calgary film centre
be part of the energy

Financial Statements

December 31, 2016

calgary film centre
be part of the energy

Contents

For the year ended December 31, 2016

calgary film centre
be part of the energy

Management's Responsibility

To the Board of Directors of Calgary Film Centre Ltd.:

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian Public Sector Accounting Standards for Not-for-Profit Organizations. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors is composed entirely of Directors who are neither management nor employees of the Centre. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Board is also responsible for recommending the appointment of the Centre's external auditors.

MNP LLP is appointed by the Board to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Board and management to discuss their audit findings.

March 20, 2017

Luke Azevedo Chief Operating Officer, Calgary Film Centre Ltd.	Sheila Will Chief Financial Officer of Calgary Economic Development

Independent Auditors' Report

To the Board of Directors of Calgary Film Centre Ltd.:

We have audited the accompanying financial statements of Calgary Film Centre Ltd., which comprise the statement of financial position as at December 31, 2016, and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

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 for Not-for-Profit Organizations, 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.

Auditors' 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 auditors' 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 Calgary Film Centre Ltd. as at December 31, 2016 and the results of its operations and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards for Not-for-Profit Organizations.

Calgary, Alberta

March 20, 2017

MNP LLP

Chartered Professional Accountants

calgary film centre
be part of the energy

Calgary Film Centre Ltd.
Statement of Financial Position
As at December 31, 2016

	2016	2015
Assets		
Current		
Cash and cash equivalents	**344,819**	66,940
Amounts receivable *(Note 3)*	**60,417**	829,689
Due from related party *(Note 12)*	**675**	-
	405,911	896,629
Restricted cash *(Note 8)*	**646,503**	712,022
Property and equipment *(Note 4)*	**27,575,979**	23,750,714
Intangible assets *(Note 5)*	**33,400**	-
	28,661,793	25,359,365
Liabilities		
Current		
Current portion of bank indebtedness *(Note 6)*	**688,938**	7,312,549
Accounts payable and accrued liabilities *(Note 7)*	**145,047**	1,504,848
Due to related party *(Note 12)*	**246,854**	211,455
Deferred contribution *(Note 8)*	**646,503**	712,022
Tenant deposits	**166,000**	4,250
Deferred rental revenue	**110,250**	4,250
	2,003,592	9,749,374
Bank indebtedness *(Note 6)*	**11,948,941**	-
Deferred contributions related to property and equipment *(Note 9)*	**10,401,448**	10,792,484
	24,353,981	20,541,858
Commitments and contingencies *(Note 13)*		
Net Assets		
Invested in property, equipment and intangible assets	**4,570,052**	5,645,681
Unrestricted	**(262,240)**	(828,174)
	4,307,812	4,817,507
	28,661,793	25,359,365

Approved on Behalf of the Board

Director **Director**

The accompanying notes are an integral part of these financial statements

Calgary Film Centre Ltd.
Statement of Operations
For the year ended December 31, 2016

	2016	*2015*
Revenue		
Rental revenue	**830,517**	24,351
Amortization of deferred contributions related to property and equipment *(Note 9)*	**391,036**	329,186
Related party contributions *(Note 12)*	**84,368**	-
Amortization of deferred contributions *(Note 8)*	**65,519**	38,055
Other revenue	**10,500**	-
Interest income	**1,914**	3,914
	1,383,854	395,506
Expenses		
Amortization	**760,268**	19,271
Operating and utility costs	**393,530**	132,007
Corporate services *(Note 12)*	**321,196**	246,354
Interest expense	**211,355**	-
Employee costs	**101,450**	-
Business travel, entertainment & events	**53,744**	-
Sponsorship	**28,000**	-
Marketing and promotion	**24,006**	1,337
	1,893,549	398,969
Deficiency of revenue over expenses	**(509,695)**	(3,463)

The accompanying notes are an integral part of these financial statements

Calgary Film Centre Ltd.
Statement of Changes in Net Assets
For the year ended December 31, 2016

	Invested in property, equipment and intangible assets	*Unrestricted*	*2016*	*2015*
Net assets, beginning of year	5,645,681	(828,174)	**4,817,507**	4,820,970
Deficiency of revenue over expenses	(369,232)	(140,463)	**(509,695)**	(3,463)
Invested in property, equipment and intangibles	4,618,933	(4,618,933)	-	-
Loan repayments	119,026	(119,026)	-	-
Loan advances	(5,444,356)	5,444,356	-	-
Net assets, end of year	**4,570,052**	**(262,240)**	**4,307,812**	4,817,507

The accompanying notes are an integral part of these financial statements

Calgary Film Centre Ltd.
Statement of Cash Flows
For the year ended December 31, 2016

	2016	2015
Cash provided by (used for) the following activities:		
Operating		
Deficiency of revenue over expenses	**(509,695)**	(3,463)
Adjustments for items not involving cash:		
Amortization	**760,268**	19,271
Change in term of advances from a related party, included in deferred revenue	**-**	(2,000,000)
Recognition of deferred contributions related to property and equipment	**(391,036)**	(329,186)
Recognition of deferred contributions related to programming funds	**(65,519)**	(38,055)
	(205,982)	(2,351,433)
Changes in working capital accounts		
Amounts receivable	**769,272**	890,969
Due from related party	**(675)**	-
Accounts payable and accrued liabilities	**(803,143)**	24,918
Due to related party	**35,399**	203,127
Tenant deposits	**161,750**	4,250
Deferred rental revenue	**106,000**	4,250
	62,621	(1,223,919)
Investing		
Additions to property, equipment and intangibles	**(4,618,933)**	(17,117,803)
Changes in accounts payable and accrued liabilities related to property	**(556,658)**	556,658
	(5,175,591)	(16,561,145)
Financing		
Repayment of bank indebtedness	**(119,026)**	-
Proceeds on bank indebtedness	**5,444,356**	7,312,549
Cash contributions received for property	-	9,317,738
	5,325,330	16,630,287
Increase (decrease) in cash and cash equivalents	**212,360**	(1,154,777)
Cash and cash equivalents, beginning of year	**778,962**	1,933,739
Cash and cash equivalents, end of year	**991,322**	778,962
Cash and cash equivalents are composed of:		
Unrestricted cash	**344,819**	66,940
Restricted cash - external	**646,503**	712,022
	991,322	778,962
Other cash items		
Interest paid:		
Capitalized	**72,484**	9,251
Expensed	**187,538**	-
	260,022	9,251

The accompanying notes are an integral part of these financial statements

1. Incorporation

Calgary Film Centre Ltd. (the “Centre”) was incorporated under the authority of the Alberta Companies Act on December 17, 2009. The Centre is a wholly owned subsidiary of Calgary Economic Development Ltd., the (“Parent Company”), and was granted para-municipal status retroactive to the incorporation date.

The Centre was formed with the primary purpose of supporting the growth and development of the film, television, media and other creative industries.

On June 23, 2014, the Centre changed its name from The Alberta Creative Hub to Calgary Film Centre Ltd.

2. Significant accounting policies

Basis of accounting

The financial statements have been prepared in accordance with Canadian Public Sector Accounting Standards for Not-for-Profit Organizations, with the optional 4200 series, as established by the Public Sector Accounting Board. The significant polices are described below.

Cash and cash equivalents

Cash and cash equivalents include balances with banks and short-term investments with maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

Revenue recognition

The Centre follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Contributions for the purchase of property and equipment are deferred and recognized on the same basis as amortization expense of the related asset. 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.

Rental revenue is recognized on a monthly basis pursuant to the terms of the lease agreement.

Contributions for program related activities include amounts recovered from events and projects undertaken by the Centre alone or with a number of economic partners.

Interest revenue is recognized on a pro rata basis over the term of the related deposit or investment.

Contributed materials and services

The Centre received various contributions in the form of materials or services that it uses to carry out its objectives. Because of the difficulty in determining the fair value of these materials and services, the Centre does not recognize the amounts in the financial statements.

2. Significant accounting policies (*Continued from previous page)*

Capital assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution if fair value can be reasonably determined.

Amortization is provided using the straight-line method at rates intended to amortize the cost of assets over their estimated useful lives. Amortization calculated in the month asset is put in to use and ends in the month of disposal.

	Rate
Film studio	25 years
Warehouse	25 years
Paved surfaces	10 years
Fences	10 years
Security	5 years
Art	5 years
Fixtures	5 years
Guard shack	10 years
Technology	2 years

Financial instruments

The Centre recognizes its financial instruments when the Centre becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value, including financial assets and liabilities originated and issued in a related party transaction with management. Financial assets and liabilities originated and issued in all other related party transactions are initially measured at their carrying or exchange amount in accordance with PSAS Section 4250 *Disclosure of Related Party Transactions By Not-For-Profit Organizations* (refer to Note 12). At initial recognition, the Centre may irrevocably elect to subsequently measure any financial instrument at fair value. The Centre has not made such an election during the year.

Transaction costs related to financial instruments remeasured at fair value at each reporting date are expensed in the period, whereas they are included in the carrying value of financial instruments for those measured at cost or amortized cost.

Derivative financial instruments and hedging activities

Derivative financial instruments are financial contracts whose value changes in response to a change in an underlying variable, such as specified interest rate, financial instrument or commodity price, or foreign exchange rate. The Centre holds derivative financial instruments to hedge its interest rate risk exposure.

Derivative financial instruments may be designated for hedge accounting, provided that the Centre formally documents the hedging relationship at its inception by outlining the risks being hedged along with the details of both the hedged and hedging item. The documentation identifies the specific asset, liability, or anticipated transaction being hedged, the hedging item, the risk that is being hedged, and the intended term of the hedging relationship. The Centre must formally assess, at inception and over the term of the hedging relationship, whether the critical terms of the hedging and hedged item match.

Interest on the hedged item is recognized using the effective interest method. Net amounts receivable/payable on the hedging item adjust the interest on the hedged item in the period accrued.

Financial asset impairment

The Centre assesses impairment of all of its financial assets measured at cost or amortized cost. When there is an indication of impairment, the Centre determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year. If so, the Centre reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets; and the amount expected to be realized by exercising any rights to collateral held against those assets. Any impairment, which is not considered temporary, is included in current year excess of revenue over expenses.

2. Significant accounting policies (*Continued from previous page)*

Use of estimates

The preparation of financial statements in conformity with Canadian Public Sector accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue over expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of property.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenue and expenses in the periods in which they become known.

3. Amounts receivable

Amounts receivable relates to the following:

	2016	*2015*
Rent and recovery of expenses receivable	**49,917**	10,877
Recoverable construction costs from the City of Calgary	**10,500**	-
Goods and Services Tax receivable	-	818,812
	60,417	829,689

4. Property and equipment

	Land	*Buildings*	*Furniture, fixtures and equipment*	*Total*
Cost:				
Balance at December 31, 2015	4,815,656	18,954,329	-	23,769,985
Additions	-	4,508,166	77,367	4,585,533
Balance at December 31, 2016	**4,815,656**	**23,462,495**	**77,367**	**28,355,518**
Accumulated amortization:				
Balance at December 31, 2015	-	19,271	-	19,271
Amortization	-	746,911	13,357	760,268
Balance at December 31, 2016	-	**766,182**	**13,357**	**779,539**
Net book value at December 31, 2015	4,815,656	18,935,058	-	23,750,714
Net book value at December 31, 2016	**4,815,656**	**22,696,313**	**64,010**	**27,575,979**

Amortization on the film studios, paved surfaces and fences began in May 2016. Amortization on the warehouse began in December 2015.

5. Intangible assets

	Website Development Costs	***Total***
Cost:		
Balance December 31, 2015	-	-
Additions	33,400	33,400
Balance at December 31, 2016	**33,400**	**33,400**
Accumulated amortization:		
Balance December 31, 2015	-	-
Additions	-	-
Balance at December 31, 2016	-	-
Net book value, December 31, 2015	-	-
Net book value December 31, 2016	**33,400**	**33,400**

Amortization of the website will commence in 2017 when the development is completed and the website is put into use.

6. Bank indebtedness

	Interest Rate	***2016***	*2015*
Bank indebtedness:			
Loan – 5-year swap *(a)*	2.30%	**5,377,361**	-
Loan – 10-year swap *(b)*	2.75%	**6,934,776**	-
Demand loan *(c)*	Prime	**325,742**	-
Properties under development *(d)*	Prime + 0.25%	-	7,312,549
		12,637,879	7,312,549
Less: current portion of loans payable		**(688,938)**	(7,312,549)
Non-current portion of loans payable		**11,948,941**	-

Principal instalments payable within the next five fiscal years and thereafter on bank indebtedness are as follows:

2017	688,938
2018	372,556
2019	382,159
2020	392,011
2021	4,920,980
Thereafter	5,881,235
	12,637,879

6. Bank indebtedness (*Continued from previous page)*

(a) *Loan – 5-year interest rate swap*

On August 2, 2016, the Centre converted $5,431,163 of its interim construction loan to a term facility with a 5-year interest rate swap which ends on August 1, 2021. The Centre uses hedge accounting for the interest rate swap which is in place to fix the interest rate on the balance of the loan payable at 2.30% in order to reduce its exposure to fluctuation of interest rate on the loan. At December 31, 2016 the Centre has reduced its principal portion of the debt by $53,802.

On the notional amount of the above described loan, the Centre entered into an interest rate swap agreement with a Canadian Chartered Bank, under which the Centre has swapped its floating bankers' acceptance rate for fixed interest payments at 2.30% per annum. The fair market value of the interest rate swap at December 31, 2016, which has been estimated using year-end market rates, would result in a gain of $69,905. This gain approximates the amount the Centre would receive if the swap agreement was closed out at December 31, 2016.

(b) *Loan – 10-year interest rate swap*

On August 2, 2016 the Centre converted $7,000,000 of its interim construction loan to a term facility with a 10-year interest rate swap which ends on August 1, 2026. The Centre uses hedge accounting for the interest rate swap which is in place to fix the interest rate on the balance of the loan payable at 2.75% in order to reduce its exposure to fluctuation of interest rate on the loan. At December 31, 2016 the Centre has reduced its principal portion of the debt by $65,224.

On the notional amount of the above described loan, the Centre entered into an interest rate swap agreement with Canadian Chartered Bank, under which the Centre has swapped its floating bankers' acceptance rate for fixed interest payments at 2.75% per annum. The fair market value of the interest rate swap at December 31, 2016, which has been estimated using year-end market rates, would result in a gain of $161,807. This gain approximates the amount the Centre would receive if the swap agreement was closed out at December 31, 2016.

(c) *Demand loan*

On October 19, 2016, the Centre entered into a new credit facility with a Canadian Chartered Bank at an interest rate of prime and with a $550,000 limit, to fund additional capital requirements. Up to a maximum of four draws is permitted under this facility. As of December 31, 2016, $325,742 has been drawn on this loan. The loan facility must be converted to a 5-year term facility on or before June 30, 2017, at an interest rate of prime, with a 10-year amortization period.

(d) *Bank indebtedness on properties under development*

In June 2015, the Centre entered into a credit facility for interim construction financing of up to $13,000,000, bearing interest at a rate of prime. On August 2, 2016, the Centre converted the $12,431,163 drawn on the interim construction loan to a term facility, in the form of one 5-year and one 10-year swap.

Line of credit

The Centre has access to a $250,000 line of credit through a Canadian Chartered Bank, with an interest rate of prime. No draws were made on the line of credit in 2016.

General terms

The facilities, as noted above, are secured by a general security agreement with a Canadian Chartered Bank representing first charge on all the Centre's present and after acquired personal property, and all other property, assets and undertakings and by a continuing collateral mortgage representing a first charge on the Centre's real property in the principal amount of $14,100,000, beneficially owned by and registered in the name of the Centre.

The facilities are subject to certain financial and non-financial covenants including a debt service coverage ratio. As at December 31, 2016, the Centre is in compliance with all borrower covenants and conditions with the exception of the debt service coverage ratio, which has been waived by the Canadian Chartered Bank for 2016. It is management's expectation that the Centre is likely to remain in compliance with all financial and non-financial covenants for the next 12 months, subsequent to year-end.

7. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities relate to the following:

	2016	*2015*
Trade accounts payable	**68,853**	109,113
Accrued liabilities	**72,174**	1,395,735
Goods and services tax payable	**4,020**	-
	145,047	1,504,848

8. Deferred contribution

The deferred contribution consists of funding externally restricted for the development, operations and programming of the Calgary Film Studio. Recognition of this amount as revenue is deferred to periods when the specified expense occurs.

Changes in the deferred contribution balance are as follows:

	2016	*2015*
Balance, beginning of year	**712,022**	750,077
Amounts recognized as revenue during the year	**(65,519)**	(38,055)
Balance, end of year	**646,503**	712,022

9. Deferred contributions related to property, equipment and intangibles

Deferred capital contributions related to property consist of the unamortized amount of contributions received for construction of the Centre. Recognition of these amounts as revenue is deferred to the periods in which the related capital assets are amortized. The Government of Alberta funding was disbursed through the Parent Company.

	City of Calgary	*Government of Alberta*	*Business Community Funder*	***Total***
Balance at January 1, 2015	1,803,932	-	-	1,803,932
Additional contributions	3,265,058	5,052,680	1,000,000	9,317,738
Revenue recognized	(4,900)	(323,320)	(966)	(329,186)
Balance at December 31, 2015	5,064,090	4,729,360	999,034	10,792,484
Additional contributions	-	-	-	-
Revenue recognized	(154,638)	(205,891)	(30,507)	(391,036)
Balance at December 31, 2016	**4,909,452**	**4,523,469**	**968,527**	**10,401,448**

10. Income taxes

The Centre is registered as a tax-exempt organization under the *Income Tax Act* (the "Act") and as such is exempt from income taxes. In order to maintain its tax free status under the Act, the Centre must meet certain requirements within the Act. In the opinion of management, these requirements have been met.

11. Financial instruments

General objectives, policies and processes

The Board of Directors has overall responsibility for the determination of the Centre's risk management objectives and policies and, while retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure effective implementation of the objectives and policies to the Centre's senior management. The Board of Directors receives quarterly reports from the Centre's senior management through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets.

The Centre, as part of its operations, carries a number of financial instruments. The nature of these instruments and the Centre's operations expose the Centre to credit, interest rate and liquidity risk. The Centre manages its exposure to these risks by operating in a manner that minimizes its exposure to the extent practical. During 2016, upon direction of the Board of Directors, the Centre entered into interest rate swaps to minimize exposure to interest rate risk.

Interest rate risk

The Centre is exposed to interest rate risk on bank indebtedness. This risk is managed by entering into interest rate swaps with a major Canadian Chartered Bank to exchange the variable interest payments to fixed interest rates on the 5 and 10 year loans, the fixed interest rates are 2.30% and 2.75% respectively. The swaps mature on August 1, 2021 ($4,603,034) and August 1, 2026 ($4,790,726). The swap eliminates most of the interest rate volatility, consistent with the Centre's interest rate risk management objectives.

Credit risk

Credit risk is the risk that the Centre will incur a financial loss because a lessee, contributor or counterparty has failed to discharge an obligation. The Centre is exposed to credit risk on its amounts receivable. At December 31, 2016, $59,018 (2015 - $829,689) of the receivables were current. This risk is somewhat mitigated due to the fact that the amounts receivable comprises amounts due from various levels of government.

	Current	***0-30 days***	***31-60 days***	***61-90 days***	***91 days and older***	***Total***
2016						
Accounts receivable	39,246	19,097	2,074	-	-	**60,417**
Due from related party	675	-	-	-	-	**675**
Total	**39,921**	**19,097**	**2,074**	-	-	**61,092**
2015						
Accounts receivable	9,889	988	-	-	-	10,877
Goods and Services Tax receivable	818,812	-	-	-	-	818,812
Total	828,701	988	-	-	-	829,689

The Centre is also exposed to credit risk as a significant portion of the Centre's cash and cash equivalents are held at one Canadian Chartered Bank. As such, the Centre is exposed to all the risks of that financial institution.

11. Financial instruments *(Continued from previous page)*

Liquidity risk

Liquidity risk is the risk that the Centre will not be able to meet its financial obligations as they fall due. The Centre has a planning and budgeting process in place to help determine the funds required to support the Centre's normal operating requirements on an ongoing basis. The Centre ensures that there are sufficient funds to meet its short-term requirements, taking into account its anticipated cash flows from operations and its holdings of cash and cash equivalents.

The following table sets out the contractual maturities of financial liabilities:

	0-90 days	***91 days and older***	***Total***
2016			
Trade accounts payable	68,853	-	**68,853**
Tenant deposits	-	166,000	**166,000**
Accrued liabilities	72,174	-	**72,174**
Goods and Services Tax payable	4,020	-	**4,020**
Due to related party	246,854	-	**246,854**
Total	**391,901**	**166,000**	**557,901**
2015			
Trade accounts payable	104,863	-	104,863
Tenant deposits	4,250	-	4,250
Accrued liabilities	1,395,735	-	1,395,735
Due to related party	211,455	-	211,455
Total	1,716,303	-	1,716,303

12. Related party transactions

The Centre is a wholly owned subsidiary of Calgary Economic Development Ltd. (“Parent Company”) The Centre has entered into a Management Services Agreement with the Parent Company and is required to pay $243,333 (2015 - $211,455) for management fees, this is recorded in corporate services. Additional expenses of $3,522 are expenses incurred by the Parent Company on the Centre’s behalf, these are recorded in corporate services and operating and utility costs. Management fees for 2016 are outstanding at December 31, 2016. The Centre received $84,368 (2015 - $nil) from the Parent Company in 2016 to fund the grand opening, website development and other marketing activities, this is recorded in related party contributions.

In 2015, the Parent Company disbursed $5,000,000 to the Centre that had been received from the Government of Alberta for the construction of the Calgary film studio. $205,892 was recognized as deferred contributions in 2016 (2015 - $323,320).

Calgary Economic Development Ltd.

	2016	*2015*
Due from related party	**675**	-
Due to related party	**246,854**	211,455

12. Related party transactions *(Continued from previous page)*

Other related party transactions

Related party balances and transactions not otherwise disclosed in these financial statements consist of:

The Centre paid $346,622 (2015 - $138,248) for property taxes, permits and insurance to the City of Calgary ("City"). During the year, the Centre recognized $165,138 (2015 - $4,900) in revenue from the City, of which $154,638 (2015 - $4,600) related to deferred contributions recognized. Included in accounts receivable at year-end is $10,500 (2015 - $nil) from the City for reimbursement of expenses. A balance owing to the City

The Centre paid a company related through common ownership, for utility costs totaling $5,538 (2015 - $395,865), and received a rebate totaling $35,823 (2015 - $nil) for the commercial metres installed. A balance owing to a company related through common ownership of $449 (2015 - $nil) was included in accounts payable at year-end.

The Centre paid a company related to a director of the Centre, for building operation services totaling $30,833 (2015 - $7,965). A balance owing to the company related to the director of $2,484 (2015 - $nil) was included in accounts payable at year-end.

All transactions are in the normal course of operations and have been recorded at the agreed exchange amounts that have been negotiated between the parties.

13. Commitments and contingencies

Commitments

Commitments payable for operations within the next five years are as follows:

2017	126,665
2018	45,000
Thereafter	-
	171,665

Contingencies

The Centre is party to disputes arising in the ordinary course of operations. While it is not feasible to predict the outcomes of these disputes, it is the opinion of management that the resolution of these matters will not have a material adverse effect on the operations of the Centre.

14. Comparative Figures

Certain comparative information has been reclassified to conform to the current year's presentation.