



an
unconventional
year

annual report
2020

calgary TELUS convention
centre
be part of the energy™

**adapting to
the present.**

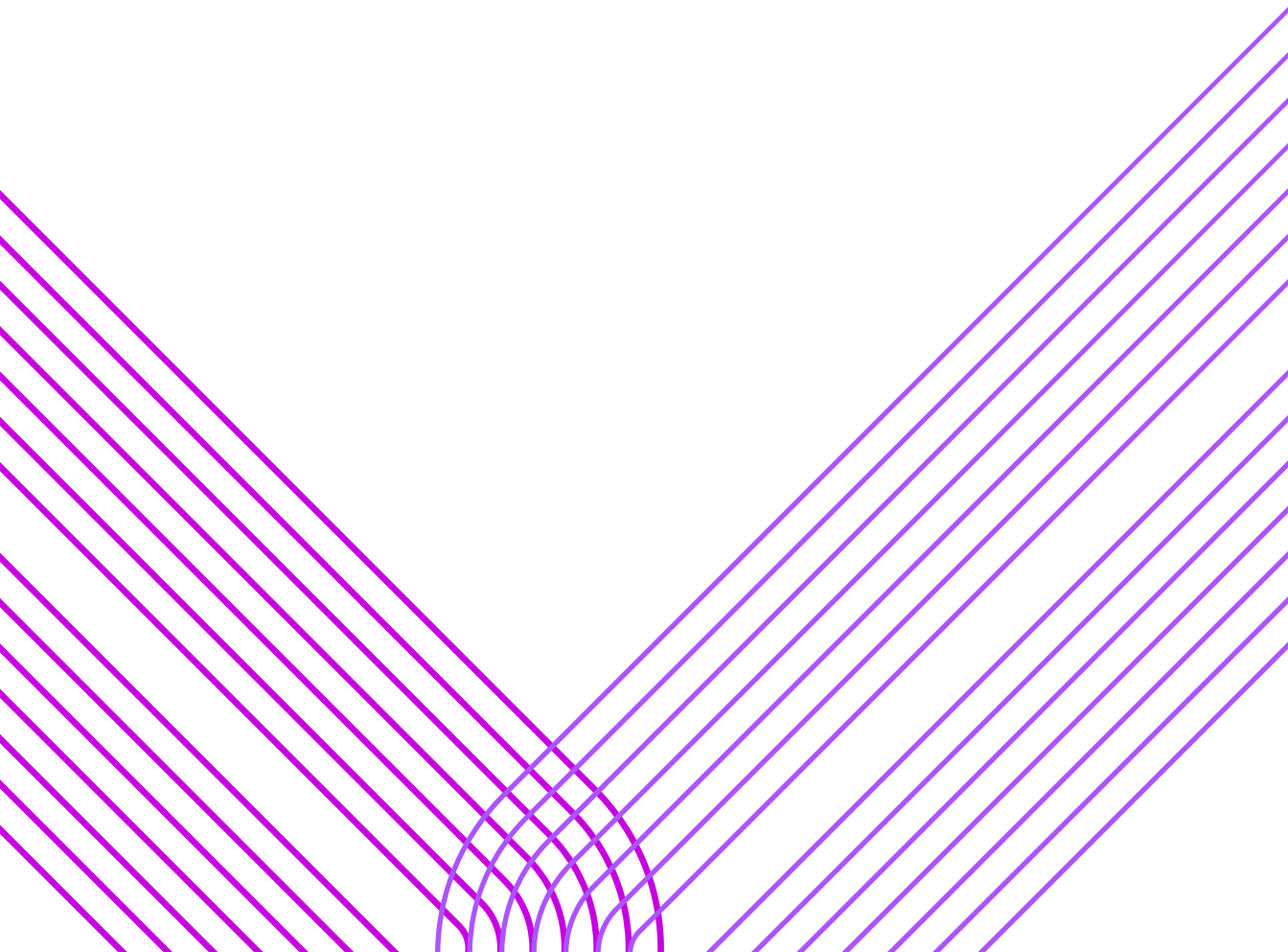
**planning for
the future.**

**While COVID-19 issues
are interrupting business
as usual, we're building
strategies for post-
pandemic recovery.**



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Message from the Chair

While 2019 was a year of transition for the Calgary TELUS Convention Centre (CTCC), 2020 might best be described as demanding endurance, reinvention, and innovation.

Like many organizations in the Calgary economy, the CTCC has faced unprecedented challenges that have taken an immeasurable toll on our community and the people in it. This experience has cultivated an even greater commitment to our clients, municipal partners, and the Calgary community.

By necessity, in-person events virtually ceased to exist in 2020, as our communities vacillated in and out of lockdowns and closures. The impact on CTCC revenues has been profound and led to the CTCC making staff reductions and implementing significant cost controls. Despite the challenges presented by the pandemic, the CTCC has continued to proactively engage community partners to ensure a thriving future for Calgary and the downtown core.

We recognize that we are a part of the mosaic of interests that will help Calgary realize our incredible potential — particularly post-pandemic. Our shared success will continue to depend on having vibrant gathering places for civic, arts, cultural, recreation, and entertainment activities, as well as improved accessibility, green networks with parks and natural spaces, a modern transit system that appeals to citizens and visitors, and creative spaces — all existing in a harmony that positions Calgary as a world-class tourist destination and tier-one conference destination.

Throughout 2020, the CTCC worked hard to continue collaborating with the city, civic partners, community partners, and businesses to further our shared goal of economic vitality, innovation, and a future-focused downtown. Moreover, the Centre continues to be recognized as a high involvement partner and stakeholder of influence, through ongoing participation in the Stephen Avenue Rejuvenation Committee and Planning Group.

“We recognize that we are a part of the mosaic of interests that will help Calgary realize our incredible potential — particularly post-pandemic.”



The Convention Centre took definitive steps in 2020 towards evaluating critical stakeholders and priority issues, in order to position itself as a critical instrument for municipal and provincial economic “resilience and recovery”, and as an agent of change for municipal renewal. 2020 also marked the beginning of a strategic review whereby the CTCC identified venue optimization goals for meetings and conventions that directly support economic impact for Calgary. The CTCC will strategically seek out events that align with municipal and provincial trade and investment sector priorities. Ultimately, this approach will strengthen our economy and spark national and global interest in Calgary’s future.

We thank the City Council and City Administration for their unwavering support of the CTCC during a difficult year. We will continue to serve as proactive ambassadors for the city, and we will strive to be the glue that binds us together. We are not alone in addressing these challenges, nor will we be alone in rising above them.

Wellington Holbrook
Chair, Board of Directors

Message from the President & CEO

The world changed in March 2020, in ways that many of us could not have imagined. In early 2020, the Calgary TELUS Convention Centre (CTCC) was on track for an impressive year, having successfully hosted 53 in-person events. When the World Health Organization declared a global pandemic, we recalibrated our efforts towards making improvements and developing new methods for hosting events.

Due to the mass deferral and rescheduling of most in-person events, the CTCC shifted focus to managing improvements to the Centre. Quality improvements included completing critical life-cycle maintenance, enhancing room settings, designing unique creative public spaces, and upgrading technology. These improvements will advance our service offering to clients as deferred and modified events come to fruition.

Despite the challenges of client deferrals, adapted events, and intermittent compulsory closures, I am proud of the efforts of CTCC staff in sustaining critical business, largely through a primary focus on maintaining unsurpassed health and safety standards. Several new procedures were reviewed, implemented, and improved throughout the year, including our Global Biorisk Advisory Council[®] (GBAC) STAR[™] accreditation.

To minimize ongoing risk to staff, guests, clients, and contractors, we have also created the COVID Ambassador Program. The focus of the program is to minimize the risk of viral transmission, and to continue improving and maintaining staff and customer confidence at the CTCC. Our stringent screening and safety protocols will be part of the client experience at the Centre for the foreseeable future.



“Despite the challenges of client deferrals, adapted events, and intermittent compulsory closures, I am proud of the efforts of CTCC staff in sustaining critical business, largely through a primary focus on maintaining unsurpassed health and safety standards.”



This focus on health and safety has allowed us to maintain our steadfast commitment to our community. The CTCC was honoured to host the Calgary Drop-In Centre at the Exhibition Hall from April until June 2020. Our team worked tirelessly to increase and maintain cleaning protocols, HVAC efficiencies, and safety standards. Staff were recalled, trained, and deployed to support the event while the venue was occupied 24 hours a day, 7 days a week.

It will take some time before we can return to the robustness of our pre-pandemic business, and a number of factors will contribute to the recovery of the industry. These include a critical mass of vaccinations, the opening of borders, and resumption of national and international air travel. In the interim, virtual and hybrid events have evolved to become a central component of the CTCC's service offering.

Throughout 2020, the CTCC demonstrated resilience and adaptability, allowing us to play a key role in serving the Calgary community in the midst of a crippling pandemic, and establishing the foundation for economic and social renewal post-pandemic. I look forward to working with our clients, community, and government partners to foster our collective success and potential.

Kurby Court

President & CEO

Board of Directors



Wellington Holbrook
Chair, Board of Directors



Tom Bornhorst
Past Chair, Board of Directors



Georgine Ulmer
*Chair, Governance and
Human Resources*



Leslie Weekes
Vice Chair, Board of Directors



Robert Palmer
Chair, Audit & Finance Committee

Board Notes

- One new board member was appointed.
- A new President & CEO was appointed.
- Reviewed and updated CTCC Policies & Procedures, including social media, whistleblower, and lobbyist policies.
- Strengthened our focus on forward-looking strategic planning, with a focus on CTCC's post-pandemic recovery.



Gillian Basford
Director



Katie Black
Director



Diane Colley-Urquhart
Director



Levonne Louie
Director



Mayor Naheed Neshi
Director



Greg Yont
Director

Agreements, Partners & Memberships

The CCCA maintains active operating agreements for:

- Maintenance, repair, and cleaning of the Glenbow Museum
- Maintenance and repair of retail spaces owned by the City of Calgary in the CTCC North Building
- Operation and maintenance of the shared loading dock in the CTCC North Building (with the City of Calgary and Balboa Land Investments)
- The Convention Centre Promotional and Business Rights Agreement (naming rights with TELUS)
- The exclusive Food and Beverage Agreement with Calgary Downtown Marriott Hotel

Partners

In-House Partners

The CCCA is thankful for its trusted relationships with these preferred suppliers, which supplement the products and services offered by the CTCC staff:

- Calgary Downtown Marriott Hotel
- FMAV
- Superior Show Services
- Décor & More

Outside Partners

The CCCA also partners with these local, national, and international organizations to leverage our reach, resources, and expertise:

- Arts Commons
- Calgary Airport Authority
- Calgary Arts Development
- Calgary Downtown Association
- Calgary Economic Development
- Calgary Hotel Association
- Calgary Stampede/BMO Centre
- Destination Canada/Business Events Canada
- Glenbow Museum
- Platform Calgary
- Tourism Calgary
- Travel Alberta

Memberships

As an active member of the convention and meeting industry, CTCC belongs to the following local, national, and international trade organizations:

- Alberta Hotel & Lodging Association
- American Society of Association Executives
- Building Owners & Managers Association
- Canadian Association of Exposition Management
- Calgary Chamber of Commerce
- Calgary Marketing Association
- Canadian Chamber of Commerce
- Canadian Society of Association Executives
- Convention Centres of Canada
- Institute of Corporate Directors
- International Association of Assembly Managers
- International Association of Business Communicators
- International Association of Convention Centres
- International Association of Venue Managers
- International Congress and Convention Association
- International Leadership Association
- International Live Events Association
- Meetings Mean Business Canada
- Meeting Professionals International
- Professional Convention Management Association
- Risk Management Society
- Tourism Industry Association of Alberta
- Tourism Industry Association of Canada

a place to
meet.

room for
everyone.

In 2020, CTCC hosted a 3-month emergency shelter for citizens experiencing homelessness in Calgary.

2020 Overview & Accomplishments

During an unconventional year, Calgary TELUS Convention Centre proactively adapted to shifting circumstances. After a strong start to the year, with over 50 in-person events, another dozen were hosted as virtual and multi-day hybrid meetings that met the high bar of COVID-19 safety protocols.



**the year our
venue went
virtual.**

To facilitate meetings and events during a pandemic year, CTCC began hosting virtual and hybrid events.

Our most substantial accomplishment in 2020 was hosting a 3-month emergency shelter for Calgarians experiencing homelessness. This was an opportunity to serve the community in a way that evolved our view of CTCC's powerful utility during a crisis. That experience laid a foundation for how we would later contribute to the community in 2021.

Delivering customized client experiences

- The COVID Ambassador Program was created to minimize risk to staff, guests, clients, and contractors. The program was implemented to minimize the risk of transmission, and to improve and maintain staff and customer confidence in the CTCC.
- A greater focus was placed on lifecycle replacement and repair of the critical infrastructure systems necessary to deliver top-tier client experiences. These included HVAC, electrical, water and sewer, life safety, elevators/escalators, and the exterior building envelope.
- Our skills matrix was re-evaluated and implemented to ensure that the appropriate staffing, competencies, and skills are in place to provide the best service to our clients and guests.
- We realigned departments and completed cross-training between staff, enhancing quality assurance standards and skill redundancies that support the COVID-19 environment.
- Event support equipment and finishings continued to be updated, providing upscale and modern amenities that meet client expectations.
- We successfully hosted several virtual site tours with local, national, and international clients.
- The CTCC successfully retained \$9.2m of revenue through rebookings, rescheduling and holding deposits for future events. Within 2020, the sales team successfully entered and executed 14 signed contracts for future business and issued 38 proposals for programs as far out as 2028.
- Rejuvenation projects were completed in MacLeod Hall, Exhibition Hall, TELUS rooms, and Glen Rooms, to enhance premium spaces for large and small events.
- Waste management strategies were continued, enhancing the overall client experience while improving CTCC waste diversion programs.

Communications

- *#WhenWeMeetAgain* campaign launched successfully, garnering more than 25K organic views and coverage in industry publications.
- Crisis Communications planning was conducted.
- Issues management framework was developed.
- Variant communications plans were developed to support a proactive response to potential challenges.

Developing strategic markets

- In a span of 3 months during the pandemic, the CTCC's international sales initiatives brought 9 conference leads to the Centre from the UK.
- The CTCC's sales team managed 198 prospecting activities through client engagement.
- A marketing strategy was developed, as part of our collaboration on sellable space with industry partners, including BMO Centre and Tourism Calgary.

Activating our neighbourhood

- CTCC became a participating member in the *9 Block Initiative* that focuses on improving the vibrancy and safety of one of Calgary's downtown hubs.
- Active stakeholder in *The Future of Stephen Avenue*.
- Member of the *Plus 15 Advisory Committee*, which provides strategic advice to City Administration and City Council on their decisions related to the Plus 15 network.
- CTCC hosted an emergency shelter for three months, for citizens experiencing homelessness in Calgary.

Financial Overview



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Independent Auditor's Report

To the Directors of
Calgary Convention Centre Authority

Opinion

We have audited the financial statements of Calgary Convention Centre Authority (the "Authority"), which comprise the statement of financial position as at December 31, 2020, 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, 2020, and the results of its operations, changes in its net financial 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
May 26, 2021

The Calgary Convention Centre Authority
Statement of financial position

As at December 31, 2020

		2020	2019
	Notes	\$	\$
Financial assets			
Cash and cash equivalents	3	388,146	2,144,864
Accounts receivable		2,651,620	2,381,690
Due from The City of Calgary – major replacement reserve	4	393,106	213,106
Investments	5	2,094,087	1,106,314
		5,526,959	5,845,974
Financial liabilities			
Bank indebtedness	7	1,583,198	2,396,061
Accounts payable and accrued liabilities	9, 13	4,145,702	4,073,510
Client deposits		2,297,186	2,305,462
Lease obligations	15	381,091	629,740
		8,407,177	9,404,773
Net financial liabilities		(2,880,218)	(3,558,799)
Non-financial assets			
Tangible capital assets	6	12,155,826	8,714,369
Prepaid expenses		96,099	231,989
		12,251,925	8,946,358
Accumulated surplus is represented by			
Major replacement reserve	4	393,106	213,106
Operating reserve		8,978,601	5,174,453
		9,371,707	5,387,559

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, 2020

		2020 Budget	2020 Actual	2019 Actual
		\$	\$	\$
	Notes	(Note 12)		
Revenue				
Operating	13	23,040,828	9,351,081	20,196,223
The City of Calgary – Operating		1,703,000	3,514,270	2,308,389
The City of Calgary – Capital	11	3,750,000	5,943,279	3,768,000
		28,493,828	18,808,630	26,272,612
Expenses				
Administrative and general		2,172,852	2,277,616	2,585,305
Amortization		1,680,000	2,319,792	1,539,231
Marketing		2,151,630	975,291	2,110,367
Operations and maintenance	13	19,881,379	9,431,783	19,951,054
		25,885,861	15,004,482	26,185,957
Operating surplus before the undernoted		2,607,967	3,804,148	86,655
Major replacement reserve	4,11	(180,000)	-	(13,077)
Gain on disposal of tangible capital assets		-	-	8,490
Operating surplus for the year		2,427,967	3,804,148	82,068
Operating reserve, beginning of year		5,174,453	5,174,453	5,092,385
Operating reserve, end of year		7,602,420	8,978,601	5,174,453

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, 2020

	2020 Budget	2020	2019
	\$	\$	\$
	(Note 12)		
Operating surplus for the year	2,427,967	3,804,148	82,068
Amortization	1,680,000	2,319,792	1,539,231
Proceeds from disposal of tangible capital assets	-	-	27,000
Gain from disposal of tangible capital assets	-	-	(8,490)
Change in prepaid expenses	-	135,890	245,424
Allocation to major replacement reserve	180,000	180,000	180,000
Usage of major replacement reserve	-	-	(166,923)
Lease of tangible capital assets	-	-	(454,085)
Purchases of tangible capital assets	(3,750,000)	(5,761,249)	(3,900,236)
Increase in net financial liabilities	537,967	678,581	(2,456,011)
Net financial liabilities, beginning of year	(3,558,799)	(3,558,799)	(1,102,788)
Net financial liabilities, end of year	(3,020,832)	(2,880,218)	(3,558,799)

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

The Calgary Convention Centre Authority
Statement of cash flows

Year ended December 31, 2020

	2020	2019
	\$	\$
Operating activities		
Operating surplus for the year	3,804,148	82,068
Items not affecting cash and equivalents		
Amortization	2,319,792	1,539,231
Gain on disposal of tangible capital assets	-	(8,490)
	6,123,940	1,612,809
Changes in non-cash working capital		
Accounts receivable	(269,930)	679,422
Accounts payable and accrued liabilities	(2,969,503)	599,948
Client deposits	(8,276)	371,992
Lease obligations	(248,649)	256,018
Prepaid expenses	135,890	245,424
Major replacement reserve	180,000	13,077
	2,943,472	3,778,690
Capital activities		
Purchases of tangible capital assets	(5,761,249)	(3,900,236)
Proceeds from disposal of tangible capital assets	-	27,000
	(5,761,249)	(3,873,236)
Investing activities		
Change in restricted cash	-	127,646
Net purchases of investments	(987,773)	(503,333)
Changes in non-cash working capital		
Due from The City of Calgary - major replacement reserve	(180,000)	(13,077)
Accounts payable and accrued liabilities	3,041,695	127,719
	1,873,922	(261,045)
Financing activities		
Change in bank indebtedness	(812,863)	845,890
	(812,863)	845,890
Net (decrease) increase in cash and cash equivalents	(1,756,718)	490,299
Cash and cash equivalents, beginning of year	2,144,864	1,654,565
Cash and cash equivalents, end of year	388,146	2,144,864
Represented by		
Cash	64,350	846,581
Cash equivalents	323,796	1,298,283
	388,146	2,144,864

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

The Calgary Convention Centre Authority

Notes to the financial statements

December 31, 2020

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 from original acquisition date.

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, 2020

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.

Management continues to assess the impact of the novel coronavirus ("COVID-19") and governments' response to it on the Authority. Portions of the financial results incorporate estimates from management that are subject to increased uncertainty due to the market disruptions caused by the COVID-19 pandemic. The amounts recorded in these financial statements are based on the latest reliable information available to management at the time the financial statements were prepared where that information reflects conditions as at the date of the financial statements. However, there is inherent uncertainty about these assumptions and estimates which could result in outcomes that require adjustments to the carrying amount of the affected assets or liabilities in the future.

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, 2022

PS 3280 Asset Retirement Obligations provides guidance on how to account for and report liabilities for retirement of tangible capital assets. This standard will be effective for the Authority on January 1, 2023.

Effective for fiscal years beginning on or after April 1, 2023

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. This standard will be effective for the Authority on January 1, 2024

The Calgary Convention Centre Authority Notes to the financial statements

December 31, 2020

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 1.49% (2019 - 2.17%) per annum. As at December 31, 2020, the Authority held \$323,796 (2019 - \$1,298,283) in short-term GICs and \$2,094,087 (2019 - \$1,106,314) in long-term GICs (Note 5).

4. Major replacement reserve

The Authority records an annual appropriation for facility refurbishment and major renovations. The appropriation for the year totaled \$180,000 (2019 - \$180,000).

	Notes	2020 \$	2019 \$
Balance, beginning of year		213,106	200,029
Increase in provision for the year		180,000	180,000
Major replacement expenditures	11	-	(166,923)
Balance, end of year		393,106	213,106

5. Investments

Investments consist of GICs with a maturity date not greater than five years from December 31, 2020 bearing interest from 0.20% to 1.85% (2019 - 0.70% to 1.70%) per annum. The fair value of the investments has been determined to be the principal plus interest earned to date.

	Cost \$	Accrued interest \$	2020 Fair value \$
Rate Riser Plus GIC 0044	655,787	2,729	658,516
Fixed Rate GIC 0041	640,000	7,253	647,253
Variable Rate GIC 0042	782,269	6,049	788,318
	2,078,056	16,031	2,094,087
			2019
	Cost \$	Accrued interest \$	Fair value \$
Rate Riser Plus GIC 0037	655,787	5,458	661,245
Rate Riser Plus GIC 0038	444,269	800	445,069
	1,100,056	6,258	1,106,314

The Calgary Convention Centre Authority
Notes to the financial statements

December 31, 2020

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, 2021 and is scheduled for renewal on January 22, 2024. The contract has a nominal fee, the cost of which has been recorded through operations and maintenance expense. Capital leases of \$243,724 (2019 - \$454,085) are included in other equipment. Renovations include \$2,249,223 (2019 - Nil) of assets under construction for which no amortization has been charged.

	2020 Opening Net Book Value	Additions	Disposal	Amortization	2020 Closing Net Book Value
	\$	\$	\$	\$	\$
Renovations	-	2,249,223	-	-	2,249,223
Building enhancements	3,513,086	2,538,127	-	1,068,234	4,982,978
Computer equipment	255,408	4,038	-	141,400	118,046
Other equipment	4,945,875	969,861	-	1,110,158	4,805,579
	8,714,369	5,761,249	-	2,319,792	12,155,826

	2019 Opening Net Book Value	Additions	Disposal	Amortization	2019 Closing Net Book Value
	\$	\$	\$	\$	\$
Renovations	-	-	-	-	-
Building enhancements	2,116,962	1,880,449	-	484,325	3,513,086
Computer equipment	228,448	163,611	-	136,651	255,408
Other equipment	3,572,378	2,310,261	18,509	918,255	4,945,875
	5,917,778	4,354,321	18,509	1,539,231	8,714,369

The Calgary Convention Centre Authority Notes to the financial statements

December 31, 2020

7. Bank Indebtedness

The Authority has an operating demand loan facility to a maximum of \$3,500,000 (2019 \$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, 2020, the balance of the facility was \$1,454,201 (2019 - \$1,239,240).

The total bank indebtedness at December 31, 2020 was \$1,583,198 (2019 - \$2,396,061).

8. 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, 2019 audited financial statements), in total, the LAPP had an actuarial surplus of \$7.913 billion (2018 - Surplus of \$3.469 billion).

The Authority is required to make current service contributions to the LAPP of 9.39% of pensionable payroll up to the yearly maximum pensionable earnings ("YMPE"), and 13.84% thereafter. Employees of the Authority are required to make current service contributions of 8.39% of pensionable salary up to the YMPE, and 12.84% 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 \$382,369 (2019 - \$540,282). Total current service contributions by the employees of the Authority to the LAPP for the year were \$345,415 (2019 - \$499,665).

9. Accounts payable and accrued liabilities

In 2019, the Authority concluded agreements with Meetings & Conventions Calgary (MC&IT), Conventions Centres of Canada, and Energy Cities Alliance (Note 13). These agreements had significant impact to the Authority's accounts payable and accrued liabilities in prior years. As at December 31, 2019, the accounts payable and accrued liabilities represent normal business operations of the Authority with trade vendors.

10. 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. The carrying values of these items approximate their fair values due to their short-term nature.

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 7).

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.

The Calgary Convention Centre Authority Notes to the financial statements

December 31, 2020

10. 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.

11. Major capital additions

During the year, the Authority incurred \$5,761,249 (2019 - \$4,354,322) in expenditures for major capital additions, which have been capitalized as building enhancements and equipment. Of this amount, \$0 (2019 - \$437,443) was funded by the Authority's operating reserve and \$0 (2019 - \$166,923) was funded by the Authority's major replacement reserve. \$5,943,279 (2019 - \$3,768,000) was applied for and funded through The City's Convention Centre Lifecycle Program for the capital additions made in 2020. This amount has been recognized in operating revenues in the statement of revenue, expense and operating reserve. \$243,274 (2019 - \$454,085) was funded by capital lease (see Note 15).

12. 2020 Budget

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

13. 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 \$1,558,982 (2019 - \$1,687,606) 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 (2019 - \$87,000) totaling \$1,645,982 (2019 - \$1,774,606) are included in operating revenue of the Authority. Capital projects supervised by the Authority totaled \$0 (2019 - \$99,272) 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 \$411,924 (2019 - \$493,318) incurred in provision of these services are included in the expenses of the Authority. Recovery of the expenses plus a management fee \$449,865 (2019 - \$534,609) are included in operating revenue of the Authority.

Meetings & Conventions Calgary

Through a marketing and funding agreement ("the Agreement") with the Calgary Hotel Association, the Authority provided management and operation of destination sales and marketing for Meetings, Conventions and Incentive Travel ("MC&IT"). Expenses of \$0 (2019 - \$2,055,598) incurred in provision of these services are included in the expenses of the Authority. Funding to cover these expenses \$0 (2019 - \$2,055,598) is reported net of expenses.

The Calgary Convention Centre Authority Notes to the financial statements

December 31, 2020

13. Calgary Convention Centre Authority responsibilities (continued)

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 \$0 (2019 - \$108,479) is included in the operating revenue of the Authority.

On July 31, 2019, the Agreement was terminated and funds of \$38,614 were paid by the Association to the Authority on September 27, 2019. As at December 31, 2020, an amount of \$0 (2019 - \$29,558) advanced by the Association is included in accounts payable and accrued liabilities.

14. Commitments

As of December 31, 2020, 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:

	\$
2021	352,577
2022	213,969
2023	76,884
2024	14,340
2025	7,170
	<hr/> 664,940 <hr/>

The Calgary Convention Centre Authority
Notes to the financial statements

December 31, 2020

15. Capital lease obligations

As of December 31, 2020 the Authority has the following capital lease obligations.

	2020	2019
	\$	\$
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	137,009	209,724
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	27,005	41,324
Obligation under capital lease for floor scrubber with interest at a rate of 6.990%, maturing on July 1, 2023	26,098	33,875
Obligation under capital lease for Cisco Network Switches with interest at a rate of 0%, maturing on December 31, 2021	109,269	218,538
Obligation under capital lease for Dell VxRail Server System with interest at a rate of 0%, maturing on October 31, 2022.	81,710	126,279
	381,091	629,740
Less current portion	255,341	265,219
	125,750	364,521

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

	\$
2021	265,219
2022	119,441
2023	9,086
2024	-
	393,746

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

The Calgary Convention Centre Authority Notes to the financial statements

December 31, 2020

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, 2020 the Authority has the following contractual rights.

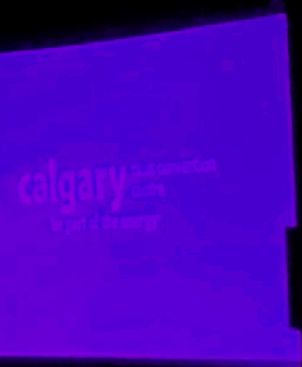
Estimated amounts that will be received or receivable for each of the next five years and thereafter are as follows:


	Lease of Space or Equipment	Licensing payments	Total
	\$	\$	\$
2021	20,000	173,774	193,774
2022	20,000	173,774	193,774
2023	20,000	101,194	121,194
2024	20,000	52,000	72,000
2025	20,000	50,000	70,000
Thereafter	8,333	700,000	708,333
	108,333	1,250,742	1,359,075

17. Subsequent events

Subsequent to year end, the Authority received COFLEX Program funding from The City of Calgary. On March 15, 2021, The Authority announced that the Centre will host the Alberta Health Services COVID-19 Immunization Centre.

minimizing risk for maximum safety





New safety initiatives like our GBAC Star accreditation were established to boost staff and customer confidence in CTCC as a safe place to be.



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