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# Financial statements of The Calgary Convention Centre Authority

December 31, 2018

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## Independent Auditor's Report

To The Directors of  
The Calgary Convention Centre Authority

### Opinion

We have audited the financial statements of The Calgary Convention Centre Authority (the "Authority"), which comprise the statement of financial position as at December 31, 2018, and the statements of revenues, expenses and operating reserve, changes in net financial liabilities and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Authority as at December 31, 2018, and the results of its operations, changes in its net financial liabilities, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards ("PSAS").

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Authority in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Responsibilities of Management and those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PSAS, 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.

In preparing the financial statements, management is responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Authority or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Authority's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Authority's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Authority to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

(To be signed Deloitte LLP)

Chartered Professional Accountants  
Calgary, Alberta  
May 8, 2019

**The Calgary Convention Centre Authority**  
**Statement of financial position**  
As at December 31, 2018

	Notes	2018 \$	2017 \$
<b>Financial assets</b>			
Cash and cash equivalents		104,394	2,290,446
Restricted cash	12	127,646	106,313
Accounts receivable		3,061,112	1,658,257
Due from The City of Calgary - major replacement reserve		200,029	194,941
Investments	5	1,184,785	1,160,627
		<b>4,677,966</b>	<b>5,410,584</b>
<b>Financial liabilities</b>			
Accounts payable and accrued liabilities	8 and 12	3,473,562	3,246,098
Client deposits		1,933,470	1,822,965
Lease obligations	14	373,722	—
		<b>5,780,754</b>	<b>5,069,063</b>
Net financial (liabilities) assets		<b>(1,102,788)</b>	<b>341,521</b>
<b>Non-financial assets</b>			
Tangible capital assets	6	5,917,789	4,645,167
Prepaid expenses		477,414	97,097
		<b>6,395,203</b>	<b>4,742,264</b>
<b>Accumulated surplus is represented by</b>			
Major replacement reserve	4	200,030	20,030
Operating reserve		5,092,385	5,063,755
		<b>5,292,415</b>	<b>5,083,785</b>

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

Approved by the Board

 , Director  
 , Director

**The Calgary Convention Centre Authority**  
**Statement of revenue, expense and operating reserve**  
Year ended December 31, 2018

	Notes	2018 Budget \$	2018 Actual \$	2017 Actual \$
		<b>(Note 11)</b>		
<b>Revenue</b>				
Operating	12	<b>21,058,691</b>	<b>21,037,886</b>	19,145,823
Grants from The City of Calgary		<b>1,941,309</b>	<b>1,941,309</b>	1,878,171
		<b>23,000,000</b>	<b>22,979,195</b>	21,023,994
<b>Expenses</b>				
Administrative and general		<b>1,833,749</b>	<b>2,103,092</b>	1,993,086
Amortization		<b>700,000</b>	<b>1,303,606</b>	734,704
Marketing		<b>1,924,860</b>	<b>1,585,125</b>	1,346,395
Operations and maintenance	12	<b>18,087,967</b>	<b>17,778,742</b>	16,345,994
		<b>22,546,576</b>	<b>22,770,565</b>	20,420,179
Operating surplus before the undernoted		<b>453,424</b>	<b>208,630</b>	603,815
Major replacement reserve	4 and 10	—	<b>(180,000)</b>	(5,088)
Loss on disposal of tangible capital assets		—	—	(1,962)
Operating surplus for the year		<b>453,424</b>	<b>28,630</b>	596,765
Operating reserve, beginning of year		<b>5,063,755</b>	<b>5,063,755</b>	4,466,990
<b>Operating reserve, end of year</b>		<b>5,517,179</b>	<b>5,092,385</b>	5,063,755

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

**The Calgary Convention Centre Authority**  
**Statement of change in net financial liabilities**

Year ended December 31, 2018

	<b>2018</b>	2017
	<b>\$</b>	\$
<b>Operating surplus for the year</b>	<b>28,630</b>	596,765
Amortization	<b>1,303,606</b>	734,704
Write-off of tangible capital assets	—	1,962
Proceeds from disposal of tangible capital assets	—	69,803
Change in prepaid expenses	<b>(380,317)</b>	(15,880)
Allocation to major replacement reserve	<b>180,000</b>	180,000
Usage of major replacement reserve	—	(174,912)
Lease of tangible capital assets	<b>(427,115)</b>	—
Purchases of tangible capital assets	<b>(2,149,113)</b>	(3,176,650)
Decrease in net financial assets	<b>(1,444,309)</b>	(1,784,208)
Net financial assets, beginning of year	<b>341,521</b>	2,125,729
<b>Net financial (liabilities) assets, end of year</b>	<b>(1,102,788)</b>	341,521

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

# The Calgary Convention Centre Authority

## Statement of cash flows

Year ended December 31, 2018

	2018 \$	2017 \$
<b>Operating activities</b>		
Operating surplus for the year	28,630	596,765
Items not affecting cash and equivalents		
Amortization	1,303,606	734,704
Loss on disposal of tangible capital assets	—	1,962
	1,332,236	1,333,431
Changes in non-cash working capital		
Accounts receivable	(1,402,855)	573,280
Accounts payable and accrued liabilities	(251,380)	(1,752,325)
Client deposits	110,505	(383,019)
Lease obligations	(53,393)	—
Prepaid expenses	(380,317)	(15,880)
Major replacement reserve	180,000	5,088
	(465,204)	(239,425)
<b>Investing activities</b>		
Purchases of tangible capital assets	(2,149,113)	(3,176,650)
Proceeds from disposal of tangible capital assets	—	69,803
Change in restricted cash	(21,333)	(38,872)
Purchases of short-term investments	(2,431,891)	(1,919,166)
Proceeds from disposal of short-term investments	2,407,733	5,907,758
Changes in non-cash working capital		
Due from The City of Calgary - major replacement reserve	(5,088)	46,836
Accounts payable and accrued liabilities	478,844	292,155
	(1,720,848)	1,181,864
Net (decrease) increase in cash and cash equivalents	(2,186,052)	942,439
Cash and cash equivalents, beginning of year	2,290,446	1,348,007
<b>Cash and cash equivalents, end of year</b>	<b>104,394</b>	<b>2,290,446</b>
<b>Represented by</b>		
(Cheques issued in excess of cash on hand) Cash	(1,173,682)	401,776
Cash equivalents	1,278,076	1,888,670
	104,394	2,290,446

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



**The Calgary Convention Centre Authority**  
**Notes to the financial statements**  
December 31, 2018

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**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.

**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. 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

**The Calgary Convention Centre Authority**  
**Notes to the financial statements**  
December 31, 2018

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**2. Significant accounting policies (continued)**

*Tangible capital assets (continued)*

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.

*New Accounting Standards In Effect*

The Authority has adopted the following standards with an effective date of January 1, 2018: PS 2200 Related Party Disclosures, PS 3210 Assets, PS 3320 Contingent Assets, PS 3380 Contractual Rights, PS 3420 Inter-entity Transactions. The adoption of the new standards resulted in additional note disclosures in the financial statements.

**PS 2200 Related Party Disclosures**, a new standard defining related parties and establishing guidance on disclosure requirements for related party transactions. The adoption of this standard did not have an impact on the financial statements.

**PS 3210 Assets**, a new standard providing guidance for applying the definition of assets and establishing disclosure requirements for assets. The adoption of this standard did not have an impact on the financial statements.

**PS 3320 Contingent Assets**, a new standard defining and establishing guidance on disclosure requirements for contingent assets. The adoption of this standard did not have an impact on the financial statements.

**PS 3380 Contractual Rights**, a new standard defining and establishing a guidance on disclosure requirements for contractual rights. This standard resulted in additional disclosure in the financial statements (see note 15).

**PS 3420 Inter-Entity Transactions**, a new standard defining and establishing guidance on the accounting and disclosure requirements for inter-entity transactions. The Authority does not have any unallocated or nominal value inter-entity transactions as such this standard did not have a material impact on the financial statements. All inter-entity transactions are in the normal course of operations and are settled under normal trade terms.

**The Calgary Convention Centre Authority**  
**Notes to the financial statements**  
December 31, 2018

**2. Significant accounting policies (continued)**

Future Accounting Pronouncements

The following new accounting standards were issued by the Public Sector Accounting Board (PSAB). The Authority continues to assess the impacts of the standards.

*Effective for fiscal years beginning on or after April 1, 2018*

**PS 3430 - Restructuring Transactions** establishes how to record assets, liabilities, revenues, and expenses related to restructuring transactions as well as disclosure requirements for the recipient and transferor.

*Effective for fiscal years beginning on or after April 1, 2021*

**PS 3250 Asset Retirement Obligations** provides guidance on how to account for and report liabilities for retirement of tangible capital assets.

*Effective for fiscal years beginning on or after April 1, 2022*

**PS 3400 Revenue** provides guidance on the recognition of revenue that distinguishes between revenue that arises from transactions that include performance obligations and from transactions that do not have performance obligations.

**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 1.77% (1.57% in 2017) per annum. As at December 31, 2018, the Authority held \$1,278,076 (\$1,888,670 at 2017) in short-term GICs and \$1,184,785 (\$1,160,627 in 2017) in long-term GICs (Note 5).

The Authority has an operating demand loan facility to a maximum of \$2,400,000. This facility is secured by GICs in the amount of \$2,400,000. The interest rate on the facility fluctuates with the Bank of Montreal's prime rate per annum. At December 31, 2018, the balance of the facility was \$nil (2017 - \$nil).

**4. Major replacement reserve**

The Authority records an annual appropriation for facility refurbishment and major renovations. The appropriation for the year totaled \$180,000 (\$180,000 in 2017).

		<b>2018</b>	2017
	Notes	\$	\$
Balance, beginning of year		<b>20,030</b>	14,942
Increase in provision for the year		<b>180,000</b>	180,000
Major replacement expenditures	10	—	(174,912)
Balance, end of year		<b>200,030</b>	20,030

**The Calgary Convention Centre Authority**  
**Notes to the financial statements**  
December 31, 2018

**5. Investments**

Investments consist of GICs with a maturity date not greater than five years from December 31, 2018 bearing interest from 1.50% to 2.65% (1.10% to 2.00% in 2017) per annum. The fair value of the investments has been determined to be the principal plus interest earned to date.

	<b>Cost</b>	<b>Accrued interest</b>	<b>2018 Fair value</b>
	\$	\$	\$
Rate Riser Plus GIC 0037	<b>597,500</b>	<b>45,915</b>	<b>643,415</b>
Rate Riser Plus GIC 0038	<b>506,250</b>	<b>35,120</b>	<b>541,370</b>
	<b>1,103,750</b>	<b>81,035</b>	<b>1,184,785</b>

  

	<b>Cost</b>	<b>Accrued interest</b>	<b>2017 Fair value</b>
	\$	\$	\$
Rate Riser Plus GIC 0037	597,500	32,352	629,852
Rate Riser Plus GIC 0038	506,250	24,525	530,775
	1,103,750	56,877	1,160,627

**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, 2018 and is scheduled for renewal on January 22, 2021. The contract has a nominal fee, the cost of which has been recorded through operations and maintenance expense. Capital leases of \$427,115 are included in other equipment.

	<b>Cost</b>	<b>Accumulated amortization</b>	<b>2018 Net book value</b>
	\$	\$	\$
Renovations	<b>6,827,559</b>	<b>6,827,559</b>	<b>—</b>
Building enhancements	<b>3,431,255</b>	<b>1,291,508</b>	<b>2,139,747</b>
Computer equipment	<b>735,159</b>	<b>506,711</b>	<b>228,448</b>
Other equipment	<b>6,201,166</b>	<b>2,651,572</b>	<b>3,549,594</b>
	<b>17,195,139</b>	<b>11,277,350</b>	<b>5,917,789</b>

  

	<b>Cost</b>	<b>Accumulated amortization</b>	<b>2017 Net book value</b>
	\$	\$	\$
Renovations	6,827,559	6,637,411	190,148
Building enhancements	2,125,156	856,621	1,268,535
Computer equipment	522,743	406,082	116,661
Other equipment	5,143,454	2,073,631	3,069,823
	14,618,912	9,973,745	4,645,167

**The Calgary Convention Centre Authority**  
**Notes to the financial statements**  
December 31, 2018

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**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, 2017 audited financial statements), in total, the LAPP had an actuarial surplus of \$4.835 million (deficit of \$637 million in 2016).

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 \$497,178 (\$592,119 in 2017). Total current service contributions by the employees of the Authority to the LAPP for the year were \$435,775 (\$544,579 in 2017).

**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, 2018, an amount of \$111,557 (\$221,472 at 2017) 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. Of the funds held, the amount held by the Authority for incentive funding is \$90,975 (\$182,094 in 2017) and the amount held by the Authority for future operating expenses is \$20,582 (\$39,378 in 2017).

During the year, the Authority disbursed from the incentive funds \$779,312 (\$753,714 in 2017) to events held in the city, returned \$0 (\$800,000 in 2017) to the Calgary Hotel Association and earned \$2,192 (\$9,312 in 2017) in interest on the funds held. The Authority has committed on behalf of the Calgary Hotel Association a total of \$2,413,037 (\$2,741,695 in 2017) for future events to be paid out over the years 2018 to 2025. Funding for the commitments that have been made on behalf of the Calgary Hotel Association for future events that are to be paid in 2019 until the November 1, 2019 termination date of the agreement will be funded on an as needed basis. Surplus funds, if any, will be returned to the Calgary Hotel Association.

**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.

**The Calgary Convention Centre Authority**  
**Notes to the financial statements**

December 31, 2018

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**10. Major capital additions**

During the year, the Authority incurred \$2,576,228 (\$3,176,650 in 2017) in expenditures for major capital additions, which have been capitalized as renovations, building enhancements and equipment. Of this amount, \$1,195,317 (\$1,665,022 in 2017) was funded by the Authority's operating reserve and \$0 (\$174,912 in 2017) was funded by the Authority's major replacement reserve. \$953,796 (\$1,336,716 in 2017) was applied for and funded through The City's CPRiIP (Culture Parks Recreation Infrastructure Investment Fund) Program for the capital additions made in 2018. \$427,115 (\$0 in 2017) was funded by capital lease (see Note 14)

**11. 2018 Budget**

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

**12. Calgary Convention Centre Authority responsibilities**

The following cost sharing arrangements were considered in the PSAS memo, but were determined that these were not abnormal in relation to the financial position or usual business operations.

*Glenbow Museum*

Through an agreement with The City, the Authority provides maintenance, engineering, housekeeping and capital project supervision for the Glenbow Museum. Expenses of \$1,548,677 (\$1,289,330 in 2017) incurred in provision of these services are included in the expenses of the Authority. Recovery of the expenses plus a management fee of \$87,000 (\$87,000 in 2017) totaling \$1,635,677 (\$1,375,980 in 2017) are included in operating revenue of the Authority. Capital projects supervised by the Authority totaled \$312,410 (\$7,880 in 2017) during the year.

*Retail spaces, North Building*

The Authority provides basic property management services for the retail spaces and parkade in the north building to the City of Calgary Real Estate and Development Services and the Calgary Parking Authority respectively. Expenses of \$452,805 (\$418,271 in 2017) incurred in provision of these services are included in the expenses of the Authority. Recovery of the expenses plus a management fee \$490,771 (\$455,655 in 2017) 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 \$3,161,134 (\$2,904,914 in 2017) incurred in provision of these services are included in the expenses of the Authority. Funding to cover these expenses \$3,161,134 (\$2,904,914 in 2017) 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 \$185,964 (\$185,964 in 2017) is included in the operating revenue of the Authority.

The agreement has been terminated effective November 1, 2019. Unused funds at the termination of the agreement will be returned to the Calgary Hotel Association.

*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, 2018, an amount of \$97,626 (\$67,246 at 2017) is included in accounts payable and accrued liabilities as well as restricted cash. The funds will be transferred to and administered by the office of the executive director of the Convention Centres of Canada in 2019.

**The Calgary Convention Centre Authority**  
**Notes to the financial statements**  
December 31, 2018

**12. Calgary Convention Centre Authority responsibilities (continued)**

*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, 2018, an amount of \$9,437 (\$9,689 at 2017) is included in accounts payable and accrued liabilities as well as restricted cash. The funds will be transferred to and administered by one of the other members of the marketing partnership in 2019.

**13. Commitments**

As of December 31, 2018, the Authority has commitments related to the lease of office equipment, furniture, housekeeping equipment, and communications equipment payable within the next three years as follows.

	\$
2019	320,173
2020	309,593
2021	300,837
2022	162,488
2023	69,227
	<u>1,162,318</u>

**14. Capital lease obligations**

As of December 31, 2018 the Authority has the following capital lease obligations.

	2018 \$	2017 \$
Obligation under capital lease for event furniture, monthly payment of \$7,063 with interest at a rate of 6.810%, maturing on April 30, 2022	<b>277,665</b>	—
Obligation under capital lease for event furniture, monthly payment of \$1,394, with interest at a rate of 6.889%, maturing on April 30, 2022	<b>54,690</b>	—
Obligation under capital lease for floor scrubber with interest at a rate of 6.990%, maturing on July 1, 2023	<b>41,367</b>	—
	<b>373,722</b>	—
Less current portion	<b>88,800</b>	—
	<b>284,922</b>	—

**The Calgary Convention Centre Authority**  
**Notes to the financial statements**  
December 31, 2018

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**14. Capital lease obligations (continued)**

Future minimum lease payments, including principal and interest, under the capital leases for subsequent years are as follows.

	\$
2019	111,380
2020	111,380
2021	111,380
2022	82,300
2023	9,086
	<u>425,526</u>

The obligations under capital leases are secured by the underlying leased assets.

**15. Contractual rights**

Contractual rights are rights of the Authority to economic resources arising from contracts or agreements that will result in both assets and revenues in the future when the terms of those contract or agreements are met. As of December 31, 2018 the Authority has the following contractual rights.

Estimated amounts that will be received or receivable for each of the next five years and thereafter are as follows:

	Lease of Space or Equipment \$	Licensing payments \$	Total \$
2019	20,000	231,006	251,006
2020	20,000	171,774	191,774
2021	8,333	171,774	180,107
2022	—	171,774	171,774
2023	—	99,194	99,194
Thereafter	—	800,000	800,000
	<u>48,333</u>	<u>1,645,522</u>	<u>1,693,855</u>