

CALGARY CONVENTION CENTRE AUTHORITY REPORT



CALGARY CONVENTION CENTRE AUTHORITY (CCCA)

Mandate (approved by City Council, 2005)

To manage, market and operate the Calgary TELUS Convention Centre in an efficient and market-competitive manner in order to maximize overall economic benefits to the city of Calgary while maintaining financial performance with an acceptable range.

Vision (approved by City Council April, 2017)

The Calgary TELUS Convention Centre is Calgary's meeting place which brings the community together in a central hub to connect, learn, innovate, celebrate, support and grow.

The Calgary TELUS Convention Centre connects Calgary with the global community; leveraging our assets to create opportunities that impact the lives of Calgarians and Canadians.



CCCA CONTRACTUAL OBLIGATIONS

1. **Calgary TELUS Convention Centre** (through an agreement with the City of Calgary)
 - Management, marketing and operations
 - Building stewardship and protection of asset

2. **Glenbow Museum** (through an agreement with the City of Calgary)
 - Maintenance, engineering, housekeeping and capital project supervision

3. **Retail spaces in the North Building** (through an agreement with the City of Calgary)
 - Basic property management services

4. **Meetings and Conventions Calgary** (through an agreement with the Calgary Hotel Association)
 - Management and operation of destination sales and marketing for MC&IT

5. **Food and Beverage Services Agreement** (joint agreement – Marriott Hotel, City, CCCA)
 - Management & administration of contract

6. **TELUS Naming and Business Rights** (joint agreement – TELUS, City, CCCA)
 - Management of contract



2017 CALGARY TELUS CONVENTION CENTRE (CTCC) HIGHLIGHTS

- Clean audit; no misstatements
- \$596,765 operational surplus
- Building Improvements funded by;
 - CPRiPS grant \$1,336,716
 - Operating Reserve \$1,665,022
 - MRR \$174,912
- Uptick in Q3 room booking activity(economy picking up slowly)



Terms of Reference:

- Financial reporting process
- Internal controls
- Risk management
- Audit process
- Compliance with laws and regulations
- Oversees external auditor's services



**CCCA
PLANNED
GOVERNANCE
ACTIVITIES**

Audit & Finance Committee:

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



CTCC INTEGRATED RISK MANAGEMENT

Risk Management Model:

- Organizational risk are identified, quantified and risk ranked
- Appropriate mitigation measures are put in place and monitored for effectiveness
- The Board reviews overall status of identified risks annually with management
- Special Board Task Group was struck in June to investigate current best practices for Enterprise Risk Management



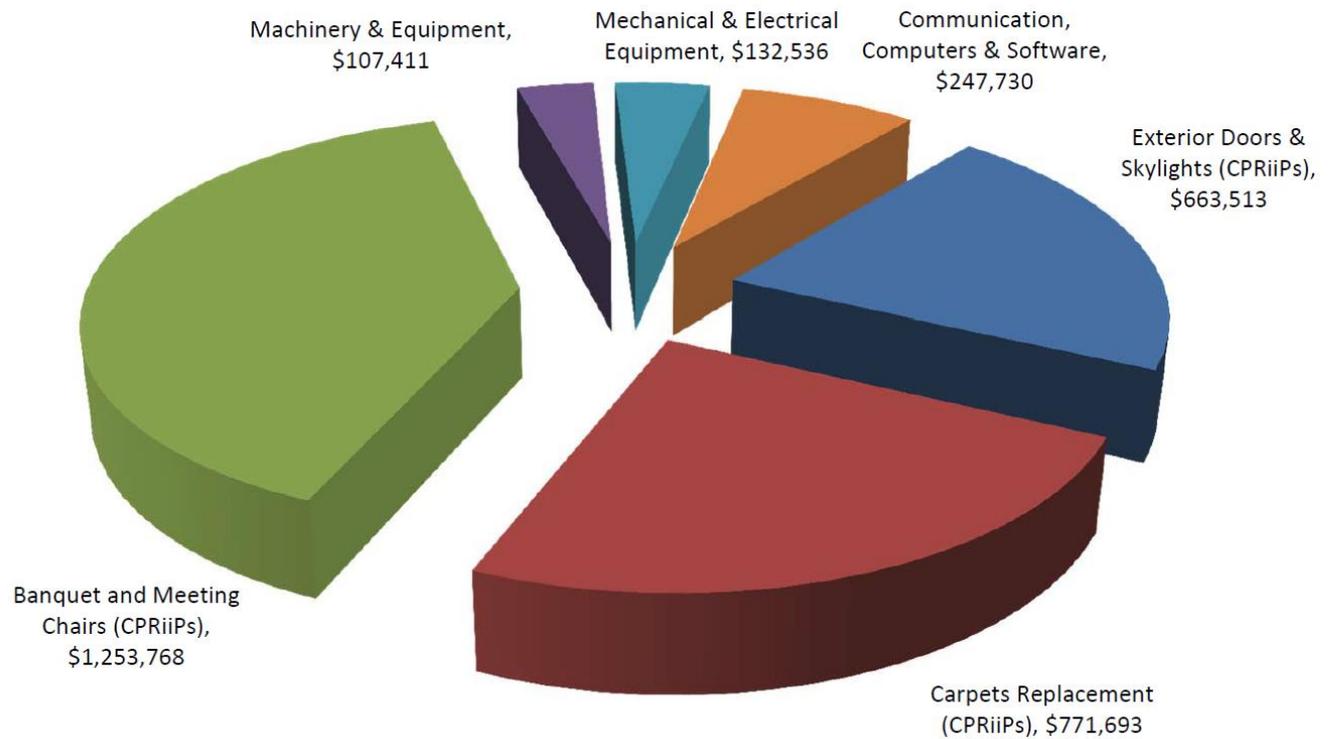
CTCC FINANCIAL AND/OR OPERATIONAL RISKS

- Deferred Maintenance/Rejuvenation(ability to provide a quality product, business reputation, financial risk)
- Competitive Positioning of facility (hotels and venues increasing capacity, aggressively targeting other markets)
- Decline of economy(began strategy implementation in late 2017)



**CTCC
PERFORMANCE
HIGHLIGHTS**

2017 Accomplishments - Capital Expenditures



HIGHLIGHTS OF CCCA 2017 FINANCIAL RESULTS

	2017	2016
Revenues:		
Operating Revenue	19,145,823	18,291,022
City Grant	1,878,171	1,817,137
Total Revenue	21,023,994	20,108,159
Expenses:		
*Operating Expenses before Amortization	19,685,475	19,562,364
Contribution to Major Replacement Reserve	180,000	180,000
Amortization	734,704	677,160
Total Expenses	20,420,179	20,239,524
Total Operating Reserves at year end	5,063,755	4,466,990
Net Financial Assets (cash)	341,521	2,125,729
Non Financial Assets (TCA & prepaids)	4,742,264	2,356,203
Major Replacement Reserve at year end	20,030	14,942
Capital Expenditures for 2017		
(renovations, building enhancements, equipment)	3,176,650	464,490
Funded through:		
Operating Reserve	1,665,022	237,654
Major Replacement Reserve	174,912	226,836
CPRiP Grant**	1,336,716	656,867

* Meetings + Conventions Calgary is reported net per Public Standard Accounting Standards (PSAS)

** Commitments of \$856,250 made at December 31, 2016 for capital expenditures and paid in 2017



THANK YOU

