

WE ARE THE
ENERGY AT
THE CENTRE
OF ENERGY

WE PRIDE OURSELVES ON DOING THINGS RIGHT THE FIRST TIME.

GILLES KORENT, MANAGER, EVENT SERVICES

OUR PEOPLE. THEY ARE THE ENERGY AT THE CENTRE OF ENERGY. THEY BRING OUR FACILITIES AND EVENTS TO LIFE. THEY RESPOND TO MARKET OPPORTUNITIES, ANTICIPATE OUR CLIENTS' NEEDS AND PROVIDE THE KNOWLEDGE AND MOMENTUM WE NEED TO OPERATE AND GROW AS AN ORGANIZATION – TODAY AND INTO THE FUTURE.

Energy resonates from Event Services, where every activity is fast-paced and every day is different. Like all of our teams, this one is service-oriented and works to make every guest experience as flawless as possible. Event Services astutely knows client needs and is proactive in fulfilling them. By the time clients arrive, every detail is completed.



OUR ENERGY ISN'T ALWAYS SEEN, BUT IT IS ALWAYS PRESENT AND IT IS ALWAYS GROWING.

NATHAN HILL AND TIM PETERS, MAINTENANCE

Behind the scenes at the Calgary TELUS Convention Centre, the Maintenance and Engineering teams keep essential equipment and systems such as plumbing, electrical, air conditioning and facility

repairs running smoothly. Although seldom seen, these teams are a cornerstone of every one of our events and can always be counted on to go the extra distance for our clients.





WE LOOK AT CHALLENGES AS OPPORTUNITIES TO MAKE THINGS RIGHT FOR OUR CLIENTS.

RANDY KENNEDY, DOCKMASTER

The energy of the Calgary TELUS Convention Centre permeates all aspects of our operations, including the loading dock, where it pulses and quickens with the arrival and departure of every shipment. Energy gives us direction, keeps us fresh and fires our desire to see what each new day will bring.



We do more than generate energy – we apply it. The Calgary TELUS Convention Centre and Meetings + Conventions Calgary's Accounting and Sales departments have created an environment that ignites high performance. We encourage our staff to grow and to take pride in reaching their achievements. They've found that by being more efficient, they can give more to our clients.

ENERGY REFLECTS OUR TRUE CULTURE AND WHAT WE BELIEVE IN.

DEVI MAHAJAN, GENERAL ACCOUNTANT AND MICHELLE HERBST, MANAGER, CLIENT SERVICES

OUR ENERGY COMES FROM WORKING TOGETHER AND HELPING PEOPLE.

SUSANA BELTRAN, HOUSEKEEPING SUPERVISOR

More than ever,
our Housekeeping
department is focused
on the guest experience.
They embrace change
and take customer
service well beyond
solving our clients'
problems; they strive
to avoid them altogether.



MARKET HAPPEN

CALGARY TELUS CONVENTION CENTRE
2012 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.

OUR TEAM IS THE ENERGY AT THE CENTRE OF ENERGY

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In Calgary, energy is more than a commodity. It is a state of mind: our city is bold, innovative, entrepreneurial, friendly and ready to welcome the world.

At the Calgary TELUS Convention Centre (CTCC), we are the energy at the centre of energy. We are defined by the passion and commitment of our board and staff, and confident of where they will take us in the years ahead. In 2012, we completed a thorough and methodical rebranding process, revealing a personality that mirrors Calgarians: friendly, inviting, confident, bold, enthusiastic, contemporary and dramatic.

As part of our rebranding, research found 90 per cent of Calgarians feel the CTCC is important to enhancing the city's overall economic prosperity and vibrancy. We also learned 72 per cent of Calgarians thought the CTCC would be too small a decade from now.

Given our people, energy and abilities, we know the CTCC can be a stronger driver of economic development in Calgary and we can overcome current limitations (mainly related to space). Calgary after all has a "can do" attitude, and our research told us Calgarians expect the CTCC to develop and attract events and participants that match the city's growing world-class reputation. Market studies verify that we could be attracting twice as many out-of-town visitors as we do today.

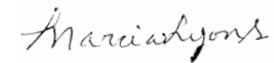
Meanwhile, we continue to attract thousands of visitors and hundreds of events every year, including 44 major events in 2012. The CTCC and its people have a well-established reputation as a warm and welcoming place dedicated to hosting meetings, conventions and events that are special, memorable and expertly executed.

Our board and staff are proud of what we've been able to accomplish in 2012. Financially, our performance was very strong: our financial assets increased to \$9.45 million from \$8.57 million in 2011; our operating reserve grew to \$4.19 million from \$3.53 million (more than \$1 million above budget); and our revenue increased by nearly \$1.8 million to \$25.22 million, while expenses increased by less than \$500,000 to \$24.56 million. We contributed \$50 million in direct spend resulting in over \$105 million in economic impact to the city of Calgary. Demand for more convention space in Calgary remains strong. With expanded space, the CTCC could achieve even more positive results.

In 2012, we also continued to work with organizations such as Meetings and Conventions Calgary, Tourism Calgary and Calgary Economic Development, and we developed the confidence and knowledge needed to guide the CTCC toward bigger steps in the future. Our energy's accelerating.



BOB HOLMES, CHAIR
Calgary Convention Centre Authority



MARCIA LYONS, GENERAL MANAGER
Calgary TELUS Convention Centre

The CTCC opened in 1974 as Canada’s first purpose-built, full-service convention centre. Located in downtown Calgary along the Stephen Avenue Mall, the CTCC currently encompasses 122,000 square feet of dedicated convention space, more than 47,000 square feet of exhibit space, five pre-function areas and 36 meeting rooms.

While our operations focus on conventions, meetings and events, we are an integral part of the city centre, attracting more than 250,000 people a year to downtown Calgary and shops, restaurants, business, services and attractions throughout the city and southern Alberta.

Our facilities are conveniently connected through enclosed pedestrian bridges (part of Calgary’s +15 network) to three four-star hotel partners: the Hyatt Regency Calgary, the Fairmont Palliser Calgary and the Calgary Marriott Downtown Hotel. The network also connects our guests to dozens of buildings throughout downtown.

The Calgary Convention Centre Authority (CCCA) is mandated to market, manage and operate the CTCC on behalf of The City of Calgary. The CCCA was incorporated through a provincial act in 1974.

IN 2012, OUR EVENTS INCLUDED:

112

Banquets

10

Trade shows

5

Consumer shows

19

Conventions/Trade shows

11

Conventions

556

Meetings

After a number of changes in 2011, our board membership and structure remained the same in 2012: Bob Holmes continued as Board Chair; and our two standing policy committees, the Governance and Human Resources Committee and the Audit and Finance Committee, were chaired, respectively, by Brian Rogers and Darren Demchuk.

BOB HOLMES
Chair, Calgary Convention Centre Authority

LOIS LOCKWOOD
Scout Communications Inc.

NAHEED NENSHI
Mayor, City of Calgary

RICHARD POOTMANS
Alderman, Ward 6

TRACY BERTSCH
The City of Calgary

BRIAN ROGERS, Q.C.
Rogers & Company

GEORGE BROOKMAN
West Canadian Industries Group

GREGG SARETSKY
WestJet

DARREN DEMCHUK
MNP

MICHAEL TUMBACK
STRIKE Energy Services Inc.

SAM GORESHT
Cameo Investments Ltd.

For the past number of years, the meetings and convention industry has been operating in a post-recession environment. The Calgary TELUS Convention Centre has fared much better than many similar facilities, with above average performance in 2010 and 2011 and even stronger performance in 2012.

Looking to 2013 and beyond, we see continued growth, with strong bookings for the next few years. For all of the recent developments in technology (virtual meetings, teleconferencing and social media), people still want to meet face to face to learn, forge relationships and build trust. And they especially want to meet in Calgary.

In 2012, some 250,000 people attended an event at the CTCC; more than 60% were visitors to Calgary who spend, on average, more than \$335 a day and contributed over \$100 million to the province's GDP.

The CTCC hosted more than 700 events in 2012, including:

- 112 banquets
- 15 trade and consumer shows
- 30 conventions and convention/trade shows
- 556 meetings

10th

Calgary is Canada's 4th largest city, yet our convention centre is the 10th largest.

19%

A dozen years ago we competed for 30% of the meeting and convention market. Today we can only compete for 19% of it.

BUILDING ON NUMBERS

We fully intend to build on these numbers. Calgary is a dynamic business and tourism destination and the world is increasingly interested in connecting with our people, industries and ideas.

The challenge we now face is the size of our facility: the CTCC is ranked 10th in facility size in Canada, well behind meeting and convention centres in Toronto, Montreal and Vancouver as well as in Edmonton, Winnipeg and Saskatoon. When the CTCC's last major renovation was completed in 2000, we were able to compete for approximately 30 per cent of the convention market. With the growth in the size of conventions and conferences, we can now only compete for about 19 per cent of the market.

In some cases, this means we are no longer able to attract events that have been held at the CTCC in the past. One example would be the World Petroleum Congress. When it was in Calgary in 2000, about 3,000 people attended. More recently, 5,000 people attended the Congress in Doha, Qatar, and more are expected to attend the 2014 Congress in Moscow. Calgary is an obvious repeat host for this event, but without an expansion, we are unable to meet the Congress's needs.

AN EXPECTATION TO GROW

During 2012, we conducted extensive community and market research as part of a rebranding campaign. One of the highlights of the year was our benchmarking survey, which found the CTCC is liked and respected in our own community.

Our research found 90 per cent of Calgarians feel the CTCC is important to enhancing the city's overall economic prosperity and vibrancy. We also learned 72 per cent of Calgarians thought the CTCC would be too small a decade from now. Calgarians expect us to grow our facilities and thorough (and validated) market research shows we could be welcoming double the number of out-of-town visitors we do now.

In turn, we could be increasing the economic impact to Alberta and creating more jobs. Just as importantly, we would be attracting well-educated people and investment dollars to the city. In short, an expanded convention centre would create opportunities in Calgary that we might not otherwise see and serve as a catalyst for economic growth in downtown Calgary and throughout the province.

2012 FINANCIAL REVIEW

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, 2012 and the statements of revenue, expenses and operating reserve, changes in net financial assets and cash flows for the year then ended, and 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, 2012 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.

THE CALGARY CONVENTION CENTRE AUTHORITY
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2012

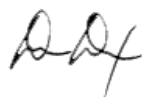
The accompanying notes are an integral part of these financial statements.

| | | 2012 | 2011 |
|--|--|-----------|-----------|
| | | \$ | \$ |
| FINANCIAL ASSETS | | | |
| | Cash and cash equivalents | 552,048 | 4,035,997 |
| | Accounts receivable | 2,473,258 | 1,737,741 |
| | Due from The City of Calgary – major replacement reserve | 311,968 | 315,029 |
| | Investments (Note 4) | 6,409,827 | 2,663,866 |
| | | 9,747,101 | 8,752,633 |
| FINANCIAL LIABILITIES | | | |
| | Accounts payable and accrued liabilities (Note 7) | 5,202,781 | 4,259,263 |
| | Client deposits | 2,294,679 | 2,411,245 |
| | | 7,497,460 | 6,670,508 |
| NET FINANCIAL ASSETS | | 2,249,641 | 2,082,125 |
| NON-FINANCIAL ASSETS | | | |
| | Tangible capital assets (Note 5) | 1,966,923 | 1,511,382 |
| | Prepaid expenses | 92,148 | 66,983 |
| | | 2,059,071 | 1,578,365 |
| ACCUMULATED SURPLUS IS REPRESENTED BY | | | |
| | Major replacement reserve (Note 3) | 122,535 | 131,968 |
| | Operating reserve | 4,186,177 | 3,528,522 |
| | | 4,308,712 | 3,660,490 |

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, 2012

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

| | | Budget (Unaudited – Note 10) \$ | 2012 \$ | 2011 \$ |
|-----------------|--|--|------------------|------------------|
| REVENUE | Operating | 22,603,618 | 23,534,751 | 21,747,696 |
| | Grants from The City of Calgary | 1,685,568 | 1,685,569 | 1,712,886 |
| | | 24,289,186 | 25,220,320 | 23,460,582 |
| EXPENSES | Administrative and general | 2,003,126 | 2,236,489 | 2,274,237 |
| | Amortization | 429,000 | 480,307 | 1,345,820 |
| | Marketing | 1,822,765 | 1,594,597 | 1,411,611 |
| | Operations and maintenance (Note 5) | 20,219,337 | 20,244,788 | 19,053,486 |
| | | 24,474,228 | 24,556,181 | 24,085,154 |
| | Excess (deficiency) of revenue over expenses | (185,042) | 664,139 | (624,572) |
| | Major replacement reserve (Notes 2, 3 and 9) | 180,000 | (9,433) | (3,061) |
| | Loss on disposal of tangible capital assets | – | (15,917) | – |
| | Operating surplus (deficit) for the year | (365,042) | 657,655 | (621,511) |
| | Operating reserve, beginning of year | 3,528,522 | 3,528,522 | 4,150,033 |
| | OPERATING RESERVE, END OF YEAR | 3,163,480 | 4,186,177 | 3,528,522 |

THE CALGARY CONVENTION CENTRE AUTHORITY
STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
 YEAR ENDED DECEMBER 31, 2012

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

| | 2012 | 2011 |
|---|------------------|-----------|
| | \$ | \$ |
| OPERATING SURPLUS (DEFICIT) FOR THE YEAR | 657,655 | (621,511) |
| Amortization | 480,307 | 1,345,820 |
| Loss on disposal of tangible capital assets | 15,917 | – |
| Prepaid expenses | (25,164) | (9,755) |
| Allocation to major replacement reserve | 180,000 | 180,000 |
| Usage of major replacement reserve | (189,433) | (183,061) |
| Acquisition of tangible capital assets | (951,766) | (412,998) |
| Increase in net financial assets | 167,516 | 298,495 |
| Net financial assets, beginning of year | 2,082,125 | 1,783,630 |
| NET FINANCIAL ASSETS, END OF YEAR | 2,249,641 | 2,082,125 |

THE CALGARY CONVENTION CENTRE AUTHORITY
STATEMENT OF CASH FLOWS
 YEAR ENDED DECEMBER 31, 2012

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

| | 2012 | 2011 |
|--|----------------|-----------|
| | \$ | \$ |
| OPERATING ACTIVITIES | | |
| Operating surplus (deficit) for the year | 657,655 | (621,511) |
| Amortization | 480,307 | 1,345,820 |
| Loss on disposal of tangible capital assets | 15,917 | – |
| Changes in non-cash working capital balances | | |
| Accounts receivable | (735,517) | 191,513 |
| Prepaid expenses | (25,164) | (9,755) |
| Accounts payable and accrued liabilities | 679,220 | 1,840,044 |
| Client deposits | (116,566) | 188,883 |
| Major replacement reserve | (9,433) | (3,061) |
| | 946,419 | 2,931,933 |
| INVESTING ACTIVITIES | | |
| Purchases of tangible capital assets | (951,766) | (412,998) |
| Change in non-cash working capital balances | | |
| Due from The City of Calgary | | |
| – major replacement reserve | 3,061 | (95,000) |
| Accounts payable and accrued liabilities | 264,298 | 52,631 |
| Purchase of short-term investments | (3,745,961) | (28,921) |
| | (4,430,368) | (484,288) |
| Net (decrease) increase in cash and cash equivalents | (3,483,949) | 2,447,645 |
| Cash and cash equivalents, beginning of year | 4,035,997 | 1,588,352 |
| CASH AND CASH EQUIVALENTS, END OF YEAR | 552,048 | 4,035,997 |
| Represented by | | |
| Cash | 552,048 | 1,031,396 |
| Cash equivalents | – | 3,004,601 |
| | 552,048 | 4,035,997 |

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

SIGNIFICANT ACCOUNTING POLICIES

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

CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash on deposit and short-term Guaranteed Investment Certificates ("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 1.36% (2011 – 1.04%) per annum. As at December 31, 2012, the Authority did not hold any short term GICs (2011 – \$3,004,601) but held long term GICs. See Investments note below.

INVESTMENTS

Investments represent GICs with original maturities greater than 90 days. Investments are recorded at fair value.

CLIENT DEPOSITS

Client deposits represents 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 is comprised of revenue 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 recorded in accumulated surplus 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.

MAJOR REPLACEMENT RESERVE

The Authority records an annual appropriation for facility refurbishment and major renovations. The appropriation for the current year totaled \$180,000 (2011 – \$180,000) (Note 3).

USE OF ESTIMATES

The financial statements are prepared in accordance with Canadian 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 life, 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 3

MAJOR REPLACEMENT RESERVE

| | 2012 \$ | 2011 \$ |
|---|------------|------------|
| Balance, beginning of year | 131,968 | 135,029 |
| Increase in provision for the year | 180,000 | 180,000 |
| Major replacement expenditures (Note 9) | (189,433) | (183,061) |
| Balance, end of year | 122,535 | 131,968 |

NOTE 4

INVESTMENTS

Investments consist of GICs with a maturity date not greater than one year from December 31, 2012 bearing interest from 1.05% -1.35% (2011 – 1.05% - 1.35%) per annum. Fair value of the investments has been determined to be the principal plus interest earned to date.

NOTE 5

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.

| | 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 |
| | 2011 | | |
| | Cost \$ | Accumulated amortization \$ | Net book value \$ |
| Renovations | 6,687,330 | 6,556,958 | 130,372 |
| Building enhancements | 295,536 | 100,595 | 194,941 |
| Computer equipment | 831,104 | 670,033 | 161,071 |
| Other equipment | 2,018,303 | 993,305 | 1,024,998 |
| | 9,832,273 | 8,320,891 | 1,511,382 |

NOTE 6

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, 2011 audited financial statements), in total, the LAPP had an actuarial deficit of \$4.64 billion.

The Authority is required to make current service contributions to the LAPP of 9.91% of pensionable payroll up to the yearly maximum pensionable earnings (“YMPE”) and 13.74% thereafter. Employees of the Authority are required to make current service contributions of 8.91% of pensionable salary up to the YMPE and 12.74% thereafter. Contributions for current services are recorded as expenditures in the year, in which they become due.

Total current service contributions, as reflected in administrative and general, marketing and operations and maintenance expense in the statement of revenue, expenses and operating reserve by the Authority to the LAPP in 2012, were \$524,504 and (2011 – \$480,191). Total current service contributions by the employees of the Authority to the LAPP in 2012 were \$466,648 (2011 – \$433,768).

NOTE 7

ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

In accordance with the meetings, conventions and incentive travel (MC&IT) 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 and Conventions Calgary as well as to cover operating expenses incurred by the Authority. As at December 31, 2012, an amount of \$2,035,095 (2011 – \$1,191,941) advanced by the Calgary Hotel Association is included in accounts payable and accrued liabilities as well as in cash and cash equivalents and investments to be used by the Authority in accordance with the Agreement as described above.

NOTE 8

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 9

MAJOR CAPITAL ADDITIONS

In 2012, the Authority incurred \$951,766 (2011 – \$412,998) in expenditures for major capital additions, which have been capitalized as renovations, building enhancements and equipment. Of this amount, \$574,385 (2011 – \$229,939) was funded by the Authority's operating reserve and \$189,433 (2011 – \$183,061) was funded by the Authority's major replacement reserve. The balance of \$187,948 (2011 \$Nil) was funded through The City of Calgary's CPRiiP (Culture Parks Recreation Infrastructure investment Fund) Program.

NOTE 10

2012 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

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calgary TELUS convention
centre
be part of the energy™