,206
Marketing	1,614,568	1,279,814	1,790,371
Operations and maintenance (Note 12)	21,147,815	18,984,662	20,066,072
	25,748,236	22,875,351	24,652,994
Operating surplus (deficiency) before the undernoted	(830,113)	353,354	(443,525)
Major replacement reserve (Notes 4 and 10)	—	(28,673)	40,288
Write-off of tangible capital assets	—	(29,448)	—
Operating surplus (deficiency) for the year	(830,113)	295,233	(403,237)
Operating reserve, beginning of year	4,256,568	4,256,568	4,659,805
OPERATING RESERVE, END OF YEAR	3,426,455	4,551,801	4,256,568

The accompanying notes to the financial statements are an integral part of this financial statement.

THE CALGARY CONVENTION CENTRE AUTHORITY
STATEMENT OF CHANGES IN NET FINANCIAL ASSETS

Year ended December 31, 2015

	2015	2014
	\$	\$
OPERATING SURPLUS (DEFICIENCY) FOR THE YEAR	295,233	(403,237)
Amortization	553,195	616,206
Write-off of tangible capital assets	29,448	—
Change in prepaid expenses	15,116	47,437
Allocation to major replacement reserve	180,000	180,000
Usage of major replacement reserve	(151,327)	(220,288)
Purchases of tangible capital assets	(763,664)	(652,142)
Increase (decrease) in net financial assets	158,001	(432,024)
Net financial assets, beginning of year	1,913,057	2,345,081
Net financial assets, end of year	2,071,058	1,913,057

The accompanying notes to the financial statements are an integral part of this financial statement.

THE CALGARY CONVENTION CENTRE AUTHORITY
STATEMENT OF CASH FLOWS

Year ended December 31, 2015

	2015	2014
	\$	\$
OPERATING ACTIVITIES		
Operating surplus (deficiency) for the year	295,233	(403,237)
Items not affecting cash and equivalents		
Amortization	553,195	616,206
Write-off of tangible capital assets	29,448	—
	877,876	212,969
Changes in non-cash working capital		
Accounts receivable	870,128	9,796
Accounts payable and accrued liabilities	(1,538,287)	(1,630,292)
Client deposits	(46,668)	187,073
Prepaid expenses	15,116	47,437
Major replacement reserve	28,673	(40,288)
	206,838	(1,213,305)
INVESTING ACTIVITIES		
Purchases of tangible capital assets	(763,664)	(652,142)
Change in restricted cash	8,925	(5,130)
Proceeds from short-term investments, net of purchases	2,070,529	3,121,949
Changes in non-cash working capital		
Due from The City of Calgary – major replacement reserve	40,288	49,142
Accounts payable and accrued liabilities	13,684	75,310
	1,369,762	2,589,129
Net increase in cash and cash equivalents	1,576,600	1,375,824
Cash and cash equivalents, beginning of year	1,828,520	452,696
CASH AND CASH EQUIVALENTS, END OF YEAR	3,405,120	1,828,520

The accompanying notes to the financial statements are an integral part of this financial statement.

December 31, 2015

NOTE 1

→ THE CALGARY CONVENTION CENTRE AUTHORITY

The Calgary Convention Centre Authority (the “Authority”) is incorporated under the laws of the province of Alberta and operated as the Calgary TELUS Convention Centre (the “Centre”) pursuant to an operating agreement between the Authority and The City of Calgary (“The City”). The land, building, furniture and equipment are owned by The City, which also contributes a grant towards the operating costs of the Centre. In accordance with an amendment to the operating agreement, the Authority retains operating surpluses. Surpluses are placed in an operating reserve and are used to cover capital expenditures, extraordinary expenditures and any annual deficits, which may be incurred.

Under an extended lease agreement to expire in 2039, the Calgary Marriott acts as the exclusive caterer to the Centre.

NOTE 2



SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with Canadian public sector accounting standards (“PSAS”). The Authority’s significant accounting policies are as follows:

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits in bank accounts at Canadian financial institutions and short-term investments with maturities of a short-term nature, usually less than 90 days.

Investments

Investments represent Guaranteed Investment Certificates (“GIC”) with original maturities greater than 90 days. Investments are recorded at fair value.

Client deposits

Client deposits represent amounts received from customers for events that have not yet occurred. These amounts are recognized as revenue in the period when the related event occurs.

Revenue recognition

Revenue comprises revenues earned from convention services, functions, food and beverage services and grant revenue received from The City. Revenues for convention services, functions and food and beverage services are recognized when the service is performed, the price is determinable and collection is reasonably assured.

December 31, 2015

Grant revenue is received from The City on a quarterly basis. A proportionate amount is recognized each month. Revenue and expenses are recognized on a gross basis.

Tangible capital assets

Tangible capital assets are recorded at cost, which includes all amounts that are directly attributable to the acquisition, construction, development, or betterment of the asset. Donated assets are recorded as capital items, with the offset to revenue at their estimated fair value upon acquisition. Interest charges are not capitalized. The cost, less residual value, of tangible capital assets is amortized on a straight-line or declining-balance basis over the assets' estimated useful lives as follows:

Renovations	3-year straight-line
Building enhancements	20% declining-balance
Computer equipment	55% declining-balance
Other equipment	20% declining-balance

Revenue from government grants and transfers relating to capital acquisitions will be recognized on a straight-line basis as the capital expenditure is incurred.

Impairment of tangible capital assets

Tangible capital assets are reviewed periodically for impairment. An impairment loss will be recognized in the period when the service potential of a capital asset will be either substantially reduced or eliminated altogether by an intervening event such as natural disaster, accident and obsolescence.

Use of estimates

The financial statements are prepared in accordance with PSAS, which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amounts of revenue, expenses and operating reserve during the year. Items subject to estimation include the valuation allowance pertaining to receivables, estimated useful lives, amortization and potential impairment of tangible capital assets, and the impact of contingencies on accrued liabilities. Where measurement uncertainty exists, the financial statements have been prepared within reasonable limits of materiality. Actual results could differ from those estimates.

December 31, 2015

NOTE 3 → CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash on deposit and short-term GICs with original maturities of 90 days or less at the date of acquisition and are recorded at cost plus interest earned. The effective interest rate on the GICs held during the year was 1.24% (2014 – 1.64%) per annum. As at December 31, 2015, the Authority held \$3,540,211 (2014 – \$1,669,580) in short term GICs and \$3,867,180 (2014 – \$5,937,709) in long term GICs (Note 5).

NOTE 4 → MAJOR REPLACEMENT RESERVE

The Authority records an annual appropriation for facility refurbishment and major renovations. The appropriation for the year totalled \$180,000 (2014 – \$180,000).

	2015	2014
	\$	\$
Balance, beginning of year	33,105	73,393
Increase in provision for the year	180,000	180,000
Major replacement expenditures (Note 10)	(151,327)	(220,288)
Balance, end of year	61,778	33,105

NOTE 5 → INVESTMENTS

Investments consist of GICs with a maturity date not greater than five years from December 31, 2015 bearing interest from 0.90% to 1.60% (2014 – 1.05% to 1.65%) per annum. The fair value of the investments has been determined to be the principal plus interest earned to date.

December 31, 2015

NOTE 6

→ TANGIBLE CAPITAL ASSETS

In accordance with PSAB Handbook Section 3150, The City has performed a review of the ownership and control of the land, building enhancements and equipment of the Centre. Accordingly, the Centre is recorded on the financial statements of The City. The Authority currently has an operating lease with The City, which was renewed on January 22, 2015 and is scheduled for renewal on January 22, 2018. The contract has a nominal fee, the cost of which has been recorded through operations and maintenance expense.

2015

	Cost	Accumulated amortization	Net book value
	\$	\$	\$
Renovations	7,352,791	6,724,300	628,491
Building enhancements	1,288,881	596,652	692,229
Computer equipment	647,764	558,024	89,740
Other equipment	2,945,195	1,867,717	1,077,478
	12,234,631	9,746,693	2,487,938

2014

	Cost	Accumulated amortization	Net book value
	\$	\$	\$
Renovations	6,711,767	6,687,330	24,437
Building enhancements	1,287,101	449,976	837,125
Computer equipment	865,304	715,042	150,262
Other equipment	2,980,404	1,685,311	1,295,093
	11,844,576	9,537,659	2,306,917

December 31, 2015

NOTE 7

→ EMPLOYEE BENEFITS

The Authority participates in the Local Authorities Pension Plan ("LAPP"), which is a multi-employer benefit plan. This plan is governed by the Public Sector Pension Plans Act. Based on the latest information available (December 31, 2014 audited financial statements), in total, the LAPP had an actuarial deficit of \$2.455 billion.

The Authority is required to make current service contributions to the LAPP of 11.39% of pensionable payroll up to the yearly maximum pensionable earnings ("YMPE"), and 15.84% thereafter. Employees of the Authority are required to make current service contributions of 10.39% of pensionable salary up to the YMPE, and 14.84% thereafter. Contributions for current services are recorded as expenditures in the year in which they become due.

Total current service contributions, as reflected in the administrative and general, marketing and operations and maintenance expenses in the statement of revenue, expenses and operating reserve by the Authority to the LAPP during the year, were \$640,152 (2014 – \$680,162). Total current service contributions by the employees of the Authority to the LAPP for the year were \$588,776 (2014 – \$626,038).

NOTE 8

→ ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

In accordance with the Meetings, Conventions and Incentive Travel ("MC&IT") marketing funding and management agreement (the "Agreement") between the Calgary Hotel Association and the Authority, the Calgary Hotel Association advances funds to the Authority to fund incentive payments for future events through Meetings & Conventions Calgary as well as to cover operating expenses incurred by the Authority. As at December 31, 2015, an amount of \$2,204,771 (2014 – \$3,672,550) advanced by the Calgary Hotel Association is included in accounts payable and accrued liabilities as well as in cash and cash equivalents and investments to be used by the Authority in accordance with the Agreement as described above.

December 31, 2015

NOTE 9

→ **FINANCIAL INSTRUMENTS**

The Authority's financial instruments are cash and cash equivalents, accounts receivable, due from The City of Calgary – major replacement reserve, investments, accounts payable and accrued liabilities, and client deposits. The carrying values of these items approximate their fair values due to their short term nature.

The Authority's financial instruments that are exposed to concentration of credit risk consist primarily of cash and cash equivalents and accounts receivable. Cash is placed with major financial institutions. Concentration of credit risk with respect to receivables is limited due to the large number of customers and their dispersion across geographic areas.

NOTE 10

→ **MAJOR CAPITAL ADDITIONS**

During the year, the Authority incurred \$763,664 (2014 – \$652,142) in expenditures for major capital additions, which have been capitalized as renovations, building enhancements and equipment. Of this amount, \$279,606 (2014 – \$331,854) was funded by the Authority's operating reserve and \$151,327 (2014 – \$220,288) was funded by the Authority's major replacement reserve. The balance was funded through The City's CPRiiP (Culture Parks Recreation Infrastructure Investment Fund) Program \$332,731 (2014 – \$Nil), and through The City's Municipal Sustainability Initiative Fund \$Nil (2014 – \$100,000).

NOTE 11

→ **2015 BUDGET**

The budgeted amounts presented in the financial statements are based on operating and capital budgets approved by the board of directors.

December 31, 2015

NOTE 12

→ CALGARY CONVENTION CENTRE AUTHORITY RESPONSIBILITIES

Glenbow Museum

Through an agreement with The City, the Authority provides maintenance, engineering, housekeeping and capital project supervision for the Glenbow Museum. Expenses of \$1,515,635 (2014 – \$1,622,657) incurred in provision of these services are included in the expenses of the Authority. Recovery of the expenses plus a management fee of \$1,602,635 (2014 – \$1,709,057) are included in operating revenue of the Authority. Capital projects supervised by the Authority totalled \$148,194 (2014 – \$1,546,400) during the year.

Retail spaces, North Building

The Authority provides basic property management services for the retail spaces and parkade in the north building. Expenses of \$458,581 (2014 – \$410,545) incurred in provision of these services are included in the expenses of the Authority. Recovery of the expenses plus a management fee \$499,919 (2014 – \$450,214) are included in operating revenue of the Authority.

Meetings & Conventions Calgary

Through an agreement with the Calgary Hotel Association, the Authority provides management and operation of destination sales and marketing for MC&IT. Expenses of \$3,084,251 (2014 – \$2,407,319) incurred in provision of these services are included in the expenses of the Authority. Funding to cover these expenses \$3,084,251 (2014 – \$2,407,319) is reported net of expenses. Pursuant to the agreement, effective January 1, 2014 the Authority charges an administration/marketing fee for management and operation of the program. The fee of \$181,851 (2014 – \$186,787) is included in the operating revenue of the Authority.

Convention Centres of Canada

The Authority holds and administers the restricted funds of the Convention Centres of Canada, an affiliation of 21 major Canadian convention centres. As at December 31, 2015, an amount of \$53,071 (2014 – \$60,481) is included in accounts payable and accrued liabilities as well as restricted cash.

Energy Cities Alliance

The Authority holds and administers the restricted funds of the Energy Cities Alliance, a marketing partnership of convention centres. As at December 31, 2015, an amount of \$35,834 (2014 – \$37,349) is included in accounts payable and accrued liabilities as well as restricted cash.

**CALGARY TELUS
CONVENTION CENTRE**
120 9th Avenue SE
Calgary, Alberta, Canada T2G 0P3
main 403.261.8500
sales@calgary-convention.com

calgary-convention.com
1.800.822.2697

calgary TELUS convention
centre
be part of the energy™