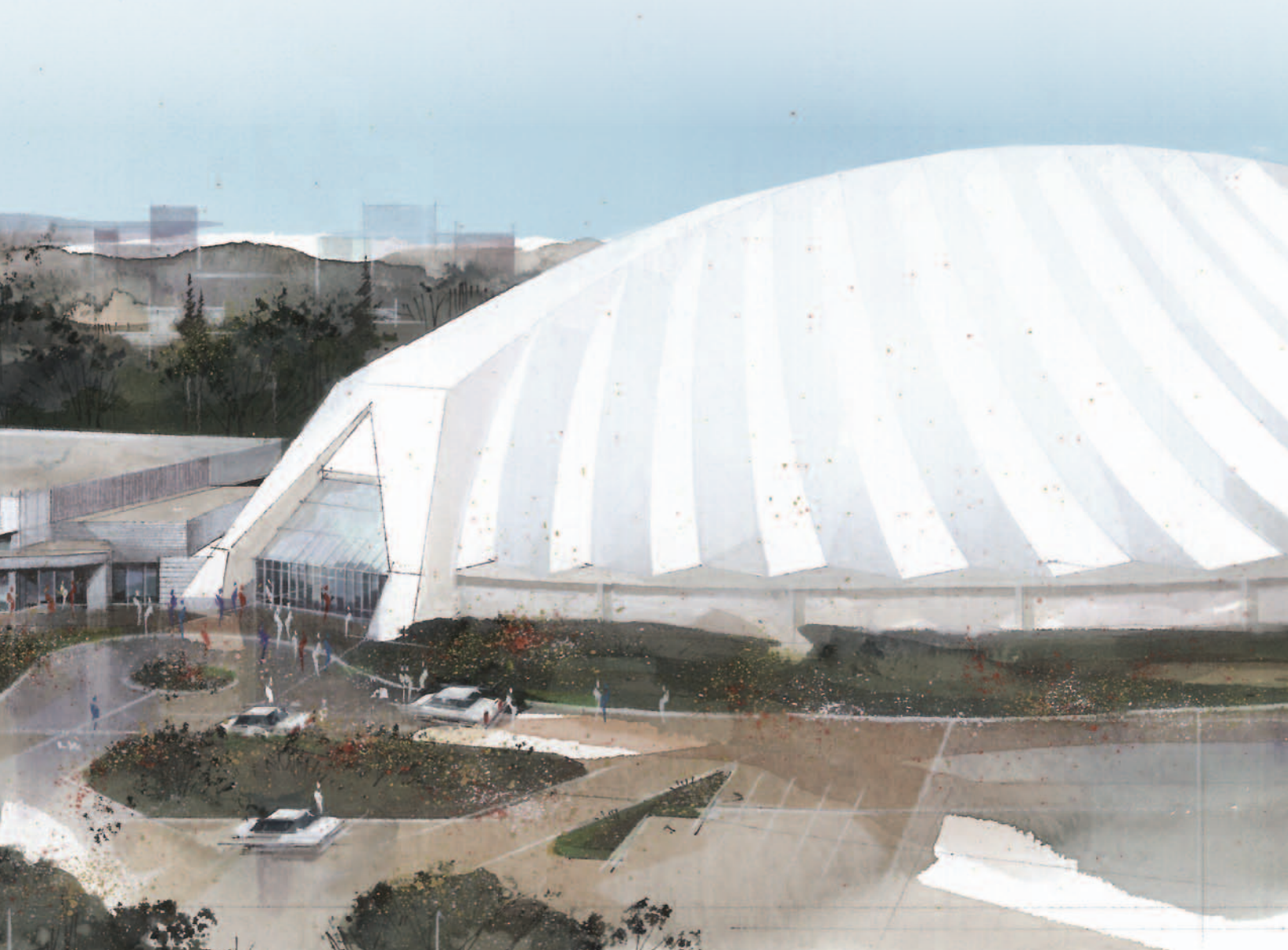


# 2012

**TALISMAN**  
CENTRE  
Train ▪ Compete ▪ Play

## Annual Report



"We want you to feel great not only from your workout but from the experiences you have while here. Building on our Member benefits, engagement activities and re-evaluation of the needs of our target market, we have adjusted our marketing strategies that will help lay the foundation for us to launch into some new and improved innovative projects next year. In particular we will focus on maximizing our customer engagement touch points and build upon our social media approach."

– **Lorissa Dong, Sales & Marketing Director**

# 2012

## Annual Report

Message from the Chair	5
Message from the CEO	7
The Pursuit of Excellence	8
Strategic Goals – Year in Review	10
Outlook for the Future	24
Auditors' Report	25
Financial Statements	27
Partners, Director Team, and LPSS Board	38



Train ▪ Compete ▪ Play

2225 Macleod Trail South  
Calgary, Alberta, Canada  
T2G 5B6

403.233.8393  
info@talismancentre.com

[talismancentre.com](http://talismancentre.com)

– **Lorissa Dong, Sales & Marketing Director**



# Message from the Chair

It has been an honour and pleasure to Chair the Lindsay Park Sports Society (LPSS) for the 2012/2013 term and begin the 30th anniversary of our iconic facility. As you read the 2012 Annual Report you will see that Calgary's "Number one Fitness Facility" (as voted by Fast Forward Magazine) has again had an impressive year. Allow me to share just a few of this year's many significant events.

2012 marked our first full year since the LPSS Board restructuring. I am delighted to report, the smaller elected Board maintains the same passion for the facility, sport and people. The Pathway and River Cleanup is a special event that happens annually. The goal is to remove all the litter that accumulates along our riverbanks and pathways over the winter months. In addition to being an eyesore, the garbage can be deadly to Calgary's wildlife. No one underestimates the incredible legacy we inherited from past Boards; indeed a responsibility for us and those who follow to uphold.

In past Annual Reports you may have read of the Board's strategic plans, restated in 2009. This year the Board evaluated those plans, ensuring we were on track and our focus was consistent with the strategy. I am pleased to report we are as aligned as ever.

More Calgarians than ever before call Talisman Centre home. Since completing the roof replacement and facility enhancement project in January 2011, Talisman Centre now has achieved a record number of members, sport partners, and visitors.

Talisman Centre hosted more than 50 competitive events this year; the largest being the Canadian National Age Group Swimming Championships with 1,500 athletes. This year, Talisman Centre was recognized as the National Training Centre for Canada's Senior Men's National Water Polo Team, and welcomed Priori Epee Fencing / Ares Pentathlon.

We continue to be well represented throughout Canada and the world by numerous athletes training at Talisman Centre. Our commitment to investing in athletics is as strong as ever and will reach new heights through our new \$750,000 fundraising campaign for the recently established John Currie Amateur

Sport Legacy Fund. We believe this, along with the existing \$250,000 Legacy Fund established in 1983, will have a meaningful impact in supporting Calgary athletes to realize their greatest potential.

In addition to the sporting success, Talisman Centre continues to invest in our individual membership base. 2012 saw over \$480,000 reinvested into the facility ensuring our customers continue to experience the high level of service expected from a world class facility.

Success often brings new unforeseen challenges. We must give credit to the Talisman Centre Management Team and Staff for their enthusiastic commitment to customer needs, creativity and genuine passion for the facility. Without their determined efforts, the high customer satisfaction scores and repeated requests to host events would not be possible.

In closing, I wish to acknowledge our significant partners without whom we could not deliver the results we have nor assist our athletes in achieving their dreams; The City of Calgary, Talisman Energy Inc., The Calgary Foundation, PepsiCo Beverages Canada, Parks Foundation Calgary, our retiring LPSS Board members, and finally you, the members and Sport Partners who call Talisman Centre home.

Yours in Good Health

**Steve Sproule**  
Chair 2012 – 2013  
Lindsay Park Sports Society



*"Every year at this time, I'm amazed to look back at what we managed to accomplish in 365 days. However, the success of Talisman Centre rests on the shoulders of so many individuals – the countless coaches, managers, officials, committee members, volunteers, parents and staff who help out, and I extend our thanks to each of them. Without you, we simply could not run this amazing organization."*

**– Jeff Booke, CEO Talisman Centre**

## Message from the CEO

Talisman Centre produced extraordinary results in 2012 and on all accounts can consider the year a great success.

Business success can be measured a number of ways however, for me, the true measure of success is the ability to achieve both financial results and vision related goals.

Through a strategic planning process in 2009, The Lindsay Park Sports Society (LPSS) and Talisman Centre identified financial results as the need to enhance sustainable financial health to allow for growth. This financial goal can easily be measured by looking to our audited financial statements, which are included in the Annual Report. I am pleased to report that on all fronts Talisman Centre delivered.

With respect to vision related goals, the LPSS and Talisman Centre introduced a refined vision statement (found on page 9) which provides a clear direction for where the organization wants to be positioned in the future.

Here too, everyone involved can take pride in Talisman Centre's 2012 results where, amongst many other achievements, the Centre furthered its strategic goals, enhanced partnerships with stakeholder groups and invested significant dollars in sport, equipment, classes and facility upgrades.

You might ask, "What accounts for these extraordinary financial and vision related outcomes?" For me, the answer is easy. When you are provided with a world class facility set in the heart of the City, fill the space with top of the line equipment and industry leading programs and then animate it with exceptional employees, it's no surprise Talisman Centre produced unprecedented results in 2012.

Throughout the Annual Report you will find stories, statistics and quotes that shed a little more light on Talisman Centre's 2012 financial results and vision related achievements. I hope you enjoy the read.

In closing, I would like to thank our staff, stakeholders, funders and Board of Governors. I have been very fortunate to work with an extremely talented Board that sets the direction for Talisman Centre and allows staff to manage the annual operations of the facility. Together, Talisman Centre employees and the LPSS Board of Governors are deserving of a pat on the back and a hearty – job well done!



A handwritten signature in blue ink that reads "Jeff Booke". The signature is stylized and cursive.

**Jeff Booke**  
CEO, Talisman Centre

# THE Pursuit of Excellence

It happens every day at Talisman Centre – from the very first steps into our facility, where customers choose to go through a Train, Compete or Play door. Members rush in to get to class or gear up for workouts. Local to international sport competitions are hosted. Professional advice and support from expert staff help propel customers toward achieving their goals. Leading edge programs and services impact the active lives of members and sport partners forever. Whatever “it” is, you can be sure Talisman Centre does it, and does it extremely well.

In fact, that's what this year's Annual Report is all about: all the “its”. To really understand the quality of what goes on here, you need to dive a little deeper into the magnitude of all this year's feats. The more you uncover, the more satisfying these achievements are, and the more you'll learn about the essence of a Talisman Centre experience.

Our strategy is rooted in support of our Mission, Vision and Values that help drive us toward our goals. To this end, the Director team took part in a corporate seminar to revitalize our corporate compass statements – in an effort to keep our organization relevant within a dynamic industry and keep us focused and grounded on our goals. We are proud to shout out and declare our invigorated Mission, Vision and Values.



PHOTO: Play hard.



PHOTO: Train for excellence.

## Mission

**Passionate about sport – and people.**

## Vision

Talisman Centre is a world-class sport and fitness facility that inspires individuals and teams to achieve their goals and dreams through innovation, expertise and passion.

## Values

1. **Safety** – Creating a safe environment is our number one priority. It is beyond compromise and we are responsible to ensure everyone is protected.
2. **Legendary Service** – The strength of our team, and respect we show for each other, empowers Talisman Centre employees to continually exceed expectations of our customers and create meaningful and unique experiences, setting us apart from the competition.
3. **Excellence** – A journey of fulfillment of the organization's strategic goals, continually raising the bar in all aspects of our business operations to forever create new competitive advantages.
4. **Innovation** – Bold thinking that challenges, changes and enhances the organization.

As Talisman Centre embarked on achieving success for the second chapter of its five-year strategic plan (2010–2015), concentration was placed on the investment in athlete development, leading edge programs and services, innovative marketing and branding strategies and above all – people. Working in unison with the Lindsay Park Sports Society (LPSS) Board of Governors, Talisman Centre strengthened its position to further enhance its management and operational efficiencies in the pursuit of excellence. Illustrations of our actions and accomplishments addressing our seven strategic goals follow.

To support the development of a national profile for Talisman Centre in at least one sport.

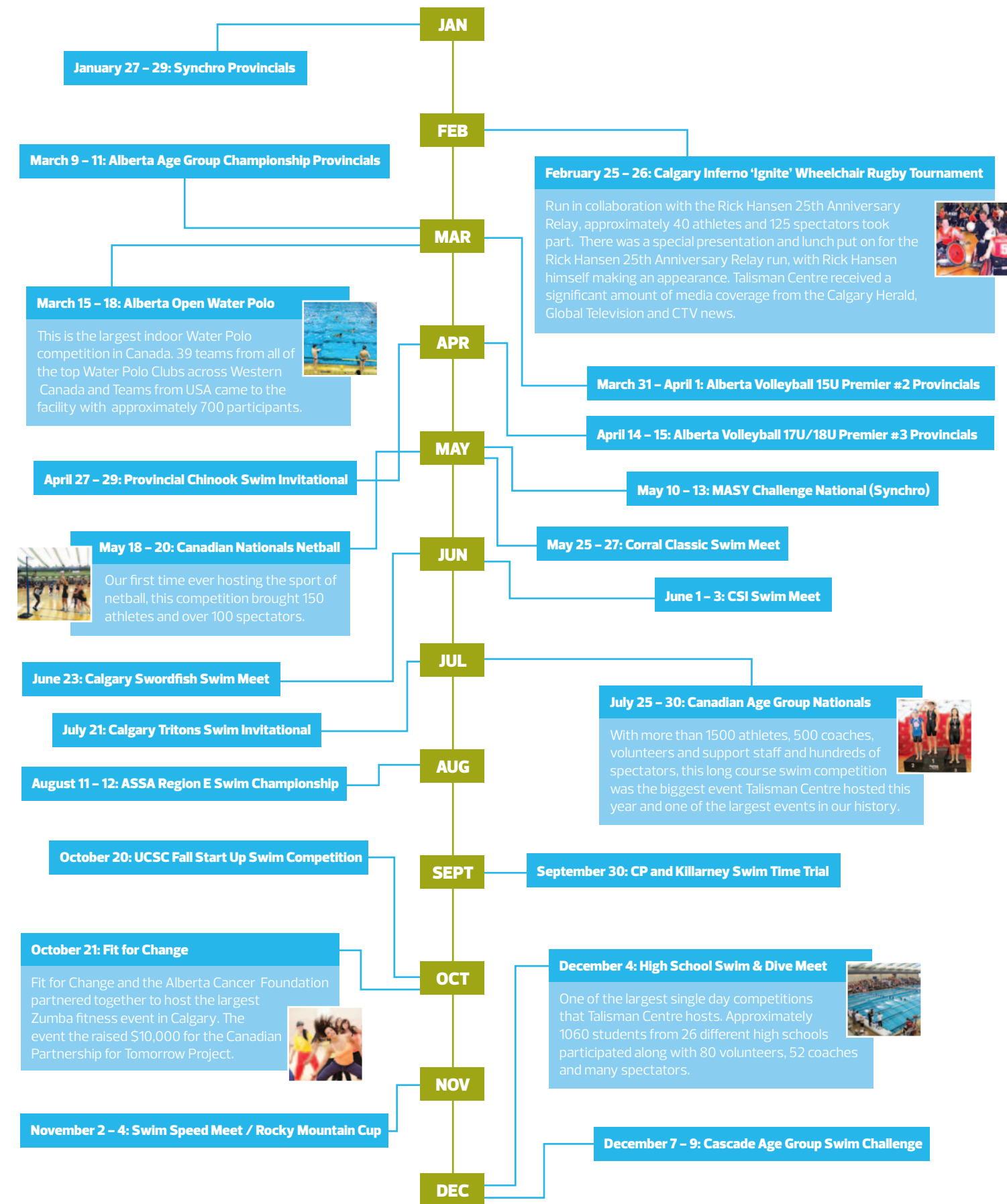
Exceptional service delivery standards are paramount in creating a world-class training and competition facility. The Sport Services team endeavoured to make the best use of Talisman Centre resources to support our Sport Partner athletes and team development needs to meet their strategic goals. This was achieved by way of investment in high performance equipment, technical expertise and integrated sport services along with the improvement of collaborative relationships that contributed to not only being officially recognized by Water Polo Canada as a National Training Centre, but also being selected by Canada's National Synchronized Swimming Team to locate their summer training program to Talisman Centre.

Further, our decision to revise summer fees provided opportunities for new business and demonstrated our support for Sport Partners, resulting in specialized sport camps and extended training times.

Our Sport Partner athletes continually inspire us with their commitment, determination and accomplishments. We are proud to showcase their achievements publicly through social media platforms, Aquatic Digital Board and Sport Partner blog.

Talisman Centre is, in every sense of the word, a happening place. Let's explore the phenomenal competitions and events – both high-profile and subtle – in our 2012 events calendar.

Hosted  
**52**  
competitions & events  
that brought over  
**20,000**  
visitors to the facility



# 2

To become the incubator for one up-and-coming sport to develop a provincial profile at a minimum.

Talisman Centre's Triathlon Club made huge strides when it came to growing the sport of triathlon and development of a provincial profile, and is now western Canada's largest Club. The contributing factors to this success came from strategic efforts and investment in expert coaches, specialized endurance programs, media campaigns and partnerships.

Additionally, increased participation levels in triathlon races across North America have greatly contributed to strengthening the brand as well as increasing demand for classes and space. Existing partnerships with Ironman 70.3 Calgary and Speed Theory, along with new partnerships with Tri-It and Joe's Team – both catering to the first time to seasoned triathlete – have been instrumental in building awareness for Talisman Centre and the sport of triathlon.

Our expert coaches hosted 5 triathlon lectures, which continued to build in participation and equip triathletes with the knowledge to succeed in their training and competition. As a result, there has been substantial demand for our Personal Training, Endurance Training, lactate testing and customized program design packages.

Building the community of triathletes through a dedicated Facebook group, social events and enhancements to the Triathlon Studio has greatly contributed to the culture by providing engagement opportunities, improved communication and friendly competition. Plus, new member orientation sessions provided further one-on-one mentorship and helped position athletes for success from the get go.



PHOTO: Talisman Centre Triathlon Club member in uniform



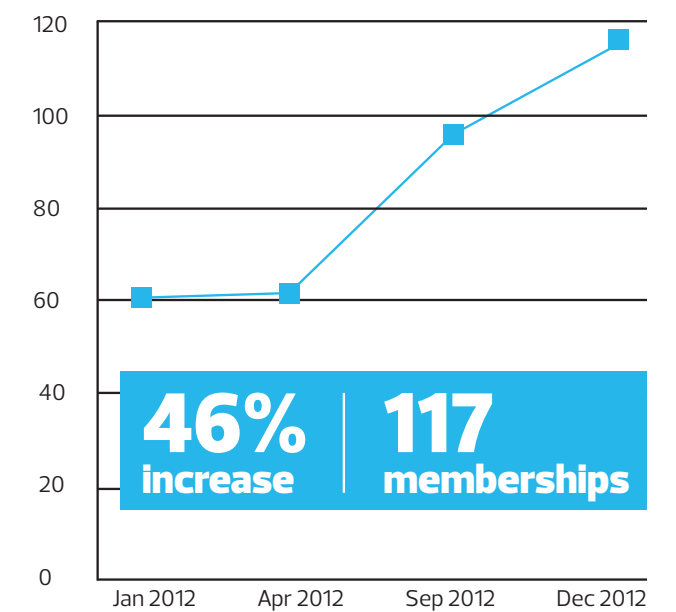
PHOTO: Aquathlon Adult Women start their swim heat

Talisman Centre also embarked on various talent identification opportunities to recruit and develop athletes, from children and youth to adults. We introduced programming for youth and adults in support of developing technique, tactics and physical attributes for success.

## 2012 Highlights

- Held three Aquathlons influencing 136 athletes (youth and adults)
- Hosted the largest Junior Camp for the Alberta Triathlon Association
- Offered a new Triathlon Summer Camp program for children
- Triathlon Club members achieved personal bests at Ironman Canada

## Triathlon Club Memberships



# 3

To enhance Talisman Centre's reputation so it is known as the place for serious competition, training and fitness.

Talisman Centre is internationally recognized as an industry leader that embodies sport culture. So it would only come to pass that delivering on exceptional experiences that engage, motivate and educate customers was our focus for 2012. We accomplished this by building inspired spaces like our new member lounge, where customers can meet up before or after a class, read a magazine or just chill with a coffee. We launched a series of seminars, fitness challenges and aquatic work out routines. We provided opportunities to bring our community of Members and Sport Partners together to celebrate with a unique Olympic Moments contest and athlete recognition strategies that inspired people of all ages to train, compete and play with us.

Emphasis was also placed on further energizing the brand throughout the facility with pops of colour, tagline art, pageantry of Provincial Flags, a sport mural to honour our Dryland Sport Partners, and a series of 12 action packed athlete art gallery images that provided tribute to our Aquatic Sport Partners and bring inspiration and excitement to our Competition pool. Additionally, the Personal Training Studio and Triathlon Club Studio were revitalized with bold imagery and color.



PHOTO: Sports Day in Canada, CBC interviews Constantine Kudaba of Canada's Men's National Water Polo team.

#### Campaigns and Promotions that made the Grade:

- Kicked off the New Year with three, 30-second commercial spots and six Fitness Friday segments on **Breakfast TV** to elevate the meaning and memory of our brand tagline and showcase our experts. With many of our staff and Members acting as the stars of the commercials – we couldn't go wrong.
- The 2nd Annual **RIPPED-A-THON** fundraising Family Day event brought together 146 participants and support from partners to successfully raise \$4,504 funds for Inn from the Cold.
- To create buzz for the **2012 Olympics**, we asked our Members, Sport Partners and staff to share a personal sport or fitness story – big or small. The contest engaged these groups and provided a flurry of excitement with stories that not only inspired us, but also taught us important lessons about sport and goals. In recognition of the contributions, winners were awarded with a tiered monetary prize, swag gifts and public hype.
- **Sports Day in Canada** free open house event, attracting over 1,000 Calgarians, with national television coverage on CBC.
- Participation in the first **DO YYC Naked** event, that opened the doors to 30 buildings and spaces of historical and cultural value. Media hype was extensive, with our very own Jeff Booke interviewed on CTV for our Underground Tour.
- The annual Membership sales drive proved to be extremely successful with **503 memberships and 595 10-pass cards sold**.
- **Thank You Members Week**, with activities, prizes and gifts, supported our retention strategies and declared our appreciation for our Members.

## Social Media Stats

345,140 visits

(talismancentre.com)



6,261 views



1,636 likes



263 followers



2012 brought many improvements that contributed to offering leading edge programs and services:

#### AQUATIC ENHANCEMENTS

- New equipment inventory system
- Launched new programs: Lifesaving Society's Junior Life Guard Club and the development of a Senior Lifeguard Team
- Modified Dive Tank including swim lanes, flags, flag poles and lane ropes
- Added 18 new 6' anti wave lane ropes, PAL portable lift, spinal boards
- Branded swim caps created for the Junior Masters, Talisman Centre Masters and Members
- Expanded Registered Programs with additional Lesson Supervisors
- New on-deck information board to direct customers, provide swim workouts and program information

#### DRYLAND ENHANCEMENTS

- Expanded Group Fitness portfolio to include more classes
- Added new portable stereo system, class equipment and upgrades
- New machines including a leg curl machine, treadmills, TRX stations and wall bars
- New Summer Camps: Leadership, Rhythmic Gymnastics, Triathlon, Water Polo and Yoga

#### FACILITY AND RESOURCE ENHANCEMENTS

- New Sport Recognition Wall at the North Entrance
- Additional Customer Service staffing, new shift leads and service station; and more Operations and Custodial resources
- Upgraded basement studio with hardwood flooring and lines for the new Priori Epee/Ares Pentathlon tenant
- New cold shower was installed on the Competition Pool deck

3,800 Sport Partner athletes train at Talisman Centre

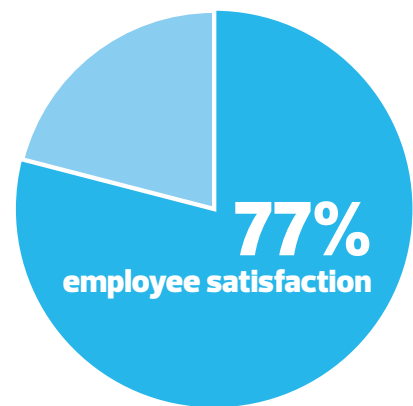
9,000 customers use our Fitness Centre per month



# 4

To operate the facility and deliver service to a high standard of quality.

A vital measure of Talisman Centre's service quality is its ability to attract, engage and retain high performing employees while equipping them with the tools to deliver high levels of customer service, cleanliness and safety. One way to measure how we are doing in this arena is through our annual [Employee Survey](#). The survey feedback helps the leadership team make decisions to move forward with strategic plans and provides key information to measure the progress made to employee engagement, improvement of the work environment and productivity as well as strategies to better serve our customers.



Talisman Centre's overall employee satisfaction rating ranked at 3.87/5 or 77.4% with 58% employee participation.

**Key Employee Survey strengths include:**

- Teamwork
- Employee competency
- Legendary Service delivery
- Pride and Loyalty – overall satisfaction 82%
- Interactions with employees and Members
- Flexibility

**Key opportunities identified for 2012 action planning were:**

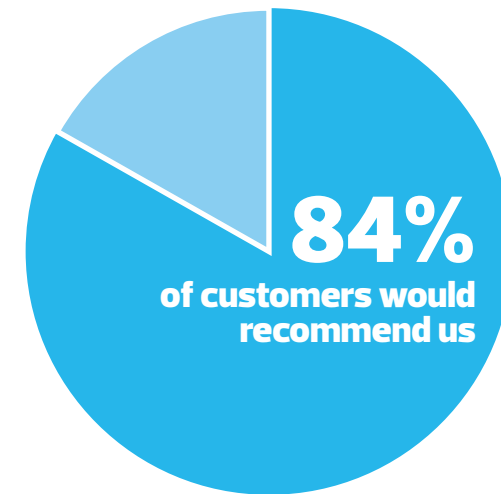
- Use and investment of technology
- Internal talent acquisition and management
- Rewarding performance

One topic of interest imperative to our future success was department communication, teamwork and collaboration. To ensure this was happening consistently, team work was also emphasized in our Legendary Service program and other Human Resource initiatives were put in place to encourage and drive team work behaviors. Finally, the social committee's creative efforts and dedication provided the opportunity for staff to gather in a multitude of social settings to contribute to more positive working relationships.

Statistically, Talisman Centre employees rate their overall work experience and loyalty to the organization higher than the industry benchmark. The Employee Survey is a very powerful tool that has helped shape our culture and helped us achieve success. It is our commitment to listen and engage staff in issues that have a direct impact on work environment and overall job satisfaction.

Additionally, the dual mandate and strategic plan drove the need to revamp the organization structure to streamline activities, provide organizational and operational efficiencies, and position Talisman Centre to fulfill our strategic goals by providing improved ability to meet the needs of our two core customer segments, sport and public. The main structural changes included:

- Reporting changes and restructuring of aquatic and dryland positions to comprise of a Director of Sport and Director of Programs and Services that included facility management and operations.



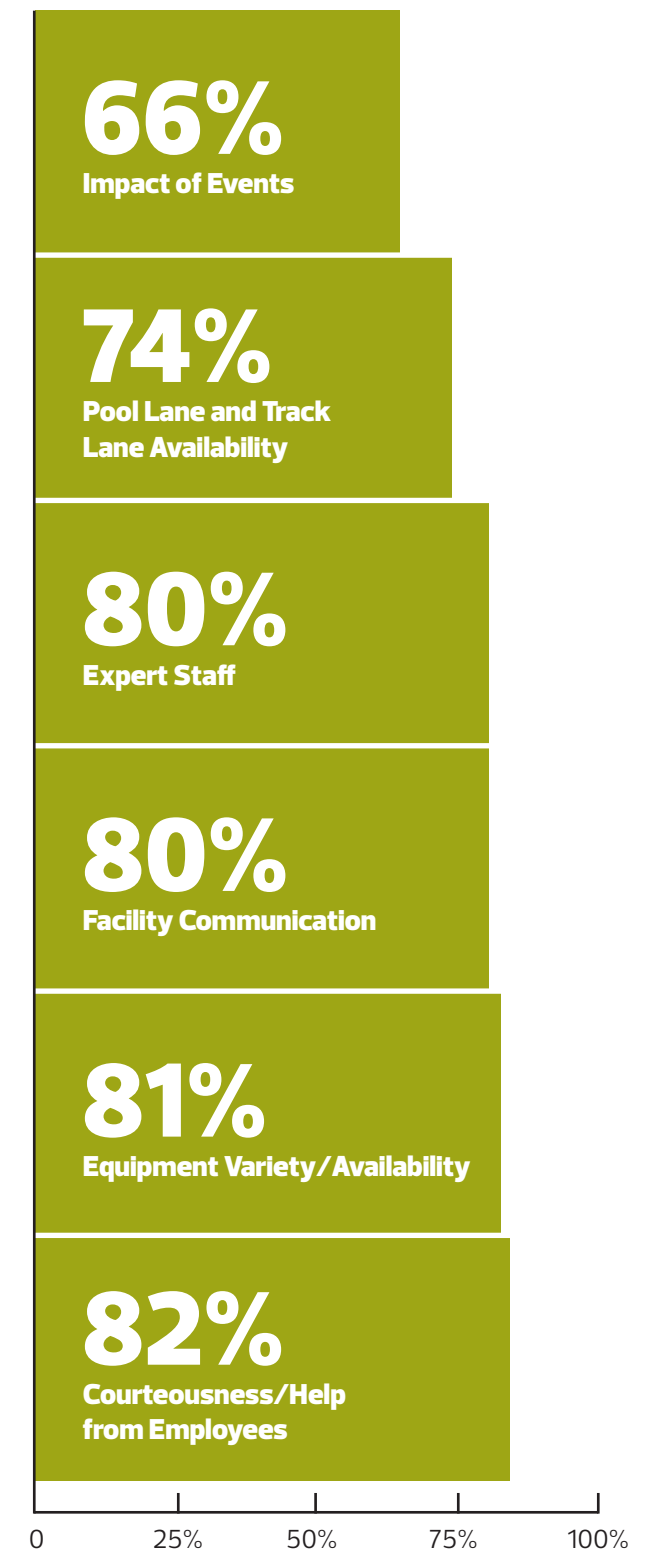
- The realignment of the Bookings department to Sport Services allowed for added emphasis on improving competition delivery— offering full event services from booking through to execution and wrap-up.
- To more accurately describe the roles and responsibilities of team members, Managers became Directors, Team Leaders became Managers and the COO role expanded to CEO.

Another significant measure of Talisman Centre's pride in service quality is how happy our customers are. But that's difficult to quantify. How many cheers per minute constitute Talisman Centre pride? How does one measure the excitement of learning a new physical skill or building endurance? What's the value of a tear at reaching one's fitness goals? It's the kind of thing we pay attention to, and this year we saw some data points with our [Customer Pulse Survey](#) that indicated our customers are really digging us.



## Customer Pulse Survey Results

% of customer satisfaction in each area



# 5

## To configure Talisman Centre to support core customers.

It's imperative that we recount the incredible progress made in shaping our business and operating model with consideration given to the Long-Term Athlete Development Model (LTAD) developed by Canadian Sport for Life. Talisman Centre's rich history and strong brand as a world-class training and competition facility is now further strengthened by this alignment which best supports our core customer groups. In our continued efforts to help Members and Sport Partners improve performance, build consistently stronger programs and services year after year, and help build successful athletes, the LTAD framework presented us with the most progressive pathway to optimize this.

"Supporting Canadian Sport for Life athletic research demonstrates our resilient commitment to contribute positively to our diverse customer groups and their pursuit of athletic excellence," says Jeff Booke, CEO Talisman Centre.

### Talisman Centre's operating agreement with The City of Calgary defines its Dual Mandate:

- To provide training and competition facilities and services for the development of Calgary's high performance athletes in their respective dryland and aquatic sports.
- To provide facilities, programs and services for the wellness and recreational sporting needs of the citizens of Calgary.

The Dual Mandate and LTAD framework determined how space was allocated to maximize opportunities for Talisman Centre stakeholders. Management worked to develop a process to identify what constitutes capacity in the activity spaces and common areas that impact customer satisfaction. The resulting data provided insights which allowed for better decision making, policy revisions and special event planning that mitigated further impact on customers.

### The following areas were examined and set for continuous improvement plans:

- Customer Service queue
- Locker availability
- Swim lane availability
- Cardio equipment availability
- Gym usage
- Group exercise participant counts
- Track counts
- Weight room counts
- Parking lot set up and capacity constraints



PHOTO: Our Customer Service team on Sports Day in Canada

"We made significant headway in refining structures and building upon the professionalism and accountability of our employees to improve our resource and service delivery to our customers. New appointments to Director roles were made for Programs and Services, Finance and IT and Human Resources. In addition the Sport Director role along with Operations, Aquatic and Sport Development Manager appointments all came from within the organization, representing the strength of our current staff base and the employment opportunities available to our staff."

– Cindy Ziobrowski, Human Resource Director

# 6

## To complement the core customer focus with tenants and other stakeholders.

Strategic relationships are the cornerstone of our organization which help support our strategic goals and open doors that otherwise wouldn't be available.

### Highlights of our community partnerships in action:

- **The Pathway and River Cleanup** (May 6) sponsored by Talisman Energy and Good Earth. Hosted by Talisman Centre, Erlton Community Association, Cliff Bungalow-Mission Community Association, Lindsay Park Community Association, Rideau Roxboro Community Association. Over 100 volunteers from Talisman Energy, Community Associations, Talisman Centre members and people from the community participated in cleaning up a section of the Elbow River bank and pathway.
- Participated in the 4th annual **All Sport One Day** (June 16) presented by Sport Calgary in partnership with 40 sport organizations and 10 facilities. Hosted more than 500 children in diving, fencing, karate, field hockey, orienteering, rhythmic gymnastics, synchronized swimming and volleyball activities.
- Partnered with Talisman Energy, Cardiac Wellness Institute of Calgary (CWIC) and LifeMark to host the annual **Heart Healthy Stampede Breakfast** (July 12). More than 1,200 people enjoyed the food, music, line dancing, face painting and a performance from Chinook Rhythmic Gymnastics athletes. Thank you to Alberta Barley, Burnbrae Farms, Becel, Co-Op, Spolumbos, Jugo Juice and Good Earth for their donation of food and supplies.

- Collaborated with The City of Calgary for their **Civic Partner Week** (Aug 19-31, 2012) by offering an exclusive 2 for 1 admission for all City employees.
- Proud to participate and offer complimentary space to host the **Calgary Corporate Challenge** (Sept 7-27) Badminton competition with 500 participants each night.
- **National Philanthropy Day** (Nov 15) celebrated LPSS, The Calgary Booster Club, Sport Partners and The John Currie Amateur Sport Legacy Fund with a live BTV broadcast.



Fund Development initiatives took centre stage with the official launch of The John Currie Amateur Sport Legacy Fund which provides bursaries for amateur athletes with financial need training in Calgary.

In 1983, Calgary hosted its largest amateur sport competition, the Western Canada Summer Games, for which Talisman Centre was designed and built. At the conclusion of the successful event, a Legacy Fund of \$250,000 was established to support amateur athletes and amateur sport.

Inspired by this commitment to amateur sport, in 2012, a second Legacy Fund was established. The John Currie Amateur Sport Legacy Fund has been initiated to honour John Currie, President

of the 1983 Western Canada Summer Games, and to provide bursaries for amateur athletes with financial need training in Calgary. A fundraising campaign has been launched to increase the combined value of the two Legacy Funds to \$1 million.

Talisman Centre also received \$3,318.25 grant from the Community Spirit Program approved to purchase dry land and aquatic equipment for the use of people accessing the facility.

Our ongoing partnership with Canadian Tire Jumpstart Program enabled Talisman Centre to distribute \$31,018 in support of 693 kids (age 4 – 18) for their sport/recreation fees, personal sport equipment or transportation needs. This is a 53% increase of funds distributed and a 46% increase in number of kids helped.



PHOTO: Jeff Booke, CEO, Talisman Centre with John Currie

In 2012, the LPSS Grants and Bursaries Committee awarded \$11,750 in bursaries to 13 amateur athletes and \$2,250 in hosting grants to Sport Partners.

### Amateur Athlete Bursary Recipients

Gabriella Brisson	Calgary Aquabelles Synchronized Swim Club
John Conway	Water Polo Canada
Dusko Dakic	Water Polo Canada
David Holm	Calgary International Track Club
Elizabeth Kazakov	Chinook Rhythmique Gymnastics
Constantine Kudaba	Water Polo Canada
Caeli McKay	Dive Calgary
Iveta Milciute	Chinook Rhythmique Gymnastics
Tyra Rooney	Cascade Swim Club
Aria Soleimani	Calgary Torpedoes Water Polo Club
Emma Sproule	Cascade Swim Club
Devon Thumwood	Calgary Torpedoes Water Polo Club
Russell Wood	Cascade Swim Club

### Sport Partner Hosting Grant Recipients

- Calgary Aquabelles Synchronized Swimming Club – MASYSynchronized Swimming Championship in May.
- Swim Alberta Southern Region – Canadian Age Group Nationals in July.
- Cascade Swim Club – CSI, Rocky Mountain Cup and Age Group Challenge events from June to December.

# 7

To enhance sustainable financial health to allow for growth.

The financial results for the fiscal year ending December 31, 2012 continued the upward trend seen in 2011. Facility Operating Revenues of \$10.4 million reflected a 16% increase over the 2011 figure, while cost control efforts over the year resulted in 2012 Facility Operating Expenses of \$8.8 million reflecting a 3% increase as compared to 2011. After factoring in Non-Operating Revenue and Expenses and Capital Expenses, the resulting Net Surplus of \$1.8 million exceeded expectations.

As a result of financially successful 2012 operations, additional funding was identified for re-investment into the facility and equipment, and related reserve funds were established with funds designated for capital replacement, capital enhancements and capital efficiencies. With the creation of the reserves, funds will be made available to allow for a continuation of the growth experienced in the past two years, and will serve to accommodate the Dual Mandate of Talisman Centre as well as to support implementation of the organization's long term strategic goals.

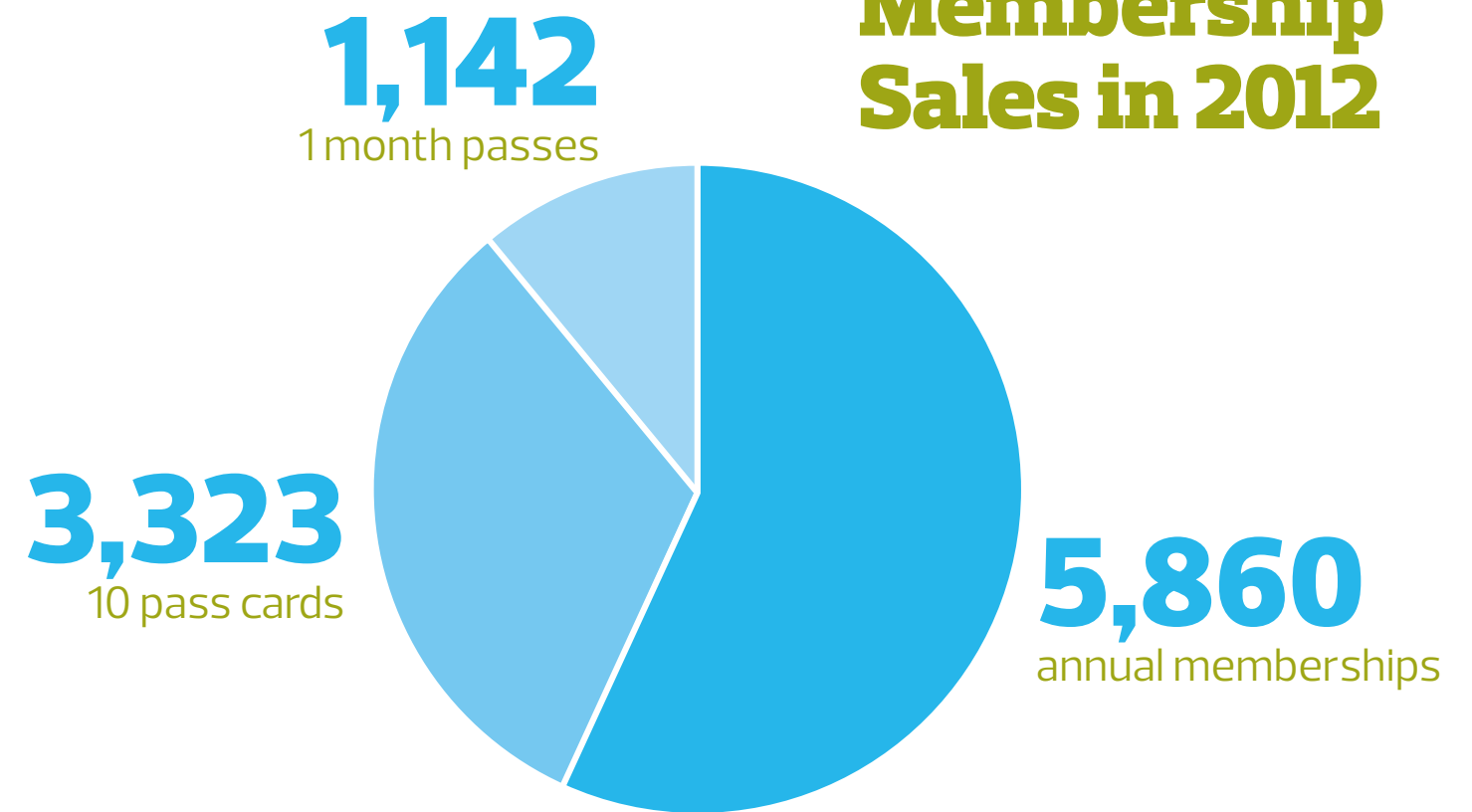


PHOTO: Group Fitness classes at Talisman Centre

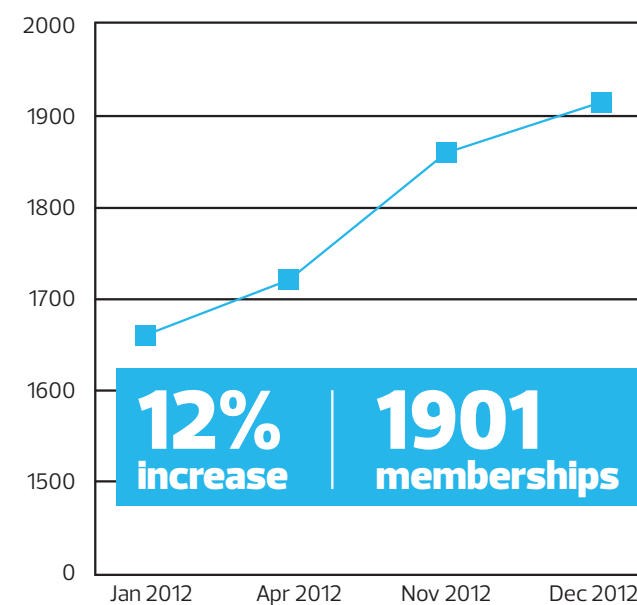
*"These statistics aren't set by taking easy options or ignoring problems. We have spent a lot of time over the past few years addressing areas where we knew we could improve and picking the 'low hanging fruit'. Many of those tasks have been largely completed and we have moved to more challenging issues which require more time and greater expertise to solve."*

**– Rick Schmidt, Finance & IT Director**

## Membership Sales in 2012



## Corporate Memberships



**1,186**  
**12 Days of Fitness Passes**  
 sold November 12 – December 24, 2012

**319**  
**Summer Fitness Passes**  
 sold May 14 – July 31, 2012

**84,432**  
**drop-in admissions in 2012**

# Outlook for the Future

**2013** will mark our 30th Year Anniversary and we will be celebrating with program activities and promotional contests leading up to our big day on July 30th, 2013.

We continue to strive for excellence and keep building upon our reputation that has come to define us and athletes in Calgary and around the world. We are a place to **TRAIN** for excellence, **COMPETE** with champions and **PLAY** hard all under one roof.



April 25, 2013

## **Auditors' Report**

### **To the Members of Lindsay Park Sports Society**

We have audited the accompanying financial statements of Lindsay Park Sports Society, which comprise the statements of financial position as at December 31, 2012, December 31, 2011 and January 1, 2011 and the statements of operations and changes in net assets and cash flows for the years ended December 31, 2012 and December 31, 2011 and the related notes including 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.

#### **Auditor's responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

*PricewaterhouseCoopers LLP  
111 5 Avenue SW, Suite 3100, Calgary, Alberta, Canada T2P 5L3  
T: +1 403 509 7500, F: +1 403 781 1825*

\*PwC\* refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.



# Lindsay Park Sports Society

## Statement of Financial Position

We believe that the audit evidence we have obtained in our audits 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 Lindsay Park Sports Society as at December 31, 2012, December 31, 2011 and January 1, 2011 the results of its operations and its cash flows for the years ended December 31, 2012 and December 31, 2011 in accordance with Canadian accounting standards for not-for-profit organizations.

*PricewaterhouseCoopers LLP*

Chartered Accountants

	As at December 31, 2012 \$	As at December 31, 2011 (Note 2) \$	As at January 1, 2011 (Note 2) \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	2,650,865	2,851,122	3,449,393
Short-term investments (note 5)	1,797,465	826,385	533,097
Accounts receivable	564,616	944,223	922,529
Inventory	23,434	11,435	7,300
Prepaid expenses	27,623	29,600	1,052
	<u>5,064,003</u>	<u>4,662,765</u>	<u>4,913,371</u>
<b>Capital Assets</b> (note 4)	644,268	792,308	414,931
<b>Investments</b> (note 5)	3,592,811	1,519,829	2,024,968
<b>Donations on Deposit with Parks Foundation, Calgary</b> (note 11)	144,340	119,385	51,822
	<u>9,445,422</u>	<u>7,094,287</u>	<u>7,405,092</u>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Accounts payable and accrued liabilities	1,173,615	888,302	2,097,931
Deferred revenue and grants	1,520,538	940,398	729,431
Deferred sponsorship – Talisman Energy	500,000	500,000	100,000
Current portion of long-term debt (note 6)	278,415	268,883	259,678
	<u>3,472,568</u>	<u>2,597,583</u>	<u>3,187,040</u>
<b>Deposits from Tenants</b>	27,140	19,640	29,640
<b>Deferred contributions</b> (note 7)	568,767	618,767	668,767
<b>Long-term debt</b> (note 6)	2,066,538	2,344,953	2,613,836
	<u>6,135,013</u>	<u>5,580,943</u>	<u>6,499,283</u>
<b>Net assets</b>			
Net assets restricted for athletic bursaries (note 8)	249,316	249,316	249,316
Unrestricted net assets	3,061,093	1,264,028	656,493
	<u>3,310,409</u>	<u>1,513,344</u>	<u>905,809</u>
	<u>9,445,422</u>	<u>7,094,287</u>	<u>7,405,092</u>
<b>Commitments</b> (note 11)			

# Lindsay Park Sports Society

## Statements of Operations and Changes in Net Assets

For the years ended December 31, 2012 and December 31, 2011

	2012 \$	2011 \$
<b>Facility revenues</b>		
Admissions, memberships and programs	6,853,405	5,065,945
Operating contribution from City of Calgary	1,195,664	1,717,358
Facility bookings and rental income	2,307,861	2,124,479
Other	-	14,694
	<u>10,356,930</u>	<u>8,922,476</u>
<b>Facility expenses</b>		
Facility operations (note 9)	3,449,798	3,527,475
Human resources and administration	1,894,437	1,676,606
Experience providers	2,538,133	2,294,554
Sales and marketing	939,109	1,064,828
	<u>8,821,477</u>	<u>8,563,463</u>
<b>Excess for the year before the following</b>	<u>1,535,453</u>	<u>359,013</u>
<b>Other revenue</b>		
Naming rights and other sponsorships	597,720	682,884
Investment income	157,681	165,433
(Loss) gain on disposal of capital assets	(1,149)	2,309
	<u>754,252</u>	<u>850,626</u>
<b>Other expenses</b>		
Amortization	283,813	278,898
Sponsorship – Swim Educators of Lindsay Park	40,000	40,000
	<u>323,813</u>	<u>318,898</u>
<b>Excess for the year before the following</b>	<u>1,965,892</u>	<u>890,741</u>
<b>Capital contributions – Capital contribution from City of Calgary</b>	131,000	366,067
<b>Other contributions</b>	34,070	795,298
<b>Capital expenses – Building improvements and capital expenditures</b>	<u>(333,897)</u>	<u>(1,444,571)</u>
	<u>(168,827)</u>	<u>(283,206)</u>
<b>Net excess for the year</b>	1,797,065	607,535
<b>Net assets – Beginning of year</b>	<u>1,513,344</u>	<u>905,809</u>
<b>Net assets – End of year</b>	<u>3,310,409</u>	<u>1,513,344</u>

# Lindsay Park Sports Society

## Statements of Cash Flows

For the years ended December 31, 2012 and December 31, 2011

	2012 \$	2011 \$
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Net excess for the year	1,797,065	607,535
Items not affecting cash		
Amortization of capital assets	283,813	278,898
Amortization of deferred contribution	(50,000)	(50,000)
Loss (gain) on sale of capital assets	1,149	(2,309)
	<u>2,032,027</u>	<u>834,124</u>
Net change in non-cash working capital items	966,154	(912,718)
	<u>2,998,181</u>	<u>(78,594)</u>
<b>Investing activities</b>		
Additions to capital assets	(136,921)	(667,000)
Proceeds on sale of capital assets	-	13,035
Net (increase) decrease in investments	(3,044,062)	211,851
Net decrease in donations on deposit with Parks Foundation, Calgary	(24,955)	(67,563)
Deposits from tenants	7,500	(10,000)
	<u>(3,198,438)</u>	<u>(519,677)</u>
<b>Decrease in cash and cash equivalents</b>	<u>(200,257)</u>	<u>(598,271)</u>
<b>Cash and cash equivalents – Beginning of year</b>	<u>2,851,122</u>	<u>3,449,393</u>
<b>Cash and cash equivalents – End of year</b>	<u>2,650,865</u>	<u>2,851,122</u>

# Lindsay Park Sports Society

## Notes to Financial Statements

December 31, 2012 and December 31, 2011

### 1 Nature and purpose of the Society

Lindsay Park Sports Society (the “Society”) is a not-for-profit, non-taxable organization incorporated under the Societies Act of the Province of Alberta.

The purpose of the Society is to oversee and direct the management and operation of Talisman Centre (“the Centre”) in accordance with its by-laws and a management and operating agreement between the Society and the City of Calgary. As part of this agreement, the City provides the Society with annual operating and capital grants. These grants are for the original building only with the operating and capital requirements of the two expanded buildings being the sole responsibility of the Society. The City of Calgary is the owner of the Centre and the land upon which it is located. It provides training, competition facilities and services for the development of Calgary’s high performance athletes in dryland and aquatic sports in addition to providing facilities, programs and services for the fitness and recreational sporting needs of the citizens of Calgary.

### 2 Transition to accounting standards for not-for-profit organizations

Effective January 1, 2012, the Society elected to adopt Canadian accounting standards for the not-for-profit organizations (ASNPO) as issued by the Canadian Accounting Standards Board. The accounting policies selected under this framework have been applied consistently and retrospectively as if these policies had always been in effect. The Society has not utilized any transitional exemptions on the adoption of ASNPO. There were no adjustments to the statement of financial position or the statements of operations, changes in net assets and cash flows.

### 3 Significant accounting policies

#### Capital assets

Moveable capital assets which are purchased by the Society are recorded at cost and movable capital assets which are donated to the Society are recorded at their fair value at the date of contribution. They are amortized on a straight-line basis over their estimated useful lives as follows:

Athletic equipment	–	3 – 20 years
Office furniture and equipment	–	5 – 30 years
Computer equipment	–	3 – 10 years
Cafe furniture and equipment	–	5 years

Immovable capital assets, which do not become the property of the Society, are expensed in the year of acquisition.

#### Cash and cash equivalents

Cash and cash equivalents include bank deposits and short term investments with original maturity of less than 90 days.

(1)

# Lindsay Park Sports Society

## Notes to Financial Statements

December 31, 2012 and December 31, 2011

#### Donated services

Volunteers contribute a significant number of hours to assist in the management and operation of the Society. Because of the difficulty of determining the fair value of the services contributed, the value of volunteer services is not recorded in these financial statements.

#### Financial instruments

The Society initially measures financial assets and financial liabilities at their fair value. It subsequently measures all its financial assets and financial liabilities at amortized cost except for investments which are measured at fair value. The financial assets subsequently measured at amortized cost include cash and cash equivalents and accounts receivable. The financial liabilities measured at amortized cost include accounts payable and accrued liabilities, deposits from tenants and long-term debt.

The Society is not exposed to undue credit risk. Further, the Society is not exposed to foreign currency, price or liquidity risk.

#### Inventory

Clothing inventory is recorded at the lower of cost and net realizable value.

#### Non-recording of City property

The original building complex and its major equipment components were provided from the City of Calgary’s capital fund and are the property of the City; therefore they are not recorded in these financial statements. All building additions, improvements and immovable capital assets become the property of the City of Calgary and are expensed in the year incurred.

#### Revenue recognition

The Society follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which related expenses are incurred. Unrestricted contributions are recognized as received or receivable if the amount can be reasonably estimated and collection is reasonably assured.

Admissions, memberships and programs fees as well as facility booking fees are recorded as revenue over the period that the services are rendered, with the prepaid portion recorded as deferred revenue.

Sponsorships and grants are recognized as revenue over the periods that they relate to in accordance with the terms of the sponsorship or grant agreement.

Capital contributions used for building expansion and improvements and to acquire immovable capital assets which do not become the property of the Society are recorded as revenue in the same year as the expansion, improvement or acquisition is expensed.

(2)



# Lindsay Park Sports Society

## Notes to Financial Statements

December 31, 2012 and December 31, 2011

Investment income is recorded as investment income revenue when it is earned.

### Use of estimates

The preparation of financial statements in conformity with ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. By their nature, these estimates are subject to measurement uncertainty. The effect of changes in such estimates on the financial statements in future periods could be significant. Significant estimates include amortization of capital assets, accruals, and allowance for doubtful accounts.

### Expenses

Experience Provider expenses includes the costs of programs and services conducted by the aquatics, athletics and wellness departments. Human Resources and Administration expenses include the costs of the human resources, finance and administration departments.

## 4 Capital assets

	As at December 31, 2012		
	Cost \$	Accumulated amortization \$	Net book value \$
Athletic equipment	2,095,790	1,586,717	509,073
Office furniture and equipment	452,063	359,753	92,310
Computer equipment	331,872	288,987	42,885
Café furniture and equipment	12,388	12,388	-
	<b>2,892,113</b>	<b>2,247,845</b>	<b>644,268</b>
	As at December 31, 2011		
	Cost \$	Accumulated amortization \$	Net book value \$
Athletic equipment	2,057,113	1,417,717	639,396
Office furniture and equipment	404,833	316,646	88,187
Computer equipment	317,016	252,291	64,725
Café furniture and equipment	12,388	12,388	-
	<b>2,791,350</b>	<b>1,999,042</b>	<b>792,308</b>

(3)

# Lindsay Park Sports Society

## Notes to Financial Statements

December 31, 2012 and December 31, 2011

	As at January 1, 2011		
	Cost \$	Accumulated amortization \$	Net book value \$
Athletic equipment	1,509,189	1,342,270	247,918
Office furniture and equipment	410,644	305,458	105,186
Computer equipment	281,359	219,532	61,827
Café furniture and equipment	15,388	15,388	-
	<b>2,216,580</b>	<b>1,882,648</b>	<b>414,931</b>

## 5 Investments

Investments consist predominately of guaranteed investment certificates with various institutions. The guaranteed investment certificates are cashable prior to their maturity date, subject to an interest penalty. Investments are carried at fair value with unrealized gains or losses recognized directly in the statement of operations as investment income. Investments with maturity within one year have been classified as short-term investments.

## 6 Long-term debt

	As at December 31, 2012 \$	As at December 31, 2011 \$	As at January 1, 2011 \$
10-year loan from the City of Calgary, bearing fixed rate interest at 3.514%, repayable in semi-annual payments of \$179,196 including principal and interest, with a maturity of June 15, 2020.	2,344,953	2,613,836	2,873,514
Less: Amounts due within a year	(278,415)	(268,883)	(259,678)
	<b>2,066,538</b>	<b>2,344,953</b>	<b>2,613,836</b>

The estimated principal repayments are as follows:

	\$
2013	278,415
2014	288,284
2015	298,504
2016	309,085
Thereafter	1,170,665

(4)

# Lindsay Park Sports Society

## Notes to Financial Statements

December 31, 2012 and December 31, 2011

### 7 Deferred contributions

In 2005, the Society received an anonymous contribution of \$1,000,000 in exchange for the right to name the fifty meter pool complex constructed in 2003 "The Calgary Foundation Aquaplex". The naming rights are for a term of twenty years. The Society has recorded a portion of the contribution \$50,000 (2011 – \$50,000) as revenue for the year and deferred the balance of \$568,767 (2011 – \$618,767) which will be recognized as revenue on a pro-rata basis over the remaining term of the naming rights.

### 8 Internally restricted for Athletic bursaries

The Lindsay Park Development Foundation ("Foundation") was dissolved on January 1, 2003 and the assets, liabilities and net assets were transferred to the Society. The purpose of the Foundation was to act as a trustee to administer the funds from the Western Canada Summer Games Foundation, together with any other funds received, for the purpose of improving the quality of the services offered at Talisman Centre and assisting the development of athletes training at the Centre.

The Society has agreed to continue the work of the Foundation and accordingly has restricted the net assets received from the Foundation for the purpose of providing bursaries and grants to athletes and Sport Partners training at Talisman Centre.

### 9 Facility Operations

Included in Facility Operations expense are the following utility expenses:

	2012 \$	2011 \$
Electricity	880,424	901,985
Natural Gas	453,561	470,884
Total	<u>1,333,985</u>	<u>1,372,869</u>

### 10 Disclosure of a significantly influenced entity

Lindsay Park Sports Society exercises significant influence over Swim Educators of Lindsay Park Inc. ("Swim Educators") by virtue of its ability to appoint a majority of the board of directors and to manage the affairs of Swim Educators under the terms of a management contract in effect until December 31, 2012 for a base fee of \$85,000 escalating by 5% per annum.

Swim Educators is a not-for-profit corporation pursuant to the Canada Corporations Act. Its objectives are to educate, promote and perpetuate the art, safety and enjoyment of amateur swimming through instruction, training and publication and distribution of teaching and coaching aids and achievement awards.

The Society has advanced \$138,500 to Swim Educators. Effective January 1, 2008 this advance is non-interest bearing and is repayable at the unanimous discretion of the board of directors of Swim Educators.

(5)

# Lindsay Park Sports Society

## Notes to Financial Statements

December 31, 2012 and December 31, 2011

The Society also has an outstanding account of \$208,038 (2011 – \$219,982) in accounts receivable for operating advances made to Swim Educators.

The ability of Swim Educators to repay the loan and the outstanding account is uncertain because it is dependent on Swim Educators continuing ability to obtain sponsorship fees and to eventually generate revenue in excess of expenses. Because of the uncertainty of collection, the Society has provided an allowance for doubtful collection of the entire loan and the outstanding account in a prior year.

The Society has included the following operating transactions with Swim Educators in its Statement of Operations:

	2012 \$	2011 \$
Management contract fees earned	103,315	98,395
Swimming activity supplies purchased	8,031	12,894
Contribution to Swim Educators of Lindsay Park	40,000	40,000

### 11 Commitments

#### Access Advantage Endowment Agreement

In 2004, an endowment fund named Access Advantage was established at the Parks Foundation Calgary. The income from the endowment allows the Society to provide subsidies and fee assistance to patrons of limited economic means in order to improve their access to Talisman Centre. In a prior year, the endowment fund received from an anonymous donor a donation of \$1,250,000. The Society has agreed to increase the endowment fund to \$3,000,000 by way of contributing at least 15% of its annual excess of revenues over expenses before internal allocations to the Endowment Fund. The contribution from the Society for 2012 was \$317,129 (2011 – \$107,212) and has been recorded as an accrued liability and Human Resources and Administration expenses at year end.

	\$
Original endowment donation	1,250,000
Society's contribution – 2005	82,236
Society's contribution – 2006	104,001
Society's contribution – 2007	168,494
Society's contribution – 2008	142,616
Society's contribution – 2009	94,352
Society's contribution – 2010	-
Society's contribution – 2011	107,212
Society's contribution – 2012	<u>317,129</u>
	<u>2,266,040</u>

(6)

# Lindsay Park Sports Society

## Notes to Financial Statements

December 31, 2012 and December 31, 2011

Income related to this endowment amounted to \$44,387 (2011 – \$86,278) and has been included in Donations on Deposit with Parks Foundation, Calgary and was recognized as Naming Rights and Other Sponsorship revenue. Administration fees of \$19,686 (2011 – \$18,814) related to the Endowment Fund were paid to the Parks Foundation, Calgary and were recorded as Human Resources and Administration expenses. The following is a continuity of the Donations on Deposit with the Parks Foundation, Calgary:

	2012 \$	2011 \$
Balance – Beginning of year	119,385	51,822
Contributions	105	105
Interest	1,208	4
Administration charges	(1,049)	(10)
Endowment interest	44,387	86,278
Administration charges on Endowment	(19,686)	(18,814)
Balance – End of year	<u>144,350</u>	<u>119,385</u>

### 12 Energy Contracts

#### a) Gas contract

The Society has a natural gas agreement with Enmax for the period January 1, 2011 to December 31, 2014, to purchase predetermined amounts of gigajoules at predetermined prices.

#### b) Electrical contract

The Society has an electrical agreement with Enmax for the period January 1, 2011 to December 31, 2013, to purchase kilowatts at a predetermined prices.

#### Sponsorship agreement

Effective January 1, 2008 the Society entered into a 5 year sponsorship agreement with Swim Educators for \$40,000 per year for a total sponsorship of \$200,000 conditional upon the contract for management services referred to above (note 9).

The Board of Directors decided to continue with the term of sponsorship agreement with Swim Educators up to August 31, 2013.

(7)

# Lindsay Park Sports Society

## Notes to Financial Statements

December 31, 2012 and December 31, 2011

### 13 Comparative figure

Following comparative figures have been reclassified to conform to the current year's presentation.

- As at December 31, 2011 the cash and cash equivalents and short term investments increased by \$874,868 and \$826,385 respectively and long term investments decreased by \$1,701,253.
- As at January 1, 2011 the cash and cash equivalents and short term investments increased by \$97,273 and \$533,097 respectively and long term investments decreased by \$630,370.

(8)

## Thank you to our Sponsors / Partners

A special thanks to our sponsors and partners who continue to make Talisman Centre one of the most inspiring and leading-edge sport training facilities in Calgary.

**TALISMAN**  
ENERGY

Talisman Energy is our naming sponsor for 2002–2022. We appreciate their substantial investment in our initiatives to enable people of all ages and abilities to achieve and celebrate their healthy lifestyle aspirations.



Talisman Centre is one of The City of Calgary's assets and civic partners. Their extensive support ensures the facility will continue to serve Calgarians well into the future.



Pepsi is the beverage company of choice at Talisman Centre and a valued sponsor.



The Calgary Foundation is a naming sponsor of The Calgary Foundation Aquaplex and a valued community supporter.



Talisman Centre is a proud partner with Canadian Tire Jumpstart®, helping kids in financial need participate in organized sport and recreation.

## 2012 Director Team

Jeff Booke	Chief Executive Officer
Rick Schmidt	Finance Director
Jenn Ireland	Human Resources Director
Aimee Johnston	Sport Director
Katy Burrows	Programs & Services Director
Lorissa Dong	Sales & Marketing Director

## Lindsay Park Sports Society



Established in 1983, Lindsay Park Sports Society (LPSS), a non-profit society, expertly manages Talisman Centre on behalf of the people of Calgary. The Chairs of the LPSS Board of Governors are recognized for their visionary leadership, dedication to sport and fitness, and commitment to the sport community. Through their foresight and strategic actions, Talisman Centre has become a world class training and competition facility for recreational individuals and high performance athletes.

## 2012–2013 Board of Governors

### Officers

Steve Sproule	Chair
Nick Walker	Vice Chair
Jeff Booke	CEO, Talisman Centre
Colin Innes	Secretary
Jon Truswell	Past Chair
Paul Snodgrass	Treasurer

### Governors

Terry Baustad	Dave Newby
Darryl Bourne	Paul Snodgrass
Spencer Coupland	Steve Sproule
Joan Hollihan	Jon Truswell
Colin Innes	Nick Walker
Rob McAuley	Jon Walters
Anette Mikkelsen	

"Our programs and services are second to none and it is hoped that the growing range of options will encourage new customers to try our programs and allow current customers to expand their activities with us. Our staff holds an incredible array of specializations and certifications with each staff member bringing unique qualities to our program offerings. Whether it's helping you at the front desk, leading you through a group fitness class or a personal training session, we encourage you to lead a healthy and active lifestyle."

– Katy Burrows, Programs & Services Director



**[talismancentre.com](http://talismancentre.com)**

---

**2225 Macleod Trail South, Calgary, Alberta T2G 5B6**

---