



2023

ANNUAL REPORT

calgary economic
development
be part of the energy™



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Photo credit: Calgary Municipal Land Corporation

LAND ACKNOWLEDGMENT

In the spirit of respect, reciprocity, and truth, we acknowledge that there have been Indigenous economies and Indigenous economic development in the Treaty 7 region since time immemorial.

We acknowledge that we gather in the home of the Siksikaitsitapi (Blackfoot Confederacy) who are comprised of the Siksika, Kainai and Piikani Nations, the îethka Nakoda (Stoney Nakoda) who are comprised of Bearspaw, Chiniki and Goodstoney Nations, and the Tsuut'ina Nation. The city of Calgary is also homeland to the historic Northwest Métis and to the Otipemisiwak Métis Government, Nose Hill Métis District 5 and Elbow Métis District 6.

We commit to support actions and strategies that create tangible benefits for Indigenous Peoples towards economic prosperity.

MESSAGE FROM THE BOARD CHAIR

On behalf of the Board, I want to extend my deepest gratitude to our partners and the dedicated team at Calgary Economic Development. Your unwavering dedication and support have played an instrumental role in what we achieved in 2023.

In particular, I want to extend our appreciation to Mayor Jyoti Gondek, City Council and City Administration for supporting our work, and to our corporate Team Calgary partners who enable us to tell Calgary's story as the place to build a career and a life.

I would like to acknowledge the remarkable achievements of two team members, Brad Parry and Luke Azevedo. Both received Queen Elizabeth II's Platinum Jubilee Medals in 2023, reflecting their extraordinary contributions and commitment to our city and province. Their hard work and commitment to excellence reflect the values we hold at our organization and have set a high bar for all of us.

We look forward to a continued partnership and success as we build a strong and prosperous future for all Calgarians.



Joe Lougheed

Board Chair, Calgary Economic Development

MESSAGE FROM THE PRESIDENT & CEO

Our organization's mandate is to help position our city for long term economic success through the retention, expansion and attraction of companies, capital and talent. This, however, is not a mission that can be achieved through one entity, organization or individual. It requires strategic, consistent and collaborative efforts with all of our community and corporate partners.

Through this ethos of collaboration, we made a significant and tangible impact on Calgary's economy in 2023. I am humbled by the relentless efforts towards our city's long-term economic success that all of our teams put toward these achievements.

We continued to invest our time to help drive our local ecosystem and companies throughout the year with support for their global expansion plans, through our Trade Team and award-winning Trade Accelerator Program. We also worked with our local companies with their talent needs through a number of attraction initiatives that saw us look strategically for talent in key markets and we made it easier for our local students to get the hands-on training they need through the TalentEDYYC program that looks to match companies with students for co-op and internship opportunities.

We supported the assimilation of a multitude of companies into our community which included companies like Applexus, Event Combo, Vantage Circle, and Terrestrial Energy who made Calgary their home this past year and continue to invest in our city through the creation of incremental job opportunities.

We continued to see the momentum in venture capital investment in our city where the lion's share of investment deals and capital continue to flow. The Opportunity Calgary Investment Fund, which just celebrated its 5th anniversary, continues to be a most effective tool in helping shape innovation in our city by delivering investment return levels of more than eleven times on the funds committed and has been instrumental in helping our startup ecosystem reach a value of over \$5.2 billion.

Calgary is still a top choice for workers considering relocation. Our annual perceptions research showed 70 per cent of workers viewed Calgary favourably, and we received high scores in the top three factors respondents consider when evaluating a move: affordability, a clean and comfortable city, and income growth opportunities.

All of the above was achieved while navigating broader economic and political headwinds such as historic strikes in the U.S. entertainment industry, pandemic rightsizing in the technology sector, inflationary environment, and high interest rates, to name just a few.

Helping shape the future of our economy and perceptions of our city is a long game, but one thing is clear from the achievements of the past year: we cannot underestimate the power of coming together to own our story. As we head into 2024, we look forward to working together with our partners and the community to bring our story to life in new ways.



Brad Parry

President & CEO, Calgary Economic Development
CEO, Opportunity Calgary Investment Fund

WHAT WE DO

As the economic development agency for the City of Calgary, we attract, expand and retain companies, capital and talent for the city.

We steward Calgary's economic strategy which sets forth an ambitious vision: for the city to be the place where bright minds and big ideas come together with an unmatched spirit to help solve global challenges.

WHO WE ARE

BOARD OF DIRECTORS



Joe Lougheed

CED Board Chair,
Partner, Dentons LLP



Navin Arora

CED Board Vice-Chair,
Executive Vice-President,
TELUS President, TELUS
Business Solutions



Rasha El-Malki

CED Board Vice-Chair,
Chief of Staff & COO,
Morgan Stanley at Work
Tech



Dan Balaban

CEO & Co-Founder,
Greengate Power
Corporation



David Duckworth

City Manager, Chief
Administrative Officer,
City of Calgary



Katherine Emberly

President & CEO,
STARS



Tamar Epstein

General Counsel,
Vermillion Energy



Christine Gillespie

President & CEO,
Gaia Global Advisors



Robert Hayes

Managing Director,
Enterprise Private Client Group,
Royal Bank of Canada



Ed McCauley

President & Vice-Chancellor,
University of Calgary



John Osler, K.C.

Corporate Director



Richard Pootmans

Ward 6 Calgary City
Councillor

BOARD OF DIRECTORS CONTINUED



Ali Shivji
Principal,
Optima Living
Communities



Usman Tahir Jutt
President & CEO,
Chirp Group & Chirp Foods



Kate Thompson
President & CEO,
Calgary Municipal Land
Corporation



Vern Yu
President & CEO,
AltaGas



Brad Parry
President & CEO,
Calgary Economic
Development

SENIOR MANAGEMENT TEAM



Brad Parry
President and CEO



Geraldine Anderson
Vice President, Marketing &
Communications, Strategy &
Strategic Alliances



Luke Azevedo
Vice President, Creative
Industries, Operations
& Film Commissioner



Chris Brown
Senior Director,
Business Development



Deana Haley
Vice President, Corporate
Projects & Intelligence



Trevor McKay
Vice President,
Finance



Megan Zimmerman
Senior Director,
Business Development



FUNDING SOURCES

Calgary Economic Development is a not-for-profit corporation funded by the City of Calgary, provincial and federal governments, and the private sector, which includes the Team Calgary program.

	2023 (\$)		2022 (\$)	
City of Calgary	11,022,211	58.3%	9,796,165	65.8%
Government of Canada	5,920,747	31.3%	3,928,441	26.3%
Private Sector Investment	1,239,224	6.5%	1,034,819	6.9%
Government of Alberta	467,440	2.5%	7,450	0.1%
Other	258,460	1.4%	127,177	0.9%
Total Revenue	\$18,908,082		\$14,894,052	

A photograph of a panel discussion taking place on a stage. Five women are seated in a row, facing each other in conversation. They are positioned in front of a large, multi-paned window that offers a view of a city skyline. The women are dressed in professional attire. In the foreground, the blurred heads and shoulders of an audience are visible, suggesting the event is being held in a large hall or auditorium. The overall atmosphere is professional and modern.

OUR IMPACT IN 2023

OUR IMPACT

IMPACT

01.

We created or retained more than 7,000 jobs and attracted more than \$734 million in investment.

Jobs are essential drivers of economic growth because they directly finance the needs and aspirations of Calgarians and their families. At the same time, investment is required to pursue these new ideas and projects. We kept Calgary top of mind for companies, capital and investors in 2023.

IMPACT

02.

We honed Calgary's talent by attracting in-demand workers and developing the skills and experience of our current workforce.

People are at the heart of our economy, and when they are empowered to pursue their dreams, anything is possible. Through strategic, consistent and collaborative efforts with our partners, we kept Calgary top of mind for talent around the world while empowering our current workforce to reach new heights.

- We partnered with government and businesses in 43 local, national, and international talent events in 2023, keeping Calgary top of mind for nearly 25,000 people. We provided talent related support to 127 companies, including engaging 42 for our talent activation events.
- Infosys – a company we brought to Calgary in 2021 – was able to fill 1,000 open positions one year ahead of their hiring goal. We also assisted Calgary companies in filling 500 open roles in 2023.
- Our TalentED YYC pilot project generated 253 opportunities for work-integrated learning, with 48 Calgary-based companies across sectors.



IMPACT 03.

We told Calgary's story and maintained a favourable view of our city among business leaders and workers.

Research conducted in October 2023 in other cities across Canada and the U.S. showed that 82 per cent of business leaders and 70 per cent of workers held a favourable view of Calgary.

Perceptions among business leaders softened by eight percentage points compared to 2022, primarily due to increased uncertainty, lower consumer and business confidence and growing affordability concerns. Despite these headwinds, Calgary's overall outlook remains favourable.

Perceptions among workers remained steady. Calgary remains the number one city both Canadian and American workers would consider moving to, compared to other Canadian cities such as Vancouver, Toronto and Montreal. Sixty-one per cent of workers agreed Calgary is an affordable place to live, 58 per cent agreed it's an easy place to live and 61 per cent agreed it's a place to build a career.





NOTABLE OUTCOMES

New study benchmarks Indigenous contributions and informs action towards Economic Reconciliation

THE OPPORTUNITY

Gain a better understanding of how the Indigenous population contributes to Calgary's economy, in order to advance Economic Reconciliation.

OUR SOLUTION

Calgary Economic Development and the City of Calgary engaged MNP LLP to develop a benchmark study that measures the economic participation and contribution of Indigenous Peoples in Calgary and the Treaty 7 Region.

THE OUTCOME

The study delivered a baseline for economic contributions that we can use to measure progress, as well as three immediate recommendations for advancing Economic Reconciliation.

1. Support an Indigenous Procurement Program
2. Strengthen Indigenous economic development
3. Attract Indigenous meetings and events

“Our city can only realize its full economic potential by deliberately removing barriers to economic participation. This study both proves this and provides tangible actions we can take to champion the growth of the Indigenous economy.”

Brad Parry

President & CEO, Calgary Economic Development
CEO, Opportunity Calgary Investment Fund





UNIVERSITY OF CALGARY
CONTINUING EDUCATION

calgary economic
development
be part of the energy



Riipen

EDGE UP 2.0 GRADUATION

Upskilling Talent for the New Economy



Upskilling programs: Calgary delivers recipe for success to cities across Canada and around the world

THE OPPORTUNITY

Address the layoffs and workforce shifts in the oil and gas industry that resulted from the 2015-2019 global oil price downturn and changing world energy dynamics.

OUR SOLUTION

EDGE UP was created as a short-term skills development program for mid-career oil and gas professionals displaced from the energy sector, helping them transition to in-demand jobs in Calgary's digital economy.

It is one of Canada's largest educational collaborations by city-level and federal partners to support the transition of talent from a downturned sector to opportunities in the digital economy.

THE OUTCOME

At the end of 2023, the EDGE UP program has completed its mandate by successfully upskilling 369 graduates, 80 per cent of whom are already employed in the technology sector or deepening their knowledge with further training. With scalability top of mind, EDGE UP has created a recipe for success that is easily replicable and will be sharing those best practices with other sectors and cities.

Economic Outlook: Calgary set to navigate economic headwinds

THE OPPORTUNITY

Ensure that Calgary business and civic leaders have access to key insights and information on the outlook for Calgary's economy as they plan for the year ahead.

OUR SOLUTION

Gather thought leaders and experts on the economy to provide community, business leaders and Calgarians with insights on the year ahead at our signature event: Economic Outlook. Our keynote speaker was Stephen Poloz, Special Advisor at Osler and former Governor of the Bank of Canada, who shared that five tectonic forces — technological progress, rising income inequality, aging population, rising debt and climate change — are not currently captured in economic forecasting and therefore lead to an age of uncertainty when it comes to the economy.

THE OUTCOME

On November 1, 2023, over 1,424 business and community leaders joined us for this preeminent event, as economists, including former Bank of Canada Governor, Stephen Poloz, shared forecasts for the year ahead. Economists eluded to record population growth, strong commodity prices and consumer spending as factors likely to position Calgary and Alberta well in 2024 despite expected economic challenges.



“What we know for certain is that we’ve entered the next age of uncertainty, and the economy will become even less forecastable. But we can figure this out in our usual way — through hard work and ingenuity. Calgary, and Alberta, have proven their mettle time and again.”

Stephen Poloz

Special Advisor, Osler
Former Governor of the Bank of Canada

TAP preps Alberta businesses to scale to the size of their ambitions

THE OPPORTUNITY

Bright minds and big ideas are developing solutions to some of the world's greatest challenges in Calgary and across Alberta. Our forward-thinking businesses deserve to be on the global stage.

OUR SOLUTION

Modelled from Canada's Trade Accelerator Program, TAP-Alberta is a four-session program designed to accelerate the strategic development of businesses and prepare them for global expansion. With hands-on support from Canadian export advisors through one-on-one mentoring sessions, program participants build foundational knowledge on international trade and develop a Global Expansion Plan (GEP).

THE OUTCOME

2023 was a record-breaking year for our TAP program:



Participants landed **42 new trade deals** in **22 unique markets**.



A record **99 companies** completed our TAP program.



Seven cohorts were hosted last year including our **second Indigenous cohort**.

As a result, Calgary Economic Development was awarded an expanded mandate of delivering the TAP program across all of Alberta versus just southern Alberta.



“

The Trade Accelerator Program has taken a big topic and distilled the primary steps and areas that we need to focus on when considering international expansion.”

Adrian Savin, MBA

Co-Founder, CTO, COO
Syzl



“

The digital media and entertainment industry, as a whole, is interconnected. The *Key Frames* strategy uncovers the benefits and opportunities Alberta has to drive growth in the creative economy through the animation and VFX industries.”

Tori Romano

Business Development Manager, Digital Media & Entertainment,
Calgary Economic Development

Alberta's animation and VFX industry levels up with growth strategy

THE OPPORTUNITY

Alberta is ideally positioned to be an interdisciplinary digital media production hub through growth of the animation and visual effects (VFX) industry.

We had an opportunity to better understand the needs of the industry – what could be done to ensure it could grow and thrive?

OUR SOLUTION

We developed a growth strategy for the sector in partnership with the Edmonton Screen Industries Office and in consultation with the industry. The strategy was shared at the 2023 Banff World Media Festival.

THE OUTCOME

Our strategy revealed that for Alberta to thrive in animation and VFX we need to make progress in six key areas. We are now working with our industry partners to make progress in these areas.

- 1 Foster a vibrant freelancer community.**
- 2 Design more competitive incentives.**
- 3 Stimulate industry collaboration.**
- 4 Promote and showcase the industry.**
- 5 Enable the development of creative intellectual property.**
- 6 Unlock the potential of Alberta as a hub.**

Amidst historic industry strikes, Calgary attracts film and television productions and accolades in 2023.

THE OPPORTUNITY

Calgary is in constant competition with other cities and countries as a go-to city for film and TV productions. In 2023, that competition became more complex due to the historic strikes in the U.S. by the Writers Guild of America (WGA) and the Screen Actors Guild (SAG).

OUR SOLUTION

We partnered with Calgary's Mayor, City Council and Civic Administration to implement innovative, film-friendly policies and strategies. We also introduced an Environment, Social and Governance (ESG) Strategy for film and TV productions in order to meet the demand for film locations that steward the environment and champion opportunities for local talent.

THE OUTCOME

In 2023, Calgary hosted more than 140 productions, with the City of Calgary issuing 755 film permits. At the inaugural Global Productions Award event during the 2023 Cannes Film Festival, Calgary was honored with the Location of the Year Award.

Calgary also rose to eighth place in MovieMaker's ranking of Best Cities to Live and Work as a Movie Maker.



Photo credit: Michelle Faye and FX



TalentED YYC connects Calgary employers with student talent

THE OPPORTUNITY

Research demonstrates that students with work-integrated learning (WIL) experience are more likely to find work in a field related to their education. At the same time, employers who offer WIL are more likely to access the talent they need and find strong candidates to join their organization in the future. However, the process of matching employers with students can be complex, especially for small and medium sized businesses.

OUR SOLUTION

TalentED YYC is a pilot project designed to facilitate the matching process between students and employers, in partnership with all seven post-secondary institutions in Calgary and with funding support from various levels of government. The largest collaboration of its kind in Canada, the pilot project kicked off in 2022 and is set to run until Spring 2025.

THE OUTCOME

In 2023, we launched a new online platform that offers resources, templates and a centralized job posting portal for employers to share WIL opportunities with students in partnership with seven post-secondary institutions in Calgary. It also offers access to a team who can provide one-on-one support to help employers navigate how to work with student talent.

In 2023, our TalentED YYC pilot project generated 253 opportunities for work-integrated learning, with 48 Calgary-based companies across sectors.

Report to the Community: Celebrating today and looking towards the future

THE OPPORTUNITY

Calgary's economic strategy is designed with one clear vision: for Calgary to be the place where bright minds and big ideas come together with an unmatched spirit to help solve global challenges. We recognize and celebrate the actions required to achieve this ambitious vision.

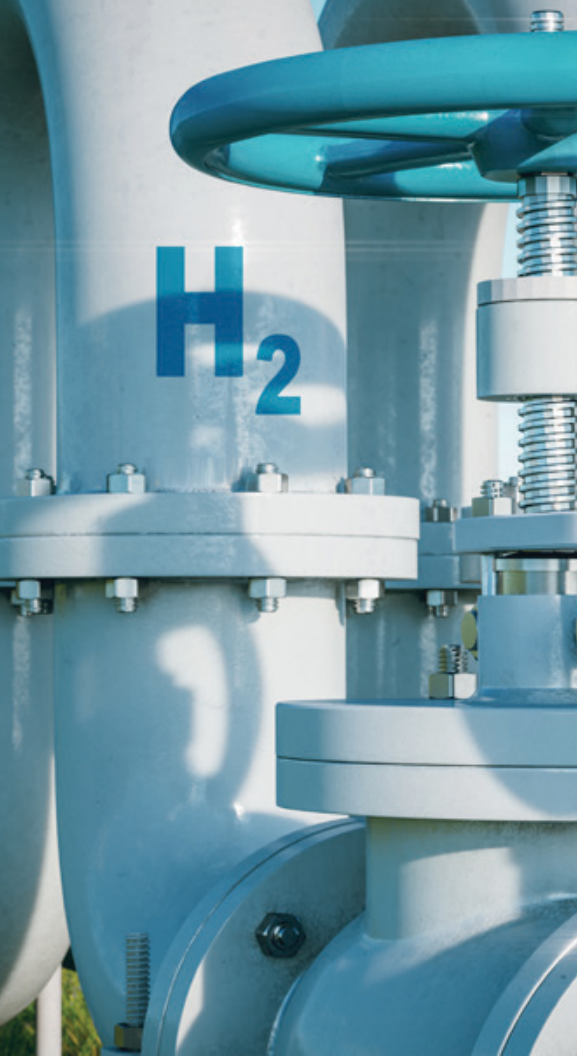
OUR SOLUTION

Gather Calgary's business and community leaders to celebrate shared successes and look to the opportunities that lie ahead.

THE OUTCOME

On April 19, 2023, we hosted over 1,418 people at our first in-person Report to the Community in four years. An engaging line-up of political, business and community leaders including The Honourable Danielle Smith, Premier of Alberta, and The Honourable Rachel Notley, Leader of the Official Opposition, spoke about how we can work together to build an inclusive and accessible economy.





“ When we talk about the billions of dollars of economic opportunities for Calgary in the clean tech and our energy future, hydrogen is a critical aspect of our path forward.”

Jyoti Gondek

Mayor of Calgary

Feasibility study demonstrates Calgary region's potential as a major hydrogen hub

THE OPPORTUNITY

Grow our understanding of what is needed for Calgary to participate fully in the emerging hydrogen economy, both in Canada and around the world.

OUR SOLUTION

We partnered with a task force of key industry players to assess the potential of the Calgary region to participate and benefit from the emerging hydrogen economy.

THE OUTCOME

The feasibility study identified a \$4.6 billion market potential per year that could be leveraged in the Calgary region, as well as eight recommended actions that can be taken immediately to seize that potential, including the establishment of a hydrogen hub in the Calgary region.



A housing strategy for Calgary is key to long-term prosperity

THE OPPORTUNITY

In 2023, we saw how three pressing economic challenges came to impact housing affordability in Calgary – high demand for housing, labour shortage of trades and construction workers and structural and regulatory challenges. Through our work with local businesses and prospects around the world, we consistently hear that quality of life and housing that is affordable are critical to their decisions around where to expand and how to relocate.

OUR SOLUTION

In addition to supporting the development and implementation of a City of Calgary Housing Strategy, we took quick action through a new, nationwide Life in Calgary marketing campaign designed to attract skilled trades talent to the city. Our campaign showcased opportunities to ‘build’ a career and life in Calgary featuring a custom landing page, a mix of digital advertising and search marketing.

THE OUTCOME

Our campaign results showed above-average market performance. However, given the many complex challenges with housing affordability, the ultimate solution will require multi-perspective, multi-player solutions that must include all orders of government.

BALANCED SCORECARD

Calgary Economic Development uses a Balanced Scorecard to structure our annual business plans, add greater ambition to corporate goals and measure progress in key areas of focus. Introduced in 2016, the scorecard evolves to provide comprehensive reporting metrics and ensure delivery on our mandate.

BUSINESS PLAN IMPACTS	2021	2022	2023
Strategic alliances			
Non-core (other) revenue	\$3,882,263	\$5,101,766	\$8,186,007
Key partner awareness of <i>Calgary in the New Economy</i> *NEW	N/A	N/A	76%
Build a strong and recognizable brand			
Perception of Calgary Economic Development contributing to others' success *NEW	N/A	N/A	62%
Favourable impressions of Calgary by business leaders	89%	90%	82%
Media impressions (millions) *NEW	N/A	N/A	34.6
Growing a skilled talent pool			
Talent in other markets perceives Calgary as a place to build their career	N/A	58%	61%
Talent in other markets perceives Calgary as diverse and inclusive	N/A	61%	52%
Favourable impressions of Calgary by talent *NEW	N/A	N/A	70%
Number of local companies engaged in talent attraction initiatives	93	56	42
Accelerating sector development and diversification			
Companies attracted/retained/expanded (priority sectors and creative industries)	58	61	54
Investment dollars (millions) (priority sectors and creative industries) *NEW	N/A	N/A	\$734
Direct jobs (priority sectors and creative industries)	10,315	10,878	7,183
Trade export deals	34	38	42
Real estate absorpotion (sq. ft.) (greater downtown office/ commerical and other commerical)	1,319,303	2,500,262	1,407,371

A photograph of the Calgary skyline at sunset. The Calgary Tower is the central focus, illuminated with blue and red lights. To its left is a tall, modern glass skyscraper reflecting the orange and pink hues of the sky. To its right is another tall building with a distinctive grid-like facade. The sky is a mix of deep blue and vibrant orange. The foreground shows various other city buildings, some with lights on, and a bridge structure at the bottom right.

PREPARING FOR 2024 & BEYOND

DEVELOPING A TALENT STRATEGY FOR CALGARY



What we got curious about

What are the current barriers, challenges and opportunities in creating a skilled, agile, forward-thinking and inclusive workforce that meets current and future needs for Calgary's economic strategy?

At the 2023 Calgary Workforce Symposium, we discovered a need for soft skills like leadership, critical thinking and creative thinking, and hard skills in digital literacy, AI and skilled trades. In addition, we learned that attracting talent to Calgary requires maintaining affordability, ongoing diversification of our sectors and a strong transport infrastructure. Finally, it became clear that WIL opportunities could be improved, with employers citing time, capacity and translating education to skills as issues.



Where we're going next

We will leverage these findings and other research to develop a Talent Strategy for Calgary, focused on the four pillars of: workforce development, talent attraction, WIL and equity, diversity, inclusion and accessibility and (EDIA).

The success of our EDGE UP program enabled us to secure funding for a Practitioner Data Initiative, a new resource that will provide our team at Calgary Economic Development with better access to work force and labour market indicators data to inform our work going forward.



APPLYING FORESIGHT AND RESEARCH TO CALGARY'S KEY PRIORITY SECTORS



What we got curious about

What are the forces, trends and innovations in the aerospace and defense sector and what are the possible future trajectories we can imagine?



Where we're going next

Informed by our experience and learnings on aerospace and defense, we will proceed with applying foresight to developing sector strategies for each of Calgary's priority sectors. Starting with agriculture, creative industries and energy & environment.

EXPLORING A REGIONAL COLLABORATION MODEL



What we got curious about

How can a regional approach to economic development be a tide that raises all boats?

We engaged with a wide range of partners in the Calgary Metropolitan Region to explore the possibility of applying a regional approach to economic development versus each community on its own.



Where we're going next

Continue exploring and eventually propose to City Council a regional collaboration model with all eight partners in the Calgary Metropolitan Region: City of Airdrie, City of Calgary, Calgary Metropolitan Region Board, City of Chestermere, Town of Cochrane, Foothills County, Town of High River, Town of Okotoks, and Rocky View County and Indigenous communities.

An aerial photograph of a city skyline at dusk or dawn. A wide river flows through the center, with a large, multi-arched bridge crossing it. The bridge has a classic design with ornate details. To the right of the river, a dense cluster of modern skyscrapers rises, including a prominent one with a distinctive diamond-patterned facade. The sky is a clear, pale blue, and the city lights are beginning to glow.

FINANCIAL STATEMENTS

For the year ending December 31, 2023

To the Board of Directors of Calgary Economic Development Ltd.:

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian Public Sector Accounting Standards for Government Not-For-Profit Organizations and ensuring that all information in the annual report is consistent with the statements. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors and Audit Committee are composed primarily of Directors who are neither management nor employees of the Company. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Board is also responsible for recommending the appointment of the Company's external auditors.

MNP LLP is appointed by the Directors to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Board and management to discuss their audit findings.

March 14, 2024



Brad Parry
President and CEO



Trevor McKay
VP Finance

To the Board of Directors of Calgary Economic Development Ltd.:

Opinion

We have audited the financial statements of Calgary Economic Development Ltd. (the "Company"), which comprise the statement of financial position as at December 31, 2023, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2023, and the results of its operations and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards for Government Not-for-Profit Organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian Public Sector Accounting Standards for Government Not-for-Profit Organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Calgary, Alberta
March 14, 2024

MNP LLP

Chartered Professional Accountants


MNP

**Calgary Economic Development Ltd.
Statement of Financial Position**


As at December 31, 2023

	2023	2022
Assets		
Current		
Cash	686,853	823,585
Restricted cash (Note 6)	5,690,447	2,873,411
Accounts receivable and accrued revenue (Note 3)	1,789,722	1,196,172
Due from related parties (Note 8)	454,792	128,315
Prepaid expenses	163,010	290,909
Employee expense advances	58	1,334
	8,784,882	5,313,726
Capital assets (Note 4)	1,217,941	311,050
	10,002,823	5,624,776
Liabilities		
Current		
Accounts payable and accrued liabilities (Note 5)	952,838	767,161
Salary and vacation payable	954,590	869,716
Deferred contributions (Note 6)	5,690,447	2,873,411
	7,597,875	4,510,288
Deferred lease incentives (Note 7)	1,149,731	8,500
	8,747,606	4,518,788
Commitments (Note 11)		
Net Assets		
Invested in capital assets	270,800	311,050
Unrestricted	984,417	794,938
	1,255,217	1,105,988
	10,002,823	5,624,776

Approved on behalf of the Board



Director



Director

Calgary Economic Development Ltd.
Statement of Operations
For the year ended December 31, 2023

	2023	2022
Revenue		
City of Calgary		
Operating grant (Note 1, 8)	10,722,075	9,752,765
Other grants	300,136	43,400
Alberta government	467,440	7,450
Federal government	5,920,747	3,928,441
Business community (Note 8)	1,239,224	1,034,819
Investment income	185,374	97,201
Other revenue	73,086	29,976
	18,908,082	14,894,052
Expenses		
Employee costs (Note 11)	10,139,040	7,313,554
Marketing and promotion (Note 8)	3,694,813	2,591,890
Program costs (Note 8)	2,228,828	2,901,421
Corporate services (Note 8)	1,762,459	1,870,908
Business travel	559,337	297,133
Amortization of capital assets	232,108	179,389
	18,616,585	15,154,295
Excess (deficiency) of revenue over expenses before other item	291,497	(260,243)
Loss on disposal of capital assets	142,268	-
Excess (deficiency) of revenue over expenses	149,229	(260,243)

The accompanying notes are an integral parts of these financial statements

Calgary Economic Development Ltd.
Statement of Changes in Net Assets
For the year ended December 31, 2023

	<i>Invested in capital assets</i>	<i>Unrestricted</i>	2023	2022
Net assets, beginning of year	311,050	794,938	1,105,988	1,366,231
Excess (deficiency) of revenue over expenses	(321,757)	470,986	149,229	(260,243)
Investment in capital assets	1,281,267	(1,281,267)	-	-
Tenant allowance (Note 7)	(999,760)	999,760	-	-
Net assets, end of year	270,800	984,417	1,255,217	1,105,988

The accompanying notes are an integral parts of these financial statements

Calgary Economic Development Ltd.

Statement of Cash Flows

For the year ended December 31, 2023

	2023	2022
Cash provided by (used for) the following activities		
Operating		
Excess (deficiency) of revenue over expenses	149,229	(260,243)
Amortization of capital assets	232,108	179,389
Loss on disposal of capital assets	142,268	-
Amortization of tenant allowance	(52,619)	-
Lease inducement	194,090	(20,400)
	665,076	(101,254)
Changes in working capital accounts		
Accounts receivable and accrued revenue	(593,550)	(397,352)
Due from related party	(326,477)	(62,838)
Prepaid expenses	127,899	(115,646)
Employee expense advances	1,276	(1,322)
Accounts payable and accrued liabilities	185,677	(573,592)
Salary and vacation payable	84,874	207,481
Deferred contributions	2,817,036	994,752
	2,961,811	(49,771)
Capital		
Purchase of capital assets	(1,281,267)	(71,226)
Tenant improvement allowance received	999,760	-
	(281,507)	(71,226)
Increase (decrease) in cash and cash equivalents	2,680,304	(120,997)
Cash and cash equivalents, beginning of year	3,696,996	3,817,993
Cash and cash equivalents, end of year	6,377,300	3,696,996
Cash and cash equivalents are composed of:		
Unrestricted cash	686,853	823,585
Restricted cash - external	5,690,447	2,873,411
	6,377,300	3,696,996

The accompanying notes are an integral parts of these financial statements



NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2023

1. Incorporation and nature of the organization

Calgary Economic Development Ltd. (the "Company") was incorporated as Promoting Calgary Inc. under the Business Corporations Act in the Province of Alberta in July 1999. The Company changed its name to Calgary Economic Development Ltd. on January 1, 2003. The Company is registered as a non-profit organization under the Income Tax Act of Canada and is exempt from income taxes. The Company is a controlled not-for-profit organization of The City of Calgary ("The City").

Calgary Economic Development works with business, government, and community partners to position Calgary as the location of choice for the purpose of attracting business investment, fostering trade and growing Calgary's workforce. The mandate of Calgary Economic Development Ltd. is to lead The City of Calgary's economic development efforts in promoting The City's competitive advantage and pro-business climate. Successful economic development results in business growth and industry development, increased investments and trade activities. In turn, this fosters increased competitiveness, access to foreign markets, sustainable prosperity, diversification, productivity, high employment and a desirable quality of life.

The Company has been receiving contributions from The City since inception to sustain its operations. In the current year, the Company received an operating grant of \$10,722,075 (2023 - \$9,752,765). For 2024, the City has approved core funding in the amount of \$11,396,000.

2. Significant accounting policies

Basis of accounting

These financial statements are expressed in Canadian dollars. The financial statements of the Company are the responsibility of management. They have been prepared in accordance with Canadian Public Sector Accounting Standards for Government Not-for-Profit Organizations ("PSAS for GNPOs"), with the optional 4200 series, as established by the Public Sector Accounting Board in Canada. The significant policies are described below.

Use of estimates

The preparation of financial statements in conformity with Canadian Public Sector Accounting Standards for Government Not-for-Profit Organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of capital assets.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in the statement of operations in the periods in which they become known.

Controlled not-for-profit

The Company's financial statements do not include the accounts of Calgary Film Centre Ltd. ("CFCL"), which is controlled by the Company. The required disclosures have been provided in Note 13.

All transactions with the subsidiary are disclosed as related party transactions (refer to Note 8).

Revenue recognition

The Company follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Contributions for the purchase of capital assets are deferred and recognized on the same basis as amortization expense of the related asset. Unrestricted contributions and other revenue are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Sponsorship (pledges) are recognized as revenue when the amount to be received can be reasonably estimated and ultimate collection is reasonably assured.

Interest revenue is recognized on a pro rata basis over the term of the related deposit or investment.

2. Significant accounting policies (Continued from previous page)

Cash

Cash includes balances with banks. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

Capital assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution if fair value can be reasonably determined.

Amortization is provided using methods and rates intended to amortize the cost of assets over their estimated useful lives. Leasehold improvements are amortized over the lease term.

	Method	Rate
Technology	straight-line	2 years
Furniture and fixtures	straight-line	5 years
Trademarks	straight-line	5 years
Software	straight-line	2 years
Website development costs	straight-line	30 %
Leasehold improvements	straight-line	Lease term

Long-lived assets

Long-lived assets consist of capital assets. Long-lived assets held for use are measured and amortized as described in the above accounting policy.

When the Company determines that a long-lived asset no longer has any long-term service potential to the Company, the excess of its net carrying amount over any residual value is recognized as an expense in the statement of operations. Write-downs are not reversed.

Financial instruments

The Company recognizes its financial instruments when the Company becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value, including financial assets and liabilities originated and issued in a related party transaction with management. Financial assets and liabilities originated and issued in all other related party transactions are initially measured at their carrying or exchange amount in accordance with PSAS Section 2200 *Related Party Disclosures* (refer to Note 8).

At initial recognition, the Company may irrevocably elect to subsequently measure any financial instrument at fair value. The Company has not made such an election during the year.

The Company subsequently measures financial assets and liabilities at amortized cost.

Transaction costs related to financial instruments remeasured at fair value at each reporting date are expensed in the period, whereas they are added to the carrying value of the financial instrument for those measured at cost or amortized cost.

Financial asset impairment

The Company assesses impairment of all of its financial assets measured at cost or amortized cost. When there is an indication of impairment, the Company determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year. If so, the Company reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets; and the amount expected to be realized by exercising any rights to collateral held against those assets. Any impairment, which is not considered temporary, is included in current year deficiency of revenue over expenses. The Company reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in the statement of operations in the year the reversal occurs.

Calgary Economic Development Ltd.
Notes to the Financial Statements
For the year ended December 31, 2023

2. Significant accounting policies (Continued from previous page)

Contributed materials and services

The Company receives various contributions in the form of material or services that it uses to carry out its objectives. Because of the difficulty in determining the fair value of these materials and services, the Company does not recognize the amounts in the financial statement.

3. Accounts receivable and accrued revenue

Accounts receivable and accrued revenue relate to the following:

	2023	2022
Trade accounts receivable	1,051,232	763,649
Allowance for doubtful accounts	(5,000)	(500)
Accrued revenue	623,741	323,644
Goods and Services Tax receivable	119,749	109,379
	1,789,722	1,196,172

4. Capital assets

	Cost	Accumulated Amortization	2023 Net book value	2022 Net book value
Technology	212,977	(127,670)	85,307	75,824
Furniture and fixtures	395,004	(43,358)	351,646	2,999
Software	61,941	(55,313)	6,628	2,629
Trademarks	20,077	(16,061)	4,016	8,031
Website development	294,750	(199,155)	95,595	221,567
Leasehold improvements	697,102	(22,353)	674,749	-
	1,681,851	(463,910)	1,217,941	311,050

5. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities relate to the following:

	2023	2022
Accrued liabilities	398,523	636,056
Trade accounts payable	554,315	131,105
	952,838	767,161

6. Deferred contributions and restricted cash

Deferred contributions consist of unspent contributions externally restricted for programs. Recognition of these amounts as revenue is deferred to periods when the specified expenses are made. Changes in the deferred contribution balance are as follows:

	2023	2022
Balance, beginning of year	2,873,411	1,878,659
Amount received during the year	9,019,036	4,204,962
Amounts recognized as revenue during the year	(6,202,000)	(3,210,210)
Balance, end of year	5,690,447	2,873,411

7. Deferred lease incentives

	2023	2022
Tenant improvement allowance	947,141	-
Lease inducement (straight-line rent adjustment)	202,590	8,500
Balance, end of year	1,149,731	8,500

During the year, the Company received \$999,760 allowance from its landlord for leasehold improvements and furniture and fixtures. The amount is deferred and amortized over the life of the lease. \$52,619 has been amortized to December 31, 2023 and a further \$52,619 will be amortized next year.

The lease inducement consists of straight-line recognition of the rent-free period provided by the landlord from the inception of the premise lease from June 2023 to December 2024, as well as the base rent step up from \$15 per square foot to \$18 per square foot which occurs on January 1, 2028, and to \$21 per square foot on January 1, 2031 to the end of the lease.

8. Related party transactions

The City of Calgary

Effective July 12, 2021, the Company entered into an operating and funding agreement with The City under which The City shall advance Operating Funding to CED annually, in quarterly instalments in accordance with the CED Budget Allocation and any adjustments thereto during the term.

Related party balances and transactions with The City consist of:

	2023	2022
Core funding received from The City	10,722,075	9,752,765
Other grants	300,136	43,400
Expenses paid to The City	16,554	11,643

8. Related party transactions (Continued from previous page)

Calgary Film Centre Ltd. ("CFCL")

The Company entered into a Management Services Agreement with CFCL, whereby CFCL is required to pay for management fees and other expenses incurred by the Company on behalf of CFCL. These are recorded as a recovery of the corresponding expense in the statement of operations.

Related party balances and transactions with CFCL consist of:

	2023	2022
Due from related party:		
Management Services Agreement and other	51,212	53,719
Revenue recognized from CFCL:		
Management Services Agreement	436,903	530,084

Opportunity Calgary Investment Fund Ltd. ("OCIF")

The Company entered into a Management Services Agreement with OCIF effective April 19, 2018, which charges incremental costs incurred by the Company to OCIF as a result of providing operating and administrative services to OCIF. These are recorded as a recovery of the corresponding expense in the statement of operations.

Related party balances and transactions with OCIF consist of:

	2023	2022
Due from related party	403,580	74,596
Expense recovery for operating and administrative services	1,457,126	973,590

Other companies related through common ownership

The Company had the following balances and transactions with other companies related through common ownership by The City, which include expenses for event space, catering, and parking:

	2023	2022
Revenue recognized from companies related by common ownership	40,000	35,000
Expenses paid to companies related by common ownership	218,282	110,846

Other companies related to directors

The Company paid to organizations related to directors of the Company for other services totaling \$341,663 (2022 - \$316,612). At year end, \$67,469 (2022 - \$74,886) is included in accounts payable and accrued liabilities. The Company also recognized revenue from these companies totaling \$72,000 (2022 - \$90,413), which is included in business community revenue related to Team Calgary and other programming. At year end, \$10,000 (2022 - \$15,000) of this amount was outstanding and included in accounts receivable.

All transactions are in the normal course of operations and have been recorded at the agreed to exchange amounts that have been negotiated between the parties.

9. Income taxes

The Company is a tax-exempt organization under the *Income Tax Act* (the "Act") and as such is exempt from income taxes. In order to maintain its tax-exempt status under the Act, the Company must meet certain requirements within the Act. In the opinion of management, these requirements have been met.

10. Financial instruments

General objectives, policies and processes

The Board of Directors, through the Audit Committee, has overall responsibility for the determination of the Company's risk management objectives and policies and, while retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure effective implementation of the objectives and policies to the Company's senior management. The Board of Directors receives quarterly reports from the Company's senior management through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets.

The Company, as part of its operations, carries a number of financial instruments. The nature of these instruments and the Company's operations expose the Company to credit, interest rate and liquidity risk. The Company manages its exposure to these risks by operating in a manner that minimizes its exposure to the extent practical. There have been no significant changes from the previous year in the exposure to risk, policies or procedures used to manage financial instrument risks.

Credit risk

Credit risk is the risk that the Company will incur a financial loss because a contributor or counterparty has failed to discharge an obligation. The Company is exposed to credit risk on its amounts receivable. This risk is somewhat mitigated because the trade accounts receivable and accrued revenue are comprised of amounts due from The City of Calgary and the federal government. To further mitigate this risk, the Company regularly reviews its amounts receivable and follows up on collections in a timely manner. The amounts outstanding at year end, which is the Company's maximum exposure to credit risk, are disclosed in Notes 3, and 8, and summarized below.

	<i>Current</i>	<i>31-60 days</i>	<i>61-90 days</i>	<i>91 days and older</i>	<i>Total</i>
2023					
Trade accounts receivable	955,532	21,000	31,000	38,700	1,046,232
Accrued revenue	415,843	11,178	-	196,719	623,740
Due from related parties	403,580	-	-	51,212	454,792
Employee advances	-	-	-	58	58
Total	1,774,955	32,178	31,000	286,689	2,124,822
2022					
Trade accounts receivable	846,128	16,400	10,000	-	872,528
Accrued revenue	142,328	54,164	27,492	99,660	323,644
Due from related party	128,315	-	-	-	128,315
Employee advances	698	-	-	636	1,334
Total	1,117,469	70,564	37,492	100,296	1,325,821

Credit concentration

The Company believes that there is no unusual exposure associated with the collection of these amounts. The balance of accounts receivable is widely distributed amongst the remainder of the Company's large membership base. The Company performs regular checks and provides allowances for potentially uncollectible accounts receivable.

10. Financial instruments (Continued from previous page)

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term requirements, considering its anticipated cash flows from operations and its holdings of cash and cash equivalents.

	0-90 days	91 days and older	Total
2023			
Accrued liabilities	398,523	-	398,523
Trade accounts payable	554,315	-	554,315
Total	952,838	-	952,838
2022			
Accrued liabilities	636,056	-	636,056
Trade accounts payable	131,105	-	131,105
Total	767,161	-	767,161

11. Commitments

Facility lease

On December 22, 2022, the Company entered into a lease with a term from July 1, 2024 and ending on June 30, 2034. The lease agreement contains a lease inducement of a rent-free period until December 31, 2024. The estimated minimum annual payments commencing in 2025 are as follows:

2024	-
2025	300,000
2026	300,000
2027	300,000
2028	349,930
Thereafter	2,599,272
	3,849,202

12. Defined contribution pension plan

The Company established a defined contribution pension plan for its salaried employees on January 1, 2000. The total expense incurred for the year ended December 31, 2023 was \$413,171 (2022 - \$259,688).

13. Controlled not-for-profit

The Company controls its wholly owned subsidiary, the Calgary Film Centre Ltd. ("CFCL"), formerly The Alberta Creative Hub. The companies are under common management. CFCL has not been consolidated in the Company's financial statements, and its financial statements are available on request. CFCL was incorporated under the authority of the Alberta Companies Act on December 17, 2009 and commenced operations on January 1, 2010. The Company is registered as a not for profit organization and thus is exempt from income taxes under the Income Tax Act of Canada. CFCL was formed with the primary purpose of supporting the growth and development of the film, television, media and other creative industries.

The following is condensed financial information of CFCL as at and for the years ended December 31, 2023 and December 31, 2022. This information was prepared using the same accounting policies as Calgary Economic Development Ltd.

	2023	2022
Financial position		
Total assets	269,306	1,637,166
Total liabilities	(76,497)	(725,416)
Total net assets	192,809	911,750
Statement of operations		
Revenue	754,088	1,981,069
Expenses	1,279,190	1,577,045
Loss on disposal of capital assets	193,839	-
(Deficiency) excess of revenue over expenses from discontinued operations	(718,941)	404,024
Cash flows		
Cash flows from operating activities	(1,010,858)	1,070,871
Cash flows from capital activities	(390,021)	(22,036)
(Decrease) increase in cash and cash equivalents	(1,400,879)	1,048,835

CFCL has entered into a management agreement with the Company that sets out the terms and conditions by which the Company is to provide services of its employees in relation to general day-to-day administration and management services in connection with the business of CFCL (Note 8).

In October 2018 CFCL entered into a lease agreement with The City to utilize the film centre building to fulfill CFCL's primary purpose. The commitment was \$10 per annum. On August 31, 2023, the lease agreement between The City and CFCL was terminated and CFCL halted its operations of the facility. CFCL is reviewing alternatives to continue its mandate of supporting the growth and development of the film, television, media and other creative industries going forward.



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