

CRCP SOCIETY 2017-2018 Board of Directors Agenda

DRAFT BOARD MEETING

Alberta Canada Century Field House (next to running track)

11:30 am – 1:30pm, Wednesday, Apr. 25, 2018

Legend: (D)– Discussion/ (I)– Information/ (M)– Motion/ (DA)– Document Attached/
(DAM)– Document At Meeting / DPM - Document Prior To Meeting

ITEM	LEAD	TIME	
LEGEND			
1. Call to Order	TT	-	-
2. Introduction of Guests Communication to the Board (if any)	TT	-	-
CONSENT AGENDA	TT	5m	
(Items only discussed if brought forward to noted section from the MAIN agenda.)			
a. Approval of Jan. 24 th , 2018 Minutes			DA-PM
b. Cash Position Summary			DA
c. Mawer & RBC DS - Interim 1 st Q. Summaries			DA
d. 4 th Q. 2017 Final Monitoring Report			DA
e. 2018 1 st Internal F/S			DA
3. Approval of Main Agenda	TT	1m	M
MAIN AGENDA			
4. Business Arising Previous Minutes	TT	-	-
5. Board Business			
5.1 In camera - ED bonus approval	TT	15m	DA (2d.)/M
5.2 Auditors' Report and Statements	DM/TT	15m	DA/M
5.3 2018 - 1 st Q. Internal F/S	JZ	5m	DA/M
5.4 City & YYC Agreements	TT/GS	25m	D'sA/M
5.5 Ambassador Program Update	JZ	5m	I
5.6 Nominations Cmmt.	DH/TT	5m	I
5.7 Other Business			
• Land update, if any	JZ	5m	I
•			
•			
6. Event Reminders/Updates	TT/JZ		
Aug. 29 th , 2018 Golf Tourney			
Nov. 21, 2018 - Rotary Challenger Parks Christmas Social (Calgary Golf and Country Club)			
June 24 & 25, 2018 - Casino – Elbow River Casino			
June 23, 2018 - Family Day			
May 16, 2018 - AGM			
7. Next Meeting – May 16, 2018 (10:30 am) (prior to the AGM)	TT	1m	I

SEE REVERSE

Note: List of non-reoccurring motions, if any, known at the time the agenda are on the reverse along with outstanding matters to be addressed in the future:

CRCP SOCIETY 2017-2018 Board of Directors Agenda

DRAFT BOARD MEETING

Alberta Canada Century Field House (next to running track)

11:30 am – 1:30pm, Wednesday, Apr. 25, 2018

NO-REOCCURRING MOTION (S)

Agenda Item	Motion (s)
5.1	Moved by _____ and seconded by _____ that the ED bonus for 2017 be _____%.
5.2	Moved by Doug M. and seconded by Kwabena O-K that the Auditor's Report and Statements for 2017 be approved as circulated, and be presented as information to the AGM.
5.3	Moved by _____ and seconded by _____ that the 2018 1 st Q. Internal F/S be approved as circulated.
5.4	DRAFT MOTIONS –
	a. Moved by _____ and seconded by _____, that the new City Funding Agreement be approved as circulated (if amended, note amendments).
	b. Moved by _____ and seconded by _____ that the Consent for Assignment of the current Park Land, between the Calgary Airport Authority, the City and CRCPS be approved as circulated (if amended, note amendments).
	c. Moved by _____ and seconded by _____, that the Assignment and Assumption of Occupant Agreement between the City and CRCRS be approved as circulated (if amended, note amendments)

MATTERS IDENTIFIED, UNDER REVIEW AND/OR BEING CONSIDERED

ITEM	WHO (INDIVIDUAL/ COMMITTEE) IS RESPONSIBLE:	ANTICIPATE COMING TO BOARD – WHEN/AS

Note: List of non-reoccurring motions, if any, known at the time the agenda are on the reverse along with outstanding matters to be addressed in the future:

MINUTES OF THE 2017-2018 BOARD OF DIRECTORS SPECIAL MEETING

Calgary Rotary Challenger Park Society
Jan. 24th, 2018

Present: Trevor T., Earl H., Dave H., Jim Z., Norm D., Doug M., Toby O-F., Leslie W., Brian K and Greg S. / Sheila M. / Brian G. / Kwabena O-K., (via teleconference)

Regrets: Matt N-B

Absent:

Guests:

1.0 **Call to Order – Leslie W.** called the meeting to order at 11:35 am.

2.0 **Introduction of Guests / Communication to Board (if any)**

Consent Agenda – Handouts: Nov. 15, 2017 Minutes, Cash Position Summary, Mawer Interim 4th Q. Report, 4th Q. Monitoring Report - DRAFT

MOTION: Moved by Toby O.F and **seconded** by David H. that the consent agenda be accepted as circulated. **MOTION CARRIED**

3.0 **Approval of Main Agenda**

MOTION: Moved by Earl H. and **seconded** by Norm D. that the agenda be accepted as circulated. **MOTION CARRIED**

4.0 **Business Arising From Previous Minutes (fi not already on the agenda) & Consent Agenda**

4.1 Nothing came forward, other than what was on the Agenda.

5.0 **Board Business**

5.1 **YE Internal F/S to Dec. 31, 2017 – JZ** (Handout – YTD F/S to Dec. 31, 2017)

MOTION: Moved by Kwabena O.K and **seconded** by Earl H. that the Internal Financial Statements to Dec. 31, 2017 be accepted as circulated.

MOTION CARRIED

Jim reviewed and answered any questions that arose prior to the vote on the motion.

(Trevor arrived and Leslie turned the meeting over to Trevor to Chair.)

5.2 **Phase 4 – Funding Windup / Update – TT/JZ** (Handout – Funding & Pledge Summary)

MOTION: Moved by Doug M. and **seconded** by Toby O.F that the Park retain the RBC investment account and position this to be our Capital Project Fund. It is noted that the Burns contribution and any other money's being retained from the Phase 4 project, remain/be transferred to this account. (**NOTE:** Money's from this account can only be spent, with the approval of the Board, ideally addressed annually, in the budgeting process).

Note amendments.

MOTION CARRIED

Jim reviewed the handout and answered any questions prior to the vote on the motion.

Update: Jim noted that the land opportunity is currently being advertised with a realtor and Calgary Minor Soccer Association (CMSA) continues to be interested in a possible development on this land. CMSA is currently in dialogue with the Airport Authority, on securing approval for their type of use (could be confirmed by the end of February).

MINUTES OF THE 2017-2018 BOARD OF DIRECTORS SPECIAL MEETING

**Calgary Rotary Challenger Park Society
Jan. 24th, 2018**

If CSMA is successful in getting approval of their use, they may submit an Offer to us, shortly thereafter. If this occurs, any Offer will be first reviewed by the Executive Committee prior to coming to the Board for any approval.

5.3 2018 KPI Draft – Jim Z. (Handout – Final Draft of 2018 KPI's)

Jim spoke briefly to the proposed KPIs and answered any questions prior to leaving the room for the Board's in camera session.

In Camera (12:20pm)

MOTION: Moved by _____ and **seconded** by _____ that the KPI's for 2018 be approved as circulated (or amended)

(Trevor to send Jim email confirming discussions)

12:45 pm Jim returned to the meeting.

(Trevor had to leave the meeting at this time and turned the Chair over to Leslie.)

5.4 Ambassador Program Policy – TT/DM (Handout – Ambassadors For CRCP)

MOTION: Moved by David H. and **seconded** by Sheila M. that the Ambassador Policy, as circulated, continue as is and invitations be issued to the Chief Staff Officer of the Calgary Airport Authority and Parks Foundation Calgary to join our Ambassador team.

MOTION CARRIED

Prior to the vote, Dave gave an updated to the Board on what has happened since the last meeting.

5.5 City M & O Agreement Process Update – Greg S. /Jim Z.

Greg S. gave a quick overview of what is occurring. The City and the Airport continue to work on the land assignment portion (he also confirmed that an Environmental Assessment -Level 1, would be carried out if all proceeds forward). Jim Z. confirmed the Society would be covering up to ½ of the cost of this Assessment. Maximum \$5,000.

Jim also confirmed that our legal counsel has reviewed (and provided any input into) the DRAFT Funding Agreement that is now back, in the City's hands, to review. If matters continue to proceed, the DRAFT will first go to our Executive Committee to review and then on to the Board for review and final approval.

(Greg S. had to leave the meeting at this time.)

5.6 Nominations Committee – DH

David reviewed the status of the committee's recommendations and put forward the following motions.

MINUTES OF THE 2017-2018 BOARD OF DIRECTORS SPECIAL MEETING

Calgary Rotary Challenger Park Society
Jan. 24th, 2018

a. **MOTION:** Moved by David H. and seconded by Sheila M., that the Nomination's Committee, after polling our current Board, makes the following recommendations, in accordance to Article 6.08 "Term of Office" in our By-Laws:

- that Brian G., Matt N-B and Earl H. be granted a one (1), two (2) and three (3) year extensions respectively, beginning after the May 2019 AGM for Brian and Matt and 2020 AGM, for Earl; and
- that Toby O.F. be granted a one (1) additional consecutive three (3) year term beginning after the May 2020 AGM

MOTION CARRIED

b. **MOTION:** Moved by David H. seconded by Sheila M. that the Nomination's Committee, after polling our current Board, makes the following recommendations:

- that Toby O.F. shall assume the Vice-Chair's position effective after the May 2018 AGM; and
- that Toby O.F. shall assume the Board Chair position after the May 2019 AGM, for a 3 year period or longer.

MOTION CARRIED

David also noted that Matt is prepared to stay on as our Secretary-Treasurer until he completes his revised term, and that we will be looking for someone to step into the Vice Chair's role in May 2019.

5.7 Other Business – JZ

- Jim noted that the Rotary 5360 district office will be moving to the Park starting June 15 and that the All Presidents monthly meeting may also be moving to the Park in a few months.

6.0 EVENT REMINDERS:

Next Casino is June 24 & 25, 2018 (Elbow River)
Family Day – June 23, 2018
Our Golf Tournament – August 29, 2018
REVISED AGM date of May 16, 2018
Christmas Social – November 21, 2018

7.0 Adjournment Moved by Doug M. at 1:05 pm

NEXT REGULARLY SCHEDULED MEETING:
April 25th, 2018 (11:30 am here at the Park)

Trevor T. Meeting Chair

Recording Secretary

CASH POSITION SUMMARY

AGENDA ITEM: 2.b.

As Of April 18, 2018 (unless otherwise stated)

\$

a. Bank Accounts

General Acct. (net of o/s cheques)	37,722
Everyone Can Play Fund	96,826
Segregated	31,052
Casino (net of o/s cheques)	74.70
1 - Segregated – Phase 4	Closed

b. Reserves & Investments (GIC does not reflect any interest accrued)

3 - Life Cycle Reserve – LCR (Mawer) - Apr.17	552,472
Operating Reserve – OR (Mawer) – Apr.17	384,838
2 – Capital Project Fund – CPF (RBC DS) – Apr.17	695,097
OPS GIC	270,000

-
- 1 – Account Closed
 - 2 – Established Acct. November 2015 initially for receipt of donated securities and major pledges re: Ph. 4 (Deposited 1st \$500,000 Anonymous Donor installment). At the beginning of 2018 any other funds that had been received for Ph. 4, where the funder lifted the Ph. 4 restriction, was then deposited into this acct.. This account was renamed the Capital Projects Fund.
 - 3 – Withdrew \$175,000 in 2017 for Life Cycle Work to match WED grant.

Note:

- A. L.C.R. - Principle invested was: \$516,569.47 (Fund Established: Mar. 2012); & O.R. – Principle invested was: \$296,030.13 (Fund Established: Oct. 2013) C.P.F. – \$500,000 principle invested in Nov. 2015 / \$141,015 principle invested in January 2018

- B. Reserve Contributions Approved (2018)
Life Cycle – 70,000 Operating Reserve – 5,000

C. Capital Spending (2018)

Remaining Surplus Allocated For:

Minor Capital Improvements \$15,000

YE Working Capital Project -> TBA

Account Summary

AGENDA ITEM: 2.c.

Aaron Potvin
Institutional Portfolio Manager

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Dylan Anderson
Associate

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REPORT



Composite/Portfolio	Market Value
Calgary Rotary Challenger Park Society	
Calgary Rotary Challenger Park Society Life Cycle Fund	\$555,261.94
Calgary Rotary Challenger Park Society Operations Reserve Fund	\$386,854.93
Account Total	\$942,116.87



Summary

02 Apr 2018

Balances as of 29 Mar 2018

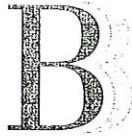
My DS Accounts		Short	Cash	Investments	Total
70186085 - Investment Account	CAD	0.00	5,295.58	683,985.19	689,280.77

Combined Total in CAD: 689,280.77

Exchange Rate: 1 USD = 1.2879 CAD

Combined Total in USD: 535,197.43

Key Performance Indicator (KPI) Quarter 4 - To Dec. 31, 2017		FINAL			Fiscal 2017
FISCAL YEAR (Jan. - Dec.)	RED ALERT	YELLOW CAUTION	BLUE ACHIEVED Target	GREEN EXCEEDED Stretch	
Sustainability Surplus (Budget: \$54,139 / Last Yr. Actual - \$136,873 - w/casino)	Below Budget	Within Budget	3% -5% Budget	5%+	\$82,473
Sustainability Return On Revenue (Target: 8% / Last Yr. Actual - 17.0%)	Less than 5%	5% - 7%	8%	9% - 10%	9.80%
Sustainability Capital Spending (Target: 30,318 Budget)	More than 10% Over Budget	Over Budget (1%-10%)	On Budget	Less than Budget	\$29,536
Facility Utilization # of Visits To Park Annually (Target: 81,000-84,000 / Last Yr. Actual -95,680)	Less than 60,000	60,000 - 64,999	81,000 -84,000	84,001 - 88,000+	106,422
Facility Utilization User Satisfaction - very good - excellent. Q. #6 on online survey. (Target: 90% - 94%)	Less than 85%	85% -89%	90% - 94%	95% - 97+%	95%
Facility Utilization % - ongoing groups from community of persons with disabilities (Target: 26% for thr year)	Less than 20%	20% -25%	26%	27% - 31+%	34%
Community Involvement New Partnerships/Users for the year. (Target: 10-13 for the year)	Less than 7	7 -9	10 - 13	14 - 19	19
Community Involvement Host outside organization events for the year. (Target: 10-13 for the year)	Less than 7	7 - 9	10 - 13	14 - 19	16
Community Involvement Support organizations through the ECPF or otherwise, for the year. (Target: 15 - 20 for year)	Less than 5	6 - 8	15- 20	21+	15
Community Involvement Retention of existing partnerships. (Target: 90%)	Less Than 75% Retained	75%-89% Retained	90% - 94% Retained	95% - 97% Retained	✓
Phase 4 Funding secured for design/level Planning		No ✓		Yes	
Phase 4 On budget (costs)		No		Yes ✓	
Phase 4 RES Offer Accepted		In Process		Accepted ✓	
Compliance Report:			100.00%		
<ul style="list-style-type: none"> - CRA and vendor accounts are up to date. - BRD. received draft of YE monitoring report with Jan. 24th, 2018 Board mtg. material - We are compliant with our City Agreement & the Societies Act (to the best of my knowledge.) - BRD. received draft internal financial statements to YE, with Jan. 2th, 2018 Board mtg. material - All donations, eligible for a tax receipt have been issued, YE report sent to Treasurer/Board Chair - Insurance program reviewed, and in place for 2018. - T4 Slips done and distributed by Ceridian (our payroll service) - Management Manual (including HR policies) have been reviewed 					
Comments: (if any)	<p>Sustainability:</p> <ul style="list-style-type: none"> - Actual numbers being reported is for operations only. (does not include capital, reserves or GST) - Securing full WED grant, CFEP grant, and supplier donations, significantly (40%), increased our surplus, because some maintenance costs were then covered (this really was a one-time opportunity). - Completed \$1M of improvements/enhancements to the Park, at a cost to the Park of less than \$250,000. <p>Facility Utilization:</p> <ul style="list-style-type: none"> - We continue to attract larger events but the unusually good weather greatly impacted our positive numbers. <p>Community Involvement:</p> <ul style="list-style-type: none"> - No comments at this time. <p>Phase 4:</p> <ul style="list-style-type: none"> - Nov. 22, 2017, Board meeting, the decision was to discontinue with our Centre project. - New group (Calgary Minor Soccer Association), as well as a private group exploring land opportunity. - Most funders to the project opted to leave their contributions with the Park, which in essence from a cash perspective offsets 100% of the Park's investment in the project. This is cash we would not have received. (this demonstrates the very positive relationship we have with our core funders and supporters) <p>Compliance Report:</p> <ul style="list-style-type: none"> - All matters relating to this time of year have been met. 				



BUCHANAN BARRY LLP
CHARTERED ACCOUNTANTS

April 7, 2018

The Board of Directors
Calgary Rotary Challenger Park Society
3688 48 Ave NE
Calgary Alberta T3J 5C8

Dear Board Members:

We have substantially completed our audit of the financial statements of Calgary Rotary Challenger Park Society (the "Society") for the year ended December 31, 2017 and are pleased to report the following items to the board of directors.

This letter is presented in order to assist members of the board of directors with approval of the financial statements of the Society. This letter summarizes our significant findings arising from the audit and other matters which we feel should be brought to your attention. Accordingly, this letter is a by-product of the audit and is therefore a derivative communication. The audit would not necessarily identify all matters that may be of interest to the board of directors in fulfilling its responsibilities. This communication has been prepared solely for the use of the board of directors to assist it in discharging its responsibilities with respect to the financial statements and is not intended for any other purpose. We disclaim any obligation to any third party who may rely upon this communication.

Audit Scope and Responsibility of Buchanan Barry LLP

We have audited the statement of financial position of the Society as at December 31, 2017 and the statements of operations and changes in fund balances and cash flows for the year then ended. Our responsibility is to form and express an opinion on the financial statements which have been prepared by management with the oversight of those charged with governance. The audit of the financial statements does not relieve management or those charged with governance of their responsibilities.

Our audit of the financial statements was performed in accordance with Canadian generally accepted auditing standards (GAAS), and was performed to obtain reasonable, rather than absolute, assurance whether the financial statements are free of material misstatement.

Our audit included assessing the risk that the financial statements may contain misstatements that, individually or in the aggregate, are material to the financial statements taken as a whole. We examined, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and their application, and assessing the significant estimates made by management. Due to the inherent limitations of an audit, there is unavoidable risk that some misstatements of the financial statements will not be detected, particularly intentional misstatements which have been concealed through collusion, even though the audit is properly planned and performed.

We obtained a sufficient understanding of the business and the internal control structure of the Society to plan the audit. This includes an understanding of management's assessment of the risk that the financial statements may be materially misstated as a result of fraud and error; and the internal controls put in place by management to address such risks. However, the scope of our review of internal controls is insufficient to express an opinion as to the effectiveness of internal control over financial reporting.

Subject to completion of discussions with the board of directors, and the approval of the financial statements by the board of directors, we anticipate being in a position to sign the Independent Auditors' Report.

Our audit report will be issued without reservation and will indicate that the financial statements present fairly, in all material respects, the financial position, results of operations and cash flows of the Society in accordance with Canadian accounting standards for not-for-profit organizations.

We confirm that we are not presently aware of any relationship or non-audit services that would impair our independence for purposes of expressing an opinion on the financial statements.

Management's Responsibility

Management is responsible for the preparation of the financial statements and for establishing and maintaining an adequate internal control structure and procedures for financial reporting. This includes the design and maintenance of accounting records, recording transactions, selecting and applying accounting policies, safeguarding assets and preventing and detecting error and fraud.

Matters to be Reported

The Canadian Institute of Chartered Professional Accountants has specified matters which should be brought to the attention of the board of directors. The following summarizes matters arising from our audit findings in addition to those already communicated in our letter dated March 22, 2018.

Changes to the Audit Plan

There were no changes to the audit plan as previously presented to you in our letter dated March 22, 2018.

Audit Adjustments and Uncorrected Misstatements

There are no material transactions that have not been properly reflected in the financial statements. All audit adjustments for financial statement misstatements identified and discussed with management in the course of the audit have been recorded *per the attached schedule of adjusting journal entries*.

Management Representations

We have appended a draft copy of the management representation letter which contains the written representations we are requesting from management. The management representation letter is to be signed and dated by management on the same day as we issue our audit report.

Evaluation of Internal Controls

During the course of our audit, we are pleased to report no internal control deficiencies were noted.

Since an audit is not designed to detect all weaknesses in internal controls, there may be other weaknesses which our procedures have not identified.

Significant Accounting Principles and Policies

Management is responsible for the appropriate selection and application of accounting policies. Our role is to review the appropriateness and application as part of our audit. The accounting policies used by the Society are described in Note 1, Summary of Significant Accounting Policies, in the financial statements.

Within the context of the audit, management has represented to us that there have not been any material changes in the accounting principles and policies during the year.

Accounting Estimates

Management is responsible for the accounting estimates included in financial statements. Estimates and the related judgments and assumptions are based on management's knowledge of the business and past experience about current and future events.

Our responsibility as auditors is to obtain sufficient appropriate evidence to provide reasonable assurance that management's accounting estimates are reasonable within the context of the financial statements as a whole. An audit includes performing appropriate procedures to verify the:

- Calculation of accounting estimates;
- Analysis of key factors, such as underlying management assumptions;
- Materiality of estimates individually and in aggregate in relation to the financial statements as a whole;
- Sensitivity of estimates to variation and deviation from historical patterns;
- Consistency of estimates with the Society's business plans; and
- Other audit evidence.

Certain accounting estimates are particularly sensitive because they involve a significant degree of judgment and could have a range of possible outcomes. The most sensitive accounting estimates are as follows:

- The estimation of the net recoverable value of capital assets and accounts receivable are based on management's estimate and as such the actual results may differ from the estimate;
- The likelihood of future benefit arising from the intangible development costs capitalized under the Park Construction Fund is based on management's estimate and as such the actual results may differ, resulting in these costs being expensed within the statement of operations in the future; and
- The amounts recorded for amortization are based on management's estimate of the useful lives of the capital assets and as such the actual results may differ from the estimate.

Related Party Transactions

During our audit, we conduct various tests and procedures to identify transactions considered to involve related parties. Related parties exist when one party has the ability to exercise, directly or indirectly, control, joint control or significant influence over the other. Two or more parties are related when they are subject to common control, joint control or common significant influence. Related parties also include management, directors and their immediate family members and companies with which these individuals have an economic interest.

During the course of our audit we did not note any related party transactions.

Management has advised that no other related party transactions have occurred that have not been disclosed to us. The board members are required to advise us if they are aware of or suspect any other related party transactions have occurred which have not been disclosed in the financial statements.

Significant Unusual Transactions

We are not aware of any significant or unusual transactions entered into by the Society about which you should be informed.

Issues Discussed

The auditor generally discusses among other matters, the application of accounting principles and auditing standards, and fees, etc. with management during the initial or recurring appointment of the auditor during the normal course of business.

There were no major issues discussed during our audit with regards to our retention that were not in the normal course of business.

Disagreements with Management

We are required to communicate any disagreements with management, whether or not resolved, about matters that are individually or in aggregate significant to the Society's financial statements or auditors' report. Disagreements may arise over:

- Selection or application of accounting principles;
- Assumptions and related judgments for accounting estimates;
- Financial statement disclosures;
- Scope of the audit; or
- Wording of the auditors' report.

We are pleased to inform you that we had no disagreements with management during the course of our audit.

Difficulties Encountered During the Audit

We encountered no significant difficulties during our audit that should be brought to the attention of the board of directors.

Page 6...
April 07, 2018
Calgary Rotary Challenger Park Society

We wish to express our appreciation for the co-operation we received during the audit from the Society's management. We shall be pleased to discuss with you further any matters mentioned in this communication at your convenience.

Yours very truly,

BUCHANAN BARRY LLP

A handwritten signature in black ink, appearing to read "W. Martin Barry". The signature is fluid and cursive, with a long horizontal stroke at the end.

W. Martin Barry, C.A.
Partner

DRAFT

AGENDA ITEM: 5.2.

**CALGARY ROTARY CHALLENGER PARK
SOCIETY**

Financial Statements

DECEMBER 31, 2017

PDF-XChange SDK (Demo version)

DRAFT

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DRAFT

INDEPENDENT AUDITORS' REPORT

To the Members of
Calgary Rotary Challenger Park Society

We have audited the accompanying financial statements of Calgary Rotary Challenger Park Society (the "Society") which comprise the statement of financial position as at December 31, 2017, and the statements of operations and changes in fund balances and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Society as at December 31, 2017 and the results of its operations, changes in fund balances and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Calgary, Alberta
April XX, 2018

CHARTERED ACCOUNTANTS

DRAFT

CALGARY ROTARY CHALLENGER PARK SOCIETY

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2017

	ASSETS				
	2017			2016	
	General Fund	Park Construction Fund	Capital Fund	Total	Total
Current Assets					
Cash	\$ 189,787	\$ 151,633	\$ -	\$ 341,420	\$ 428,304
Accounts receivable	41,748	-	-	41,748	1,650
Goods and services tax receivable	12,693	-	-	12,693	-
Prepaid expenses	22,488	-	-	22,488	1,750
	266,716	151,633	-	418,349	431,704
Marketable Securities					
	385,448	546,434	549,627	1,481,509	1,532,393
Capital Assets (Note 3)	6,973	-	6,543,386	6,550,359	6,259,320
Park Construction (Note 4)	-	178,818	-	178,818	174,850
	\$ 659,137	\$ 876,885	\$ 7,093,013	\$ 8,629,035	\$ 8,398,267
LIABILITIES					
Current Liabilities					
Accounts payable and accrued liabilities	\$ 133,721	\$ 2,000	\$ 1,233	\$ 136,954	\$ 52,070
Goods and services tax payable	-	-	-	-	6,245
Deferred revenue (Note 5)	1,255	-	-	1,255	9,700
Deferred contributions (Note 6)	96,805	-	-	96,805	106,987
	231,781	2,000	1,233	235,014	175,002
Tenant Deposits	31,045	-	-	31,045	43,045
	262,826	2,000	1,233	266,059	218,047
FUND BALANCES					
Park construction operating	-	176,924	-	176,924	176,767
Park construction reserve (Note 7)	-	697,961	-	697,961	660,262
Invested in capital assets	6,973	-	6,543,386	6,550,359	6,259,320
Externally restricted (Note 7)	-	-	548,394	548,394	653,934
Internally restricted (Note 7)	385,448	-	-	385,448	357,984
Unrestricted	3,890	-	-	3,890	71,953
	396,311	874,885	7,091,780	8,362,976	8,180,220
	\$ 659,137	\$ 876,885	\$ 7,093,013	\$ 8,629,035	\$ 8,398,267

APPROVED ON BEHALF OF THE BOARD

Director

Director

CALGARY ROTARY CHALLENGER PARK SOCIETY
 STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES
 YEAR ENDED DECEMBER 31, 2017

	General Fund		Park Construction Fund		Capital Fund		2017
	2017	2016	2017	2016	2017	2016	
Revenues							
Casino	\$ 29	\$ 68,721	\$ -	\$ -	\$ -	\$ -	\$ 29
Contributions	45,399	21,591	10,713	44,693	-	-	56,112
Facility rental	386,371	408,974	-	-	-	-	386,371
Grants	313,742	330,536	587,077	-	-	-	900,819
Programming	17,895	12,370	-	-	-	-	17,895
Special event	79,373	84,504	-	-	-	-	79,373
	<u>842,809</u>	<u>926,696</u>	<u>597,790</u>	<u>44,693</u>	<u>-</u>	<u>-</u>	<u>1,440,595</u>
Expenses							
Amortization	1,743	2,181	-	-	370,785	379,898	372,529
Marketing and public relations	40,479	27,912	278	69,309	-	-	40,757
Operations and administration (Note 8)	694,126	715,741	10,627	4,800	4,116	5,440	708,869
Special event	27,178	27,929	-	-	-	-	27,178
	<u>763,526</u>	<u>773,763</u>	<u>10,905</u>	<u>74,109</u>	<u>374,901</u>	<u>385,338</u>	<u>1,149,332</u>
Excess (deficiency) of revenues over expenses from operations	<u>79,283</u>	<u>152,933</u>	<u>586,885</u>	<u>(29,416)</u>	<u>(374,901)</u>	<u>(385,338)</u>	<u>291,267</u>
Other income (loss)							
Write-off park construction fund assets (Note 4)	-	-	(174,850)	-	-	-	(174,850)
Non-claimable GST ITC's	(32,573)	(13,706)	-	-	-	-	(32,573)
Change in fair value of investments	12,361	193	16,108	9,229	33,703	(6,035)	62,172
Interest income	1,447	1,514	-	-	-	-	1,447
Investment income	10,103	9,141	14,590	20,482	10,600	13,819	35,292
	<u>(8,662)</u>	<u>(2,858)</u>	<u>(144,152)</u>	<u>29,711</u>	<u>44,303</u>	<u>7,784</u>	<u>(108,511)</u>
Excess (deficiency) of revenues over expenses	<u>70,621</u>	<u>150,075</u>	<u>442,733</u>	<u>295</u>	<u>(330,598)</u>	<u>(377,554)</u>	<u>182,756</u>
Fund Balances - Beginning of Year	<u>438,653</u>	<u>379,035</u>	<u>837,029</u>	<u>766,716</u>	<u>6,904,538</u>	<u>7,261,653</u>	<u>8,180,220</u>
Interfund transfers (Note 10)	<u>(112,963)</u>	<u>(90,457)</u>	<u>258,690</u>	<u>70,018</u>	<u>(145,727)</u>	<u>20,439</u>	<u>-</u>
Transfer of capital assets	<u>-</u>	<u>-</u>	<u>(663,567)</u>	<u>-</u>	<u>663,567</u>	<u>-</u>	<u>-</u>
Fund Balances - End of Year	<u>\$ 396,311</u>	<u>\$ 438,653</u>	<u>\$ 874,885</u>	<u>\$ 837,029</u>	<u>\$ 7,091,780</u>	<u>\$ 6,904,538</u>	<u>\$ 8,362,976</u>

DRAFT

CALGARY ROTARY CHALLENGER PARK SOCIETY

STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2017

	<u>2017</u>	<u>2016</u>
Operating activities		
Excess (deficiency) of revenues over expenses of the:		
General Fund	\$ 70,621	\$ 150,075
Park Construction Fund	442,733	295
Capital Fund	<u>(330,598)</u>	<u>(377,554)</u>
	182,756	(227,184)
Items not affecting cash:		
Amortization	372,528	382,079
Write-off park construction fund assets (Note 4)	174,850	-
Investment income reinvested	(31,987)	(36,643)
Change in fair value of investments	(62,172)	(3,387)
Recognition of deferred contributions (Note 6)	<u>(15,395)</u>	<u>(12,396)</u>
	620,580	102,469
Change in non-cash working capital:		
Accounts receivable	(40,098)	(388)
Prepaid expenses	(20,738)	3,250
Accounts payable and accrued liabilities	84,884	(2,260)
Goods and services tax payable	(18,938)	2,306
Deferred revenue	(8,445)	(25,744)
Tenant deposits	<u>(12,000)</u>	<u>(3,000)</u>
	<u>605,245</u>	<u>76,633</u>
Investing activity		
Park construction additions	(178,818)	-
Capital asset additions	<u>(663,567)</u>	<u>-</u>
	<u>(842,385)</u>	<u>-</u>
Financing activities		
Deferred contributions received (Note 6)	5,213	10,463
Proceeds from disposal of marketable securities (Note 10)	175,043	-
Purchase of marketable securities	<u>(30,000)</u>	<u>(20,000)</u>
	<u>150,256</u>	<u>(9,537)</u>
Increase (decrease) in cash	(86,884)	67,096
Cash, beginning of year	<u>428,304</u>	<u>361,208</u>
Cash, end of year	<u>\$ 341,420</u>	<u>\$ 428,304</u>

CALGARY ROTARY CHALLENGER PARK SOCIETY

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017

1. Significant accounting policies

The financial statements of Calgary Rotary Challenger Park Society (the "Society") have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO"). The financial statements have, in management's opinion, been properly prepared using careful judgment with reasonable limits of materiality and within the framework of the significant policies summarized below.

Fund accounting

The General Fund accounts for the Society's operating and services revenues and expenses, as well as administrative and fundraising activities. The fund also reports the assets and liabilities of the general operations.

The Park Construction Fund is a restricted fund that reports the assets, liabilities, revenues and expenses related to the Park's construction activities.

The Capital Fund is a restricted fund that reports the assets, liabilities, revenues and expenses related to the Park's capital assets.

Revenue recognition

The Society follows the restricted fund method of accounting for contributions.

Unrestricted contributions are recognized as revenue of the General Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Restricted contributions related to Park construction are recorded as revenue in the Park Construction Fund when received or receivable. Restricted contributions related to the acquisition of capital assets are recognized as revenue in the Capital Fund when received or receivable. Other restricted contributions are recognized as revenue of the General Fund using the deferral method, whereby contributions are recognized as revenue in the year in which the related expenses are incurred.

Facility rental revenue is recognized on an accrual basis as it is earned. Deferred revenues represent amounts received in advance for rents related to subsequent periods.

Financial instruments

Measurement

The Society initially measures its financial assets and liabilities at fair value, except for certain related party transactions which are measured at the carrying amount or exchange amount. The Society subsequently measures all financial assets and financial liabilities at amortized cost, except equity instruments quoted in an active market, which are reported at fair value with any unrealized gains and losses reported in the statement of operations.

Financial assets subsequently measured at amortized cost include cash and accounts receivable.

Financial assets subsequently measured at fair value include marketable securities.

Financial liabilities subsequently measured at amortized cost include accounts payable and accrued liabilities and tenant deposits.

Continues...

CALGARY ROTARY CHALLENGER PARK SOCIETY

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017

1. Significant accounting policies (continued)

Financial instruments (continued)

Impairment

Financial assets subsequently measured at amortized cost are tested for impairment when there are indications that an impairment exists. The amount of write-down is recognized as an impairment loss in the statement of operations. A previously recognized impairment loss may be reversed to the extent of an improvement, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in the statement of operations in the period the reversal occurs.

Transactions costs

The Society recognizes transaction costs on financial instruments subsequently measured at fair value in the statement of operations in the period incurred. Financial instruments subsequently measured at amortized cost are adjusted for financing fees and transaction costs which are directly attributable to the origination and acquisition of the financial instrument.

Cash, cash equivalents and marketable securities

Cash consists of cash on hand and bank deposits. Highly liquid investments with maturities of three months or less at date of purchase are considered to be cash equivalents.

Pledges receivable

Pledges receivable are recorded in the financial statements when the following criteria are met:

- (a) The Society receives a signed letter from the donor stating the pledged amount with no outstanding conditions; and
- (b) the fair value of the pledge can be reasonably estimated.

In 2017 the Society received pledges for its proposed Phase 4 development. The certainty of the development coming to fruition was dependent on the success of the Phase 4 capital campaign. The Society itself continued to attempt to raise capital during this term but was not successful. In November the Board discontinued its work on the Centre For All Abilities project (Note 4). Most financial ramifications of this decision are recorded in the 2017 financial statements. It is worth noting that the Society, after 2017 year end, received the approval from a number of its donors to the project, to retain the majority of funds that these donors made to the project. The donations in the amount of \$2,000 were requested to be repaid to donors and has been recorded in accrued liabilities at year end.

Capital assets

Capital assets are recorded at cost and amortized over their useful life using the declining balance method at the following annual rates.

Buildings	4%
Furniture and equipment	20%
Land improvements and services	4%
Outdoor facilities/fields	15%

Continues...

CALGARY ROTARY CHALLENGER PARK SOCIETY

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017

1. Significant accounting policies (continued)

Park Construction

Park construction costs include tangible and intangible costs of developing, constructing and enhancing the park. These costs are not subject to amortization. Once the work is complete and assets are put into use, the costs are transferred to capital assets and amortized at the applicable rate.

Intangible development costs are tested for impairment annually, or when events or circumstances indicate uncertainty as to realizing a future benefit. If the carrying amount of the intangible asset exceeds its fair value, the excess amount is recognized as an impairment loss in the statement of operations.

Contributed services

In the current fiscal year, volunteers contributed services to assist the Society in carrying out its mandate. Because of the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

Allocation of expenses

The costs included in each respective function are expenses that are directly related to the services and functions carried on by the Society. Operations and administration are considered a function in their own right and have not been allocated. Detail of operations and administration - General Fund is included in Note 8.

Measurement uncertainty

The preparation of financial statements in conformity with ASNPO requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Estimates and assumptions include the estimated useful life of capital assets for amortization purposes, and the net recoverable amount of accounts receivable, capital assets, and park construction costs. By their nature, these estimates are subject to measurement uncertainty, and the effect on the financial statements of changes in such estimates in future periods could be significant.

2. Nature and purpose of organization

The Society is incorporated under the Societies Act of Alberta and received its charitable status in January 2005. The Society is not subject to federal or provincial income tax.

The mission statement for the organization is that it will be responsible for "Providing accessible sport and recreational facilities, *WHERE EVERYONE CAN PLAY*".

The Society constructed a barrier-free sport and recreational facility (the "Park") that facilitates the development and delivery of programs and services to persons of all abilities. The Park is located on 25 acres of land in northeast Calgary.

Under an agreement with the City of Calgary (the "City"), which expires on April 30, 2018, with a 15 year renewal provision, the Society manages and operates the Park. As part of the agreement, the City provides an annual grant to support the operating expenses of the Society. The amount of the grant for the current year was \$265,606 (2016 – \$258,263).

CALGARY ROTARY CHALLENGER PARK SOCIETY

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017

3. Capital assets

	2017			2016
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Buildings	\$ 4,668,671	\$ 1,858,256	\$ 2,810,415	\$ 2,780,451
Furniture and equipment	217,062	178,393	38,669	36,346
Land improvements and services	5,307,132	2,481,815	2,825,317	2,599,396
Outdoor facilities/fields	4,984,821	4,108,863	875,958	843,127
	<u>\$15,177,686</u>	<u>\$ 8,627,327</u>	<u>\$ 6,550,359</u>	<u>\$ 6,259,320</u>

Buildings, land improvements and services and outdoor facilities/fields are owned by the City (Note 4).

4. Park construction costs

Under the terms of the agreement with the City, buildings, land improvements and services and outdoor facilities/fields constructed are the property of the City. As the Society has the beneficial risks and rewards of ownership for the assets, the financial statements account for these expenditures as long-term assets of the Society.

Park construction costs include development costs related to upgrading of the current Park facilities. The Park secured a grant through the Western Economic Development's Canada 150 program and undertook improvements that amounted to \$842,384 during 2017 (2016 - \$Nil). Some of this work was not completed at year end and is reflected on the Financial Position Statement, under Park Construction. Any costs incurred after year end are not subject to amortization, and will remain in Park Construction until the projects are completed, at which time they will be transferred to the Capital Fund.

During the year, the Society's Board of Directors discontinued their efforts relating to its Phase 4 project called The Centre For All Abilities. As a result, any costs previously reflected in the Park Construction Fund (2016 - \$174,850), for this project, have been expensed in 2017.

The Society will continue to explore ways to develop the lands that they currently have under a Sublease Agreement, until June 2072, with the Calgary Airport Authority.

5. Deferred revenue

Included in deferred revenue is \$1,255 of revenue related to bookings or money collected for activities that will occur in 2018 (2017 - \$9,700).

CALGARY ROTARY CHALLENGER PARK SOCIETY

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017

6. Deferred contributions

	<u>2017</u>	<u>2016</u>
Balance, beginning of year	\$ 106,987	\$ 108,920
Contributions during the year	5,213	10,463
Recognized as revenue in the year	<u>(15,395)</u>	<u>(12,396)</u>
Balance, end of year	<u>\$ 96,805</u>	<u>\$ 106,987</u>

Deferred contributions relate to contributions made specifically for the Everyone Can Play Fund Program ("ECPF"). The ECPF is a subsidy-based program used by the Society to assist disability organizations in paying for their use of the Park. Contributions received for the ECPF for this year were \$5,213. The amount of contributions recognized as revenue in the General Fund is equal to the amount of subsidies the Society has provided for bookings during the year.

7. Reserves externally and internally restricted

	<u>2017</u>		
	<u>Life Cycle Maintenance</u>	<u>Operating Reserve</u>	<u>Park Construction Reserve</u>
Balance, beginning of year	\$ 653,934	\$ 357,984	\$ 660,262
Restricted contributions	-	-	9,000
Transfers from operating	25,000	5,000	-
Investment income	44,302	23,912	30,699
Withdrawals (Note 10)	<u>(174,842)</u>	<u>(1,448)</u>	<u>(2,000)</u>
Balance, end of year	<u>\$ 548,394</u>	<u>\$ 385,448</u>	<u>\$ 697,961</u>
	<u>2016</u>		
	<u>Life Cycle Maintenance</u>	<u>Operating Reserve</u>	<u>Park Construction Reserve</u>
Balance, beginning of year	\$ 631,150	\$ 343,650	\$ 601,176
Restricted contributions	-	-	34,015
Transfer from operating	15,000	5,000	365
Investment income	7,784	9,334	29,711
Withdrawals	<u>-</u>	<u>-</u>	<u>(5,005)</u>
Balance, end of year	<u>\$ 653,934</u>	<u>\$ 357,984</u>	<u>\$ 660,262</u>

Continues...

CALGARY ROTARY CHALLENGER PARK SOCIETY

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017

7. Reserves externally and internally restricted (continued)

Under the Management and Operations Agreement with the City, the Society is required to maintain reserves for general operations and life cycle maintenance.

The operating reserve is reported as internally restricted fund balances in the General Fund as this reserve is to be utilized at the discretion of the Society towards unanticipated operational costs or actual shortfalls. The assets of the operating reserve are comprised of marketable securities which are held in mutual funds.

The life cycle maintenance fund is reported as externally restricted fund balances in the Capital Fund as these funds are restricted for the purpose of protecting the integrity of the park. Disbursements from the life cycle maintenance fund are outlined in the life cycle plan and as per the Management and Operations Agreement with the City. The assets of the life cycle maintenance fund are comprised of marketable securities that are held in mutual funds.

During the year, the Board of Directors internally restricted \$25,000 (2016 - \$15,000) for the life cycle reserve and \$5,000 (2016 - \$5,000) for the operating reserve.

During the year, the Society received restricted contributions for the Park Construction Fund in the amount of \$9,000 (2016 - \$34,015). Such contributions were to be utilized for construction only of the Phase 4 project and as such were to be maintained in a separate reserve within the Park Construction Fund. The reserve was made up of cash of \$151,633 (2016 - \$141,178) and marketable securities with a value of \$546,435 (2016 - \$519,084). However, with Phase 4 project being discontinued, the funders who provided these contributions have agreed to leave these funds with the Society, on the basis that they will be used for future Life Cycle work and/or capital projects undertaken at the Park.

An Anonymous Donor had further pledged \$1.5 million over a three year term, of which \$Nil was received in 2017 (2016 - \$Nil). This pledge was subject to Phase 4 construction beginning by December 31, 2019. With the Society discontinuing with the Phase 4 project, this remaining pledge is now void.

8. Operations and administration - General Fund

	<u>2017</u>	<u>2016</u>
Governance	\$ 13,296	\$ 17,844
Catering	2,509	3,995
Insurance	30,879	29,279
Park maintenance	278,345	304,707
Park utilities	67,607	70,913
Professional fees	24,163	21,642
Secretarial and office	30,838	29,711
Staff salaries, benefits and expenses	<u>246,489</u>	<u>237,650</u>
	<u>\$ 694,126</u>	<u>\$ 715,741</u>

9. Operating line of credit

The Society has an operating line of credit with a maximum available amount of \$20,000, bearing interest at bank prime plus 3.00%. As of December 31, 2017, \$Nil (2016 - \$Nil) was drawn on this credit facility.

CALGARY ROTARY CHALLENGER PARK SOCIETY

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2017

10. Interfund transfers

Interfund transfers consist of transfers from the General Fund to the Park Construction Fund to cover costs of marketing and public relations and to the Capital Fund to cover investment broker fees.

During the year, the Society has disposed marketable securities of \$175,043 under Capital Fund and transferred \$174,842 from Life Cycle Fund to Park Construction Operating Fund to finance park facilities upgrade projects.

11. Sublease

The Society retains a 2.16 hectares (5.34 acres) of land from the Calgary Airport Authority ("CAA") under a Sublease for a term until June 30, 2072. This land's use is only restricted by the Land Uses Guidelines of the Calgary Airport Authority.

12. Endowment Fund

During the year ended December 31, 2006, a contribution of \$100,000 was made by Mr. Lou MacEachern to The Calgary Foundation with a direction that 3.5% of the market value of the funds be distributed annually to the Society. The Society has designated this annual distribution to be used in its Everyone Can Play Fund Program. During the year, the Society received \$5,213 (2016 - \$4,797) from the Lou MacEachern Fund which is included in contributions to the Society's Everyone Can Play Fund (Note 6).

The fair market value of the Lou MacEachern Fund at The Calgary Foundation at December 31, 2017 was \$152,726 (2016 - \$142,983).

13. Financial instruments risk exposure

The Society is exposed to various risks through its financial instruments. The following analysis provides a measure of the entity's risk exposure and concentrations at the statement of financial position date.

Credit risk

Credit risk arises from the possibility that third parties may default on their financial obligations.

The Society's credit risk exposure on cash is minimized substantially by ensuring that cash is held with credible financial institutions. The Society's accounts receivables were collected subsequent to year-end.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of currency risk, interest rate risk, and other price risk. The Society's exposure to market risk is comprised of interest rate risk and other price risk as described below.

(A) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. The Society is not exposed to significant interest rate risk.

Continues..

CALGARY ROTARY CHALLENGER PARK SOCIETY

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017

13. Financial instruments risk exposure (continued)

(B) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Society is exposed to other price risk on its marketable securities which have a cost base of \$1,338,051 and a market value of \$1,481,509 as at December 31, 2017. The marketable securities are comprised of mutual funds, the majority of which are invested in bonds and money market funds. Approximately 30% of the mutual funds are made up of equity investments which carry a higher risk of fluctuation in fair value.

PDF-XChange SDX (Demo)

Calgary Rotary Challenger Park Society
Balance Sheet
As of 31 March 2018

AGENDA ITEM: 5.3.

	<u>31 Mar 18</u>
ASSETS	
Current Assets	
Chequing/Savings	
10000 · Bank	
11250 · Cash-Royal Bank Operating	32,497.85
11253 · Casino Account	80.70
11260 · G. O. Segregated - Restricted	31,045.00
11266 · Capital Project Fund (CPF)	
11267 · CPF Investment	673,848.82
11268 · CPF Unrealized Gain Loss	11,373.97
11269 · CPF Cash	5,295.58
Total 11266 · Capital Project Fund (CPF)	<u>690,518.37</u>
11270 · E.C.P.F.	96,799.65
11275 · Op's Reserve Fund	
11276 · Operating Reserve Fund Invest.	342,714.76
11277 · Investment Fair Value Adj.	44,140.17
Total 11275 · Op's Reserve Fund	<u>386,854.93</u>
11280 · OPS GIC	270,000.00
11285 · Life Cycle Fund Invest	
11286 · Life Cycle Fund Investment	467,756.31
11287 · Investment-Fair Value Adj.	87,505.63
Total 11285 · Life Cycle Fund Invest	<u>555,261.94</u>
11290 · Petty Cash	344.43
Total 10000 · Bank	<u>2,063,402.87</u>
Total Chequing/Savings	2,063,402.87
Other Current Assets	
12000 · Other Current Assets	
12200 · GST Receivable	12,692.87
12400 · General Receivable	150.00
12500 · Pre-Paid Expense	17,302.18
Total 12000 · Other Current Assets	<u>30,145.05</u>
Total Other Current Assets	30,145.05
Total Current Assets	<u>2,093,547.92</u>
Fixed Assets	
13000 · Assets	
13100 · Fixed Assets	
13110 · Capital Assets	
13111 · Buildings	4,524,608.00
13112 · Land and Improvements	5,307,132.15
13113 · Out Door Facilities	4,984,820.86
13114 · Furniture&Equipment	200,910.86
13115 · Hardware&Software	16,151.49
13110 · Capital Assets - Other	144,063.05
Total 13110 · Capital Assets	<u>15,177,686.41</u>
Total 13100 · Fixed Assets	15,177,686.41
13200 · Accumulated Amortization	

Calgary Rotary Challenger Park Society
Balance Sheet
As of 31 March 2018

	31 Mar 18
13210 · Capital Assets	
13211 · Buildings	(1,744,156.75)
13212 · Land and Improvements	(2,371,106.30)
13213 · Out Doors Facilities	(3,969,478.30)
Total 13210 · Capital Assets	(8,084,741.35)
13220 · Furniture&Equipment	(157,150.94)
13230 · Hardware&Software	(12,907.34)
Total 13200 · Accumulated Amortization	(8,254,799.63)
13300 · Current Amortization	
13310 · Capital Assets	
13311 · Buildings	(114,099.31)
13312 · Land and Improvements	(110,708.43)
13313 · Out Doors Facilities	(139,385.20)
13314 · Furniture&Equipment	(6,768.07)
13315 · Hardware&Software	(1,567.00)
Total 13310 · Capital Assets	(372,528.01)
Total 13300 · Current Amortization	(372,528.01)
Total 13000. · Assets	6,550,358.77
13400 · Park Construction	178,817.53
Total Fixed Assets	6,729,176.30
TOTAL ASSETS	8,822,724.22
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
20000 · Other Current Liabilities	
21100 · Deferred Contributions	96,804.61
21200 · Accounts Payable	
21255 · Capital Fund Payable	1,248.82
21265 · General Fund Payable	89,080.38
Total 21200 · Accounts Payable	90,329.20
Total 20000 · Other Current Liabilities	187,133.81
21500 · Deferred Revenue	207,068.21
21600 · Tenant Deposits	31,045.00
22000 · GST Paid	(1,541.49)
23000 · GST Collected	4,163.57
Total Other Current Liabilities	427,869.10
Total Current Liabilities	427,869.10
Total Liabilities	427,869.10
Equity	
30000 · Equity	7,807,690.97
39000 · Retained Earnings	555,949.10
Net Income	31,215.05
Total Equity	8,394,855.12
TOTAL LIABILITIES & EQUITY	8,822,724.22

Calgary Rotary Challenger Park Society
Profit & Loss Budget vs. Actual
January through March 2018

AGENDA ITEM: 5.3.

1st QUARTER INCOME STATEMENT	2018		2017	
	Actual	Budget	Actual	Budget
Income				
400000 · Operations				
Total 40000 · Grants	68,208.00	68,774.00	125,452.00	68,900.00
Total 41000 · Facility Rentals	82,710.78	75,670.00	76,641.26	72,385.00
Total 42000 · Contributions	13,450.66	1,000.00	3,219.03	1,000.00
Total 43000 · Special Events-Golf Tournament	2,500.00	4,000.00	9,000.00	4,000.00
Total 43100 · Casino	0.00	0.00	6.00	0.00
Total 43200 · Other	0.00	0.00	0.00	0.00
Total 44000 · Programming	0.00	0.00	0.00	0.00
Total 45000 · Catering/Retail	1,047.30	350.00	985.86	350.00
Total 400000 · Operations	167,916.74	149,794.00	215,304.15	146,635.00
Total 460000 · Capital	6.32	0.00	39,327.39	90,497.00
Total Income	167,923.06	149,794.00	254,631.54	237,132.00
Expense				
50000 · Operations Expenses				
Total 51100 · Salaries & Benefits & Expenses	60,854.32	60,073.00	59,630.88	58,314.00
Total 51200 · Secetarial and Office	4,790.83	5,000.00	4,769.50	5,000.00
Total 51300 · Catering	912.55	0.00	477.62	0.00
Total 51400 · Governance	727.48	1,636.00	2,045.69	1,755.00
Total 51500 · Marketing	10,885.97	7,300.00	5,155.00	8,200.00
Total 51600 · Professional Fees	9,088.24	6,325.00	5,801.24	5,676.00
Total 51700 · Golf Tournament	433.89	360.00	138.10	360.00
Total 51800 · Casino...	18.00	0.00	6.00	0.00
Total 52000 · Outside Facilities-Maintenance	330.00	0.00	245.00	0.00
Total 53100 · Ball Complex-Maintenance	5,337.47	4,990.00	4,663.59	4,970.00
Total 53200 · Burns Centre-Maintenance	12,086.94	13,144.00	11,405.97	13,124.00
Total 53300 · Track Complex	8,099.41	8,023.00	7,764.57	8,538.00
Total 54000 · Insurance	4,802.72	6,270.00	6,550.74	6,270.00
Total 55000 · Park Utilities	14,764.71	21,350.00	20,787.08	22,100.00
Total 50000 · Operations Expenses	133,132.53	134,471.00	129,440.98	134,307.00
Total 56000 · Ops Reserve Fee	828.63	787.00	819.03	787.00
Total 59000 · Capital Expense	1,205.35	1,491.00	1,852.41	111,491.00
Total 60000 · GST Expenses	1,541.50	2,100.00	3,875.34	4,160.00
Total Expense	136,708.01	138,849.00	135,987.76	250,745.00
Net Income	31,215.05	10,945.00	118,643.78	(13,613.00)
Net Income OPERATIONS ONLY BEFORE GST/Reserves/Capital	34,784.21	15,323.00	85,863.17	12,328.00

THIS FUNDING AGREEMENT dated this • day of • 20• (the “**Agreement Date**”).

BETWEEN:

THE CITY OF CALGARY, a municipal corporation
incorporated under the laws of the Province of
Alberta

(“**The City**”)

- and -

**CALGARY ROTARY CHALLENGER PARK
SOCIETY**, formerly, Rotary Challenger Park
Development Society, a society established under
the *Societies Act* (Alberta)

(the “**Recipient**”)

FUNDING AGREEMENT

1.0 BACKGROUND

- 1.1 The Recipient has a mandate to provide a barrier free, sport, recreational and social park for all people, including but not limited to people with disabilities that provides:
- 1.1.1 affordable opportunities and experiences for persons with disabilities and seniors in recreation, sport and wellness in an inclusive environment; and
 - 1.1.2 community agencies, sporting organizations and citizens with a healthy and safe environment.
- 1.2 The City wishes to provide Funding to the Recipient to assist it in fulfilling its mandate and operations of the Park which contributes to Calgarians acquiring basic physical literacy and engaging in lifelong physical activity through sport, all in accordance with the terms and conditions of this Agreement.

- 1.3 The City provided funding to the Recipient in relation to the Park prior to the Agreement Date pursuant to and in accordance with the terms of a Management and Operating Agreement for Rotary Challenger Park dated April 2, 2003, as amended from time to time, (as amended, the "**Original Agreement**"), which agreement, among other things, contemplated use by the Recipient of the Park Lands which were leased to The City by The Calgary Airport Authority pursuant to a lease indenture dated May 7, 2003 (the "**Original Lease**").
- 1.4 Further to Section 1.3 above, prior to entering into this Agreement The City approved funding to the Recipient in relation to the Park for the 2018 calendar year in the amount of \$272,777.00 (the "**2018 Funding Amount**"), which full amount The City delivered to the Recipient in or around January 2018.
- 1.5 The City and the Recipient have collaborated as reasonable parties do since entering the Original Agreement and intend to continue to do so. This spirit and intent will be captured in the language of this Agreement.
- 1.6 Immediately prior to or concurrently with the entering into of this Agreement:
 - 1.6.1 the Original Agreement was effectively terminated; and
 - 1.6.2 the Recipient entered into a lease arrangement directly with The Calgary Airport Authority in respect of the Park Lands.
- 1.7 With respect to Section 5.13 of the Original Agreement, The City and the Recipient desire that, on termination of the Original Agreement, the Lifecycle Fund (as that term is defined in the Original Agreement) not be turned over to The City, as originally contemplated, but instead, be turned over to the Recipient for their sole and absolute use.

NOW THEREFORE, IN CONSIDERATION of the covenants, obligations and provisions and the payments provided for in this Agreement, The City and the Recipient agree as follows:

2.0 DEFINITIONS

In this Agreement:

- 2.1 "**Accounting Standards for Not-For-Profit Organizations**" means the accounting standards defined in Part III of the Chartered Professional Accountants Canada Handbook.
- 2.2 "**Agreement**" means this funding agreement, including without limitation, the background and any schedules hereto.

- 2.3 “**Agreement Date**” has the meaning ascribed to it on the first page of this Agreement.
- 2.4 “**BOC**” means Bank of Canada.
- 2.5 “**Budget**” means The City’s multi-year budget approved by City Council as adjusted by City Council annually as needed.
- 2.6 “**City Council**” means the municipal Council of The City.
- 2.7 “**City Manager**” means that individual appointed as the ‘*City Manager*’ or Chief Administrative Officer for The City from time to time.
- 2.8 “**City Representative**” has the meaning ascribed to it in Section 4.1 of this Agreement.
- 2.9 “**Confidential Information**” means any non-public information which is disclosed by one Party, directly or indirectly, to the other Party that the disclosing Party designates in writing as confidential or that, under the circumstances of its disclosure, should reasonably be considered to be confidential and includes:
- 2.9.1 any information, reports, studies, material, documents, data, media, or trade secrets related to the disclosing Party in whatever form and whether given directly or indirectly to the receiving Party, in writing or orally or by inspection of processes and including but not limited to information, knowledge or data of an intellectual, technical, scientific, commercial or industrial nature, or of a financial, cost, pricing, security or marketing nature relating to the business, operations or property of the disclosing Party, including the terms and conditions of this Agreement; and
- 2.9.2 all personal information as defined in FOIP that is collected, used, stored, disclosed to, accessed or observed by either Party or its respective staff; and
- 2.9.3 all analyses, compilations, data studies or other documents prepared by the recipient Party containing or based upon, in whole or in part, Confidential Information acquired by the recipient Party.
- 2.10 “**Director of Recreation**” means the Director of Recreation for The City.
- 2.11 “**Fifth Year**” means that portion of the Term that falls within the 2022 calendar year.
- 2.12 “**FOIP**” has the meaning ascribed to it in Section 12.1 of this Agreement.
- 2.13 “**Fourth Year**” means that portion of the Term that falls within the 2021 calendar year.

- 2.14 “**Funded Activities**” means the activities for which the Funding may be used, as further described in Schedule “A” to this Agreement.
- 2.15 “**Funding**” has the meaning ascribed to it in Section 5.1 of this Agreement.
- 2.16 “**General Manager**” means the General Manager of Community Services for The City.
- 2.17 “**Park**” means the barrier free, sport, recreational and social park for all people operated by the Recipient, such park being located in Calgary on the Park Lands.
- 2.18 “**Park Lands**” shall have the same meaning ascribed to ‘*Leased Premises*’ in the Original Lease.
- 2.19 “**Partner**” means an independent organization that agrees to collaborate with The City to deliver positive outcomes for Calgarians.
- 2.20 “**Party**” means one of the parties to this Agreement, as the context requires, and “**Parties**” means both The City and the Recipient.
- 2.21 “**Recipient**” has the meaning ascribed to it on the first page of this Agreement.
- 2.22 “**Records**” includes any and all books, records, documents, information or data of any kind or character relating to this Agreement. Examples of Records include but are not limited to: ledgers, accounts, bank records, invoices, receipts, correspondence, meeting notes, purchase orders, leases, contracts, procurement documents, reports, drawings, memoranda, time sheets, payroll records, policies, procedures, and any other source of information that may, in The City’s judgment, relate to this Agreement.
- 2.23 “**Reports**” means all reports completed by the Recipient in relation to the performance of its obligations under the terms of this Agreement, including but not limited to those set out in Section 9.1 of this Agreement.
- 2.24 “**Second Year**” means that portion of the Term that falls within the 2019 calendar year.
- 2.25 “**Strategic and Business Plans**” means those plans which identify fundamental decisions and actions that shape and guide what the Recipient is, what its objectives for and what it will be doing during the life of the subject plans and how performance will be measured. Without limitation, Strategic and Business Plans shall (i) include the mandate, mission, vision and strategies of the Recipient and (ii) identify implementation and financial plans for the operation and development of the Recipient.
- 2.26 “**Term**” means the period of time during which this Agreement is in effect, as contemplated in Section 3.1 of this Agreement.

- 2.27 "The City" has the meaning ascribed to it on the first page of this Agreement.
- 2.28 "Third Year" means that portion of the Term that falls within the 2020 calendar year.
- 2.29 "Year" means one of the Second Year, Third Year, Fourth Year or Fifth Year, as applicable.

3.0 TERM

- 3.1 This Agreement will be for a term of approximately four and a half years beginning on the Agreement Date and ending on 2022 December 31 (the "Expiration Date") unless terminated earlier by the provisions of this Agreement. The term of this Agreement may be renewed or extended beyond the Expiration Date, for the subsequent budget cycle. upon the mutual agreement of the Parties in such regard, any such extension or renewal to be on terms then agreed to.

4.0 THE CITY'S REPRESENTATIVE

- 4.1 The Director of Recreation or his or her designate will be The City's representative ("City Representative") to maintain a continuing liaison with the Recipient in matters relating to this Agreement.

5.0 FUNDING

- 5.1 Subject to compliance by the Recipient with all terms and conditions of this Agreement, generally, The City will deliver to the Recipient operating grant(s) in such amounts as may be provided for in the Budget from time to time. Further in such regard, in respect of the 2018 calendar year The City delivered to the Recipient an operating grant in the amount of \$272,777.00, and, in respect of the Second Year, Third Year, Fourth Year and Fifth Year, if and to the extent such are provided for in the Budget from time to time, The City will deliver operating grant(s) to the Recipient in such amounts as may be so provided. The Recipient hereby acknowledges and confirms that they in fact received the 2018 Funding Amount as set forth in Section 1.4. All funding amounts delivered to the Recipient by The City pursuant to this Section 5.1 are referred to in this Agreement as the "Funding".
- 5.2 The Recipient, as part of The City's business plan and budget submissions, must:
- 5.2.1 provide information to supplement subject operating grant requests as reasonably requested by the City Representative; and

- 5.2.2 provide its internal financial summary information and any other relevant accounting and financial information to the City Representative as requested.
- 5.3 For absolute certainty, the Recipient acknowledges and agrees that, notwithstanding anything else contained herein:
 - 5.3.1 nothing herein shall be construed or interpreted to be the approval of an operating grant application or a commitment by The City to approve an operating grant application;
 - 5.3.2 operating grants will be paid to the Recipient only after approval of City Council, provided such approval is granted and, if such approval is granted, in accordance with the subject Budget allocation; and
 - 5.3.3 in the event that a subject operating grant application for a Year is not approved, no subject operating grant funds shall be delivered by The City to the Recipient hereunder in respect of that Year.
- 5.4 Subject to the balance of the provisions contained in this Article 5.0, The City will pay an approved operating grant to the Recipient in two installments on or about January 31 and July 31 in the subject Year.
- 5.5 The Recipient acknowledges and agrees that, without limitation, it will be solely responsible for all costs incurred by it and, further in such regard but without derogating from the foregoing, it will be liable for all costs incurred in excess of Funding received hereunder.
- 5.6 Without limitation of or derogating from anything else contained herein, the Funding and any portions thereof will only be released to the Recipient upon receipt and approval by The City of any Reports required under the terms of this Agreement. The City may refuse to approve the Reports, or The City may request changes to any such Reports as determined in its sole discretion, upon written notice to the Recipient. The City may refuse to advance Funding or any portion of it if the Recipient fails to provide any required Report to The City's reasonable satisfaction.
- 5.7 If the Recipient receives any additional funds from The City during the Term that are not part of the Funding and which are not subject to the terms and conditions of a separate agreement, the Recipient agrees that the terms and conditions of this Agreement will govern the use of such additional funds.

6.0 RESPONSIBILITIES OF THE RECIPIENT

- 6.1 Without limitation, the Recipient must at all times during the Term:

- 6.1.1 maintain good standing under the *Societies Act* (Alberta);
- 6.1.2 as part of its mandate, provide services to the citizens of the City of Calgary;
- 6.1.3 only use the Funding for Funded Activities, all in compliance with the terms and conditions of this Agreement;
- 6.1.4 comply with all applicable federal, provincial and municipal legislation in carrying out Funded Activities;
- 6.1.5 implement risk management practices that reflect the principles in The City's Integrated Risk Management Policy (CC011);
- 6.1.6 implement procedures related to the protection, safe-guarding, retention and destruction of its Records that are, without limitation, consistent with the obligations set forth in Section 10.5;
- 6.1.7 perform its responsibilities under this Agreement in a conscientious and professional manner, with reasonable skill, care and diligence, all in accordance with industry standards and otherwise in accordance with this Agreement;
- 6.1.8 conduct itself and carry out the Funded Activities in a manner which, in the opinion of The City, does not derogate from the public profile of The City or its programs;
- 6.1.9 use reasonable best efforts when carrying out the Funded Activities to, as and to the extent applicable:
 - (a) promote efficient and effective use of resources;
 - (b) engage and facilitate cooperation and coordination with allied service organizations operating within the City of Calgary; and
 - (c) promote, encourage and facilitate the development of stronger communities; and
- 6.1.10 ensure that all costs and work related to the Funded Activities align with the following approved City Council and administrative policies:
 - (a) *Investing in Partnerships Policy* (CP2017-01);
 - (b) *Public Use Policy* (CSPS031); and
 - (c) *Sport for Life Policy or Calgary Civic Sport Policy* (CSPS002);

as amended or replaced from time to time, if and to the extent they are in effect from time to time.

- 6.2 In the event of a conflict between the terms of policies of The City and this Agreement, the terms of this Agreement will govern.
- 6.3 The Recipient will be responsible for day to day communications with the media or the community regarding the general activities of the Recipient. Notwithstanding the foregoing, if the Recipient intends to communicate with any other levels of government or to release information in connection with Funded Activities that may impact the office of the Mayor, members of Council or other departments of The City, the Recipient will provide appropriate prior written notice to The City of the timing and content of such communication.
- 6.4 At all times during the Term, the Recipient will have in place written policies that, without limitation: (i) govern the provision of services and (ii) address conflicts of interest, human resource administration, records management, naming rights and sponsorship, financial administration, purchasing of goods and services, health and safety, risk management, media relations and program operations. The Recipient will provide copies of the aforesaid policies to the City Representative within 30 days upon request from time to time.
- 6.5 The Recipient must provide the City Representative with its articles of incorporation, bylaws and other governance documents upon execution of this Agreement. The Recipient will inform the City Representative within 30 days of any amendments occurring to any of these documents from time to time during the Term.
- 6.6 Nothing herein is intended to restrict the Recipient to only performing and carrying out the Funded Activities throughout the Term, provided however, for certainty, that any other services and activities the Recipient performs or carries out (i) must be funded through other sources and no part of the Funding shall be used in respect thereof and (ii) must not conflict with the Recipient's obligations under this Agreement.

7.0 EXCESS FUNDING

- 7.1 Unless otherwise approved by the City Representative, the Recipient must, within 60 days of termination (by expiration or otherwise) of this Agreement, repay The City such part of the Funding received by the Recipient, but not actually used and applied or committed for the purposes of this Agreement, as may exist as at the date of termination.
- 7.2 Any amounts due and payable by the Recipient to The City under the terms of this Agreement from time to time which are not paid as and when due shall bear interest at

that rate equal to the BOC business prime rate plus 2% per annum, calculated and compounded monthly, commencing on the date the subject amounts are due and ending on the date they are paid in full. For certainty however, any amount which may become due and payable by the Recipient to The City pursuant to the terms of Section 7.1 shall not bear interest until after the expiration of the 60 day period contemplated therein.

8.0 BUDGET AND PLANNING

- 8.1 The Recipient will develop and submit their annual Strategic and Business Plans to the City Representative for review, including progress against the then most recent, prior Strategic and Business Plans, upon request by The City.

9.0 REPORTING

- 9.1 The Recipient must provide The City with:

9.1.1 Interim reports, within a mutually agreed timeframe, describing the Recipient's:

- (a) performance measures in accordance with the requirements set out in Schedule "B";
- (b) performance against objectives set out in the applicable Strategic and Business Plans,
- (c) actual expenditures against budget;
- (d) risk management measures;
- (e) future plans; and
- (f) other items as requested by The City or required under applicable policies of The City in connection with the Funding;

9.1.2 An annual report, upon request, containing the elements described in Subsection 9.1.1; and

9.1.3 Any other Report requested by The City from time to time during the Term.

- 9.2 All Reports must be in a format and contain such information that is, in each case, acceptable to The City, acting reasonably, and must be submitted to the City Representative for review.

- 9.3 The Recipient will meet with the City Representative in person to discuss the Reports and any matter related to this Agreement on an annual basis or as otherwise requested by The City from time to time during the Term.

- 9.4 The Recipient acknowledges and agrees that The City is accountable to the public for the use of public funds through an open and transparent process which identifies

expected outcomes, measures performance, reports results to the public (through City Council) and provides for follow up; and the Recipient must cooperate with The City in meeting this accountability.

10.0 RECORDS AND AUDIT

- 10.1 The Recipient will provide its audited financial statements, including an auditor's management letter completed and signed by a Certified General Accountant, Certified Management Accountant or Chartered Accountant who is independent of the Recipient and is qualified to practice in Alberta, approved by the Recipient's board of directors, to the City Representative within one hundred fifty (150) days after the Recipient's fiscal year-end.
- 10.2 Annual audited financial statements will consist of:
- (a) statement of operations;
 - (b) statement of changes in fund balances;
 - (c) statement of cash flows; and
 - (d) statement of financial position.
- 10.3 If requested by The City, the Recipient will submit to the City Representative, within two weeks of the request, its most recent unaudited interim financial statements and any requested supporting documents, as reviewed by the Recipient's board of directors or applicable board committee.
- 10.4 The Recipient will, upon request, provide audited financial statements for any related entities including but not limited to wholly owned subsidiaries and foundations.
- 10.5 The Recipient must, at its sole expense, following execution of the Agreement and for a period of seven years following the termination or expiry of the Agreement:
- 10.5.1 keep and maintain all Records in an original form, or in an electronic form that preserves the integrity of the original (as applicable) without alteration, deletion or addition;
 - 10.5.2 keep and maintain all Records in accordance with generally accepted accounting principles and Accounting Standards for Not-For-Profit Organizations, as applicable; and
 - 10.5.3 make reasonable efforts to protect the Records from both physical damage and unauthorized access.

- 10.6 The City will have the right to inspect, examine, make copies of, and audit all of the Records maintained by the Recipient under Section 10.5 at all reasonable times, upon prior written notice, for the purpose of auditing and monitoring compliance with the requirements of the Agreement, including any payments made by or to The City. Upon request of The City, the Recipient will make available and provide access to, or provide copies of (or do both, at the discretion of The City) any Records requested by The City at the Recipient's sole expense and within the timeframe specified by The City, acting reasonably, at the time of the request.
- 10.7 The costs of any audit conducted by The City under authority of Section 10.6 will be the responsibility of The City.
- 10.8 This Article 10.0 will not be interpreted to limit, revoke, or abridge any other rights, powers, or obligations relating to audit that The City may have under applicable laws, whether those rights, powers, or obligations are express or implied.

11.0 INDEMNITY, LIABILITY AND INSURANCE

- 11.1 The Recipient is liable for and hereby indemnifies, defends and saves harmless The City and all of its employees, officials, officers and authorized representatives from and against any and all suits, actions, legal or administrative proceedings, claims, demands, damages, liabilities, interest, legal fees, costs and expenses of whatsoever kind or nature including personal injury or death and damage or loss of any real or personal property arising out of or incidental to the Agreement or in any manner directly or indirectly caused, occasioned or contributed to in whole or in part, by reason of any act or omission of, or breach of the Agreement by, the Recipient or anyone acting under the Recipient's direction or control or on its behalf in connection with or incidental to the Agreement except to the extent caused, or contributed to, by The City or its employees, officials, officers or authorized representatives.
- 11.2 The City will not be liable for any personal or bodily injury or property damage that may be suffered or sustained by the Recipient, its contractors or agents in carrying out the terms of this Agreement except to the extent caused, or contributed to, by The City or its employees, officials, officers or authorized representatives.
- 11.3 To the maximum extent permitted by applicable law, in no event will either Party be liable to the other Party for any indirect, special, incidental or exemplary damages whatsoever, including but not limited to, loss of revenue or profit, business interruption or any other pecuniary loss whether based in contract, or other causes of action, even if such Party has been advised of the possibility of such damages, except in relation to gross negligence or wilful misconduct.

11.4 During the Term, the Recipient must maintain insurance policies in a form and substance satisfactory to The City and with an insurer allowed by the laws of Alberta to provide insurance in Alberta the following insurance:

11.4.1 commercial general liability (“**CGL**”) insurance in an amount of not less than five million (\$5,000,000) dollars per occurrence, insuring against bodily injury, personal injury and property damage, including loss of use thereof. This CGL insurance must be written to a minimum of the current IBC 2100 form, or the most recent version, and such insurance policy must include:

- (a) The City as an additional insured;
- (b) a cross liability clause;
- (c) products and completed operations coverage of no less than 24 months;
- (d) broad form contractual liability coverage;
- (e) non-owned automobile liability coverage;
- (f) the waiving of every right of subrogation by the said insurance company or companies against The City arising out of or in any way connected with the performance of this Agreement;
- (g) a provision that the rights of The City under any provision of the said policy will not be prejudiced by any default or violation by the Recipient or by any other person insured by that policy; and
- (h) any other specific clauses or coverages as may be required by The City; and

11.4.2 an automobile third party liability insurance policy (Owner's form) for bodily injury (including death) and property damage in an amount of not less than five million (\$5,000,000) dollars inclusive limit for any one occurrence insuring each and every automobile used in connection with this Agreement, and such insurance policy must include specific clauses or coverage as may be required by The City. If automobiles are not used in connection with this Agreement, the requirement for automobile third party liability insurance may be waived, in the sole discretion of The City, if requested by the Recipient in writing.

11.5 During the Term, the Recipient will ensure that any contractor hired by it maintains a commercial general liability insurance policy for bodily injury (including death) and property damage in an amount of not less than two million (\$2,000,000.00) dollars

inclusive limit for any one occurrence, including products and completed operations coverage, contractual liability coverage, a cross liability clause and naming The City as an additional insured.

- 11.6 Upon the request of The City, the Recipient must provide a Certificate of Insurance indicating compliance with the insurance requirements listed in Section 11.4 of this Agreement to The City, and furnish documentary evidence satisfactory to The City of the renewal or continuance of such insurance during the Term within ten (10) business days of any such request.
- 11.7 The Recipient's insurance policies must include a provision for The City to be given thirty (30) days written notice prior to cancellation or material change of said policies of insurance. The Recipient must immediately advise The City should said policies of insurance lapse or otherwise be discontinued.
- 11.8 If the Recipient fails to provide The City with any of the documents mentioned in this Article 11.0, or otherwise fails to prove to The City the existence of any required insurance, The City may, at its option, purchase on behalf and at the expense of the Recipient the required insurance coverage.
- 11.9 Nothing contained in this part or in any policy of insurance required or provided under this Agreement will in any way whatsoever limit the liability of the Recipient under this Agreement or otherwise howsoever.
- 11.10 The Recipient must maintain an account in good standing with the Workers' Compensation Board of the Province of Alberta covering all activities of the Recipient hereunder and pay all assessments thereunder. If the Recipient is in an exempt industry or does not qualify for Workers' Compensation coverage in Alberta, the Recipient must provide an employer's liability extension to its CGL policy.

12.0 CONFIDENTIALITY AND PRIVACY

- 12.1 The Recipient acknowledges that this Agreement and all Reports and other Records submitted to The City will be subject to the access and disclosure provisions of the *Freedom of Information and Protection of Privacy Act* ("**FOIP**").
- 12.2 The Parties will maintain the confidentiality of all Confidential Information and will not make use of Confidential Information or release it to employees, officials, officers, authorized representatives or external advisors or consultants other than as required for the performance of this Agreement and each Party agrees that it will not release or disclose the Confidential Information to any third party without the prior consent of the other Party, except to the extent such release or disclosure is required by any court or

administrative body with jurisdiction over a Party, and including without limitation, under FOIP.

- 12.3 Information that was lawfully in either Party's possession before receipt of it from the other Party, or information that is or becomes a matter of public knowledge through no fault of either Party, or was independently discovered or developed by either Party, is not considered Confidential Information under this Agreement.
- 12.4 The duties and obligations to protect the Confidential Information survive termination of this Agreement and must continue until the Party originally claiming information to be confidential releases that claim by deed or action.
- 12.5 Improper disclosure or use of Confidential Information may cause irreparable harm to the Recipient or to The City, as the case may be, and such harm may not be adequately compensated by damages. As a result, in addition to all other remedies either Party may have, either Party may seek and obtain from any court of competent jurisdiction injunctive relief in respect of any actual or threatened disclosure or use of any Confidential Information contrary to the provisions of the Agreement.

13.0 DISPUTE RESOLUTION

- 13.1 Any disagreements relating to the validity, construction, meaning, performance or effect of this Agreement or to the rights or liabilities of the Parties or any other matter related to this Agreement, whether arising during the Term or at any time thereafter, will initially be referred to the City Representative and the executive director of the Recipient for resolution.
- 13.2 If the City Representative and the executive director of the Recipient are unable to resolve the dispute within thirty (30) days of the matter being referred to them, the matter will be referred to the Director of Calgary Recreation for a proposed resolution.
- 13.3 If either Party does not accept the proposed resolution of the Director of Calgary Recreation, the matter will be referred to the General Manager for final and binding resolution, with no right of appeal, review, arbitration, mediation or any other form of review.
- 13.4 Notwithstanding any other provision of this Agreement, any decision by a Party to terminate this Agreement in accordance with the terms of this Agreement will not be subject to any form or manner of dispute resolution, including litigation and arbitration, and will be final and conclusive.

14.0 DEFAULT

- 14.1 Each of the following events, as determined by The City, in its sole and unfettered discretion, constitute a default and non-substantial breach by the Recipient under this Agreement (each a “**Non-Substantial Breach**”):
- 14.1.1 Except to the extent otherwise addressed in this Section 14.1 or in Section 14.2, failure by the Recipient to perform or comply with any of its covenants or obligations under this Agreement, or any representation or warranty made by the Recipient to or in favour of The City in relation to this Agreement is false or misleading in any material respect; and
 - 14.1.2 The Recipient is deemed by The City to not be working in the best interest of The City.
- 14.2 Each of the following events, as determined by The City, in its sole and unfettered discretion, constitute a default and substantial breach by the Recipient under this Agreement (each a “**Substantial Breach**”):
- 14.2.1 the Recipient uses any part of the Funding other than as specified in Subsection 6.1.3 of this Agreement;
 - 14.2.2 the Recipient’s interest in this Agreement is seized, taken in execution or attached by a creditor of the Recipient;
 - 14.2.3 the Recipient assigns, threatens to assign or attempts to assign all or part of its interest in this Agreement without The City’s prior written consent;
 - 14.2.4 the Recipient amalgamates or merges with any other organization or entity without The City’s prior written consent;
 - 14.2.5 the Recipient winds up or ceases carrying on business;
 - 14.2.6 the Recipient becomes bankrupt or insolvent, or is otherwise unable to meet its financial obligations;
 - 14.2.7 the Recipient takes an action or fails to take an action which results in substantial harm or disrepute to the status and reputation of The City;
 - 14.2.8 an otherwise incurable breach by the Recipient of this Agreement; and
 - 14.2.9 termination (by expiration or otherwise) of the lease arrangement, as same may be modified from time to time, between The Calgary Airport Authority and the Recipient contemplated in Section 1.6.2, such that the Recipient is not, at the

time that a determination is being made under this Section 14.2, a lessee of the Park Lands.

14.3 Without limiting or derogating from any other rights The City may have, The City shall, without unreasonable delay after exercising its discretion and making a determination that an event constitutes a default and breach by the Recipient under this Agreement, as contemplated in Sections 14.1 and 14.2, provide written notice to the Recipient in such regard.

15.0 TERMINATION

15.1 This Agreement may be terminated:

15.1.1 at any time by written agreement of the Parties;

15.1.2 by either Party giving ~~thirty (30) days~~ ^(will be finalized by meeting) notice in writing to the other Party, provided that, in the case of the Recipient, its board of directors has passed a resolution approving the decision to terminate this Agreement;

15.1.3 immediately by The City upon written notice to the Recipient if:

- (a) there has been a Non-Substantial Breach;
- (b) such Non-Substantial Breach continues for thirty (30) days after written notice from The City to remedy such default and breach; and
- (c) the process set out in Article 13.0 of this Agreement has not been implemented or has been implemented and the resolution has not been complied with;

15.1.4 immediately by The City upon written notice to the Recipient if there has been a Substantial Breach; or

15.1.5 immediately by the Recipient upon written notice to The City if The City has discontinued the Funding, provided that at the time the subject written notice is given, the Recipient has no unspent Funding in its possession or control.

15.2 Without limitation to or derogating from anything else contained herein, including without limitation, any other remedies that may be available to The City, in the event of a:

15.2.1 Substantial Breach, The City may, in its sole and unfettered discretion, upon giving three (3) days' prior written notice to the Recipient:

- (a) withhold and not deliver all or part of any Funding that is then or would thereafter be, but for this Section, payable under this Agreement; and/or
- (b) direct the Recipient to repay to The City all or part of the Funding paid to the Recipient under this Agreement in respect of the Year in which the breach was, with respect to Sections 14.1 and 14.2, determined by The City to be a default and breach, in which case the Recipient shall forthwith repay the subject directed funds;

15.2.2 Non-Substantial Breach which continues for thirty (30) days as contemplated in Section 15.1.3(b) (without any requirement to consider the terms contemplated in Section 15.1.3(c)), The City may, in its sole and unfettered discretion, upon giving three (3) days' prior written notice to the Recipient, withhold and not deliver all or part of any Funding that is then or would thereafter be, but for this Section, payable under this Agreement; and

15.2.3 Non-Substantial Breach which continues for thirty (30) days as contemplated in Section 15.1.3(b) and in respect of which the process set out in Article 13.0 of this Agreement has not been implemented or has been implemented and the resolution has not been complied with as contemplated in Section 15.1.3(c), The City may, in its sole and unfettered discretion, upon giving three (3) days' prior written notice to the Recipient, direct the Recipient to repay to The City all or part of the Funding paid to the Recipient under this Agreement in respect of the Year in which the breach was, with respect to Sections 14.1 and 14.2, determined by The City to be a default and breach, in which case the Recipient shall forthwith repay the subject directed funds.

15.3 With respect to the repayment of Funding contemplated in Sections 15.2.1(b) and 15.2.3, for clarity, by way of example, if an event occurs in the Second Year which could, in the exercise of The City's sole and unfettered discretion, be determined by The City to constitute a default and breach by the Recipient under this Agreement:

15.3.1 and The City, in that Second Year, exercises its discretion and makes the determination that the event constitutes a default and breach, it is intended that The City will have the right to direct repayment of Funding in respect of the Second Year; but

15.3.2 if The City does not exercise its discretion and make the determination that the event constitutes a default and breach until the Third Year, it is only intended that The City will have the right to direct repayment of Funding in respect of the Third Year, not the Second Year.

16.0 NOTICES

16.1 Any notices under this Agreement given to The City and the Recipient are conclusively deemed to be sufficiently given if personally delivered, sent by prepaid registered mail or by email addressed as follows:

16.1.1 to The City at:

P.O. Box 2100, Stn. M
Calgary, Alberta, Canada T2P 2M5
Mail Code # 60
Attention: Acting Director, Calgary Recreation
Email: james.mclaughlin@calgary.ca

WITH A COPY TO:
The City of Calgary Law Department
P.O. Box 2100 Station "M", #8053
Calgary, Alberta T2P 2M5 Attention: City Solicitor
Email: glenda.cole@calgary.ca

16.1.2 to the Recipient at:

Calgary Rotary Challenger Park Society
3688 48 Avenue NE
Calgary, Alberta T3J 5C8
Attention: Executive Director
Email: info@challengerpark.com

or to any other address as may be designated in writing by The City or the Recipient, as applicable, from time to time. Notice given by personal delivery shall be conclusively deemed to have been received on the date of delivery if it is a business day and the delivery was made prior to 4:00pm and otherwise on the next ensuing business day. Notice given by registered mail, if posted in Alberta, shall be conclusively deemed to have been received on the fifth (5th) business day following the date on which such notice is mailed. Notice given by e-mail shall be conclusively deemed to have been received on the date the recipient confirms receipt in writing (by return e-mail or otherwise) and, for such purposes, a computer generated automatic read receipt shall *not* constitute written confirmation of receipt. In the event of a postal strike, notice may only be given by e-mail or personal delivery.

17.0 GENERAL

- 17.1 **Priority.** In the event of a conflict between a provision in a schedule to this Agreement and a provision in the body of this Agreement, the provision in the body of this Agreement will govern.
- 17.2 **No waiver.** The waiver of any covenants, condition or provision hereof must be in writing. The failure of any Party, at any time, to require strict performance by the other Party of any covenant, condition or provision hereof will in no way affect such Party's right thereafter to enforce such covenant, condition or provision, nor will the waiver by any Party of any breach of any covenant, condition or provision hereof be taken or held to be a waiver of any subsequent breach of the same or any covenant, condition or provision.
- 17.3 **No statutory waiver.** The City in entering into this Agreement is doing so in its capacity as a municipal corporation exercising its natural person powers and not in its capacity as a regulatory, statutory or approving body pursuant to any law of the Province of Alberta. Nothing in this Agreement will constitute the granting by The City of any approval or permit as may be required pursuant to the *Municipal Government Act* (Alberta) and any amendments thereto, and any other legislation in force in the Province of Alberta. The City, as far as it can legally do so, is only bound to comply with and carry out the terms and conditions stated in this Agreement, and nothing in this Agreement restricts The City, City Council, its officers, servants or agents in the full exercise of any and all powers and duties vested in them in their respective capacities as a municipal government, as a municipal council and as the officers, servants and agents of a municipal government.
- 17.4 **Time is of the essence.** Time will be of the essence of this Agreement.
- 17.5 **Assignment.** This Agreement cannot be assigned in full or in part by the Recipient without the prior written consent of The City, which consent may not be unreasonably or arbitrarily withheld.
- 17.6 **Severability.** If any of the terms and conditions as contained in this Agreement are at any time during the continuance of this Agreement held by any Court of competent jurisdiction to be invalid or unenforceable in the manner contemplated herein, then such terms and conditions will be severed from the rest of the said terms and conditions, and such severance will not affect the enforceability of the remaining terms and conditions in accordance with the intent of these presents.
- 17.7 **Binding.** The terms and conditions contained in this Agreement extend to and are binding upon the respective heirs, executors, administrators, successors and assigns of The City and the Recipient.

- 17.8 **Governing law.** This Agreement is governed by the laws of the Province of Alberta and the federal laws of Canada applicable in the Province of Alberta and the Parties submit to the exclusive jurisdiction of the Alberta courts.
- 17.9 **Amendments.** This Agreement, including without limitation, but for certainty, Schedule "A" and Schedule "B" attached hereto, shall not be modified, varied or amended except by the written agreement of The City and the Recipient.
- 17.10 **Further Assurances.** The Parties will execute and deliver such further instruments, papers and documents, and will do such further acts and things as may reasonably be necessary or as may reasonably be requested for the purpose of carrying out the provisions of this Agreement.
- 17.11 **Entire Agreement.** This Agreement constitutes the entire agreement between the Parties relating to, and there are no collateral or other statements, understandings, covenants, agreements, representations or warranties, written or oral, relating to, the subject matter of this Agreement. This Agreement supersedes all prior agreements, understandings, negotiations and discussions, whether written or oral, between the Parties relating to the subject matter hereof.
- 17.12 **Survival.** The provisions of Articles 7.0, 10.0, 11.0, 12.0 and 13.0, and any other provision which, pursuant to its terms, is contemplated or intended to survive termination of this Agreement, shall survive termination (by expiration or otherwise) of this Agreement.
- 17.13 **Acknowledgment and Agreement.** For absolute certainty, with respect to Section 16.4 of the Original Agreement, the Parties, also being the parties to that agreement, hereby acknowledge and agree that the Original Agreement is effectively terminated. Also, with respect to Section 5.13 of the Original Agreement, the Parties hereby agree that, contrary to the intention set forth in the Original Agreement, the Lifecycle Fund (as that term is defined in the Original Agreement) is not to be turned over to The City as a consequence of termination of the Original Agreement, but instead, is to be turned over to the Recipient for their sole and absolute use.
- 17.14 **Relationship of Parties.** Nothing in this Agreement implies any partnership or joint venture between the Parties or is to be construed as making one Party the agent or fiduciary of the other with respect to the Funded Activities.

17.15 **Acting Reasonably.** Whether or not stated specifically in this Agreement, the Parties agree to act in good faith in all matters governed by this Agreement.

IN WITNESS WHEREOF the Parties hereto have executed this Agreement as of the day and year first above written.

APPROVED	
	INITIAL
AS TO CONTENT (GREG STEINRATHS)	
AS TO FORM SOLICITORS (LAW DEPARTMENT)	

THE CITY OF CALGARY

Per: _____
Name: James McLaughlin
Title: Acting Director, Calgary Recreation

Per: _____
Name: Laura Kennedy
Title: City Clerk

CALGARY ROTARY CHALLENGER PARK SOCIETY

Per: _____
Name: Trevor Thomson
Title: Board Chair

Per: _____
Name: James (Jim) Zackowski
Title: Executive Director

SCHEDULE "A"
FUNDED ACTIVITIES

The Funding shall be used by the Recipient exclusively in respect of costs for the following 'Funded Activities':

- a) administration and operation of the Park;
- b) capital improvements of the Park;
- c) administration of the Everyone Can Play Fund; and
- d) development and provision of recreation and wellness programs, activities, courses and similar activities;

if and to the extent that such costs are incurred on or after the Agreement Date, unless and except as may be otherwise expressly agreed by The City.

Without limitation to or derogating from anything else contained in this Agreement, for certainty, the Recipient must not use the Funding:

- a) to fund the Everyone Can Play Fund; or
- b) in relation to the Adjacent Property, including without limitation, any activities, developments, projects or programs occurring on or in relation to such property, unless, in each instance, expressly agreed otherwise in advance and in writing by the Parties.

"Adjacent Property", as used above, means those lands approximately 5.34 acres in area which border the west boundary of the Park Lands.

SCHEDULE "B"
REPORTING

In alignment with The City's Results Based Accountability Framework, the following performance measures will be reported annually for the period of January 01 to December 31 of 2018, 2019, 2020, 2021, 2022.

HOW MUCH DID WE DO?

Calgarians access programs, services and facilities

of user groups

of organizations serving disability community

of local sport organizations

of people visiting the park by user group (estimate only)

of events

of sport-specific events

by level - national, provincial, local (#)

estimated attendance by event (#)

of culture-specific events

estimated attendance by event (#)

Calgarians with disabilities access programs, services and facilities

of groups supported by the park through Everyone Can Play Fund

funding by group (\$)

for use of park (\$)

for transportation (\$)

for other (\$)

of groups supported by the Park through volunteerism

of Rotary volunteers provided

of volunteer hours

HOW WELL DID WE DO?

More Calgarians More Active and Creative More Often

utilization rate by amenity type¹
prime time² hours available
of prime time hours utilized
of non prime³ time hours available
of non prime time hours utilized

Leverage ratio

operating
revenue generated from bookings (\$)

capital by amenity type
federal (\$)
provincial (\$)
donations (\$)
other private (\$)

Building Condition

building condition assessment less than 5 years old
% of components repaired in specified timeframe
0 Repair / Replace immediately (%)
1 Repair / Replace within 12 Months (%)
2 Repair / Replace within 24 months (%)
7 Condition suspect. Additional investigation needed (%)
9 Condition potentially dangerous; requires immediate attention (%)

¹ **amenity types** refer to diamonds (2), rectangular field, 400 metre running track, basketball court, field and events area, tennis courts (2)

² **prime time** is defined as 6 pm to 9 pm from Monday to Friday (inclusive) and 8 am to 8 pm on Saturday and Sunday from May 01 and to October 31 for a total maximum of 800 hours.

³ **non prime time** is defined as 8 am to 5:59 pm from Monday to Friday (inclusive) from May 01 and to October 31 for a total maximum of 1,000 hours.

HOW ARE CALGARIANS BETTER OFF?

% customer survey responses that strongly agree that the Park:

- promotes healthy & active lifestyles;
- offers a range of passive, structured and unstructured outdoor recreational opportunities;
- facilities are safe;
- facilities are clean;
- facilities are well maintained;
- facilities are accessible;
- booking process is simple;
- staff are helpful and courteous; and
- is a reflection of the diverse cultural make of the northeast

THIS Assignment and Agreement made this 30th day of April, 2018.

BETWEEN:

THE CITY OF CALGARY
(the "Assignor")

- and -

CALGARY ROTARY CHALLENGER PARK DEVELOPMENT SOCIETY
(the "Assignee")

- and -

THE CALGARY AIRPORT AUTHORITY
(the "Landlord")

ASSIGNMENT

PREAMBLE

WHEREAS:

- A. By a sublease in writing dated the 7th day of May, 2003, a synopsis of which is contained in Schedule "A" hereto (the "**Lease**"), those certain premises located at YYC International Airport in the City of Calgary, in the Province of Alberta, as more particularly described in the Lease (the "**Premises**") were leased to the Assignor (or its predecessor(s) in interest) on the terms and conditions contained in the Lease;

- B. The Lease contains a covenant on the part of the tenant therein not to assign the Lease without the Landlord's consent, which consent may not be unreasonably withheld except as provided for in the Lease;
- C. The Assignor has agreed to assign the Lease to the Assignee subject to obtaining the Landlord's consent to such assignment;
- D. The Assignor has requested the Landlord's consent to an assignment of the Lease to the Assignee, subject to and upon the terms and conditions herein set out; and
- E. The Landlord has agreed to grant its consent to the within assignment (the "Assignment") effective the 30th day of April, 2018 (the "Effective Date") subject to the terms and conditions hereof.

NOW THEREFORE THIS AGREEMENT WITNESSETH that for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto covenant and agree as follows:

1. DEFINED TERMS

Save as otherwise defined herein, capitalized terms used in this Agreement shall have the meanings ascribed to those terms in the Lease.

2. ASSIGNMENT

The Assignor hereby transfers, sets over and assigns unto the Assignee as of and from the Effective Date all of its right, title and interest in and to the Premises, the Lease and the unexpired residue of the term thereof, together with all benefits and rights derived therefrom subject to the payment of the Rent and the observance and performance of the covenants, provisos and conditions on the part of the tenant contained therein. This assignment includes an assignment of any right, title or interest of the Assignor in and to the Leasehold Improvements at the Premises.

3. ASSIGNOR'S COVENANTS

The Assignor covenants and agrees with the Assignee as follows:

- (a) the Assignor is entitled to assign the Lease;
- (b) the Lease is a good, valid and subsisting lease and the Rent thereby reserved has been paid up to the Effective Date and the covenants and conditions therein contained have been observed and performed by the Assignor up to the Effective Date;
- (c) subject to the payment of Rent and to the observance and performance of all of the terms, covenants and conditions contained in the Lease on the part of the tenant therein to be observed and performed, the Assignee may enter into and upon and hold and enjoy the Premises for the residue of the Term granted by the Lease for its own use and benefit without any interruption by the Assignor or by any person claiming though or under the Assignor; and
- (d) the Assignor shall at all times hereafter at the request and the cost of the Assignee, execute such further assurances in respect of this Assignment as the Assignee may reasonably require.

4. ASSIGNEE'S COVENANTS

- (a) The Assignee covenants and agrees with the Assignor and with the Landlord that it will, during the residue of the Term granted by the Lease and any renewal thereof:
 - (i) Pay all Rent reserved at the times and in the manner provided in the Lease;
 - (ii) make all other payments covenanted to be paid by the tenant therein at the times and in the manner provided for in the Lease; and

- (iii) observe and perform the terms, covenants and conditions contained in the Lease on the part of the tenant therein to be observed and performed.
- (b) The Assignee agrees from and after the Effective Date to indemnify and save harmless the Assignor from and against any and all claims, actions, suits, costs, losses, damages, expenses incurred by the Assignor and liabilities which may arise directly or indirectly from the Lease or the Assignee's use or occupation of the Premises, which arise or accrue prior to the Effective Date or which are predicted on an event occurring prior to the Effective Date.

5. LANDLORD'S CONSENT

The Landlord consents to the within assignment of the Lease from the Assignor to the Assignee on the Effective Date subject to the following terms and conditions:

- (a) the Landlord's consent shall in no way affect or release the Assignor from its liabilities and responsibilities under the terms of the Lease herein assigned which: (i) arise or accrue prior to the Effective Date; or (ii) which are predicated on an event occurring prior to the Effective Date, and the Assignor shall remain responsible for all such liabilities and responsibilities notwithstanding the within assignment and notwithstanding any disclaimer of the Lease by any trustee in bankruptcy of the Assignee or any subsequent assignee or any other act or event releasing or discharging the Assignee or any subsequent assignee or any termination of the Lease and the Assignor hereby covenants directly with the Landlord accordingly;
- (b) this consent does not constitute a waiver of the necessity for consent to any further transfer of the Lease (including any assignment, subletting, parting with or sharing possession of all or any part of the Premises) which must be completed in accordance with the Lease;
- (c) this Assignment is deemed not to have been delivered to the Assignee by the Assignor until the consent of the Landlord has been evidenced by the execution and delivery of this Assignment by the Landlord to both the Assignor and the Assignee;

- (d) the Assignor and the Assignee shall at their expense promptly execute such further documents and assurances with respect to the Premises as the Landlord reasonably requires from time to time;
- (e) nothing contained in this Assignment or the consent contained herein shall operate as a novation of the Lease; and
- (f) the Landlord does hereby release the Assignor from all liabilities and responsibilities in respect of the observance or performance of the terms, conditions or covenants contained in the Lease on the part of the Assignor to be observed or performed from and after the Effective Date; PROVIDED ALWAYS that nothing herein shall be construed as a release of the Assignor from any obligations or liability arising or accruing prior to the Effective Date or which are predicated on an event occurring prior to the Effective Date.

6. NOTICES

- (a) Any notice required to be given hereunder by any party shall be deemed to have been well and sufficiently given if delivered by hand or prepaid courier, or forwarded by facsimile transmission to the address of the party to whom it is intended as hereinafter set forth:

- (i) If to the Assignor:

The City of Calgary Sport & Partnership Development, Calgary
Recreation
Manchester Building E, North Tower
2808 Spiller Road S.E.
P.O.Box 2100, Station M,
Calgary, Alberta T2P 2M5
Attention: _____ [to be provided]

(ii) If to the Assignee:

Calgary Rotary Challenger Park Society
Jim and Pearl/Burns Centre
3688 – 48th Avenue N.E.
Calgary, Alberta T3J 5C8
Facsimile No: (403)250-2707
Attention: Executive Director

(iii) If to the Landlord:

The Calgary Airport Authority
2000 Airport Road N.E.
Calgary, AB T2E 6W5
Facsimile No.: (403) 735-7501
Attention: Manager, Airport Lands

- (b) Such addresses may be changed from time to time by either party giving notice as above provided.
- (c) If any question arises as to whether any notice was communicated by one party to the other, a notice shall be deemed to have been effectively communicated or given on the day delivered or sent by facsimile transmission, as the case may be.

7. CONFIRMATION

The parties hereto do in all other respects hereby confirm that the Lease is in full force and effect in accordance with its terms, and the Landlord is not aware of any material default thereunder. The Lease remains unchanged and unmodified except in accordance with the Assignment.

8. BINDING EFFECT

This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective administrators, successors and permitted assigns.

9. GOVERNING LAW

This Agreement shall be governed by, construed, and enforced in accordance with the laws of the Province of Alberta and the laws of Canada applicable thereto and shall be treated in all respects as an Alberta contract.

10. EXECUTION AND DELIVERY

This Agreement may be executed in counterparts, each of which when so executed shall constitute an original and be deemed to constitute one and the same agreement. The Agreement may be delivered by facsimile transmission or electronically by portable document format (pdf).

IN WITNESS WHEREOF, the parties hereto have duly and validly executed this Assignment as of the day and year first above written.

THE CITY OF CALGARY

Per: _____
Manager, Land & Asset Management, Real
Estate & Development Services

Per: _____
City Clerk (seal)

**CALGARY ROTARY CHALLENGER
PARK SOCIETY (will be 2 signatures)**

Per: _____

Name: _____

Title: _____

THE CALGARY AIRPORT AUTHORITY

Per: _____

Name: _____

Title: _____

SCHEDULE "A"

SYNOPSIS OF LEASE

Sublease dated May 7, 2003, designated as Lease No. YYC1027, between The Calgary Airport Authority, as Landlord, and The City of Calgary, as Tenant, for a term commencing on May 7, 2003, and ending on June 29, 2052, relating to those premises comprised of twenty-three (23) acres more or less which premises form part of the lands described as Plan 9210847, Block "A".

THIS ASSIGNMENT AND ASSUMPTION OF OCCUPANT AGREEMENT dated for reference April ____, 2018.

BETWEEN:

THE CITY OF CALGARY

and

CALGARY ROTARY CHALLENGER PARK SOCIETY

RECITALS:

- A. By the lease No. YYC 1027 dated May 7, 2003, the Calgary Airport Authority subleased certain land to the Assignor (the "Sublease").
- B. By an occupant agreement dated June 1, 2007 (the "Occupant Agreement"), the Assignor leased to RES the "rentable areas" (as defined in the Occupant Agreement) for a term of five (5) years and three (3) months commencing on June 1, 2007 and expiring on August 31, 2012.
- C. By an occupant agreement renewal dated July 15, 2011 (the "First Renewal Agreement"), the Assignor and RES agreed to renew the term of the Occupant Agreement for a further period expiring August 31, 2017, to amend the "rentable area" to six thousand one hundred and twenty (6,120.00) square feet, to amend the fees payable by RES and to amend the recognition provisions all in accordance with the terms and conditions set forth in the First Renewal Agreement.
- D. By a renewal and amending agreement dated the 26 day of January 2017, (the "Renewal and Amending Agreement"), the Assignor and RES agreed to renew the term of the Occupant Agreement for a further period expiring August 31, 2020, to amend the "rentable area" to six thousand four hundred forty (6,440) square feet and to amend the fees payable by RES all in accordance with the terms and conditions set forth in the Renewal and Amending Agreement.
- E. The Assignor is assigning the Sublease to the Assignee by consent to assignment made the 30th day of April, 2018.
- F. As the Assignor will no longer be a party to the Sublease as of the 30th day of April, 2018, the Assignor wishes to assign the Occupant Agreement to the

Assignee, the Assignee wishes to assume the Occupant Agreement from the Assignor, and the Calgary Airport Authority, the landlord of the Sublease has agreed to consent to such assignment and assumption of the Occupant Agreement, subject to the terms and conditions set out in this Agreement.

THIS ASSIGNMENT AND ASSUMPTION OF OCCUPANT AGREEMENT

WITNESSES THAT, in consideration of the mutual promises contained in this Agreement and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, the parties agree as follows:

1. DEFINITIONS

1.01. In this Agreement and the recitals:

- (a) "Agreement" means this assignment and assumption of occupant agreement and any subsequent amendments agreed to in writing by the parties;
- (b) "Assignee" means the Calgary Rotary Challenger Park Society;
- (c) "Assignor" means The City of Calgary;
- (d) "Effective Date" means April 30th, 2018; and
- (e) "RES" means the Renfrew Educational Services Society.

1.02. Any capitalized terms not listed above have the same meaning as in the Occupant Agreement.

2. EFFECTIVE DATE

2.01. This Agreement is effective as of the Effective Date.

3. ASSIGNMENT AND ASSUMPTION

3.01. The Assignor assigns to the Assignee, and the Assignee assumes from the Assignor, the Assignor's entire right, title and interest in the "rentable area" and the Occupant Agreement.

3.02. The Assignee shall be liable for the obligations of the Lessor under the Occupant Agreement for the balance of the Term and all extensions or renewals (if any).

4. REPRESENTATIONS AND WARRANTIES

4.01. The Assignor represents and warrants that:

- (a) the Assignor is the sole and beneficial owner of the interest assigned by the Assignor in this Agreement;
- (b) the Assignor has good right, full power and absolute authority, to assign its interest in the "rentable area" and the Occupant Agreement;
- (c) the Assignor's interest in the "rentable area" and the Occupant Agreement is free from all encumbrances;
- (d) to the best of its knowledge, RES has performed all its obligations and made all required payments under the Occupant Agreement; and
- (e) the Occupant Agreement is valid and subsisting, and no Gross Rent or other amounts to be paid by RES under the Occupant Agreement are in arrears.

5. COVENANTS

5.01. The Assignee shall:

- (a) perform all of the obligations to be performed by the Lessor under the Occupant Agreement as if the Assignee had originally executed the Occupant Agreement as the Lessor; and

- (b) indemnify and save harmless the Assignor in respect of all liability, actions, losses, damages, costs and expenses (including legal fees on a solicitor-client basis), with respect to any breach, default, non-observance or non-performance by the Assignee of any obligation required to be observed or performed by the Assignee under the Occupant Agreement. This provision survives the expiry or early termination of the Occupant Agreement.

5.02. From the Effective date, the Assignor shall no longer be liable for the observance and performance of all obligations of the Lessor under the Occupant Agreement.

6. ACKNOWLEDGEMENTS

6.01. The Assignee accepts possession of the "rentable area" in an "as is" condition and acknowledges and agrees that the Assignor has no further obligation to make any renovations, alterations or leasehold improvements to the "rentable area".

6.02. The Assignee acknowledges having received and reviewed a copy of the Occupant Agreement.

7. LANDLORD'S CONSENT

7.01. The Assignor has obtained the consent of the Calgary Airport Authority for the assignment and assumption of the Occupant Agreement from the Assignor to the Assignee subject to the following terms and conditions:

- (a) no further assignment, subletting or sharing of possession by RES of the Occupant Agreement or the "rentable area" or of any rights or obligations by any party will be valid without the prior written consent of the Calgary Airport Authority

8. NOTICE

8.01. Any notice under either the Occupant Agreement or this Agreement must be in writing and will be sufficiently given if couriered or faxed to such party at the following addresses or fax numbers:

To the Assignor:

The City of Calgary
Recreation (Mail Code 76)
P.O. Box 2100, Station M
Calgary, Alberta T2P 2M5
Attention: Director
Fax No.: (403) 268-5252

With a copy to:

The City of Calgary
Real Estate & Development Services
(Mail Code 195)
P.O. Box 2100, Station M
Calgary, Alberta T2P 2M5
Attention: Manager, Land & Asset
Management
Fax No.: (403) 268-1948

To the Assignee:

Calgary Rotary Challenger Park
Society
Jim and Pearl/Burns Centre
3688 – 48th Avenue N.E.
Calgary, Alberta T3J 5C8
Attention: Executive Director
Fax No.: (403) 250-2707

Any notice or communication given in the foregoing manner will be deemed to have been given and received on the date of delivery or fax.

9. GENERAL PROVISIONS

9.01. Each party, upon receipt of notice from any other party, shall sign (or cause to be signed) all further documents, do (or cause to be done) all further acts, and provide all assurances as may reasonably be necessary or desirable to give effect to the terms of this Agreement.

9.02. This Agreement binds and enures to the benefit of the respective successors and assigns of the Assignor and the Assignee.

9.03. This Agreement is governed by and will be construed in accordance with the laws of the Province of Alberta (and the applicable laws of Canada), and the parties irrevocably and unconditionally attorn to the exclusive jurisdiction of the courts of the Province of Alberta.

9.04. If any provision of this Agreement or the application of any provision of this Agreement to any person or circumstance is held by a court of competent jurisdiction to be to any extent invalid or unenforceable, the remainder of this Agreement or the application of such provision to persons or circumstances other than those to which that provision is held invalid or unenforceable, will not be affected and each provision will be valid and enforceable to the fullest extent permitted by law.

9.05. Time is of the essence.

9.06. Except as amended by this Agreement, the terms and conditions of the Occupant Agreement remain unchanged and are ratified and in full force and effect.

9.07. The Assignor and the Assignee each acknowledge and agree that: (i) the Assignor is entering into this Agreement in its capacity as a landlord of real property and not as a regulatory, statutory or approving government authority and nothing in this Agreement constitutes the granting by the municipality of any approval or permit as may be required pursuant to the Municipal Government Act (Alberta) or any other legislation in force in the Province of Alberta; and (ii) nothing in this Agreement restricts the municipality, its municipal council, its officers, employees or agents, in the full exercise of any and all powers and duties vested in them in their respective capacities as a government authority.

9.08. The Assignee acknowledges and declares that this Agreement has been discussed and negotiated freely between the parties, and that the Assignee has

obtained all necessary legal advice from legal counsel of its choice before executing this Agreement (or has been given the opportunity to obtain legal advice with respect to the terms of this Agreement and has declined to do so), and the Assignee each executes this Agreement as its own free act.

IN WITNESS WHEREOF the parties have executed this Agreement.

APPROVED	
As to Content Recreation	
Real Estate & Development Services	
As to Form Law	

THE CITY OF CALGARY

Per: _____
 Manager, Land & Asset Management
 Real Estate & Development Services

Per: _____
 City Clerk (seal)

CALGARY ROTARY CHALLENGER PARK SOCIETY

Per: _____
 (seal)

 Witness

 Witness

Per: _____

I/We have authority to bind the corporation.

AFFIDAVIT VERIFYING CORPORATE SIGNING AUTHORITY

I/We, _____ and _____, of the City of _____, in the Province of Alberta, make oath and say:

- 1. I am/We are an officer or a director of **Calgary Rotary Challenger Park Society**, named in the within or annexed instrument.
- 2. I am/We are authorized by the corporation to execute the instrument without affixing a corporate seal.

SWORN before me at the City of _____)
 _____, in the Province of Alberta,)
 this ___ day of _____, 20___.)
 _____)
 Commissioner for Oaths in and for)
 Alberta)

AFFIDAVIT OF EXECUTION

I, _____, of the City of _____, in the Province of Alberta, make oath and say:

- 1. I was personally present and did see _____ and _____ who is/are known to me to be the person(s) named in the within (or annexed) instrument, duly sign the instrument;
 or
 I was personally present and did see _____ and _____ who, on the basis of identification provided to me, I believe to be the person(s) named in the within (or annexed) instrument, duly sign the instrument;
- 2. The instrument was signed at the City of _____, in the Province of Alberta and I am the subscribing witness thereto;
- 3. I believe the person(s) whose signature(s) I witnessed is/are at least eighteen (18) years of age.

SWORN before me at the City of _____)
 _____, in the Province of Alberta,)
 this ___ day of _____, 20___.)
 _____)
 Commissioner for Oaths in and for)
 Alberta)

BETWEEN:

THE CITY OF CALGARY

and

**CALGARY ROTARY CHALLENGER PARK
SOCIETY**

**ASSIGNMENT AND ASSUMPTION OF
OCCUPANT AGREEMENT**

The City of Calgary
Law Department
12th Floor, Calgary Municipal Building
800 Macleod Trail SE
Calgary, AB T2G 2M3

(P. O. Box 2100, Station "M" (8053)
Calgary, AB T2P 2M5)

Law File No.: RE3321 (L. Lau/K. Lindsay)
RE&DS File No.: 3688 – 48 Avenue NE (V. Keiller)