Financial statements of The Calgary Convention Centre Authority

December 31, 2025

Deloitte.

Deloitte LLP
850 2nd Street SW
Suite 700
Calgary AB T2P 0R8
Canada

Tel: 403-267-1700
Fax: 403-264-2871
www.deloitte.ca

Independent Auditor's Report

To the Board of 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, 2025, and the statements of revenue, expense and operating reserve, change 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, 2025, and the results of its operations, its remeasurement gains and losses, changes in its net assets, 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.

Deloitte LLP

Chartered Professional Accountants
Calgary, Alberta
May 20, 2026

	Notes	2025 $	2024 $
Financial assets			
Cash and cash equivalents	3	**4,590,865**	1,837,544
Accounts receivable	4	**6,914,544**	5,637,636
Due from The City of Calgary - major replacement reserve	5	**445,160**	265,160
Investments	6	**2,185,817**	2,167,170
		14,136,386	9,907,510
Financial liabilities			
Accounts payable and accrued liabilities	9	**10,851,039**	8,108,302
Client deposits		**3,511,760**	2,921,088
		14,362,799	11,029,390
		(226,413)	(1,121,880)
Non-financial assets			
Tangible capital assets	7	**22,231,858**	17,416,957
Prepaid expenses		**672,673**	739,104
		22,904,531	18,156,061
Accumulated surplus is represented by			
Major replacement reserve	5	**445,160**	265,160
Operating reserve		**22,232,958**	16,769,021
		22,678,118	17,034,181

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

Approved by the Board

_______________, Director

_______________, Director

	Notes	2025 $ Budget	2025 $ Actual	2024 $ Actual
Revenue				
Operating	14	**32,545,243**	**30,239,876**	30,466,693
The City of Calgary - Operating	12	**3,423,783**	**3,914,967**	3,352,222
The City of Calgary - Capital	12	**8,207,898**	**7,889,370**	7,078,338
		44,176,924	**42,044,213**	40,897,253
Expenses				
Administrative and general		**4,888,990**	**4,570,037**	4,499,641
Amortization		**3,231,931**	**2,583,657**	2,691,592
Marketing		**2,675,909**	**2,413,998**	1,891,792
Operations and maintenance	14	**28,120,255**	**26,561,338**	26,748,410
		38,917,085	**36,129,030**	35,831,435
Operating surplus before the undernoted		**5,259,839**	**5,915,183**	5,065,818
Loss on disposal of tangible capital assets		**—**	**451,246**	—
Operating surplus for the year		**5,259,839**	**5,463,937**	5,065,818
Operat ing reserve, beginning of year		**16,769,021**	**16,769,021**	11,703,203
Operating reserve, end of year		**22,028,860**	**22,232,958**	16,769,021

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

	Notes	2025 Budget $	2025 Actual $	2024 Actual $
Operating surplus for the year		**5,259,839**	**5,463,937**	5,065,818
Amortization	7	**3,231,931**	**2,583,657**	2,691,592
Change in prepaid expenses		**—**	**66,431**	(386,314)
Loss from disposal of tangible capital assets	7	**—**	**451,246**	180,000
Proceeds on disposal of tangible capital assets	7	**—**	**39,566**	—
Allocation to major replacement reserve	5	**180,000**	**180,000**	—
Use of major replacement reserve	5	**—**	**—**	(175,422)
Purchases of t angible capital assets	7	**(8,207,898)**	**(7,889,370)**	(7,078,338)
Decrease in net finan cial liabilities		**463,872**	**895,467**	297,336
Net finan cial liabilities, beginning of year		**(1,121,880)**	**(1,121,880)**	(1,419,216)
Net financial liabilities, end of year		**(658,008)**	**(226,413)**	(1,121,880)

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

	Notes	2025 $	2024 $
Operating activities			
Operating surplus for the year		**5,463,937**	5,065,818
Items not affecting cash and cash equiv alents			
Amortization	7	**2,583,657**	2,691,592
Loss on disposal of tangible capital assets	7	**451,246**	—
		8,498,840	7,757,410
Changes in non-cash working capital			
Accounts receivable		**(727,553)**	(947,974)
Accounts payable and accrued liabilities		**(863,631)**	350,205
Client deposits		**590,672**	589,802
Prepaid expenses		**66,431**	(386,314)
		7,564,759	7,363,129
Capital activities			
Purchases of tangible capital assets	7	**(4,243,436)**	(3,626,260)
Accounts receiv able		**(549,355)**	(2,954,755)
		(4,792,791)	(6,581,015)
Investing activity			
Net purchases of investments		**(18,647)**	341,778
Net increase in cash and cash equivalents		**2,753,321**	1,123,892
Cash and cash equivalents, beginning of year		**1,837,544**	713,652
Cash and cash equivalents, end of year		**4,590,865**	1,837,544
Represented by		**4,248,076**	1,469,808
Cash	3	**342,789**	367,736
Cash equivalents		**4,590,865**	1,837,544

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

1. The Calgary Convention Centre Authority

The Calgary Convention Centre Authority ("the Authority") is incorporated under the laws of the province of Alberta and operates 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 December 31, 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"). As there are no items to report in the statement of remeasurement gains and losses, this statement has not been prepared. 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, less than 90 days from December 31, 2025.

Investments

Investments represent Guaranteed Investment Certificates ("GIC") with maturities greater than 90 days from December 31, 2025. 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.

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

Revenue from transactions with performance obligations are recognized when the Authority satisfies the performance obligation(s) by providing the promised goods or services to the customer. Revenue from transactions with no performance obligations are recognized as revenue when the Authority when the amount to be received can be reasonably estimated and ultimate collection is reasonably assured.

2. Significant accounting policies (continued)

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

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.

3. Cash and cash equivalents

The effective interest rate on the GICs held during the year was 3.37% (3.26% in 2024) per annum. As at December 31, 2025, the Authority held $342,789 ($367,736 in 2024) in short-term GICs.

4. Accounts receivable

Accounts receivable as at the year ended December 31, 2025 is $6,914,544 ($5,657,636 in 2024), consisting of a non-recurring receivable balance from the City of Calgary of $4,705,548 ($3,100,830 in 2024) for capital work completed at year end, to be reimbursed to the Authority subsequent to year end.

5. 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 2024).

	2025	2024
	$	$
Balance, beginning of year	**265,160**	260,582
Increase in provision for the year	**180,000**	180,000
Major replacement expenditures (Note 12)	**—**	(175,422)
Balance, end of year	**445,160**	265,160

6. Investments

Investments consist of GICs with a maturity date not greater than three years from December 31, 2025 bearing interest from 1.15% to 5.05% (1.15% to 5.05% in 2024) per annum. The fair value of the investments has been determined to be the principal plus interest earned to date.

	Cost	**Accrued interest**	**2025 Fair value**
	$	**$**	**$**
Fixed Rate GIC 0041	**1,748,721**	**91,111**	**1,839,832**
Variable Rate GIC 0042	**338,000**	**7,985**	**345,985**
	2,086,721	**99,096**	**2,185,817**

	Cost	Accrued interest	2024 Fair value
	$	$	$
Rate Riser Plus GIC 0044	655,787	7,636	663,423
Fixed Rate GIC 0041	1,417,957	85,790	1,503,747
	2,073,744	93,426	2,167,170

7. 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 Authority. Accordingly, the Authority 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, 2024 and is scheduled for renewal automatically on January 22, 2027. The contract has a nominal fee, the cost of which has been recorded through operations and maintenance expense. Capital leases of $71,459 ($89,324 in 2024) are included in other equipment.

During the year, the Authority had disposals which had non-cash proceeds of $39,566 (nil in 2024) which were applied against new asset additions in the year. Included in capital additions are $3,606,368 ($3,452,078 in 2024) that are included in accounts payable and accrued liabilities at year end.

7. Tangible capital assets (continued)

	2025 Opening net book value $	**Additions $**	**Transfers $**	**Disposals $**	**Amortization $**	**2025 Closing net book value $**
Assets under construction	**6,107,313**	**7,889,370**	**(3,468,950)**	**—**	**—**	**10,527,733**
Building enhancements	**5,319,150**	**—**	**1,990,357**	**(260,433)**	**(1,193,065)**	**5,856,009**
Computer equipment	**299,423**	**—**	**268,937**	**(23,093)**	**(188,297)**	**356,970**
Other equipment	**5,691,071**	**—**	**1,209,656**	**(207,286)**	**(1,202,295)**	**5,491,146**
	17,416,957	**7,889,370**	**—**	**(490,812)**	**(2,583,657)**	**22,231,858**

	2024 Opening net book value $	Additions $	Transfers $	Disposals $	Amortization $	2024 Closing net book value $
Assets under construction	1,479,993	7,078,338	(2,451,018)	—	—	6,107,313
Building enhancements	5,779,862	—	739,972	—	(1,200,684)	5,319,150
Computer equipment	264,939	—	253,338	—	(218,854)	299,423
Other equipment	5,505,417	—	1,457,708	—	(1,272,054)	5,691,071
	13,030,211	7,078,338	—	—	(2,691,592)	17,416,957

8. Bank indebtedness

The Authority has an operating demand loan facility to a maximum of $3,500,000 ($3,500,000 in 2024). This facility is secured by GICs in the amount of $2,400,000 and a Registered General Security Agreement. The interest rate on the facility fluctuates with the bank's prime rate per annum. At December 31, 2025, the balance of the facility was nil (nil in 2024).

The total bank indebtedness at December 31, 2025 was nil (nil in 2024).

9. Accounts payable

Accounts payable as at the year ended December 31, 2025 is $10,851,039 ($8,108,302 in 2024), consisting of a non-recurring payable balance to Calgary District Heating Inc. of $2,100,000 ($2,695,837 in 2024) for capital work completed at year end.

10. 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, 2024 audited financial statements), in total, the LAPP had an actuarial surplus of $19.6 billion (Surplus of $15.1 billion in 2023). The surplus applies to the entire plan and the Authority's portion cannot be determined.

10. Employee benefits (continued)

The Authority is required to make current service contributions to the LAPP of 8.45% of pensionable payroll up to the yearly maximum pensionable earnings ("YMPE"), and 11.65% thereafter. Employees of the Authority are required to make current service contributions of 7.45% of pensionable salary up to the YMPE, and 10.65% 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 $684,235 ($567,480 in 2024). Total current service contributions by the employees of the Authority to the LAPP for the year were $606,911 ($504,604 in 2024).

11. Financial instruments

The Authority's financial instruments are cash and cash equivalents, accounts receivable, due from The City of Calgary - major replacement reserve, investments, bank indebtedness, accounts payable and accrued liabilities, and client deposits.

Except for investments quoted in an active market that are recorded at fair value, all financial assets and liabilities are recorded at cost or amortized cost and the associated transaction costs are added to the carrying value of these investments upon initial recognition and amortized using the effective interest rate method. Transaction costs are incremental costs directly attributable to the acquisition or issue of a financial asset or a financial liability.

Unrealized gains and losses from changes in the fair value of financial instruments are recognized in the statement of remeasurement gains and losses. Upon settlement, the cumulative gain or loss is reclassified from the statement of remeasurement gains and losses and recognized in the statement of revenue, expense and operating reserve. Interest and dividends attributable to financial instruments are reported in the statement of revenue, expense and operating reserve. There are no measurement gains or losses during the periods presented; therefore, no statement of remeasurement gains or losses is included in these financial statements.

All financial assets are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the statement of operations. A write-down of a portfolio investment to reflect a loss in value is not reversed for a subsequent increase in value.

All financial instruments measured at fair value must be classified into one of the following levels:

Level 1 - Quoted prices in *active* markets for identical assets/liabilities

Level 2 - Inputs other than those in Level 1, that are either directly or indirectly observable for the assets or liability; and

Level 3 - inputs that are not based on observable market data.

Interest rate risk

Interest rate risk reflects the sensitivity of the Authority's financial results and condition to movements in interest rates. Interest rate risk is limited to the line of credit which bears interest at the prime rate (Note 8).

Credit risk

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.

11. Financial instruments (continued)

Liquidity risk

Liquidity risk is the risk that the Authority will be unable to meet its contractual cash outflow obligations as they come due. The Authority mitigates this risk by monitoring cash activities and expected outflows through extensive budgeting and maintaining cash on hand. Contractual obligations related to accounts payable and accruals are due within 12 months.

12. Major capital additions

During the year, the Authority incurred $7,889,370 ($7,078,338 in 2024) in expenditures for major capital additions, which have been capitalized as building enhancements and equipment. $7,471,550 ($6,450,453 in 2024) was applied for and funded through The City's Convention Centre Lifecycle Program. $416,820 was awarded to the Authority to fund additional capital expenditures. nil ($452,463 in 2024) was applied for and funded through The City's Community Safety Grant Agreement. These funding amounts have been recognized in operating revenues in the statement of revenue, expense and operating reserve. nil ($175,422 in 2024) was funded through the Major Replacement Reserve, see Note 5.

13. 2025 Budget

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

14. 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 $1,529,384 ($1,337,582 in 2024) incurred in provision of these services are included in the expenses of the Authority. Recovery of the expenses plus a management fee of $256,800 ($234,000 in 2024) totaling $1,786,184 ($1,571,582 in 2024) are included in operating revenue of the Authority.

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 City of Calgary parkade respectively. Expenses of $449,735 ($527,378 in 2024) incurred in provision of these services are included in the expenses of the Authority. Recovery of the expenses plus a management fee of $38,803 ($39,485 in 2024) totaling $488,538 ($566,863 in 2024) are included in operating revenue of the Authority.

15. Commitments

As of December 31, 2025, the Authority has commitments related to the lease of office equipment, furniture, housekeeping equipment, and communications equipment payable within the next two years as follows:

	$
2026	340,509
2027	19,521
	360,030

16. 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, 2025, 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
	$	$	$
2026	20,000	175,000	195,000
2027	20,000	122,917	142,917
2028	20,000	50,000	70,000
2029	20,000	50,000	70,000
2030	20,000	50,000	70,000
Thereafter	8,333	450,000	458,333
	108,333	897,917	1,006,250

17. Comparative figures

Certain prior year amounts have been reclassified to conform to current year presentation.