

BUILDING A BRIDGE
TO THE FUTURE

2010 ANNUAL REPORT

Calgary Science Centre and
Creative Kids Museum Society



A Message from TELUS World of Science – Calgary President & CEO Jennifer Martin

2010 was a transformative year for TELUS World of Science – Calgary. With the New Science Centre quickly becoming a reality, 2010 was the time to bridge the gap between the organization we had been and the organization we will become.



While 2010 wasn't without challenges, it was certainly filled with success, growth and development. As an organization, it was a year of maturation. When the 18-month closing strategy was launched at the beginning of the year, we knew that it was the right way to develop the people, systems and processes we needed for our organization to make a

smooth transition to the New Science Centre, and to thrive once there. It was a whirl-wind 12 months, but I can say with confidence that because of all of the work and change experienced in 2010, our organization is now ready to shine at the New Science Centre.

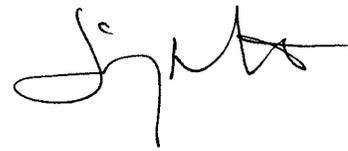
In 2010, new members were welcomed to the Senior Leadership Team, each making positive impacts quickly. Our dedicated staff accepted the challenge of transforming our organization from what had been comfortable, to what would build our future. Our awareness in the city was at an all-time high, our attendance broke records and we welcomed new audiences in teens and adults.

On the New Science Centre Project, construction remained on budget and slightly ahead of schedule. As the building took shape, we hosted weekly tours of the site for donors, government partners, media and partnering organizations. These tours certainly offered our guests an eye-opening view of the scope of the project and the detailed thought and planning behind the building and its contents.

The development of our new exhibit philosophy continued to flourish. Through public prototyping and testing, we confirmed that interactive exhibits in the five New Science Centres galleries will offer guests personal and evolving experiences. As many of the exhibits were sent to fabrication by the end of 2010, we felt confident in what they will offer guests of all ages.

The New Science Centre fundraising efforts were also successful in exceeding their 2010 targets. By the end of the year, 94 percent of the \$160 million Capital Campaign money had been raised. This truly is a remarkable feat, considering the recent economic conditions, and it speaks to the individuals and organizations who took a leadership role in supporting this Project that will serve our community for generations to come.

In 2010 we bridged the gap between old and new. In 2011 we will open our new doors to Calgarians, southern Albertans and the world. We're looking forward to welcoming you to our new home!



Jennifer Martin
President & CEO
TELUS World of Science – Calgary





A Message from Outgoing Board Chair, Duncan Kent

When I first joined the Board of Directors nine years ago, the New Science Centre 2011 Project was a distant dream. Back then, I thought I understood the value of this organization and the quality of the people behind it, but, I've learned that the more you get involved, and the more you do, the more you see examples of how TELUS World of Science brings joy, inspiration and confidence to our younger audiences. The more you see those examples, the more you want to help. You also begin to see more clearly what could still be done and the limitations of our current location. When I started out, I never expected to serve three terms on the Board, including two terms as Board Chair, and a period as Managing Director & Acting CEO, but it has been a wonderful and rewarding experience.



When many people work together, it's remarkable to see how dreams can be achieved. As the opening draws closer, we can clearly see that it will be the vehicle for providing so much more science, art and technology learning opportunities to the residents of Calgary and southern Alberta. The new TELUS World of Science will become an inspirational place for children, a career choice beacon for teens and the trusted source of objective scientific information on current issues for adults.

After experiencing firsthand the dedication of staff and volunteers who have applied their knowledge and imagination to bring this vision to life, I know that the New Science Centre will be a place of which we can all be proud. The true value of the New Science Centre will come from the life-changing experiences of our visitors through the years to come.

I would be remiss not to acknowledge the City of Calgary, the Province of Alberta, the Government of Canada, our many corporate and community sponsors and the public in their visionary support of the New Science Centre 2011 Project. We owe a debt of gratitude but also carry a responsibility to deliver on the expectations we have raised. We can do it, and we will do it, by all working together for the common goal. On behalf of the current Board, I would like to thank our dedicated staff and volunteers, as well as many past Board members and staff who have worked so diligently to bring the New Science Centre to fruition.

Thank you for the honour of playing a role in this organization, and, I look forward to the opening of an amazing and transformational resource for our city and province.

Duncan Kent

Board Chair





2010 Operational Activities Overview

In early 2010, TELUS World of Science – Calgary announced an ambitious 18-month closing strategy for the existing science centre. With the New Science Centre scheduled to open in the Fall of 2011, a great opportunity existed to introduce – and in some cases re-introduce – diverse demographics to our organization. Part of the strategy was to offer teens and adults a small taste of what they can expect at the New Science Centre.

The strategy involved hosting three major exhibitions to close the existing location. In 2010, two of the three were hosted; *Dr. Gunther von Hagen's BODY WORLDS & The Brain*, and the *Darwin & Einstein* exhibitions from the American Museum of Natural History in New York.

Hosting these blockbuster exhibitions provided both challenges and opportunities for management and staff at TELUS World of Science. Ultimately, the strategy forced advanced timelines on many priorities for the New Science Centre, which helped the team to prepare, implement and refine key outputs including digital infrastructure, training, community partnerships, crowd control, retail and food services and Membership offerings.

Year in Review

How People Make Things

As the final “traditional” exhibit at the existing science centre, *How People Make Things*, presented by The Association of Professional Engineers, Geologist and Geo-physicists of Alberta (APEGGA), told the stories of how familiar childhood objects are manufactured and how ideas and technology are used to transform raw materials into finished products. From January 16 to April 5, 2010, *How People Make Things* brought the manufacturing process to life – taking guests onto the factory floor through hands-on activities, role-playing opportunities, live demonstrations and projects.

Saying Goodbye to Old Favourites

In order to accommodate the size and scope of the blockbuster exhibitions, TELUS World of Science had to undergo some significant changes. These changes included removing many long-serving exhibits and spaces, including *WOWtown*.

Because the New Science Centre will be filled with new content, the old exhibits were donated to the Saskatchewan Science Centre in Regina and the Okanagan Science Centre in Vernon, BC. In fact, the donation to the Okanagan Science Centre made such a difference that the City of Vernon gave them \$150,000 towards renovating their small facility to accommodate the influx of visitors and “new” exhibits!

A great opportunity existed to introduce – and in some cases re-introduce – diverse demographics to our organization.

Dr. Gunther von Hagens *BODY WORLDS & The Brain*

On April 30, 2010, the first exhibition to be hosted as part of the closing strategy opened. *BODY WORLDS & The Brain* made TELUS World of Science – Calgary the first organization in this city to host such a world-class exhibition.

BODY WORLDS & The Brain, presented by ConocoPhillips Canada, showcased the human body and brain as amazing anatomical and evolutionary feats. The exhibition featured recent findings in neuroscience, information on brain development and function, brain disease and disorders, and brain performance and improvement. *BODY WORLDS & The Brain* featured more than 200 authentic specimens, including whole-body plastinates, individual organs and transparent body slices. The exhibition offered an unforgettable anatomy lesson that allowed visitors to see and understand physiology and health and gain new appreciation and respect for what it means to be human.

Between April 30 and September 6, 2010, TELUS World of Science experienced its highest attendance ever in a four-month period while hosting *BODY WORLDS & The Brain*. 203,110 guests visited, including 12,667 students on school field trips. According to a Leger Marketing survey conducted during this time, about one in five Calgary residents (16 percent) reported having visited the exhibition.

BODY WORLDS & The Brain VIP Opening

More than 350 of Calgary's most prominent business people, politicians, philanthropists and science aficionados attended the VIP opening of *BODY WORLDS & The Brain* on April 29th, 2010.

The event both celebrated the arrival of the world-renowned exhibition to Calgary, and launched the New Science Centre 2011 Project Capital Campaign, which will raise the last \$20 million (of \$160 million) for the new TELUS World of Science – Calgary, opening in the Fall of 2011.

Wheels, Wings & Waves: A LEGO® World of Transportation

In order to accommodate the *BODY WORLDS & The Brain* exhibition, the travelling exhibition *Wheels, Wings & Waves: A LEGO® World of Transportation* moved from its originally scheduled location in the main exhibit hall at TELUS World of Science to the Creative Kids Museum. Presented by supporting sponsors The Association of Professional Engineers, Geologist and Geo-physicists of Alberta (APEGGA) and Stantec, the exhibition ran as scheduled, from May, 2010 through September, 2010 and showcased the history of ground, air and water transportation as seen through the eyes of LEGO® builders.

Einstein & Darwin

Einstein and Darwin, two museum-style exhibitions from the American Museum of Natural History (AMNH) in New York were exhibited together for the first time from October 9, 2010 to January 3, 2011. Presented by The Association of Professional Engineers, Geologist and Geo-physicists of Alberta (APEGGA), the exhibitions focused on the lives, research and enduring legacies of two of the most famous names in modern science – Albert Einstein and Charles Darwin.

To enhance the *Darwin & Einstein* experience, and to continue work preparing and testing programming opportunities for the New Science Centre, new elements were introduced with this exhibition including, Canada's first science centre-based text messaging game called the *Darwin Tech Trek* and EVOLVE! a live-action role-playing game. The text messaging platform was a way of engaging youth with the content of the exhibitions. It was also a hit with corporate facility rental customers! EVOLVE! was such a success that it will be presented at the 2011 Canadian Association of Science Centre (CASC) conference.



Community Partnerships

The blockbuster exhibition strategy, combined with our core value of collaboration, sparked many partnerships with community groups in 2010. From health-service organizations, social service agencies, professional associations, educational institutions, arts groups and others, new programming initiatives were offered in 2010 including a speaker series, visual arts nights, seniors events and even on-site reptiles to enhance the *Einstein & Darwin* exhibitions.

The partnerships were not only of benefit to TELUS World of Science guests, but, also to the partnering organizations and businesses who were able to share their expertise, learn from our staff and develop ongoing professional and community relationships.

Science Café

One of TELUS World of Science – Calgary's ongoing community partnerships is with the University of Calgary to offer Science Café. For the price of a cup of coffee, a pint of beer or a glass of wine, anyone can come to explore the latest ideas in science and technology. Science Café is a forum for the discussion of important and interesting scientific issues, informal and accessible. It is a place for group discussion, and audience involvement is the most important ingredient.

Presented in 2010 by AJM Petroleum consultants, more than 800 participants took part in eight Café's, with topics ranging from global warming to synthetic biology.



4th Annual Beauty & Brains Conference

Presented by Schlumberger Canada Limited, 83 young women aged 12 to 17 participated in the free 4th Annual *Beauty & Brains Conference* at TELUS World of Science on Saturday, October 30, 2010. In a day dedicated to inspiring young women and helping them discover career paths in unique and innovative professions, participants took part in interactive workshops with 12 successful women who have achieved success in fields like engineering, trades, technology and media.

SMASH Careers

On October 23, 2010, TELUS World of Science hosted a pilot program called *SMASH Careers*. Inspired by the popular *Beauty & Brains Conference* for young women, *SMASH Careers* invited young men aged 12 to 17 to attend free workshops and learn from successful local men who work in the fields of engineering, technology, design and media. 55 young men participated in the day that was highlighted by keynote speaker Jay Ingram of the Discovery Channel's popular show, *Daily Planet*.

Chevron Science Olympics

The *Chevron Science Olympics* are an annual, day-long competition that encourages Junior and Senior High School students to think creatively, work collaboratively and develop their problem-solving skills. Teams of four students compete in three, one-hour challenges throughout the event. In 2010, the 24th Annual *Chevron Science Olympics* included 37 participant schools, with a total of 252 students, 42 teachers and 35 volunteer judges taking part!



TECHhead Challenge

Presented by Alberta Innovates – Technology Futures and supporting sponsor Beta Machinery Analysis, 75 students from around southern Alberta competed in the 2010 *TECHhead Challenge* on March 6, 2010. *TECHhead Challenge* is a unique, hands-on event that incorporates technology in a day-long competition. In our competitive technology-driven world, encouraging students to advance their knowledge-base and confidence through participation in this event contributes to success for future technology-based projects and assignments. Industry experts act as mentors to the students throughout this event.

Chevron Open Minds

2010 was the 15th year TELUS World of Science participated in the *Chevron Open Minds School Program*. This innovative school program enhances student learning by moving the classroom into a vibrant community setting for an entire week. Teachers, students and experts come together in an immersive experience that acts as a catalyst for a long-term interdisciplinary study. The *Open Minds* philosophy parallels TELUS World of Science's learning philosophy by providing meaningful and engaging experiences which deepen student learning and kindle innovative thinking.

In 2010, 13 schools, totalling 450 students participated in 22 weeks of *Open Minds* programming at TELUS World of Science.

Collaboration with Peers

TELUS World of Science – Calgary often collaborates with other science centres, and, in 2010, received an award for it! The CASCADE Award is presented by the Canadian Association of Science Centres (CASC) for the best exhibit or show at a large institution, and in 2010 was awarded for the *Galileo LIVE!* production led by TELUS World of Science – Calgary in collaboration with science centres in Montreal, Vancouver and Winnipeg.

Volunteers

In 2010, more than 300 volunteers contributed over 12,000 hours of service to TELUS World of Science – Calgary through assisting with feature exhibitions, special events and programming as subject-matter experts.

Unprecedented volunteer recruitment to support the major exhibitions brought hundreds of new volunteers to the organization in 2010. Many new volunteers joined from medical associations, post-secondary institutions and youth and senior organizations. A total of 160 volunteers contributed 6,049.55 hours to the success of *BODYWORLDS & The Brain*, including more than 355 hours volunteered by the Management Team throughout the exceptionally busy final week of the exhibition.

For the *Einstein & Darwin* exhibitions, an ambitious recruitment goal of 50 new volunteers was surpassed when 75 volunteers signed up! Three of these volunteers contributed more than 300 hours each throughout the duration of the exhibition!

In addition to the exhibition support, 190 volunteers contributed to the success of special events, including the *Chevron Science Olympics*, *Beauty & Brains Conference*, *SMASH Careers* and *Homeschool days*.



Inspiring Minds

Inspiring Minds is a community collaboration program that enables families, regardless of their financial background, an opportunity to experience TELUS World of Science. Previously, the program offered summer camp bursaries, subsidized field trips, admission passes for charities, and included participation in the City of Calgary Subsidy Program, and off-site after-school programs.

2010 was a year of change – even for the *Inspiring Minds* program. With the major exhibition strategy, the organization was unable to offer the usual amount of complementary passes to community partners. Other organizational changes, including the absence of spring and summer camps had a significant impact on *Inspiring Minds*.

Inspiring Minds will be evaluated and realigned with the mission and vision of the organization. It will be re-launched closer to the opening of the New Science Centre, in a way that is mutually beneficial to the community and the organization.

The blockbuster exhibition strategy, combined with our core value of collaboration, sparked many partnerships with community groups in 2010.



2010 Operational Summary

2010 was a year of vast growth, success and learning for TELUS World of Science – Calgary. With record annual attendance of more than 322,000, new partnerships, new audiences through the doors and many new systems and procedures in place to serve the organization well into the opening of the New Science Centre, many of the objectives set for the 18-month closing strategy were met.

In achieving a record year for attendance. A tremendous amount was learned about which time of year is most conducive to hosting large-scale travelling exhibitions, how to cater to each key audience (children, teens and adults) simultaneously, and how to communicate major changes with Members.

TELUS World of Science has long had a strong and committed Membership base, which has always enjoyed complimentary access to the facility. However, with the introduction of the special exhibitions and the need to conclude the existing Membership in anticipation of a new program for the New Science Centre, the Membership program and offerings needed to evolve. A Special Exhibition Pass was launched in early 2010, offering discounted access to the three blockbuster exhibitions, as well as three-free months of access to the New Science Centre. More than 800 Calgarians took advantage of this temporary Membership offering.

Throughout the year, Members made several requests, which the organization worked hard to accommodate, including offering complimentary access to the Einstein & Darwin exhibitions, and, complimentary access to the Creative Kids Museum. More notice in advance of major changes and multiple forms of communication were also requested. This feedback from Members will be instrumental in developing and launching the New Science Centre Membership program in the Spring of 2011.

New Science Centre 2011 Project

Construction Highlights

At the end of 2010, construction of the New Science Centre remained on schedule and on budget. Since work officially began on July 20, 2009, construction has been on pace for a Fall 2011 opening.

By the end of year, the 153,000 square foot building was fully enclosed, meaning that work on the interior could become the focus. With amazing quantities of structural steel (over 1.4 million pounds) used to shape the building and the Dome Theatre, and over 2,100 drafting hours, the scope of construction is enormous.

On June 25, 2010, one year to the day of the ceremonial ground-breaking, Federal Environment Minister Jim Prentice joined TELUS World of Science President & CEO Jennifer Martin to tour the site and sign the steel beam that would be placed at the highest point of the building. Minister Prentice commented on the remarkable transformation of the site in a year, and the exciting and important role that the New Science Centre will play going forward.

Other notable construction milestones included the installation of the glass that encloses the roof of the 10,000 square-foot Atrium, painting in low-traffic areas like the boiler room and, at the end of the year, the installation of hundreds of tonnes of drywall throughout the exhibition galleries. Near the end of 2010, the crew was also able to begin testing the exterior lighting of the building. Upon the opening of the New Science Centre, LED strips will be a key component to the exterior look of the building, and programmable to change. The testing of this system on the enclosed building was a definite highlight.

LEED Gold Certification

The New Science Centre has been designed to achieve a Leadership in Energy & Environmental Design (LEED) Gold Certification. LEED accreditation is an industry accepted standard for environmental performance. The performance-oriented system awards credits for satisfying increasingly challenging environmental criteria. Credits are awarded in several categories, including site preparation and management, water efficiency, energy use of building materials and innovation in design.

The New Science Centre has been designed with a commitment to environmental sustainability. Through the use of regional building materials, solar-shading strategies, water and energy management and full integration with the landscape, the Project effectively responds to both environmental and site forces.

Some examples of how the New Science Centre will collect LEED credits are by remediating the previously used land, collecting rainwater in cisterns before using it to flush toilets, using innovative radiant heating and cooling systems throughout the building and installing an Energy Star roof that is both reflective and insulated.

New Science Centre Exhibit Development

Building on the exciting work that began in 2009, the New Science Centre Exhibit Development Team continued to conceptualize, prototype and refine exhibits for the New Science Centre in 2010. By encouraging the curiosity of guests with a combination of science, technology and art to gain insight into how they might interact with proposed exhibits for the New Science Centre, the team gained invaluable knowledge of how to enhance the exhibits before they are fabricated.

The *Prototype Lab* remained a busy place in 2010 with more than 7,000 guests interacting with the Lab - either onsite at TELUS World of Science or offsite at festivals, science fairs, *Science Cafés*, *Teacher's Convention* and at the Market Collective in Kensington. In fact, more than 3,500 people participated in seven prototyping events at the Market Collective, focused primarily on the *Technology*, *Style & Art* and *Creative Kids Museum* galleries.

By the end of 2010, thanks to the prototype work, exhibits from three of the five galleries in the New Science Centre had gone to fabrication (*Human Body*, *Technology*, *Style & Art* and the *Creative Kids Museum*), with the remaining two galleries having gone to tender. In fact, exhibit fabricators from all over the world bid on the chance to build these exhibits!

New Science Centre Program Development

In the Fall of 2010, the New Science Centre Program Development Team went on the road to test their programs in classrooms. In a mutually beneficial arrangement, science-focused schools were excited to have their students be trailblazers – testing and providing feedback on new programming.

Program testing took place at Our Lady of Assumption and St. Rose of Lima Schools. During the two-week residencies, every student at both schools was involved in a program. The in-school program testing project was even nominated for a Mayor's Excellence Award!



ImagineAction

On March 12, 2010, the New Science Centre website was launched, www.imagineaction.ca offers a detailed look at the New Science Centre 2011 Project – including the vision, frequent updates and information about the Capital Campaign, which is raising financial support for the Project.





New Science Centre Fund Development

2010 was a successful year for the Imagineaction Capital Campaign. Many donors and sponsors responded generously to the premise that 'putting our imagination into action' can lead to a stronger, more vibrant and vital science centre for our community for generations to come. The supporters we added to our endeavour reflect the strength and diversity of our community connections and their endorsement is a testament that they share our values of commitment, courage, collaboration and community. By sharing our vision for the future, and understanding that we can be a role model and positive force for innovation and social change, these new partnerships truly add to the fabric of our amazing city.

Media Partners

In 2010, marketing of the New Science Centre picked up steam. A wonderful group of media partners comprised of Global TV, Calgary Herald, Corus Entertainment and Pattison Outdoor came on board to assist with sharing information about the New Science Centre 2011 Project, and the major exhibitions *BODYWORLDS & The Brain* and *Einstein & Darwin*.



The Capital Campaign had three key challenges in 2010;

- Recruit two committed campaign co-chairs to jointly lead the fundraising efforts that would help us reach the \$160 million dollar campaign goal;
- Finalize the selection for a diverse and dynamic fundraising campaign cabinet;
- Reach an annual campaign goal of \$10 million dollars

Proudly, we achieved our goals and met each challenge successfully. With Dave Fitzpatrick and Brent Pookhay as the campaign co-chairs, the 20 member campaign cabinet blazed the fundraising trail and opened many doors to new friends, new ambassadors and new partnerships. By exceeding the ambitious, yet essential target by \$3 million, 94 percent of the \$160 million target was raised by the end of 2010. Included in the 2010 donations were 10 major gifts ranging from \$50,000 up to \$5 million. Sponsorships included the *Creative Kids Museum*, *Energy & Innovation Exhibit Gallery*, *Digital Media Studio*, *the Bridge*, *Prototype Lab*, *Champion of Engineering* and the Volunteers in Partnership Program (VIP). Equally important were the number of philanthropic donations made by our enthusiastic donors and leaders looking to contribute to a vision of a gathered community. A legacy where imagination is encouraged, learning is embraced and lasting memories are created.

2010 was a year of vast growth, success and learning for TELUS World of Science – Calgary

There is still much work to be done as we draw closer to the fundraising goal and prepare to open Canada's first new purpose built science centre in almost 3 decades. We would like to thank all of our generous supporters, as their commitment and partnership help to spark a greater sense of value and excitement for a vital community legacy – the new TELUS World of Science.

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We thank our annual supporters who shared in our vision and helped us achieve our goals and fulfill our mission in 2010. Your gift has allowed us to bring inspiring science, technology and art programming, activities and events to residents from Calgary and Southern Alberta.

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We thank those who have shared in the vision to develop and build the first new science centre in Canada in over 25 years. The community of Calgary, as well as the entire Southern Alberta region will directly benefit from your generous gift. Your support of the Capital Campaign for the New Science Centre 2011 Project will ensure that children, families, teens and adults will have many positive and memorable science centre experiences. You are helping to promote important values in our community such as curiosity, inquiry, innovation and collaboration to build on the foundation for our future prosperity.

Anonymous

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Every effort has been made to ensure the accuracy of these lists. We apologize for any omissions or errors. Please advise us of any errors or changes by calling the Campaign Office at 403-268-8327.

Operational and Financial Highlights

To the Members of Calgary Science Centre and Creative Kids Museum Society:

Report on the financial statements

We have audited the accompanying financial statements of Calgary Science Centre and Creative Kids Museum Society, which comprise the statement of financial position as at December 31, 2010, and the statements of operations, 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 financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, 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 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 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.

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 Calgary Science Centre and Creative Kids Museum Society as at December 31, 2010, the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.



Certified General Accountants

April 20, 2011
Calgary, Alberta, Canada

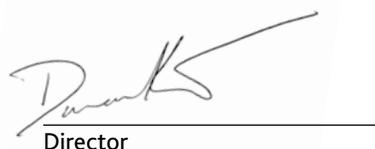
CALGARY SCIENCE CENTRE AND CREATIVE KIDS MUSEUM SOCIETY
(Operating as TELUS World of Science – Calgary)

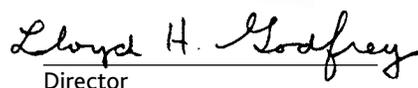
Statement Of Financial Position

For the year ended December 31, 2010

	2010	2009
ASSETS		
CURRENT	\$ 12,726,812	\$ 13,276,369
Cash	55,571	-
Marketable securities	9,889,371	9,584,038
Accounts receivable	1,993,760	821,752
Goods and services tax receivable	410,659	372,382
Prepaid expenses	5,335	7,885
Inventory	25,081,508	24,062,426
LONG TERM ASSETS UNDER CONSTRUCTION (note 4)	64,997,943	21,384,146
PROPERTY AND EQUIPMENT (note 5)	444,210	1,128,611
	\$ 90,523,661	\$ 46,575,183
LIABILITIES AND FUND BALANCES		
CURRENT	\$ 11,602,531	\$ 6,593,409
Accounts payable and accrued liabilities	154,578	289,851
Deferred revenue	11,757,109	6,883,260
DEFERRED CONTRIBUTIONS RELATED TO PROPERTY AND EQUIPMENT (note 7)	78,579,715	39,369,941
DEFERRED CONTRIBUTIONS RELATED TO OPERATIONS (note 8)	59,868	186,183
	90,396,692	46,439,384
FUND BALANCES		
Invested in property and equipment (note 9)	-	14,060
Externally restricted (note 10)	(2,788)	-
Internally restricted (note 11)	129,757	121,739
	126,969	135,799
	\$ 90,523,661	\$ 46,575,183

Approved on Behalf of the Board:


 Director


 Director

CALGARY SCIENCE CENTRE AND CREATIVE KIDS MUSEUM SOCIETY
(Operating as TELUS World of Science – Calgary)

Statement Of Operations

For the year ended December 31, 2010

	Capital Fund	Open Minds	Operations		2010 Total	2009 Total
			New Science Centre	Operating Fund		
REVENUE						
Donations	\$ -	\$ 112,000	\$ 2,511,170	\$ 479,664	\$ 3,102,834	\$ 2,113,455
Grants (note 12)	1,092,981	-	-	1,952,782	3,045,763	3,770,686
Admissions	-	-	-	2,689,758	2,689,758	1,202,545
Other income	22	-	94,998	1,096,510	1,191,530	618,042
Memberships	-	-	-	160,919	160,919	415,909
School programs	-	-	-	282,199	282,199	354,649
Food services revenue	-	-	-	337,740	337,740	302,348
Registrations	-	13,050	-	96,820	109,870	296,957
	\$ 1,093,003	125,050	2,606,168	7,096,392	10,920,613	9,074,591
EXPENSES						
Compensation	-	91,804	1,444,110	3,946,214	5,482,128	5,014,722
Professional fees and contract services	35,037	-	1,009,133	460,959	1,505,129	823,763
Exhibit and film costs	698	-	-	1,040,466	1,041,164	340,860
Amortization	931,563	-	-	-	931,563	973,673
Advertising	-	-	55,744	442,926	498,670	287,016
Utilities and maintenance	122,276	-	12,358	304,828	439,462	450,743
Administration	3,429	2,184	39,755	234,965	280,333	362,485
Computer and telecommunications	-	-	13,044	257,270	270,314	240,630
Food services expense	-	-	-	189,484	189,484	144,744
Program costs	-	33,850	1,598	124,172	159,620	213,221
Hosting	-	-	17,843	71,211	89,054	143,660
Loss on disposition of fixed assets	14,060	-	-	-	14,060	-
Self insured short term disability	-	-	12,583	15,878	28,461	1,801
	1,107,063	127,838	2,606,168	7,088,373	10,929,442	8,997,318
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES						
	\$ (14,060)	\$ (2,788)	\$ -	\$ 8,019	\$ (8,829)	\$ 77,273

CALGARY SCIENCE CENTRE AND CREATIVE KIDS MUSEUM SOCIETY
(Operating as TELUS World of Science – Calgary)

Statement Of Changes In Fund Balances

For the year ended December 31, 2010

	Capital Fund	Open Minds	Operations		Total 2010	Total 2009
			New Science Centre	Operating Fund		
Fund balances, beginning of year	\$ 14,060	\$ -	\$ -	\$ 121,739	\$ 135,799	\$ 58,526
Excess (deficiency) of revenue over expenses	(14,060)	(2,788)	-	8,019	(8,829)	77,273
FUND BALANCES, END OF YEAR	\$ -	\$ (2,788)	\$ -	\$ 129,757	\$ 126,969	\$ 135,799

CALGARY SCIENCE CENTRE AND CREATIVE KIDS MUSEUM SOCIETY
(Operating as TELUS World of Science – Calgary)

Statement Of Cash Flows

For the year ended December 31, 2010

	2010	2009
OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenses	\$ (8,829)	\$ 77,273
Non-cash transactions		
Amortization	931,563	973,673
Amortization of deferred contributions related to property and equipment (note 7)	(931,563)	(971,447)
Loss on disposition of fixed assets	14,060	-
Change in non-cash working capital		
Accounts receivable	14,266	5,794
Goods and services tax receivable	13,838	9,652
Prepaid expenses	(197,367)	23,757
Inventory	2,550	(1,095)
Accounts payable and accrued liabilities	233,714	(238,865)
Deferred revenue	(135,273)	(28,907)
Deferred contributions related to operations	(126,315)	61,098
	(189,356)	(89,067)
INVESTING ACTIVITIES		
Purchase of property and equipment	(40,126,369)	(12,995,927)
Decrease in short term investments	-	5,500,000
Increase in marketable securities	(11,059)	-
	(40,137,428)	(7,495,927)
FINANCING ACTIVITY		
Deferred contributions received for property and equipment	39,777,227	16,548,929
INCREASE (DECREASE) IN CASH		
	(549,557)	8,963,935
Cash, beginning of the year	13,276,369	4,312,434
CASH, END OF YEAR		
	\$ 12,726,812	\$ 13,276,369
Cash consists of:		
Cash	\$ 8,860	\$ 9,980
Internally restricted cash	129,757	119,513
Restricted cash	12,588,195	13,146,876
	\$ 12,726,812	\$ 13,276,369

CALGARY SCIENCE CENTRE AND CREATIVE KIDS MUSEUM SOCIETY
(Operating as TELUS World of Science – Calgary)

Notes To Audited Financial Statements

For the year ended December 31, 2010

1. PURPOSE OF THE ORGANIZATION

The Calgary Science Centre and Creative Kids Museum Society (the "Society"), operating as TELUS World of Science – Calgary, is incorporated under the Societies Act of Alberta. The Society is committed to helping families and students understand the importance of the arts, science and technology in their lives by providing fun-filled learning experiences. The Society is a registered charity and, is therefore exempt from the payment of income tax under section 149(1) of the Income Tax Act.

2. BASIS OF ACCOUNTING

In accordance with Canadian generally accepted accounting principles the financial statements have been prepared using the going concern assumption, which assumes that the Society will be able to realize its assets and discharge its liabilities in the normal course of operations. The Society's ability to continue as a going concern is dependent upon its ability to generate additional funding for the New Science Centre project sufficient to meet future obligations as described below and in Note 13, and to maintain financing sufficient to manage the anticipated timing differences between the incurrence of project costs and the receipt of committed funding, and receiving sufficient donations, grants and general admissions to fund all operating costs. Current operations for 2010 and 2009 have been in a transitional phase and as a consequence have received certain transitional funding from the New Science Centre project. These costs were anticipated in the approved project budget.

The Canadian Institute of Chartered Accountants ("CICA") has issued a new accounting framework applicable to Canadian not-for-profit organizations. Effective for the annual reporting period that commences on or after January 1, 2012, not-for-profit organizations will have to choose between International Financial Reporting Standards ("IFRS") and Canadian accounting standards for not-for-profit organizations, whichever accounting framework suits them best. Early adoption of these standards is permitted. The Centre currently plans to adopt the new Canadian accounting standards for not-for-profit organizations for its fiscal year beginning January 1, 2012 and has not yet determined the impact of adoptions.

The Society currently has a project underway to complete construction of a new facility ("the New Science Centre"). The project costs, including construction costs and related expenses, are expected to total approximately \$160 million. The Society has secured commitments for support from the City of Calgary, the Government of Alberta, and the Government of Canada in the amounts of \$40 million each. Of the remaining project costs that the Society must obtain, approximately \$28.7 million has been received or pledged from private sources to April 20, 2011, so the Society must obtain an additional amount of approximately \$11.3 million from private or other sources. Capitalized expenditures to date are disclosed in Note 4, and the current year's non-capitalized expenditures are reported in the Statement of Operations as part of the "New Science Centre" operations.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles and, in management's opinion, have been properly prepared within reasonable limits of materiality and within the framework of the significant accounting policies summarized below.

a) Revenue recognition

The Society follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year the related expenses are incurred. Unrestricted funds are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Amounts pledged are recorded as revenue only when received by the Society. Donations received in kind are recorded at fair market value, determined at the date the donation is made.

Donated capital assets and contributions received towards the acquisition of property and equipment are deferred and amortized to revenue on the same basis as the related depreciable property and equipment are amortized.

Operating grants, admissions, memberships and other revenue are recognized on an accrual basis.

b) Fund accounting

The Capital Fund is used to account for all of the revenue and expenses related to the Society's property and equipment.

The Open Minds fund is used to account for all of the revenue and expenses related to the program delivery (note 10).

The New Science Centre fund is used to account for all of the revenue and expenses related to the Society's new facility. Prior to opening the new centre, costs which cannot be capitalized as part of the facility are expensed and an equivalent amount of deferred contributions are recognized as revenue.

The Operating Fund is used to account for revenue and expenses related to operations program delivery and administrative activities. The Society restricts the use of portions of its unrestricted fund balances for specific future uses. When incurred, related expenses are charged to operations and the balance of internally restricted fund balances is reduced accordingly.

c) Property and equipment

Purchased property and equipment are recorded at cost. All assets except leasehold improvements are amortized over 36 months on a straight-line basis. Leasehold improvements are amortized over 60 months. Assets under construction are not amortized until the project is considered substantially completed. All costs related to the old Science Centre will be amortized to 2011.

d) Inventory

Inventory is valued at the lower of cost and replacement value with the cost being determined on a first-in, first-out basis.

e) Financial instruments

All financial instruments must be initially recognized at fair value on the statement of financial position. The Society classifies each financial instrument into one of the following categories:

- i) Held-for-trading financial assets are measured at fair value at the year end date with any gain or loss recognized immediately in excess (deficiency) of revenue over expenses. Interest earned from held-for-trading assets is also included in revenue for the period.
- ii) Loans and receivables - these financial assets are initially measured at fair value and thereafter are measured at amortized cost using the effective interest method, less any impairment.
- iii) Other financial instruments are measured at amortized cost using the effective interest method.

The Society has classified all financial assets as held-for-trading. Unrealized gains and losses are recognized as part of the excess (deficiency) of revenue over expenses. The Society has classified all financial liabilities as other financial instruments.

f) Contributed materials and services

Contributed materials and services are recognized in the financial statements when their fair value can be reasonably estimated and when the Society would have otherwise purchased them. Contribution of time by volunteers is not recorded as expense as the dollar amount is not determinable.

g) Use of estimates

The financial statements have been prepared in conformity with Canadian generally accepted accounting principles, which require management to make estimates and assumptions that affect the amounts reported in the financial statements and the accompanying notes. In the opinion of management, these financial statements reflect, within reasonable limits of materiality, all adjustments necessary to present fairly the results for the years presented. Actual results could differ from these estimates. Assumptions are used in estimating useful life of property and equipment and accrued liabilities. Management reviews its estimates annually based on current available information.

4. LONG TERM ASSETS UNDER CONSTRUCTION

	2010	2009
Building	\$ 51,000,710	\$ 13,901,995
Land improvements	10,433,201	6,453,373
Exhibits	3,411,155	894,674
Computers	134,046	134,046
Furniture and fixtures	18,831	58
	\$ 64,997,943	\$ 21,384,146

5. PROPERTY AND EQUIPMENT

	Cost		Accumulated Amortization		Net Book Value	
	2010	2009	2010	2009	2010	2009
Leasehold improvements	\$ 5,942,153	\$ 5,744,364	\$ 5,559,854	\$ 4,743,408	\$ 382,299	\$ 1,000,956
Exhibits	804,327	740,894	742,416	631,660	61,911	109,234
Furniture and fixtures	105,263	157,983	105,263	143,922	-	14,061
Computers	53,128	53,128	53,128	48,768	-	4,360
	\$ 6,904,871	\$ 6,696,369	\$ 6,460,661	\$ 5,567,758	\$ 444,210	\$ 1,128,611

6. BANK INDEBTEDNESS

An overdraft facility has been authorized to a maximum of \$250,000 and bears interest at the bank's prime interest rate plus 2.7%. As security, a Canadian chartered bank has a general security agreement covering the assets of the Society. No amount is outstanding on the overdraft facility at December 31, 2010 (2009 - \$ Nil).

7. DEFERRED CONTRIBUTIONS RELATED TO PROPERTY AND EQUIPMENT

a) Deferred contributions related to property and equipment

	Beginning	Contributions Received	Expended on current acquisitions	Utilization	Ending December 31, 2010
Province of Alberta - Capital Project					
Construction	\$ 10,725,197	\$ -	\$ 16,960,244	\$ -	\$ 27,685,441
Government of Canada	2,708,264	-	15,845,996	-	18,554,260
City of Calgary - Construction	6,453,373	-	9,928,303	-	16,381,676
City of Calgary- Community Investment Fund	1,274,316	-			1,274,316
Other donations	-	-	879,254	-	879,254
City of Calgary Capital Grant	163,994	197,789	-	(138,762)	223,021
City of Calgary - Culture, Parks, Recreation					
Infrastructure Investment Plan (CPRiIP)	315,566	-	-	(178,259)	137,307
Casino - capital development	20,530	63,433	-	(22,054)	61,909
Province of Alberta	599,462	-	-	(577,488)	21,974
Community Facility Enhancement Program	15,000	-	-	(15,000)	-
	<u>22,275,702</u>	<u>261,222</u>	<u>43,613,797</u>	<u>(931,563)</u>	<u>65,219,158</u>

b) Deferred contributions restricted for future period property and equipment

Province of Alberta - Capital Project					
Construction	14,274,803	15,000,000	(16,960,244)	-	12,314,559
City of Calgary - Community Investment	1,582,545	9,144,290	(9,928,303)	-	798,532
Other donations	1,236,891	2,400,997	(879,254)	(2,511,168)	247,466
Government of Canada	-	15,845,996	(15,845,996)	-	-
	<u>17,094,239</u>	<u>42,391,283</u>	<u>(43,613,797)</u>	<u>(2,511,168)</u>	<u>13,360,557</u>
Total Deferred Contributions	\$ 39,369,941	\$ 42,652,505	\$ -	\$ (3,442,731)	\$ 78,579,715

a) Deferred contributions related to property and equipment

Deferred contributions related to property and equipment represent the unamortized contributions received for the purchase of property and equipment that has been acquired. Recognition of these amounts as revenue is deferred to periods when the related property and equipment is amortized. The contributions are being recognized as revenue on the same basis as the assets acquired are amortized (note 3c).

b) Deferred contributions restricted for future period property and equipment

Contributions restricted for future period acquisitions of property and equipment are deferred until the property and equipment is acquired, and at that time amortization of the contribution to revenue begins, as described above.

8. DEFERRED CONTRIBUTIONS RELATED TO OPERATIONS

Deferred contributions related to operations is funding received in the current period for future period operations.

	Beginning	Contributions Received	Utilizations	2010
City of Calgary - Life Cycle contribution	\$ 162,836	\$ 228,750	\$ (334,260)	\$ 57,326
Casino	23,347	4,161	(24,966)	2,542
	\$ 186,183	\$ 232,911	\$ (359,226)	\$ 59,868

9. INVESTED IN PROPERTY AND EQUIPMENT

The majority of the property and equipment has been purchased with capital funding provided by the City of Calgary grants, Province of Alberta grants, Government of Canada grants and other donations restricted for that purpose (notes 4, 5 & 7).

10. EXTERNALLY RESTRICTED FUNDS

The Open Minds School Program receives funding which is externally restricted for the purpose of this program.

11. INTERNALLY RESTRICTED FUNDS

The board restricts the balance of otherwise unrestricted funds at the end of the fiscal year to accumulate an operating reserve. These funds are not available for expenditure without prior approval of the Executive Committee.

	2010	2009
Operating reserve	\$ 109,093	\$ 101,075
Short term disability reserve	20,664	20,664
Capital reserve	-	14,060
Total internally restricted funds	\$ 129,757	\$ 135,799

12. SOURCES OF OPERATING GRANTS

	2010	2009
The City of Calgary	\$ 2,350,846	\$ 2,560,925
Province of Alberta	689,205	1,185,177
Government of Canada	5,712	24,584
	\$ 3,045,763	\$ 3,770,686

13. NEW SCIENCE CENTRE COMMITMENTS

The construction of the New Science Centre, which began in 2009, is scheduled for completion in 2011. The total costs of the project are projected by management to include approximately \$140 million of capitalized expenditures, and an additional \$20 million of project expenses not eligible for capitalization. Of these costs, in addition to what has been expended to date, the Society has to date entered into contracts with vendors amounting to approximately \$53.6 million.

Furthermore, in order to provide financing for those phases of the project during which expenditures are required in advance of receipt of related contributions, the Society is in negotiations with an accredited bank to obtain short term bridge financing and term financing to finance the project costs as required to a maximum of \$17 million. This financing has been guaranteed by the City of Calgary and will be drawn upon as needed. The financing will bear interest at an AAA rate and will be repaid upon receipt of subsequent contributions.

14. CITY OF CALGARY FUNDING

The City of Calgary has requested the following schedule be reported which relates to their annual cash contributions. For accounting purposes, the cash contributions may be recognized as revenue in the year received or deferred and amortized on the same basis as the property and equipment that the cash was used for (note 7a).

a) For current operations

	Funding 2010	Expenses 2010	Contributions recognized 2010	Contributions deferred at December 31, 2010
Operations Grants				
City of Calgary Operating Grant	\$ 1,897,356	\$ (1,897,356)	\$ 1,897,356	\$ -
CPRiIP Grants				
CPRiIP - Building Interior Upgrade	\$ -	\$ -	\$ 150,536	\$ 137,307
CPRiIP - Exhibit Production	-	-	27,723	-
	\$ -	\$ -	\$ 178,259	\$ 137,307
City Life Cycle Grant				
Life Cycle Grant	\$ 305,000	\$ (334,260)	\$ 334,260	\$ 57,326
Total			\$ 2,409,875	\$ 194,633
b) For New Science Centre				
City of Calgary Building Grant	\$ -	\$ 5,948,475	\$ -	\$ 5,948,475
City of Calgary Land Improvements Grant	-	3,979,828	-	10,433,201
	\$ -	\$ 9,928,303	\$ -	\$ 16,381,676

15. FINANCIAL INSTRUMENTS

The Society's financial instruments consist of cash, accounts receivable, short term investments, accounts payable and accrued liabilities and deferred contributions, all of which are reported at fair value. Due to their short term nature, the carrying value of these financial instruments approximate their fair value.

Investment risk

The Society's Audit Committee has approved an investment policy and procedures that provide guidelines for managing investments of the Society. Through this approach, investments are strategically distributed to safeguard the capital of the investment portfolio which 100% of the dollar limit will be invested in financial instruments where the principal of the investment is guaranteed and 100% liquidity is achieved.

Foreign exchange risk

The Society purchases internationally, giving risk to exposure to market risks from related changes in foreign exchange rates. Foreign exchange risk is not material at year end; any material risk will be hedged as it is identified.

Interest rate risk

Interest rate risk refers to adverse consequences of interest rate changes on the Society cash flows, financial position, investment income and interest expense. The Society's fixed income investments are exposed to interest rate changes. The impact of adverse changes in interest rates is not considered material.

16. RESTATEMENT OF PRIOR YEAR OPENING BALANCE

The prior year's figures have been restated to reclassify the receivable from Provincial government for deferred contributions related to property and equipment, which had previously been included in accounts receivable. The effect of this change on the 2009 reported amounts is as follows:

	As previously reported	Restatement	As restated
Accounts receivable	\$ 9,807,032	\$ (222,994)	\$ 9,584,038
Deferred contribution related to property and equipment	39,592,935	(222,994)	39,369,941

17. COMPARATIVE FIGURES

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



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