DISCOVER THE ANSWERS AT THE CENTRE OF ENERGY

CALGARY TELUS CONVENTION CENTRE

2013 CALGARY CONVENTION CENTRE AUTHORITY ANNUAL REPORT

CELEBRATING OUR PARTNERSHIPS

CALGARY TELUS CONVENTION CENTRE 2013 ANNUAL REPORT

THE MANDATE OF THE CALGARY CONVENTION CENTRE AUTHORITY IS TO MANAGE, MARKET AND OPERATE THE CALGARY TELUS CONVENTION CENTRE (CTCC) IN AN EFFICIENT AND COMPETITIVE MANNER IN ORDER TO MAXIMIZE OVERALL ECONOMIC BENEFITS TO THE CITY OF CALGARY WHILE MAINTAINING FINANCIAL PERFORMANCE WITHIN AN ACCEPTABLE RANGE.

3 Message from the Chair and General Manager
5 Celebrating our Partnerships
10 Board of Directors
10 Operating Agreements
10 Result of Operations
11 Management Discussion & Analysis
12 2013 Financial Review
13 Independent Auditor's Report
14 Financials
18 Notes

IN 2013, THE CALGARY TELUS CONVENTION CENTRE (CTCC) CONTINUED TO FULFILL ITS MANDATE AS A DRIVER OF ECONOMIC DEVELOPMENT BY MARKETING CALGARY AS A MEETINGS AND CONVENTION DESTINATION, AND BY HOSTING 650 EVENTS.

During the year, over 250,000 people attended events at the CTCC. Of these events, 55,000 were non-resident delegates and exhibitors. An updated economic impact study completed in 2013 showed that, on average, non-resident attendees spend $329 per show day for accommodation, transportation, entertainment, meals and retail purchases. In 2013, this resulted in total direct non-resident expenditures of $34.3 million, and an additional contribution of $19.1 million in GDP.

We continued to work with key partners to enhance awareness of Calgary as a destination of choice for conventions and meetings. Travel Alberta and the Canadian Tourism Commission provided opportunities for joint participation in tradeshows, events, familiarization tours and business to business meetings with clients. While the Canadian market is our bread and butter market, others are important to our community as well. The US continues to slowly recover from the recession, and the CTCC retains its presence there through a strategic approach which focuses on

OVER THE NEXT SEVERAL YEARS, THE CALGARY CONVENTION CENTRE AUTHORITY (CCCA) WILL FOCUS ON FUTURE SUSTAINABILITY OF OUR BUSINESS ENTITY.

sales and marketing activities at PCMA, IMEX America, ASAE and the Collinson Media events. Internationally, an additional partner, (Stavanger, Norway), was welcomed to the Energy Cities Alliance, a marketing entity of which we were a founding member and with which we have been affiliated for five years. The international market for meetings in Calgary continues to grow, assisted by strong relationships with the academic and business communities.

Our partnership with the Calgary Hotel Association to provide destination sales and marketing for the city continues with 81 events representing 47,828 room nights confirmed for future years during 2013. The Calgary Champions program was launched in 2013. This program identifies and works with local individuals who are willing to serve as ambassadors, and actively assist in the bid process for international events.

Locally our community presence and awareness was strengthened through programs and initiatives with Calgary Economic Development (Soul of the City, Silver Action Partner) and the Calgary Downtown Association (First Flip, Stephen Avenue events).

Our CTCC team is an exceptionally talented group of people and they, along with our in-house suppliers (ST. GEORGE Show Services, Evolution Presentation Technologies, Calgary Marriott Downtown) ensure that we maintain our focus on customer service and work to continually improve business processes. We thank everyone for their contributions to our successes in 2013.

Calgary remains an attractive destination for meeting planners, however the market has changed, and our product is less competitive than it was a decade ago. Over the next several years, the Calgary Convention Centre Authority (CCCA) will focus on future sustainability of our business entity.

2014 marks our 40th anniversary in the community of Calgary. We look forward to sharing our celebrations with Calgarians while planning the Centre of Energy of the future where people continue to network, share ideas, research and best practices.

Bob Holmes

BOB HOLMES
Chair,
Calgary Convention
Centre Authority

Marcia Lyons

MARCIA LYONS
General Manager,
Calgary TELUS
Convention Centre

"OUR PARTNERSHIP WITH THE CTCC IS A TWO-WAY STREET WITH WIDE LANES AND GREEN LIGHTS.

THEY BRING A SIGNIFICANT NUMBER OF PAYING CUSTOMERS TO OUR DOWNTOWN BUSINESSES.

OUR DOWNTOWN CORE, IN TURN, PROVIDES A HUGE DRAW FOR THEIR CONVENTIONS, WITH ITS WONDERFUL MIX OF CULINARY, CULTURAL, ENTERTAINMENT AND SHOPPING ATTRACTIONS."

MAGGIE SCHOFIELD
Executive Director,
Calgary Downtown Association

"THE CONVENTION CENTRE IS AN IMPORTANT ECONOMIC DRIVER IN THIS CITY.

IT BRINGS PEOPLE WHO OTHERWISE WOULDN'T BE HERE. AND THEN THERE IS THE HUGE TRICKLE-DOWN BENEFIT TO ALL LOCAL BUSINESS. CONVENTIONS PUT BODIES IN BEDS, FILL RESTAURANT RESERVATION LISTS, GIVE TAXIS FARES AND KEEP STORE CASH REGISTERS RINGING."

JON JACKSON
Executive Director,
Calgary Hotel Association

"THE CONVENTION CENTRE IS A NATURAL CONDUIT FOR US TO ENGAGE DELEGATES WITH THE CALGARY MESSAGE WHEN THEY COME HERE.

WE ARE MARKETING AND COMMUNICATING TOGETHER UNDER A BRAND WITH A SHARED VALUE:

CALGARY. BE PART OF THE ENERGY. **WE WANT TO LEVERAGE THAT COMMON FRAMEWORK TO SUPPORT GROWTH OF THE CITY'S ECONOMY."**

BRUCE GRAHAM
President & CEO,
Calgary Economic Development

"LIKE AN ARMY A CONVENTION MARCHES ON ITS STOMACH. AS THE OFFICIAL CATERER TO THE CALGARY TELUS CONVENTION CENTRE,

WE'RE PROUD OF THE ENERGY, IDEAS, INNOVATION AND SHARING THAT OUR FINE CUISINE HELPS TO FUEL.

OUR DIRECT CONNECTION TO THE CONVENTION CENTRE AND ITS THOUSANDS OF VISITORS FROM AROUND THE GLOBE HAS ALSO HELPED TO CONFIRM OUR REPUTATION AS A WORLD-CLASS HOTEL."

JOSEPH CLOHESSEY
General Manager,
The Calgary Marriott Downtown Hotel

"PARTNERSHIPS ARE CRITICAL...

WHEN WE ARE PUTTING TOGETHER A BID FOR AN INTERNATIONAL EVENT.

WE CAN SHARE DATA OR RESOURCES THAT PLAY AN ESSENTIAL ROLE

IN DEFINING WHY CALGARY IS A BETTER DESTINATION THAN ITS COMPETITORS."

DAVID SCLANDERS
Executive Director Business Development,
Calgary TELUS Convention Centre

2014 BOARD

BOB HOLMES
Chair, Calgary Convention Centre Authority

TOM BORNHORST
Dean, School of Hospitality and Tourism, SAIT Polytechnic

DARREN DEMCHUCK
Chair, Audit & Finance Committee, Partner, Private Enterprise, MNP, LLP

SAM GORESHT
President, Cameo Investments Ltd

KURT HANSON
Director, Recreation Community Services, City of Calgary

LOIS LOCKWOOD
President, Scout Communications Inc.

LEVONNE L. LOUIE
Vice President, Land, Quicksilver Resources Canada Inc.

MAYOR NAHEED NENSHI
City of Calgary

COUNCILLOR RICHARD POOTMANS
City of Calgary

DAN RUSSELL
CEO, Alberta Real Estate Association

GREGG SARETSKY
President & CEO, WestJet

MARCIA LYONS
General Manager, Calgary TELUS Convention Centre

→ BOARD OF DIRECTORS

The Calgary Convention Centre Authority (CCCA) was incorporated through a provincial act in 1974. Its mandate is to market, manage and operate the Convention Centre on behalf of the City of Calgary. Members are appointed by Calgary City Council.

New additions to the Board of Directors of the Calgary Convention Centre Authority include: Tom Bornhorst, Kurt Hanson, Levonne L. Louie and Dan Russell. Thank you also to outgoing Board members for all your contributions, including Tracy Bertsch, George Brookman, Brian Rogers and Michael Tumback. The Board has two standing policy Committees: the Governance and Human Resources Committee chaired by Brian Rogers and the Audit and Finance Committee chaired by Darren Demchuk.

→ OPERATING AGREEMENTS

In 1973, the CCCA entered into an agreement with the City of Calgary to provide maintenance, repair, cleaning and janitorial services to the Glenbow Museum.

The CCCA also provides maintenance and repair services to City owned retail spaces in the North Building. Through a 1999 agreement between the City and Balboa Land Investments Inc., the CCCA operates and maintains the shared loading dock in the North Building. A Food and Beverage Services Agreement gives exclusive rights to all food and beverage services in the CTCC to the attached hotel (currently the Calgary Marriott Downtown). Through an agreement with the Calgary Hotel Association, the Centre manages Meetings and Conventions Calgary.

→ RESULT OF OPERATIONS

REVENUES

Our total earned revenues for the fiscal year 2013 were $25,994,279, down from forecast revenue projections because of the closure due to the June flood. The City of Calgary grant was $1,699,838. The Calgary Hotel Association provided $2,129,000, to support management of the Meetings and Conventions Calgary program.

EXPENSES

Expenses for 2013 totaled $25,567,985. Ongoing attention to cost controls is a strategic focus for the CCCA, and is embedded in the organizational culture.

RESERVES

The total operating reserve at December 31, 2013 was $4,659,805 and the Major Replacement Reserve $73,393.

CAPITAL EXPENDITURES

In 2013, the CCCA incurred $838,872 in expenditures for major capital improvements. Funding for the capital expenditures was from the Authority's Operating and Major Replacement Reserves ($476,879), a City CPRIIP grant ($72,053), an MSI grant through City Corporate Properties

($189,890) and a Western Economic Diversification allocation ($100,500). The additions have been capitalized as renovations, building enhancements and equipment.

The Centre also managed capital projects for the Glenbow Museum in the amount of $94,086. At the end of 2013, funding was received from Corporate Properties and is being held for capital projects to be completed at the Glenbow in 2014.

MANAGEMENT DISCUSSION & ANALYSIS

The Calgary economy remained strong during 2013 and the CTCC saw 650 events which included 29 conventions, 500 meetings, 109 banquets and 12 trade and consumer shows. Our major events in 2013 included the World Petroleum Council Youth Forum, TOPS – International Recognition Days, and International Conference on Residency Education (Royal College of Physicians and Surgeons).

Benchmarking through Convention Centres of Canada again placed the CTCC among the highest performing convention centres in the country. Our size and space configuration present challenges in the current market environment and are the driving factors in the erosion of our competitive position. A robust sales research plan has proven instrumental in helping us develop a strategic approach for identifying opportunities for future business. The international market in particular has shown good potential, with 17 bids currently in the pipeline.

The June 2013 flood disrupted business levels for a period of just over two weeks. Physical damage to the building was contained through the extraordinary efforts of our Facility Management team. The flood forced the cancellation of a number of events, including three conventions, resulting in substantial lost revenues. Insurance payments offset lost revenues and the cost of repairs to the building.

An updated benchmarking and perception study was completed in December, 2013. The key performance indicators show that Calgarians believe the CTCC is performing well. Two thirds believe we will be too small in 10 years. The need for increased convention space has been well documented and is supported through ongoing market demand analysis. We will continue to work toward completion of Phase Two of feasibility planning for an expanded Centre.

The nature of our business is changing. Conventions and meetings are increasingly becoming focused on education, and Centres are playing an important role in providing lifelong learning opportunities. Technology is having a far reaching impact. A younger generation of delegates is affecting content, and the ways in which the messaging is delivered. We will continue to analyze and evaluate worldwide and industry trends to ensure that the CTCC responds accordingly to the changing and challenging environment.

CALGARY TELUS CONVENTION CENTRE 2013 FINANCIAL REVIEW

INDEPENDENT AUDITOR'S REPORT

To The Directors of The Calgary Convention Centre Authority.

We have audited the accompanying financial statements of The Calgary Convention Centre Authority, which comprise the statement of financial position as at December 31, 2013, the statements of revenue, expenses and operating reserve, changes in net financial assets and cash flows for the year then ended, and the notes to the financial statements.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, 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 The Calgary Convention Centre Authority as at December 31, 2013 and the results of its operations, changes in net financial assets and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Deloitte LLP

DELOITTE LLP
Chartered Accountants
June 11, 2014

THE CALGARY CONVENTION CENTRE AUTHORITY
STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2013

	2013	2012
	$	$
FINANCIAL ASSETS		
Cash and cash equivalents	**545,396**	552,048
Accounts receivable	**2,161,573**	2,473,258
Due from The City of Calgary – major replacement reserve	**302,534**	311,968
Investments (Note 6)	**9,059,658**	6,409,827
	12,069,161	9,747,101
FINANCIAL LIABILITIES		
Accounts payable and accrued liabilities (Note 9)	**7,724,167**	5,202,781
Client deposits	**1,999,913**	2,294,679
	9,724,080	7,497,460
NET FINANCIAL ASSETS	**2,345,081**	2,249,641
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 7)	**2,270,981**	1,966,923
Prepaid expenses	**117,136**	92,148
	2,388,117	2,059,071
ACCUMULATED SURPLUS IS REPRESENTED BY		
Major replacement reserve (Note 5)	**73,393**	122,535
Operating reserve	**4,659,805**	4,186,177
	4,733,198	4,308,712

Approved by the Board

BOB HOLMES
Chair, Calgary Convention Centre Authority

DARREN DEMCHUK
Audit Chair, Calgary Convention Centre Authority

THE CALGARY CONVENTION CENTRE AUTHORITY
STATEMENT OF REVENUE, EXPENSES AND OPERATING RESERVE
YEAR ENDED DECEMBER 31, 2013

		2013	2012
	Budget (Unaudited - Note 12)		
	$	**$**	$
REVENUE			
Operating	24,342,881	**24,294,441**	23,534,751
Grants from The City of Calgary	1,699,838	**1,699,838**	1,685,569
	26,042,719	**25,994,279**	25,220,320
EXPENSES			
Administrative and general	2,129,670	**2,209,106**	2,236,489
Amortization	408,000	**512,006**	480,307
Marketing	1,812,480	**1,827,353**	1,594,597
Operations and maintenance	21,846,633	**21,019,520**	20,244,788
	26,196,783	**25,567,985**	24,556,181
Excess of revenue over expenses	(154,064)	**426,294**	664,139
Major replacement reserve (Notes 5 and 11)	–	**(49,142)**	(9,433)
Loss on disposal of tangible capital assets	–	**(1,808)**	(15,917)
Operating surplus for the year	(154,064)	**473,628**	657,655
Operating reserve, beginning of year	4,186,177	**4,186,177**	3,528,522
OPERATING RESERVE, END OF YEAR	4,032,113	**4,659,805**	4,186,177

→ THE CALGARY CONVENTION CENTRE AUTHORITY
STATEMENT OF CHANGES IN NET FINANCIAL ASSETS
YEAR ENDED DECEMBER 31, 2013

	2013	2012
	$	$
OPERATING SURPLUS FOR THE YEAR	**473,628**	657,655
Amortization	**512,006**	480,307
Loss on disposal of tangible capital assets	**1,808**	15,917
Proceeds from disposal of tangible capital assets	**21,000**	–
Prepaid expenses	**(24,988)**	(25,164)
Allocation to major replacement reserve	**180,000**	180,000
Usage of major replacement reserve	**(229,142)**	189,433)
Acquisition of tangible capital assets	**(838,872)**	(951,766)
Increase in net financial assets	**95,440**	167,516
Net financial assets, beginning of year	**2,249,641**	2,082,125
NET FINANCIAL ASSETS, END OF YEAR	**2,345,081**	2,249,641

THE CALGARY CONVENTION CENTRE AUTHORITY
STATEMENT OF CASH FLOWS YEAR ENDED DECEMBER 31, 2013

	2013	2012
	$	$
OPERATING ACTIVITIES		
Operating surplus for the year	**473,628**	657,655
Amortization	**512,006**	480,307
Loss on disposal of tangible capital assets	**1,808**	15,917
Changes in non-cash working capital balances		
Accounts receivable	**311,685**	(735,517)
Prepaid expenses	**(24,988)**	(25,164)
Accounts payable and accrued liabilities	**2,390,309**	679,220
Client deposits	**(294,766)**	(116,566)
Major replacement reserve	**(49,142)**	(9,433)
	3,320,540	946,419
INVESTING ACTIVITIES		
Purchases of tangible capital assets	**(838,872)**	(951,766)
Proceeds from disposal of tangible capital assets	**21,000**	–
Changes in non-cash working capital balances		
Due from The City of Calgary – major replacement reserve	**9,434**	3,061
Accounts payable and accrued liabilities	**131,077**	264,298
Purchase of short-term investments	**(2,649,831)**	(3,745,961)
	(3,327,192)	(4,430,368)
Net decrease in cash and cash equivalents	**(6,652)**	(3,483,949)
Cash and cash equivalents, beginning of year	**552,048**	4,035,997
CASH AND CASH EQUIVALENTS, END OF YEAR	**545,396**	552,048

THE CALGARY CONVENTION CENTRE AUTHORITY NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2013

Note 1 THE CALGARY CONVENTION CENTRE AUTHORITY

The Calgary Convention Centre Authority (the "Authority") is incorporated under the laws of the Province of Alberta and operated as the Calgary TELUS Convention Centre (the "Centre") pursuant to an operating agreement between the Authority and The City of Calgary ("The City"). The land, building, furniture and equipment are owned by The City, which also contributes a grant towards the operating costs of the Centre. In accordance with an amendment to the operating agreement, the Authority retains operating surpluses. Surpluses are placed in an operating reserve and are used to cover capital expenditures, extraordinary expenditures and any annual deficits, which may be incurred.

Under an extended lease agreement to expire in 2039, the Calgary Marriott acts as the exclusive caterer to the Centre.

Note 2 ADOPTION OF NEW ACCOUNTING STANDARDS

The following new accounting standards were issued by the Public Sector Accounting Board ("PSAB") and are effective for fiscal years beginning on or after April 1, 2012. The Authority was required to adopt the new standards effective January 1, 2013:

- PS 1201, Financial Statement Presentation
- PS 2601, Foreign Currency Translation
- PS 3410 (Revised), Government Transfers
- PS 3450, Financial Instruments
- PS 3510, Tax Revenue

The Authority has determined that PS 2601, Financial Currency Translation, PS 3450, Financial Instruments, and PS 3510, Tax Revenue, do not apply to the Authority and as such these standards did not have any impact on the December 31, 2013 year end financial statements.

PS 3410 (Revised), Government Transfers, did not have an impact on the December 31, 2013 year-end financial statements as the Authority was recording government funding in accordance with the requirements of this section.

PS 1201, Financial Statement Presentation, requires the Authority to include a statement of remeasurement gains and losses as part of the financial statements. Such a statement has not been included as part of the December 31, 2013 year-end financial statements as PS 2601 and PS 3450 do not apply to the Authority and as such there are no remeasurement gains or losses incurred.

Note 3 SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with Canadian generally accepted accounting principles ("GAAP") for local government established by the PSAB of Chartered Professional Accountants of Canada ("CPA Canada"). The Authority's significant accounting policies are as follows:

INVESTMENTS

Investments represent Guaranteed Investment Certificates ("GIC") with original maturities greater than 90 days. Investments are recorded at fair value.

CLIENT DEPOSITS

Client deposits represent amounts received from customers for events that have not yet occurred. These amounts are recognized as revenue in the period when the related event occurs.

REVENUE RECOGNITION

Revenue comprises revenues earned from convention services, functions, food and beverage services and grant revenue received from The City. Revenues for convention services, functions and food and beverage services are recognized when the service is performed, the price is determinable and collection is reasonably assured. Grant revenue is received from The City on a quarterly basis. A proportionate amount is recognized each month. Revenue and expenses are recognized on a gross basis.

TANGIBLE CAPITAL ASSETS

Tangible capital assets are recorded at cost, which includes all amounts that are directly attributable to the acquisition, construction, development, or betterment of the asset. Donated assets are recorded as capital items, with the offset to revenue at their estimated fair value upon acquisition. Interest charges are not capitalized. The cost, less residual value, of tangible capital assets is amortized on a straight-line or declining-balance basis over the assets' estimated useful lives as follows:

Renovations	3 year straight-line
Building enhancements	20% declining-balance
Computer equipment	55% declining-balance
Other equipment	20% declining-balance

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

IMPAIRMENT OF TANGIBLE CAPITAL ASSETS

Tangible capital assets are reviewed periodically for impairment. An impairment loss will be recognized in the period when the service potential of a capital asset will be either substantially reduced or eliminated altogether by an intervening event such as natural disaster, accident and obsolescence.

USE OF ESTIMATES

The financial statements are prepared in accordance with GAAP for local government organizations as established by the PSAB, which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amounts of revenue, expenses and operating reserve during the year. Items subject to estimation include the valuation allowance pertaining to receivables, estimated useful lives, amortization and potential impairment of tangible capital assets, and the impact of contingencies on accrued liabilities. Where measurement uncertainty exists, the financial statements have been prepared within reasonable limits of materiality. Actual results could differ from those estimates.

Note 4 CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash on deposit and short-term GICs with original maturities of 90 days or less at the date of acquisition and are recorded at cost plus interest earned. The effective interest rate on the GICs held during the year was 1.11% (2012 – 1.36%) per annum. As at December 31, 2013, the Authority did not hold any short term GICs (2012 – $Nil) but held long term GICs of $9,059,658 (2012 – $6,409,827) (Note 6).

Note 5 MAJOR REPLACEMENT RESERVE

The Authority records an annual appropriation for facility refurbishment and major renovations. The appropriation for the year totalled $180,000 (2012 – $180,000).

Note 6 INVESTMENTS

Investments consist of GICs with a maturity date not greater than two years from December 31, 2013 bearing interest from 1.20% to 1.70% (2012 – 1.15% to1.35%) per annum. The fair value of the investments has been determined to be the principal plus interest earned to date.

Note 7 **TANGIBLE CAPITAL ASSETS**

In accordance with PSAB Handbook Section 3150, The City has performed a review of the ownership and control of the land, building enhancements and equipment of the Centre. Accordingly, the Centre is recorded on the financial statements of The City.

The Authority currently has an operating lease with The City due to be renewed on January 22, 2015. The contract has a nominal fee, the cost of which has been recorded through operations and maintenance expense.

	2013	2012
	$	$
Balance, beginning of year	**122,535**	131,968
Increase in provision for the year	**180,000**	180,000
Major replacement expenditures (Note 11)	**(229,142)**	(189,433)
BALANCE, END OF YEAR	**73,393**	122,535

			2013
	Cost	**Accumulated amortization**	**Net book value**
	$	**$**	**$**
Renovations	**6,687,330**	**6,687,330**	–
Building enhancements	**1,099,962**	**274,866**	**825,096**
Computer equipment	**764,703**	**561,574**	**203,129**
Other equipment	**2,640,439**	**1,397,683**	**1,242,756**
	11,192,434	**8,921,453**	**2,270,981**

			2012
	Cost	Accumulated amortization	Net book value
	$	$	$
Renovations	6,687,330	6,687,330	–
Building enhancements	851,095	149,728	701,367
Computer equipment	569,889	414,484	155,405
Other equipment	2,308,817	1,198,666	1,110,151
	10,417,131	8,450,208	1,966,923

Note 8 EMPLOYEE BENEFITS

The Authority participates in the Local Authorities Pension Plan ("LAPP"), which is a multi-employer benefit plan. This plan is governed by the Public Sector Pension Plans Act. Based on the latest information available (December 31, 2012 audited financial statements), in total, the LAPP had an actuarial deficit of $4.98 billion.

The Authority is required to make current service contributions to the LAPP of 10.43% of pensionable payroll up to the yearly maximum pensionable earnings ("YMPE"), and 14.47% thereafter. Employees of the Authority are required to make current service contributions of 9.43% of pensionable salary up to the YMPE, and 13.47% thereafter. Contributions for current services are recorded as expenditures in the year in which they become due.

Total current service contributions, as reflected in the administrative and general, marketing and operations and maintenance expenses in the statement of revenue, expenses and operating reserve by the Authority to the LAPP in 2013, were $554,916 (2012 – $524,504). Total current service contributions by the employees of the Authority to the LAPP in 2013 were $506,572 (2012 – $466,648).

Note 9 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

In accordance with the Meetings, Conventions and Incentive Travel marketing funding and management agreement (the "Agreement") between the Calgary Hotel Association and the Authority, the Calgary Hotel Association advances funds to the Authority to fund incentive payments for future events through Meetings & Conventions Calgary as well as to cover operating expenses incurred by the Authority. As at December 31, 2013, an amount of $2,842,301 (2012 – $2,035,095) advanced by the Calgary Hotel Association is included in accounts payable and accrued liabilities as well as in cash and investments to be used by the Authority in accordance with the Agreement as described above.

Note 10 FINANCIAL INSTRUMENTS

The Authority's financial instruments are cash and cash equivalents, accounts receivable, due from The City of Calgary – major replacement reserve, investments, accounts payable and accrued liabilities, and client deposits. The carrying values of these items approximate their fair values due to their short term nature.

The Authority's financial instruments that are exposed to concentration of credit risk consist primarily of cash and cash equivalents and accounts receivable. Cash is placed with major financial institutions. Concentration of credit risk with respect to receivables is limited due to the large number of customers and their dispersion across geographic areas.

Note 11 MAJOR CAPITAL ADDITIONS

During the year, the Authority incurred $838,872 (2012 – $951,766) in expenditures for major capital additions, which have been capitalized as renovations, building enhancements and equipment. Of this amount, $247,737 (2012 – $574,385) was funded by the Authority's operating reserve and $229,142 (2012 – $189,433) was funded by the Authority's major replacement reserve. The balance was funded through The City's CPRiiP (Culture Parks Recreation Infrastructure Investment Fund) Program $72,053 (2012 – $187,948), The City's Municipal Sustainability Initiative Fund $189,890, and through the Government of Canada Western Economic Diversification Fund $100,050.

Note 12 2013 BUDGET - UNAUDITED

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

calgary TELUS convention centre
be part of the energy™

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40 YEARS OF ENERGY 1974 / 2014