

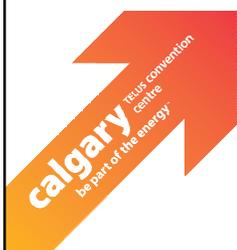


<p><b>OVERVIEW OF CCCA RESPONSIBILITIES</b></p> 	<ol style="list-style-type: none"> <li>1. Calgary TELUS Convention Centre (through an agreement with the City of Calgary) <ul style="list-style-type: none"> <li>• Management, marketing and operations</li> <li>• Building stewardship and protection of asset</li> </ul> </li> <li>2. Glenbow Museum (through an agreement with The City of Calgary) <ul style="list-style-type: none"> <li>• Maintenance, engineering, housekeeping and capital project supervision</li> </ul> </li> <li>3. Retail spaces in the North Building (through an agreement with The City of Calgary) <ul style="list-style-type: none"> <li>• Basic property management services</li> </ul> </li> <li>4. Meetings and Conventions Calgary (through an agreement with the CHA) <ul style="list-style-type: none"> <li>• Management and operation of destination sales and marketing for MC&amp;IT</li> </ul> </li> <li>5. Food and Beverage Services Agreement (joint agreement – Hotel, City, CCCA) <ul style="list-style-type: none"> <li>• Management &amp; administration of contract</li> </ul> </li> <li>6. TELUS Naming and Business Rights (joint agreement – TELUS, City, CCCA) <ul style="list-style-type: none"> <li>• Management of contract</li> </ul> </li> </ol> <p style="text-align: right;">2</p>
---	--

**AUDIT & FINANCE  
COMMITTEE  
TERMS OF  
REFERENCE**

**Standing committee of the Board:**

- Committee reviews:
  - Financial reporting process
  - Internal controls
  - Risk management
  - Audit process
  - Compliance with laws and regulations

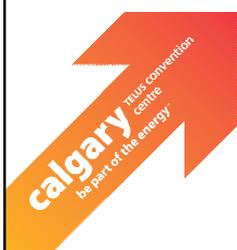


3

**AUDIT & FINANCE  
COMMITTEE  
TERMS OF  
REFERENCE**

**Audit & Finance Committee Members:**

- Darren Demchuk, CCCA Audit & Finance Chair
- Bob Holmes, CCCA Chair
- Tom Bornhorst – CCCA Vice Chair
- Sam Goresht – CCCA Member
- Kurt Hanson – City Representative

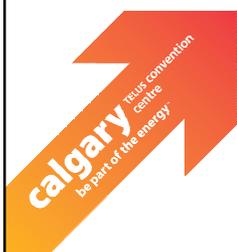


4

**PLANNED  
GOVERNANCE  
ACTIVITIES**

### Audit & Finance Chair:

- Meets monthly with the Controller and General Manager to;
  - Review financial statements and other relevant matters
  - Review of financial policies, adherence to procedures and internal controls
  - Oversees external auditor's services



5

**PLANNED  
GOVERNANCE  
ACTIVITIES  
(continued)**

### Audit & Finance Committee:

- Meets quarterly to review financial statements, financial performance, forecasts and other significant business concerns
- Recommends to the board annual operating and capital budgets
- Meets with the external auditor to plan the audit process and receives auditor's report
- Reviews the Risk Management Process



6

**BUDGET  
PROCESS**

Budgets Completed For:

- CTCC – Operating and Capital
- Glenbow Museum – Maintenance, Engineering and Housekeeping: Operating and Capital
- Meetings and Conventions Calgary – Operating



7

**BUDGET  
PROCESS**

Budget Approval Process

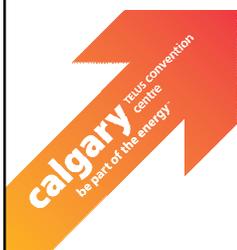
Departmental  
Supervisors

Directors

Controller

General Manager

Calgary Convention  
Centre Authority

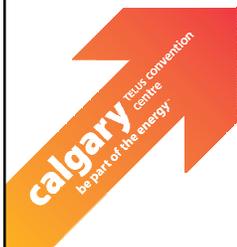
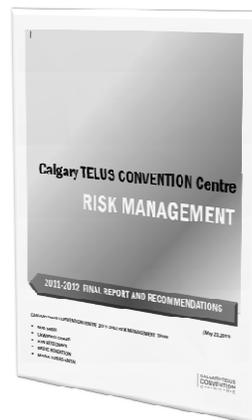


8

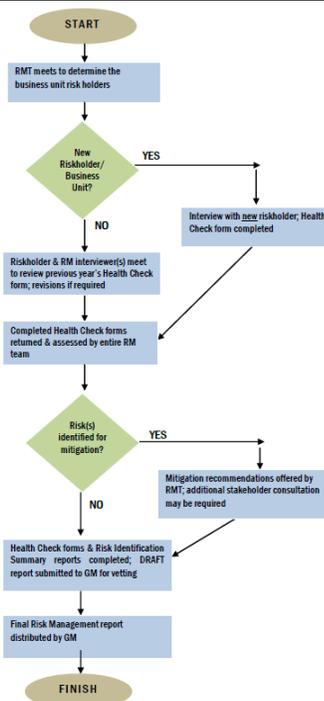
**INTEGRATED RISK MANAGEMENT**

**CTCC RISK MANAGEMENT MODEL**

- Identify, understand, prioritize, and manage risks;
- Organization-wide awareness of risk management;
- A culture of sharing responsibility for risk management;
- Risk management orientation for new employees;
- Contract risk management.



**INTEGRATED RISK MANAGEMENT: PROCESS (2013-2014)**



**CHALLENGES  
GOING  
FORWARD**

Business sustainability most critical issue;

Product is no longer competitive;

Revenues are flattening and/or decreasing;

Limited ability to further control costs;

Mitigating strategies are under review.



11

**PERFORMANCE  
MEASURES**

Annual benchmarking through Convention Centres of Canada, PWC

Total Delegates:	250,000
Non Resident Delegates	55,000

Economic Impact:	Total Direct Spending	\$34,328,000
	Contribution to GDP	19,130,000

Number of Events:	Conventions	29
	Trade and Consumer Shows	12
	Meetings & Social	609

Occupancy Levels:	Macleod Hall	70%
	Exhibition Hall	62%
	Overall	53%

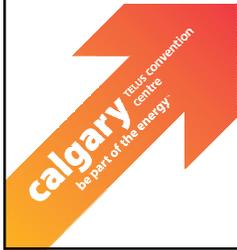
LAPP Audit Score	99%
Health & Safety Audit Score	94%



12

**INTERNAL  
CONTROL  
ENVIRONMENT**

- Highly trained professionals
- Segregation of duties
- Applicable policies and procedures



13

**SUMMARY OF  
EXTERNAL  
AUDIT REPORT**

- An unqualified opinion was issued on the financial statements
- No significant weaknesses in internal control were identified
- No illegal acts, significant transactions inconsistent with ordinary business, or unusual transactions were identified
- No disagreements with management, limitations placed on scope, or other difficulties were encountered during the audit



14

## FINANCIAL RESULTS

	2013	2012
<b>Revenues:</b>		
Operating Revenue	24,294,441	23,534,751
City Grant	1,699,838	1,685,569
<b>Total Revenue</b>	<b>25,994,279</b>	<b>25,220,320</b>
<b>Expenses:</b>		
Operating Expenses	24,875,979	23,895,874
Contribution to Major Replacement Reserve	180,000	180,000
Amortization	512,006	480,307
<b>Total Expenses</b>	<b>25,567,985</b>	<b>24,556,181</b>
<b>Total Operating Reserves at year end</b>	<b>4,659,805</b>	<b>4,186,177</b>
Cash	2,388,824	2,219,254
Amortized Assets	2,270,981	1,966,923
<b>Major Replacement Reserve at year end</b>	<b>73,393</b>	<b>122,535</b>
<b>Capital Expenditures for 2013</b> (renovations, building enhancements, equipment)	838,872	951,766
<b>Funded through:</b>		
Operating Reserve	247,737	574,385
Major Replacement Reserve	229,142	189,433
Western Economic Diversification Fund	100,050	0
CPRiP Grant	72,053	187,948
MSI Grant	189,890	0

15

## IMPACT OF 2013 FLOOD

Lost business	\$754,378
Damage to building	137,408
<b>Insurance:</b>	
Gross Profit/Loss(Business Interruption)	350,562
Received	325,562
Deductible	25,000
<b>Building/Plant/Equipment</b>	
Received	17,608
Pending	119,800

16

