

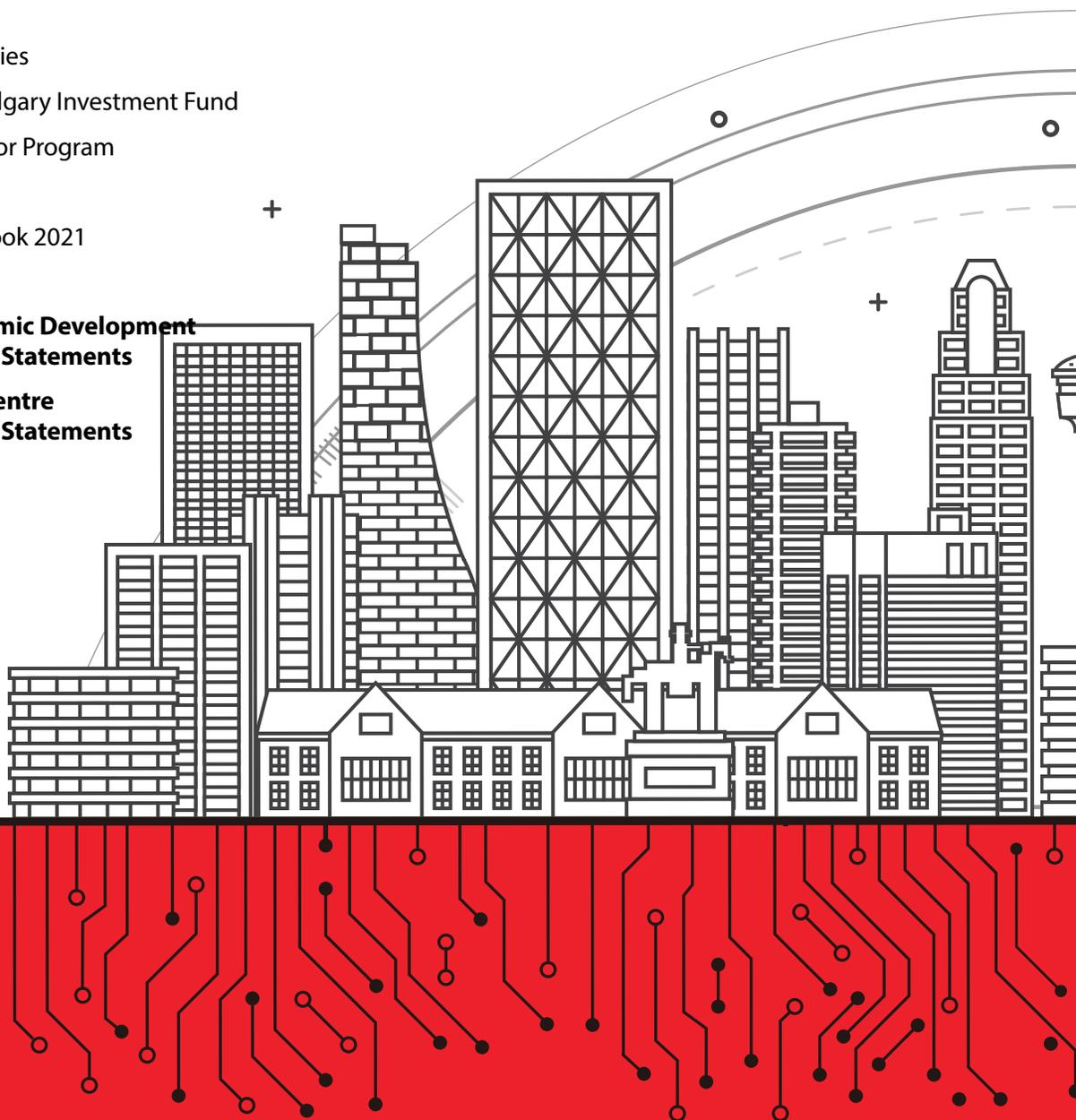


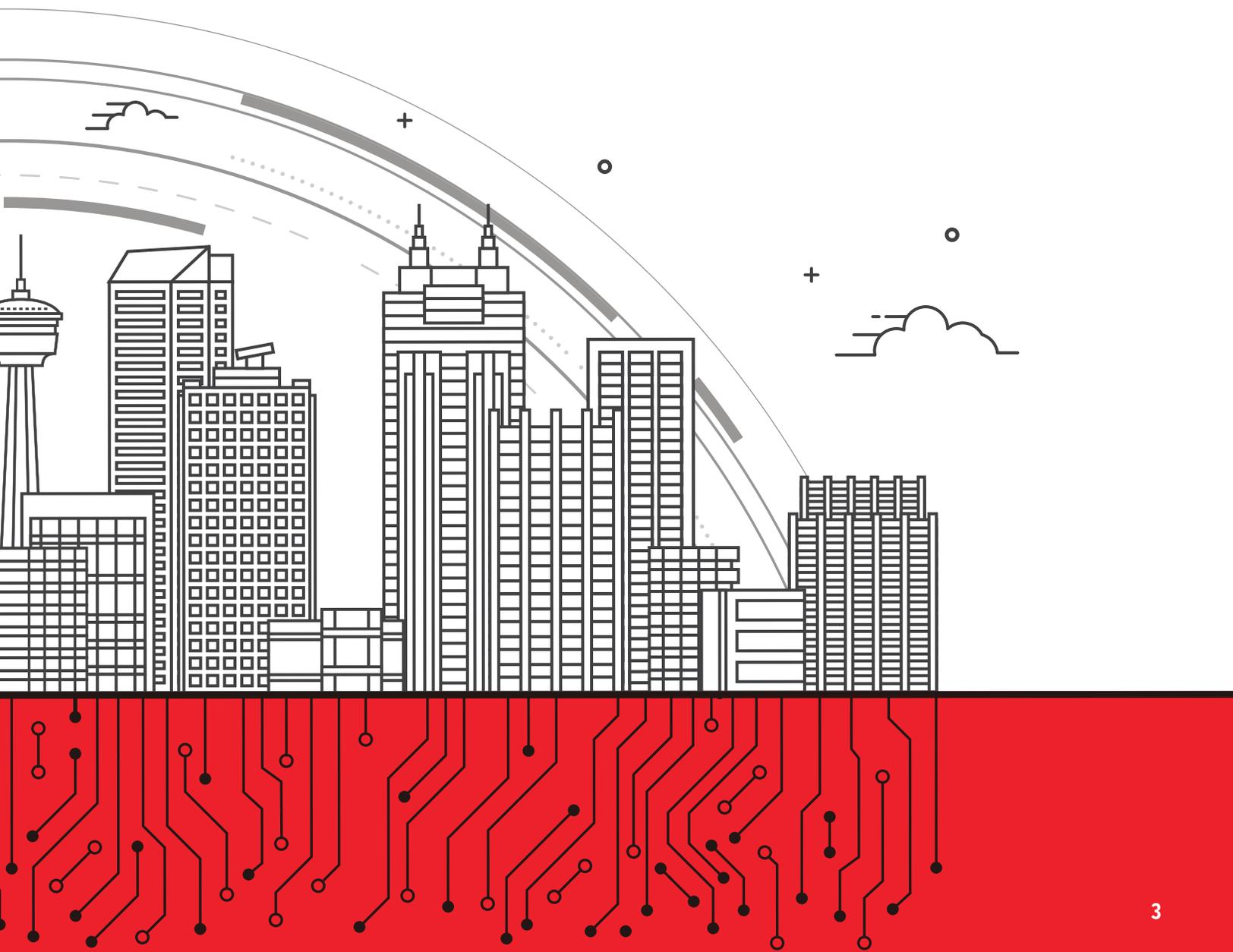
CALGARY ECONOMIC DEVELOPMENT
**2020 ANNUAL
REPORT**

calgary economic
development
be part of the energy™

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MESSAGE FROM CEO AND BOARD CHAIR

The challenges Calgarians endured in 2020 were historic but it shouldn't obscure the fact we are putting in place the foundations for long-term prosperity in Calgary.

The signs of a recovery were often overshadowed by our immediate challenges, but early indications of an economic turnaround began to emerge late last year and have gained momentum in 2021 as digital transformation takes hold.

Until COVID-19, 2020 was shaping up to be a defining year for Calgary. Suddenly, we faced a new reality; low oil prices, a plunge in foreign direct investment, biggest decline in GDP of any major city in Canada, unemployment doubling in six months and businesses struggling to survive.

As discouraging as the economic statistics were, what the numbers didn't capture was the compassion, resilience, and determination of Calgarians. In these circumstances, we remain most grateful to our remarkable healthcare workers and all front-line workers. They've proven to be the true heroes of this pandemic.

We appreciate the efforts of all orders of government to balance lives and economic livelihoods as they address what is an unprecedented situation. Our economy will only fully recover with widespread vaccinations and as immunization levels increase there is reason for cautious optimism.

In a world facing big challenges, Calgarians are problem solvers.

Economic growth in Alberta is expected to rebound to lead the country in 2021 as unemployment slowly recedes. Record volumes of venture capital flowed into Calgary's tech-innovation ecosystem in 2020 as investors look for another unicorn to emerge from the next generation of startups from local entrepreneurs.

Research from Calgary Economic Development this spring shows Calgary companies will lead a \$20 billion spend on digital transformation in Alberta from 2021 to 2024. Companies are embracing digitalization to be more predictive, productive, and profitable in the uncertain post-pandemic economy.

As they embrace the digital economy, it's creating opportunities. Energy companies are working with non-traditional partners to apply technology and lead in Environment, Society and Governance (ESG). It points to Calgary being a leading centre for global climate action and clean tech. The application of technology has been accelerated by COVID-19 as companies

from Life Sciences and Agribusiness to Aerospace and Fintech embrace digital transformation.

Talent will always be the key to tech. As our economy evolves faster than ever, workers must continuously upgrade their skills and it's why we are working to create opportunities for Calgarians to acquire the tech skills at all stages of their careers.

COVID-19 prompted us to put more focus on supporting local businesses and workers in 2020.

Even as we address the immediate challenges, we are fortunate to have an economic strategy that is our North Star in digital transformation and the Opportunity Calgary Investment Fund to make investments to build on and drive momentum.

A vibrant downtown is critical to a prosperous city and OCIF investments are also helping us bring people downtown. As the pandemic makes us rethink how and where we work, initiatives like the City of Calgary's Greater Downtown Strategy will be critical with its vision for a better balance of office and residential, buildings, added social and cultural amenities, more accessible green space, and modes of transportation.

COVID-19 has worsened the economic, health and social challenges for many Calgarians. As our economy recovers, we can't leave people behind. We must pay attention to Equality, Diversity and Inclusion (EDI) to ensure the vulnerable populations impacted by the downturn also benefit from our future growth.

From a future-ready economy to a city that values shared prosperity, our success will come from working together.

On behalf of the Board of Directors and staff at Calgary Economic Development, we extend our sincere appreciation to our Team Calgary Partners, the volunteers on our advisory committees, Mayor Naheed Nenshi, Calgary City Council and administration at The City of Calgary for their support and all their hard work.

Special thanks also to Steve Allan, Leontine Atkins, Alice Reimer, Brad Pierce and Quincy Smith, whose terms on the Board in 2020, for their hard work, astute advice and invaluable contributions to Calgary Economic Development.



Mary Moran
President and Chief Executive Officer



Joe Lougheed
Board Chair

WHO WE ARE

We are conduits, catalysts, connectors and storytellers that facilitate growth and prosperity in an innovative and entrepreneurial city. We are a civic partner of the municipal government that collaborates with stakeholders to advance economic growth and diversification to create opportunities for all Calgarians.



Board of Directors*

Joe Lougheed (Board Chair), Dentons Canada LLP

Shannon Bowen-Smed, BOWEN

Lori Caltagirone, Sunesis Consulting

Jeff Davison, Councillor Ward 6

David Duckworth, The City of Calgary

Charles Duncan, WestJet Group

Trent Edwards, Brookfield Property Development

Katherine Emberly, Shaw Communications

Judy Fairburn, Business Leader, Innovation & Community Builder

Christine Gillespie, Nutrien

Robert Hayes, National Bank of Canada

Mary Moran, Calgary Economic Development

John Osler, McCarthy Tétrault LLP

Dr. David Ross, SAIT

Andrea Whyte, Osler, Hoskin & Harcourt LLP

**at year-end 2020*



WHAT WE DO

We work with businesses, governments, educators and community partners to position Calgary as a location for business investment that provides opportunities for our highly skilled workforce.



Our services

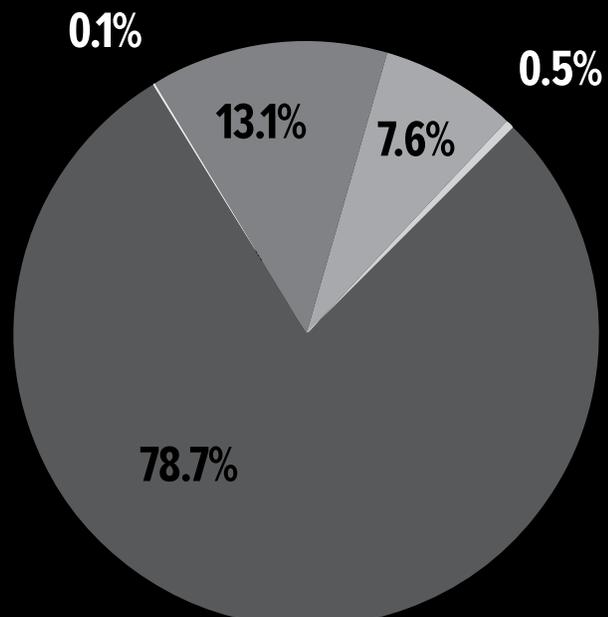
- Promoting Calgary
- Research and strategy
- Workforce initiatives
- Talent development and attraction
- Local business development
- Business investment and attraction
- Trade and export development
- Headquarter and real estate support
- Business-to-business and business-to-government connections



FUNDING SOURCES

2020 Revenue: \$12,799,138

	City of Calgary - operating grant \$10,077,765 78.7%
	Government of Canada \$1,678,524 13.1%
	Private sector investment \$966,955 7.6%
	Other \$61,762 0.5%
	Government of Alberta \$14,132 0.1%



2020 IN REVIEW

Calgary was well-positioned to emerge from several challenging years at the end of 2019. 2020 was set to be a formative year in the transition to a digital economy until an oil price war, more contraction in the energy sector and COVID-19 derailed much of the momentum.

The economic and societal impacts were felt throughout the city. Unemployment more than doubled from December to June, reaching 15.6 per cent. It remained in double digits for the rest of the year as Calgary's economy contracted by an historic 5.7 per cent in 2020.

Calgary Economic Development instituted a three-pronged strategy with a Respond, Rebuild and Recover approach to the unfolding crisis.

We collaborated with government and community partners to support a safe reopening of the economy after shutdowns from the pandemic, and we created online tools to help businesses, workers and students. We also worked to ensure the long-term recovery efforts aligned with the vision for Calgary in the New Economy.

Advanced technology is transforming business. COVID-19 accelerated the shift to a digital economy as companies seek to become more predictive, productive, and competitive. As the economy recovers and evolves, Calgary in the New Economy is our roadmap to digital transformation, sustained growth and prosperity for all members of the community.

Even with the hardships of 2020, game-changing work happened in energy, agribusiness, life sciences, aerospace and logistics and other sectors in Calgary. There was also an increased focus on environmental, societal and governance concerns.

Our organization adapted to the pandemic with staff shifting to work from home and delivering strong results in a uniquely challenging business environment. We supported the attraction or retention of 54 companies and helped to create or retain more than 5,500 jobs.



Our Trade Accelerator Program helped local companies find new markets, and signature events like Economic Outlook 2021 and Launch Party moved online and were as successful as ever.

We worked on several initiatives to provide Calgarians the skills for in-demand jobs in tech, including the launch of SAIT's Digital Transformation (DX) Talent Hub and programs such as the award-winning EDGE UP for mid-career energy professionals.

We supported local employers looking for specific tech skills and engaged with over 6,000 people at talent recruitment events. We also reinforced Calgary's status as Canada's most adventurous tech city in our award-winning Live Tech. Love Life marketing campaign.



THE SAIT DX TALENT HUB DOWNTOWN CAMPUS

The SAIT DX Talent Hub was one of five announcements from the Opportunity Calgary Investment Fund that supported the expansion of the local tech and innovation ecosystems.

Even with all the challenges of a global pandemic, there were signs the foundation is being set to build a more innovative and economically-diverse future for Calgary, by embracing digital transformation across all industries.

There have been four, billion-dollar, or 'unicorn', deals with technology-driven Calgary companies over the last two years, in diverse sectors of our economy. There was a record \$353 million of venture capital investment in companies in our city in 2020, even as other financial centres experienced declines.

This indicates that smart money sees Calgary as an opportunity-rich city. Despite the challenges of the new economic reality, Calgary has an economic strategy that embraces the opportunities ahead and the city is well positioned to evolve and grow with smart people who will apply technology and innovation to solve the world's biggest challenges.

BALANCED SCORECARD

The Board of Directors approved changes to our business plan at mid-year to reflect the impact of COVID-19. The reduction in the number of companies attracted and expanded, and lower job creation and retention numbers, reflect the reality of a constrained business environment due to travel restrictions and economic uncertainty.

There was also a strategic change within the organization to refocus efforts due to the pandemic. By helping local companies to succeed, while also ensuring we direct our focus on bigger companies, our efforts have a broader impact on the economy.

The Balanced Scorecard was introduced for Calgary Economic Development in 2016 and it evolved since then to provide more comprehensive reporting on our progress in key areas of focus. For example, the jobs in the Film & TV sector, which are typically for a limited term, are now reported as a separate item as part of the overall total.

The commitment to measurable results helps us deliver on our mandate and implement *Calgary in the New Economy*.



Accelerate sector development & diversification	2018	2019	2020
Companies attracted/retained/expanded (Film & TV)	NA	21	11
Companies attracted retained/expanded (Other sectors)	NA	61	43
Total	87	82	54
Jobs created & retained (Film & TV)	NA	5,712	2,474 ¹
Jobs created & retained (Other Sectors)	NA	5,743	3,060 ²
Total	8,074	11,455	5,534 ³
Downtown office space absorbed ⁴	NA	295,434	167,385
Other commercial/industrial space absorbed ⁴	NA	217,496	90,670
Total	448,408	512,930	258,055
Exceptional client service			
<i>Calgary in the New Economy</i> stakeholders see positive momentum	NA	76%	64%
Non-core funding	\$2.5M	\$2.95M	\$2.76M
Film production investment	\$181M	\$197M	\$90M
Trade & export deals	4	13	16
Favorable impression of Calgary Economic Development	NA	78%	83%
High performing and engaged team			
Overall staff engagement	65%	76%	80%
Director participation	NA	NA	86%
Global recognition as a place to live, learn and do business			
CDN workers/business leaders familiar with YYC	NA	81%/76%	NA
CDN business leaders perceive YYC economy as diverse	63%	64%	68%

¹ Created: 1,649, Retained: 825

² Created: 1,224, Retained: 1,836

³ Created: 2,873, Retained 2,661

⁴ Square feet

BUSINESS DEVELOPMENT

The impact of COVID-19 was felt more significantly in our business attraction and retention efforts than any other area. In response to the uniquely challenging situation, the Board of Directors and management reduced the targeted number of companies attracted and retained in 2020 from 100 to 50. Foreign direct investment globally fell 42 per cent in 2020 from 2019, said UNCTAD Investment Trends Monitor.

We exceeded the adjusted target and supported the attraction or retention of 54 companies, which translated into the creation or retention of more than 5,500 jobs in Calgary. Our focus also shifted to attracting larger ecosystem-building companies.

Much of the organization's efforts went to supporting local companies in 2020, including initiatives to attract the critical tech talent needed for organizations to execute business plans. Sixteen local companies that graduated from the Trade Accelerator Program signed deals to expand into new markets.

Just prior to the implementation of travel restrictions, Mayor Naheed Nenshi led a Calgary delegation to India (New Delhi, Bangalore and Mumbai) focused on technology, talent, education, advanced manufacturing, film production and creative industries. The mission laid the groundwork for an increased focus on India for Calgary.

With major industry events shifting to virtual formats in 2020, we adjusted our outreach initiatives to investment attraction and talent recruitment in top Canadian and international markets for our key sectors.



“India will soon be the most populous country in the world. It’s grown in recent years as a destination and trade partner for Calgary’s goods and services, and we’ve only just begun to scratch the surface of our economic potential in this market.”

- MAYOR NAHEED NENSHI





MAJOR ATTRACTIONS:



MAJOR EXPANSIONS/ RETENTIONS:



COVID-19: RESPOND, REBUILD, RECOVER

When COVID-19 prompted governments to introduce measures to slow its spread beginning in March 2020, Calgary Economic Development, working in collaboration with Calgary's civic partners, responded with a three-stage approach to support Calgarians and the business community.

The priorities supported a safe reopening of businesses after a health and safety protocol shutdown, and making progress on our longer-term recovery.

RESPOND

Help people and businesses access health and financial assistance.

REBUILD

Support businesses as they re-open and help people get back to work.

RECOVER

Align with all orders of governments to embrace opportunities in *Calgary in the New Economy*.

The website *Connecting YYC* was created to link businesses in need of talent with job seekers, particularly those immediately displaced by the pandemic. The *YYC Business Marketplace* was created to provide an online platform for local companies to share stories of how they are supporting their peers, the community and the economy during the pandemic.

It was also created to help individuals connect to opportunities and services they had on offer. A student matching portal allowed students looking for real world experience in their field of study to help local businesses connect.



The #SupportLocalYYC campaign was launched by The City of Calgary, Calgary Economic Development, the Calgary Chamber of Commerce, Tourism Calgary and Calgary Arts Development in April 2020. It helped to raise awareness of the importance of supporting local businesses and the various ways Calgarians could take part.

The City of Calgary created a task force to address the impacts of COVID-19 and Calgary Economic Development has representatives on the committees for Business Community Support and Economic Resiliency.

BY THE NUMBERS



53,043

Connecting YYC
webpage views



25,827

Connecting YYC Jobs
webpage views



12,246

Talent
webpage views



1,958

YYC Marketplace
webpage views



102

Student
profiles

KEY INITIATIVES:

CALGARY IN THE NEW ECONOMY

Vision: The city of choice for smart people to embrace advanced technology and create solutions for some of the world's greatest challenges: cleaner energy, safe and secure food, efficient movement of goods and people, and better health solutions.

Calgary in the New Economy was created by our community, for our community, and in 2020, it proved to be the right strategy for the times. For all the uncertainty, the last year demonstrated the world needs what Calgary companies can provide.

AREAS OF FOCUS:



INNOVATION: Be Canada's leading B2B innovation ecosystem.



TALENT: Be Canada's destination for talent.



PLACE: Be Canada's most liveable city.



BUSINESS ENVIRONMENT: Be Canada's most business-friendly city.

Consider the COVID-19 world: a global pandemic requiring fast and efficient health solutions. Food security and international supply chains were threatened and needed innovative responses. Widely-distributed workforces proved their value, and the drive to cleaner energy remained a priority worldwide. These are all areas where Calgary excels.

Calgary in the New Economy is the roadmap for all the civic stakeholders who contribute to our city's prosperity. The strategy builds on our established competitive advantage in industries including energy, agribusiness, transportation and logistics and high-growth sectors such as life sciences, fintech and creative industries.

As technology becomes the differentiator across all industrial sectors, and the demand for talent is a key driver of economic development, we have a large gap to fill and it's the top priority for *Calgary in the New Economy*.

Developing a talent accelerator for the tech sector is a major deliverable in the economic strategy. It received a major boost with the launch of SAIT's DX Talent Hub in September 2020. The location being at the Odd Fellows building in the core helps increase the vibrancy of our downtown.

The City of Calgary's downtown strategy took on a greater prominence with COVID-19 protocols adding to the existing challenges of excess office space. Stakeholders are collaborating to advance ideas such as office-to-residential conversions, micro distribution centres and vertical farming to add more vibrancy to the downtown core.

The world is taking notice. Our clean-tech sector was recognized as a Top 15 ecosystem globally. The World Economic Forum highlighted our tech upskilling programs in a case study of workforce initiatives worldwide, in response to the digital economy.

Even with COVID-19, there were significant achievements in all four areas of focus of the strategy:



Calgary companies to lead \$20 billion digital transformation (DX) spend in Alberta.¹



SAIT launches DX Talent Hub to lead upskilling initiatives.



Calgary Economic Development's Real Estate Advisory Committee and Downtown Strategy Committee collaborated on a new vision for downtown.



COVID-19 programs initiated by City of Calgary.

¹Between 2021-2024



New Economy Live

To support more conversations about the economic strategy in the community, the *New Economy Live* series was launched in 2020. The quarterly panel discussions with community and business leaders, academics and government officials, focused on key elements of *Calgary in the New Economy*. Topics were often linked to research reports released by Calgary Economic Development.

The series launched with an in-person discussion in February 2020. Due to COVID-19, the next three sessions were delayed until Fall and conducted virtually. Attendance rose at each event, with more than 450 people attending the December event.



SESSION 1

Diversity and inclusion as economic drivers

SESSION 2

Calgary in the era of digital transformation

SESSION 3

Seizing the AI opportunity for Calgary

SESSION 4

Calgary's innovative approach to talent development

Research reports

Providing insights into key sectors and the business environment in Calgary through statistical data and research reports, helping companies make informed investment decisions, is a major focus for Calgary Economic Development. Reports released in 2020 included studies on agribusiness, digital media, financial technologies, digital transformation, business climate and the impact of newcomers on Calgary's economy.

Notable studies

The value of diversity and inclusion is more important than ever, concluded a report by Calgary Economic Development, released in March 2020, titled **Calgary's Newcomers as Economic Drivers**.

Calgary is Canada's third-most ethnically diverse major city and the study revealed that new Canadians play a significant role in the city's prosperity as employees and employers, consumers, curators of international experiences, connectors to significant emerging markets, and community builders. The study detailed how diversity drives innovation, develops perspective, sparks creativity and offers best practices for employers to build a diverse workforce.

"The case (for inclusion) is clear and growing; in the information age, diversity is a strength."

– CALGARY'S NEWCOMERS AS ECONOMIC DRIVERS.



The **Agribusiness Market Study** released in September 2020 by Calgary Economic Development and Western Economic Development Canada, detailed prospects for growth in regional and global markets for the sector in Calgary and southern Alberta. Agriculture and agri-food products from Alberta are exported to over 150 countries and have more than doubled in 10 years. The study said for industry to continue to attract investment, it is critical to understand the emerging global trends shaping the sector. It highlights greater collaboration among key stakeholders could drive sustained growth.

The study revealed how traditional perceptions of agriculture do not consider the innovation occurring in agriculture, the ag-tech industry, agricultural sciences, or other sciences behind the industry.

High-growth agribusiness sectors include:



PROCESSING
food & beverage



CROP
sciences



ANIMAL
genetics



PRIMARY
commodities

KEY INITIATIVES: TALENT

Talent is crucial to economic development and was a top priority for Calgary Economic Development in 2020. Companies in all our core industrial sectors need workers with the in-demand technology skills to compete globally. To help address the issue, we focused on three specific areas: retention (keeping, or repatriating, talent from local post-secondary institutions), attraction (filling immediate talent gaps companies need to execute on business plans) and retraining, (equipping our existing talent to pivot into careers in tech).



Retention

To attract and retain top tier companies, the ability of a community to produce and retain, or repatriate, tech talent is essential to long-term prosperity. The 65 per cent increase in the number of tech training spaces at Calgary post-secondaries since 2018 is a testament to the increased focus on providing career paths in tech for Calgarians. Calgary Economic Development held 12 career fairs in 2020 to ensure new grads in Calgary, and elsewhere in Canada, understood the opportunities in Calgary's tech ecosystem. Local events, including the *Live Tech. Love Life.* job fair in the fall, attracted more than 1,400 participants.

Retrain

Calgary has a STEM-skills oriented workforce from the energy sector who are well positioned to transfer their skills to technology-focused opportunities. With the current talent gap, there is an opportunity to retrain highly-skilled individuals to support local companies. There has been an increase in rapid reskilling programs including EDGE UP, EvolveU, Lighthouse Labs and NPower Canada to increase the talent pool required for Calgary's digital economy.

Highlighting the importance of retraining talent, business leader and philanthropist, David Bissett gifted \$30 million to SAIT for a School for Advanced Digital Technology in 2019. To build on that donation, the Opportunity Calgary Investment Fund supported SAIT's Digital DX Talent Hub in 2020 to extend more tech training opportunities to Calgarians.

The EDGE UP (Energy to Digital Growth Education and Upskilling) program transitions displaced mid-career oil and gas professionals to opportunities in digital technology. The program is led by Calgary Economic Development with Future Skills Centre – Centre des Compétences futures, Information and Communications Technology Council of Canada, the University of Calgary Continuing Education, SAIT, Bow Valley College, and Riipen. More than 100 people took part in the two cohorts offering information technology project management, data analytics, and full-stack software development training.

Attraction

The attraction of highly qualified mid and senior-level talent will help Calgary companies accelerate their growth and execute on business plans. We implemented the *Live Tech. Love Life.* marketing campaign to showcase our tech and innovation ecosystem as a destination for top talent.

Our marketing in key markets involved an aggressive social media strategy that included ads on Instagram, Twitter and LinkedIn, as well as outdoor ads in Toronto, Kitchener-Waterloo, Vancouver, the U.K., Seattle and San Francisco. We registered 750 million impressions and reached an estimated audience of 10 million.

Prior to COVID-19 restrictions, we worked with Global Talent Accelerator and Tech Talent Canada to host events for out-of-market senior tech talent. These events engaged more than 5,500 people and highlighted over 40 local companies with opportunities in Calgary.



Award-winning talent initiatives

The International Economic Development Council recognized three major talent initiatives from Calgary Economic Development in 2020 with Gold, Silver and Bronze prizes in the annual Excellence in Economic Development Awards.

- Gold for the Advertising Campaign *Live Tech. Love Life.*
- Silver for Multimedia & Video Promotion for our signature This is Calgary video
- Bronze for Partnerships with Educational Institutions for our collaboration with the University of Calgary Continuing Education, SAIT and Bow Valley College on EDGE UP for displaced oil and gas professionals to transition to digital careers.

LIVE TECH. LOVE LIFE.

THRIVING CULTURE

Calgary is a globally recognized hub for the creative and innovative tech talent and industry ecosystem. With world-class talent, vibrant culture, diverse opportunities and excellent quality of life, we're proud to be one of Canada's most adventurous tech cities.

livetechlovelife.com

calgary

LIVE TECH. LOVE LIFE.

CATCHING SOME RAYS

Calgary is a leader in clean energy. Our solar and wind power is growing rapidly, and we're proud to be one of Canada's most adventurous tech cities.

livetechlovelife.com

calgary

CLOUD COMPUTING

Work in Canada's most adventurous tech city.™

livetechlovelife.com

LIVE TECH. LOVE LIFE.

FOODIE

Calgary is a leader in the food and beverage industry. With world-class talent, vibrant culture, diverse opportunities and excellent quality of life, we're proud to be one of Canada's most adventurous tech cities.

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calgary

LIVE TECH. LOVE LIFE.

UPCYCLING

Calgary is a leader in the green economy. With world-class talent, vibrant culture, diverse opportunities and excellent quality of life, we're proud to be one of Canada's most adventurous tech cities.

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calgary

LIVE TECH. LOVE LIFE.

FINTECH

Calgary is a leader in the financial technology industry. With world-class talent, vibrant culture, diverse opportunities and excellent quality of life, we're proud to be one of Canada's most adventurous tech cities.

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LIVE TECH. LOVE LIFE.

ANGEL INVESTOR

livetechlovelife.com

calgary



LIVE TECH. LOVE LIFE.™

calgary
be part of the energy



calgary
be part of the energy

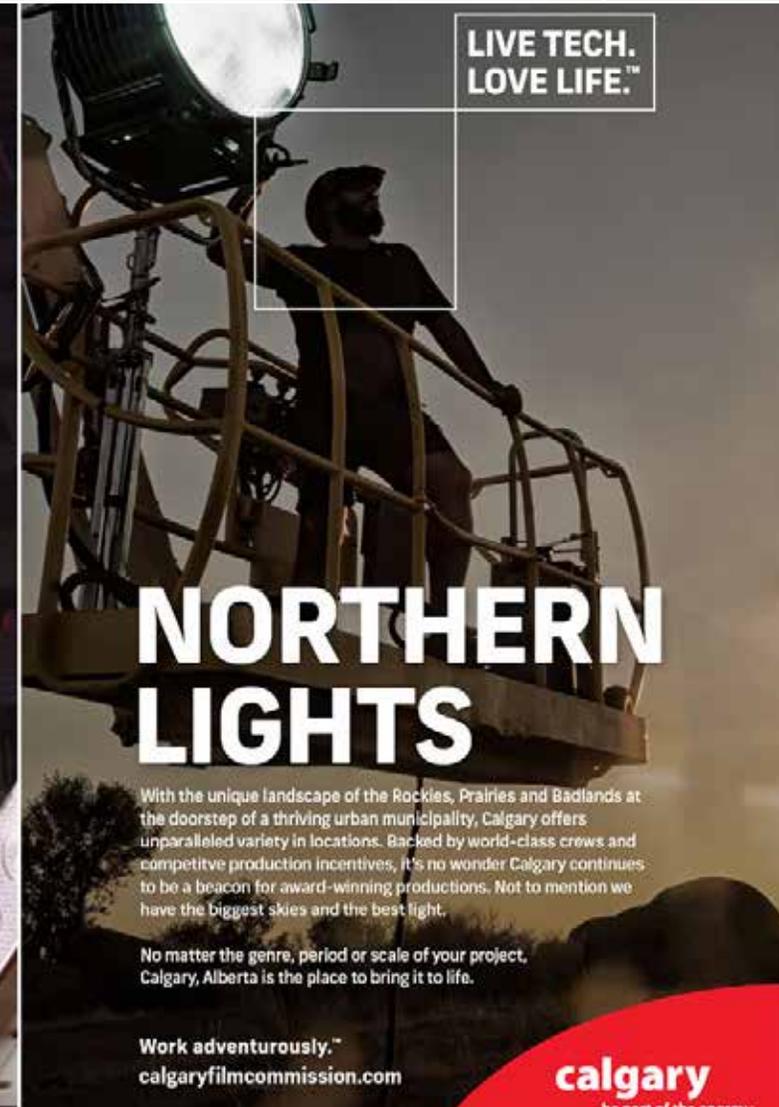


LIVE TECH. LOVE LIFE.™

VISIONARIES

Smart companies use data to improve and optimize performance. But you know that already.

You don't need to strap on a pair of fancy goggles to see Calgary's true reality. Built by visionaries, Calgary is home to innovators and problem-solvers with a signature entrepreneurial spirit who are putting our city on the map as a thriving tech center. You see it every day in every sector. In fact, new research for Calgary Economic Development by IDC Canada reveals Calgary companies will lead the approximate \$20 billion digital transformation spend across all industries by 2024. It's why our economic strategy Calgary in the New Economy - a roadmap for attracting and retaining the world's best entrepreneurs embracing technology to solve global challenges - is more relevant than ever. With our talented people and the strength of our community, opportunities in Calgary are limitless.



LIVE TECH. LOVE LIFE.™

NORTHERN LIGHTS

With the unique landscape of the Rockies, Prairies and Badlands at the doorstep of a thriving urban municipality, Calgary offers unparalleled variety in locations. Backed by world-class crews and competitive production incentives, it's no wonder Calgary continues to be a beacon for award-winning productions. Not to mention we have the biggest skies and the best light.

No matter the genre, period or scale of your project, Calgary, Alberta is the place to bring it to life.

Work adventurously.™
calgaryfilmcommission.com

calgary
be part of the energy



LIVE TECH. LOVE LIFE.™

LIVE THEATRE

People come to theater left to see amazing theater, but in our exciting hearts, both Calgary's investments in the arts make us a cultural place to thrive in. By 2025, we'll be home to the largest cultural research center in Canada and the largest arena-free facility for theatrical research. Come play a starring role.

Work in Canada's most adventurous tech city.™
investincalgary.com

calgary
be part of the energy



LIVE TECH. LOVE LIFE.™

PILOT SEASON

We're known for our landscapes, but our 95,000 sq. ft. Calgary Film Centre for commercial filming is an unparalleled studio location. Add to our reputation for talented crews, our 100+ tech specialists, Calgary is a leader in the production, post-production and digital content creation.

Work in Canada's most adventurous tech city.™
investincalgary.com

calgary
be part of the energy



LIVE TECH. LOVE LIFE.™

POWER MOVE

Calgary is being made famous for our beauty, with scenic landscapes in every location. The wild, sun and beauty. And our location is a gem in the heart of the Rockies. We're all about the great outdoors. If you're looking for a great time, it's here. Work in Canada's most adventurous tech city.™
investincalgary.com

calgary
be part of the energy



LIVE TECH. LOVE LIFE.™

HACKING

Being a hacker isn't just a job, it's a lifestyle. In Calgary, we're known for our landscapes, but our 95,000 sq. ft. Calgary Film Centre for commercial filming is an unparalleled studio location. Add to our reputation for talented crews, our 100+ tech specialists, Calgary is a leader in the production, post-production and digital content creation.

Work in Canada's most adventurous tech city.™
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KEY INITIATIVES: CREATIVE INDUSTRIES

Film & TV production

The financial value of film and television productions in the Calgary area fell to \$90 million in 2020 as the COVID-19 pandemic impacted the entertainment industry globally. Spending declined by more than \$100 million from 2019, however, Alberta filmmakers and international production companies still produced series such as Fraggles Rock, Heartland Season 14, Tribal Season 2 and Black Summer Season 2.

After the shutdown in the spring, Calgary was one of the first cities in North America to adapt and allow film production to restart. Health was top priority, and strict protocols were put in place at film sites, including consistent COVID-19 testing, deep sanitization of equipment, temperature checks for people on set, mandatory masks, and proper physical distancing.

Working with the City of Calgary to be a “film friendly city”, Calgary Economic Development facilitated 78 projects and 136 filming permits in 2020. The Government of Alberta’s Film and Television Tax Credit was raised in 2020 to \$10 million per project, to attract larger budget productions.

Calgary Economic Development also launched the Alberta Producer Accelerator Program with Content Canada and the Government of Canada, including the Consulate General in Los Angeles, to offer training, mentorship, and access to industry decision makers to help local television and film producers reach the global stage.

BY THE NUMBERS



\$90M

in film and TV productions¹



NINE

location scout tours for future productions



78

film and TV productions¹



16

webinars hosted



1,649

direct jobs



19

industry events

Notable productions include:

Fraggle Rock
First Christmas (Hallmark)
Fall River

Heartland Season 14
Tribal Season 2
Black Summer Season 2

Interactive Digital Media

Calgary has a growing cluster of interactive digital media firms in areas including gaming and immersive technology, AR/VR, e-learning and post-production. The cluster includes over 65 companies from innovative organizations such as Finger Food Studios (which was acquired by Unity Technologies in 2020) to local digital media studios such as Showpass, Mammoth XR and Shifty Eye Games.

The opportunity for Calgary to become a hub for innovation in the sector was detailed in the Video Game & Immersive Technology Strategy released by Calgary Economic Development in 2020. It lays out ways to create a framework to develop a video game and immersive media ecosystem.

Calgary Film Centre (CFCL)

The Calgary Film Centre reopened in June 2020 after a more than three-month shutdown for COVID-19 with added health and safety protocols in place for all projects. Even with the stoppage, the occupancy rate for the three sound stages was 68 per cent in 2020.

Sound Stage 2 at the Film Centre was a stand-in location for the livestream broadcast of Calgary Economic Development's Economic Outlook 2021 in October.

CFCL Board of Directors

Patricia McLeod QC, Board Chair,
Corporate Director
Jeff Davison, Councillor Ward 6
Quincy Smith, Dentons Canada LLP



KEY INITIATIVES: OPPORTUNITY CALGARY INVESTMENT FUND

COVID-19 and an oil price war had a significant impact on the operations of the Opportunity Calgary Investment Fund in 2020. They prompted the Board of Directors to pause the receipt or processing of new applications and business cases, and payments on existing agreements, in April.

We refocused our energies on providing support for investee companies in the midst of economic uncertainty, and full operations resumed in July 2020 with the announcement of agreements with AltaML Inc. and Harvest Builders.

Further agreements with the SAIT DX Talent Hub, LodgeLink Inc. and Alberta IoT brought the total commitments in 2020 to approximately \$18.6 million. Among the benefits of the investments, the five organizations are forecast to create more than 900 jobs, primarily in tech, over the next five years. All will make important contributions to the local innovation ecosystem and be catalysts to advance *Calgary in the New Economy*.

At year-end 2020, \$42 million in funding had been allocated to 14 projects which supports a total investment of \$636 million into the local economy, a 15-to-1 ratio. Funds are only disbursed to organizations once specific milestones are achieved. With COVID-19, and many of the agreements extended over three-to-five-year time frames, \$50,000 was disbursed in 2020.

Notable among previous companies OCIF has supported, Finger Food Technology Group

was acquired by Silicon Valley tech giant Unity Software in 2020. The transaction reflected the increased interest in Calgary's tech ecosystem.

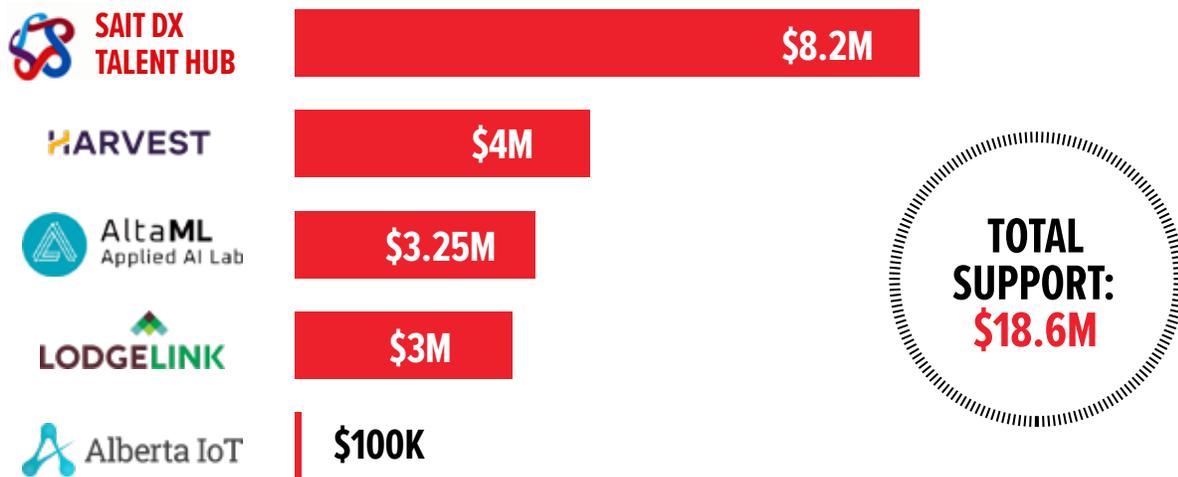
OCIF has evolved as the Fund matures. The focus is increasingly on investments that will have impact on the innovation ecosystem through the number of jobs created, companies supported, or graduates produced for jobs in Calgary's growing tech ecosystem.

Developing tech ecosystems across all sectors and contributing to a vibrant downtown are critical elements of OCIF's mandate. The focus on larger, ecosystem-building endeavours is a prudent use of OCIF funds as Calgary embraces digital transformation to spur both economic growth and diversification.

Vision

The Opportunity Calgary Investment Fund is a \$100 million City of Calgary initiative that is managed by Calgary Economic Development. Its mandate is to make strategic, leveraged investments in key sectors in the economic strategy *Calgary in the New Economy*. They are intended to be catalytic for expansion of the innovation and technology ecosystems in Calgary.

Companies supported in 2020



Directors and Officers

Governance and decision making for OCIF resides with an 11-member volunteer Board of Directors that includes two representatives of City Council, and local business leaders experienced in investment from a variety of sectors. Terms for Board Chair Barry Munro, Steve Allan and Geeta Sankappanavar ended in June 2020. At the same time, Mark Blackwell was appointed Board Chair, Nancy Laird was appointed Vice-Chair, and three new members were added: Jill Angevine, Dr. Elizabeth Cannon, O.C., and Alice Reimer.

Directors*

Mark Blackwell, Partner, Builders VC, Board Chair

Nancy Laird, Corporate Director, Vice-Chair

Jill Angevine, Managing Director, Palisade Capital Management

Michael Brown, President, Trico Residential

Ian Bruce, Former CEO, Peters & Co.

Dr. M. Elizabeth Cannon, O.C., President Emerita, University of Calgary

Jeff Davison, Councillor Ward 6

Cheryl Gottselig, Q.C., Partner, Burnet Duckworth & Palmer LLP

Joe Lougheed, Partner, Dentons LLP

Naheed Nenshi, Mayor of Calgary

Alice Reimer, Cofounder, The 51 and Site Lead, CDL-Rockies

Officers*

Mary Moran (Chief Executive Officer), President & Chief Executive Officer, Calgary Economic Development

Sheila Will (Chief Financial Officer, Board Secretary), Chief Financial Officer & Chief Operating Officer, Calgary Economic Development

* At year-end 2020

KEY INITIATIVES: TRADE ACCELERATOR PROGRAM

The Trade Accelerator Program (TAP) was able to host five cohorts - two in person and three virtual - as the program adapted to COVID-19.

From its launch in 2018 through year-end 2020, more than 150 companies have participated in the program throughout southern Alberta. Participants have ranged from technology and service companies such as Goodlawyer, Bessie Box and Market Now, to manufacturers including Local Laundry, Dandy Brewing and Little Tucker.

Sixteen TAP alumni expanded into foreign markets in 2020 including Righteous Gelato, Market Now, and OH! Naturals. More than 70 per cent of TAP graduate companies are exporting to international markets and alumni reported a 33 per cent increase in export sales the year after completing the intense six-week course.



BY THE NUMBERS



FIVE

live and virtual cohorts in 2020



16

alumni entering global market in 2020



151

companies participated in TAP since 2018

KEY INITIATIVES: STARTUP CALGARY

After almost four years as part of Calgary Economic Development, Startup Calgary joined Platform Calgary in December 2020. The move better positions Startup Calgary to support entrepreneurs and impact the tech and innovation ecosystem.

Startup Calgary, which was launched in 2010, hosted close to 100 events annually and launched several initiatives while part of Calgary Economic Development, including Startup Essentials programming, the Game Changers Speaker Series, the Startup Calgary podcast, and helping organize the Start Alberta Tech Awards.

Startup Calgary's signature event, Launch Party, has become the city's largest celebration of tech and innovation. Over the last three years, this showcase of Calgary's top up-and-coming startups has more than doubled in size. In November 2020, more than 1,200 (an attendance record), took part in a virtual Launch Party.



BY THE NUMBERS



11

years supporting
entrepreneurs



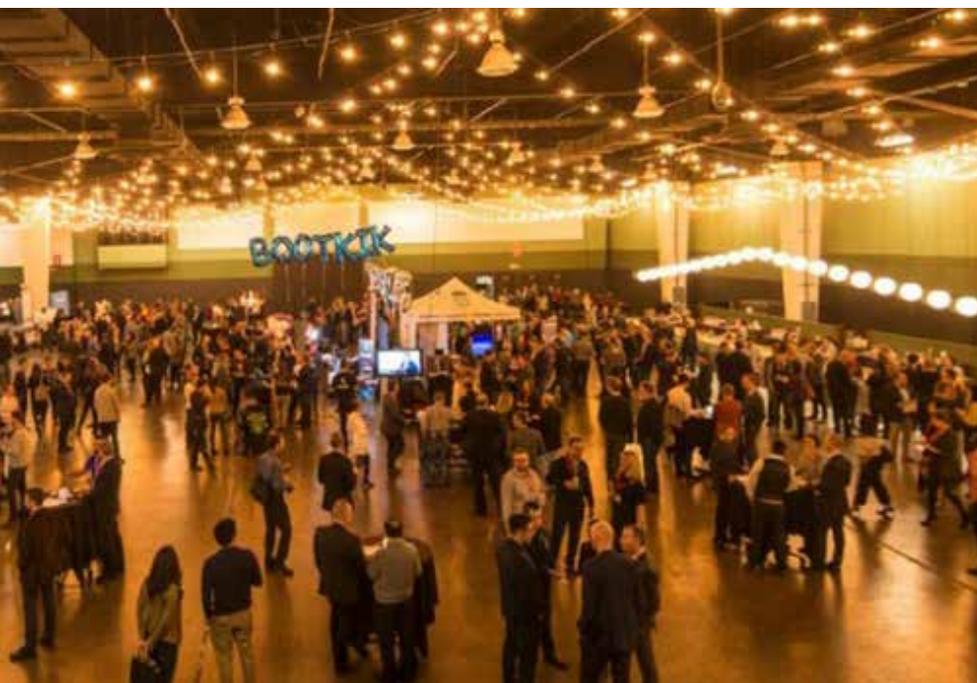
100

events hosted
annually



1,242

attendees at
virtual Launch
Party 2020



KEY INITIATIVES: ECONOMIC OUTLOOK 2021

With the cancellation of public gatherings due to COVID-19, Calgary Economic Development's signature fall event 'Economic Outlook 2021 Sponsored by ATB Financial' was delivered as a virtual event for the first time. More than 1,200 people watched the livestream of the broadcast from the Calgary Film Centre.

The historic aspect of the 2020 downturn and opportunities ahead were reinforced by Todd Hirsch, Vice President & Chief Economist, ATB Financial, and Pierre Cl  roux, Vice-President Research & Chief Economist, Business Development Bank of Canada (BDC).

"We'll need to be open to change and the possibilities that brings. Embracing this will be the key to moving forward."

- TODD HIRSCH



"Technology adoption is accelerating and will define economic growth in the future."

- PIERRE CL  ROUX



TEAM CALGARY

Team Calgary is a partnership program between Calgary Economic Development and the private sector. The program encompasses the team approach to economic development for our community as we showcase Calgary as a great place to do business and make a life.

It was a challenging year for many Calgary companies but support for Team Calgary remained strong as evidenced by the retention of more than 90 per cent of existing members and the addition of 13 new partner organizations.

The contributions and collaborations with our Team Calgary partners play a major role in helping Calgary Economic Development implement its talent attraction campaign, as well as focus on the economic strategy, *Calgary in the New Economy*. It is the support of our partners that allowed Calgary Economic Development to carry out our vision for Calgary in 2020 and beyond with a renewed sense of clarity and focus.

Calgary Economic Development led four virtual events in 2020 between its partners and various elected officials to learn of their government's COVID-19 relief efforts. Mayor Naheed Nenshi, Dr. Jack Mintz, Chair of Alberta Economic Recovery Council, and the Honourable Mona Fortier, Associate Minister of Finance for the Government of Canada, were instrumental in sharing their insight and expertise to our stakeholders.



BY THE NUMBERS



70+

total partners



70%

of partners engaged for 5 or more years



13

new partners in 2020



VISIONARY



Shaw)

CONNECTOR



INFLUENCER

ATB

CTV

Nutrien

PATTISON

POSTMEDIA

WORK NICER

SUPPORTER

Bennett Jones LLP

Devencore

Osler, Hoskin & Harcourt LLP

BOWEN Workforce Solutions

DIRTT Environmental Solutions

PwC

Burnet, Duckworth & Palmer LLP

DSA Media

Randstad

Business Development
Bank Canada

First Calgary Financial

RedPoint Media

Calgary Airport Authority

Fluor Canada

Royal LePage Benchmark

Calgary Folk Music Festival

FX Innovation

Savills

Calgary Municipal Land
Corporation

Glenbow Museum

St. Mary's University

Calgary Opera

Haworth

Theatre Calgary

Calgary Zoo

Heritage Business Interiors

Trico Homes

Cassels Brock &
Blackwell LLP

KORITE

V Strategies Inc.

Colliers International

McCarthy Tétrault

YMCA Calgary

Cresa Calgary

MNP LLP

National Bank of Canada

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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 18, 2021



Mary Moran
Chief Executive Officer



Sheila Will
Chief Financial Officer

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, 2020, 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, 2020, 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 18, 2021

MNP LLP

Chartered Professional Accountants

MNP

Calgary Economic Development Ltd.
Statement of Financial Position
As at December 31, 2020

	2020	2019
Assets		
Current		
Cash	1,755,239	2,221,025
Restricted cash (Note 7)	284,591	364,972
Accounts receivable and accrued revenue (Note 3)	671,505	567,344
Due from related parties (Note 9)	66,421	68,775
Prepaid expenses	463,304	399,610
Employee expense advances	123	664
	3,241,183	3,622,390
Property and equipment (Note 4)	111,837	148,632
Intangible assets (Note 5)	16,316	445
	3,369,336	3,771,467
Liabilities		
Current		
Accounts payable and accrued liabilities (Note 6)	371,059	1,090,654
Deferred contributions (Note 7)	284,591	364,972
Salary and vacation payable	680,875	631,423
	1,336,525	2,087,049
Lease inducement	49,300	61,920
	1,385,825	2,148,969
Commitments (Note 11)		
Net Assets		
Invested in property, equipment and intangible assets (Note 8)	128,153	149,077
Unrestricted	1,855,358	1,473,421
	1,983,511	1,622,498
	3,369,336	3,771,467

Approved on behalf of the Board



Director



Director

The accompanying notes are an integral part of these financial statements

Calgary Economic Development Ltd.
Statement of Operations
For the year ended December 31, 2020

	2020	2019
Revenue		
City of Calgary		
Operating grant (Notes 1, 9)	10,077,765	9,877,765
Other grants (Note 9)	-	371,464
Alberta government	14,132	543,797
Federal government	560,120	235,493
Business community	2,085,359	1,415,634
Investment income	40,989	80,614
Other revenue	16,172	232,499
Expense recovery	4,601	67,422
	12,799,138	12,824,688
Expenses		
Employee costs	6,713,227	6,074,723
Marketing and promotion	2,427,184	2,935,796
Program costs (Note 9)	1,865,024	1,396,589
Corporate services (Note 9)	1,268,145	1,438,267
Business travel	94,722	273,483
Amortization of property and equipment (Note 4)	65,618	87,052
Amortization of intangible assets (Note 5)	4,206	7,385
	12,438,126	12,213,295
Excess of revenue over expenses before other items	361,012	611,393
Other items		
Loss on disposal of property, equipment and intangibles	-	(33,492)
Excess of revenue over expenses	361,012	577,901

The accompanying notes are an integral part of these financial statements

Calgary Economic Development Ltd.
Statement of Changes in Net Assets
For the year ended December 31, 2020

	<i>Invested in property, equipment and intangible assets</i>	<i>Unrestricted</i>	2020	2019
Net assets, beginning of year	149,077	1,473,422	1,622,499	1,044,598
Excess (deficiency) of revenue over expenses (Note 8)	(69,824)	430,836	361,012	577,901
Investment in property, equipment, and intangible assets	48,900	(48,900)	-	-
Net assets, end of year	128,153	1,855,358	1,983,511	1,622,499

The accompanying notes are an integral part of these financial statements

Calgary Economic Development Ltd.
Statement of Cash Flows
For the year ended December 31, 2020

	2020	2019
Cash provided by (used for) the following activities		
Operating		
Excess of revenue over expenses	361,012	577,901
Amortization of intangible assets	4,206	7,385
Amortization of property and equipment	65,618	87,052
Loss on disposal of property, equipment and intangibles	-	33,492
Non-cash lease (recovery) expense	(12,620)	61,920
	418,216	767,750
Changes in working capital accounts		
Accounts receivable and accrued revenue	(104,161)	(195,560)
Due from related party	2,354	61,330
Prepaid expenses	(63,693)	(350,713)
Employee expense advances	541	4,836
Accounts payable and accrued liabilities	(719,595)	12,882
Deferred contributions	(80,381)	(425,855)
Salary and vacation payable	49,452	126,285
	(497,267)	955
Capital		
Purchase of property and equipment, and intangible assets (Note 4)	(48,900)	(149,237)
Decrease in cash and cash equivalents	(546,167)	(148,282)
Cash and cash equivalents, beginning of year	2,585,997	2,734,279
Cash and cash equivalents, end of year	2,039,830	2,585,997
Cash and cash equivalents are composed of:		
Unrestricted cash	1,755,239	2,221,025
Restricted cash - external	284,591	364,972
	2,039,830	2,585,997

The accompanying notes are an integral part of these financial statements

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 \$10,077,765 (2019 - \$9,877,765). For 2021, the City has approved core funding in the amount of \$9,752,764 with the decrease resulting from StartUp Calgary transferring to the stewardship of Platform Calgary.

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 property and equipment, and intangible 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 14.

All transactions with the subsidiary are disclosed as related party transactions (refer to Note 9).

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 property and equipment 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.

Property, equipment and intangible assets

Purchased property, equipment and intangible assets are recorded at cost. Contributed property, equipment and intangible 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. Tenant 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
Website development costs	straight-line	30%

Long-lived assets

Long-lived assets consist of property, equipment and intangible 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 9).

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 excess (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.

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:

	2020	2019
Trade accounts receivable	225,327	262,762
Accrued revenue	348,108	204,077
Goods and Services Tax receivable	98,070	100,505
	671,505	567,344

As at December 31, 2020, trade accounts receivable includes \$14,949 (2019 - \$17,226) in amounts outstanding greater than 90 days, of which \$14,949 was subsequently received (2019 - \$17,226). Accounts receivable have been recorded at their net realizable value, based on management's best estimate of the recoverable amounts.

4. Property and equipment

	<i>Technology</i>	<i>Furniture and fixtures</i>	<i>Total</i>
Cost:			
Balance December 31, 2019	783,336	4,557	787,893
Additions	27,568	1,255	28,823
Disposals	-	-	-
Balance at December 31, 2020	810,904	5,812	816,716
Accumulated amortization:			
Balance December 31, 2019	(638,604)	(657)	(639,261)
Amortization	(64,918)	(700)	(65,618)
Disposals	-	-	-
Balance at December 31, 2020	(703,522)	(1,357)	(704,879)
Net book value December 31, 2019	144,732	3,900	148,632
Net book value December 31, 2020	107,382	4,455	111,837

5. Intangible assets

	Software	Trademarks	Website development costs	Total
Cost:				
Balance December 31, 2019	265,959	1,954	434,941	702,854
Additions	-	20,077	-	20,077
Balance at December 31, 2020	265,959	22,031	434,941	722,931
Accumulated amortization:				
Balance December 31, 2019	(265,959)	(1,509)	(434,941)	(702,409)
Amortization	-	(4,206)	-	(4,206)
Balance at December 31, 2020	(265,959)	(5,715)	(434,941)	(706,615)
Net book value December 31, 2019	-	445	-	445
Net book value December 31, 2020	-	16,316	-	16,316

6. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities relate to the following:

	2020	2019
Accrued liabilities	234,637	598,496
Trade accounts payable	136,422	492,158
	371,059	1,090,654

7. 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:

	2020	2019
Balance, beginning of year	364,972	790,827
Amount received during the year	1,042,454	1,057,396
Amounts recognized as revenue during the year	(1,122,835)	(1,247,417)
Funds held for return included in accrued liabilities	-	(235,834)
Balance, end of year	284,591	364,972

8. Net assets invested in property, equipment and intangible assets

	2020	2019
Property and equipment	111,837	148,632
Intangible assets	16,316	445
Invested in property, equipment and intangible assets	128,153	149,077
Amortization of intangible assets	(4,206)	(7,385)
Amortization of property and equipment	(65,618)	(87,052)
Loss on disposal of property, equipment and intangibles	-	(33,492)
Deficiency of revenue over expenses	(69,824)	(127,929)

9. Related party transactions

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.

Related party balances and transactions with CFCL consist of:

	2020	2019
Due from related party:		
Management Services Agreement and other	30,137	20,980
Revenue recognized from CFCL:		
Management Services Agreement	362,063	168,612
Recoveries netted against expenses	-	18,963

The City of Calgary

Related party balances and transactions with The City consist of:

	2020	2019
Accounts receivable	14,449	34,761
Accounts payable	-	141
Core funding received from The City	10,077,765	9,877,765
The City of Calgary Resiliency funding recognized	-	371,464
Expenses paid to The City	12,580	252,724

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.

Related party balances and transactions with OCIF consist of:

	2020	2019
Due from related party	36,284	47,795
Expense recovery for operating and administrative services	494,459	376,600

9. Related party transactions (Continued from previous page)

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:

	2020	2019
Accounts payable	nil	20,381
Revenue recognized from companies related by common ownership	35,000	35,000
Expenses paid to companies related by common ownership	20,356	213,272

Other companies related to directors

The Company paid to organizations related to directors of the Company for other services totaling \$308,450 (2019 - \$74,002), of which \$240,000 (2019 - \$1,103) is included in program costs, and \$68,450 (2019 - \$72,899) is included in corporate services. At year end, \$5,000 (2019 - \$5,000) is included in accounts payable and accrued liabilities. The Company also recognized revenue from these companies totaling \$148,250 (2019 - \$65,550), which is included in business community revenue related to Team Calgary and other programming. At year end, \$nil (2019 - \$2,264) 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.

10. 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.

11. Commitments

Facility lease

On July 26, 2019, the Company entered into a lease with a term from January 1, 2020 and ending on May 30, 2023. Annual rent for the facility after a property tax exemption is approximately \$438,600.

The Company has a five-year lease agreement for office printing/copying equipment that was signed in September 2016 and runs until September 30, 2021. Annual lease cost is \$11,256, plus printing/usage costs.

The estimated minimum annual payments on leases for facilities and equipment are as follows:

2021	447,047
2022	438,600
2023	182,750
	<hr/>
	1,068,392

12. 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 9, 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>
2020					
Trade accounts receivable	194,855	5,000	10,523	14,949	225,327
Accrued revenue	235,765	16,667	25,533	70,143	348,108
Due from related parties	66,421	-	-	-	66,421
Employee advances	-	-	-	123	123
Total	497,041	21,667	36,056	85,215	639,979
2019					
Trade accounts receivable	227,766	12,770	5,000	17,226	262,762
Accrued revenue	204,077	-	-	-	204,077
Due from related party	68,775	-	-	-	68,775
Employee advances	664	-	-	-	664
Total	501,282	12,770	5,000	17,226	536,278

Credit concentration

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.

12. 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.

	<i>0-90 days</i>	<i>91 days and older</i>	<i>Total</i>
<i>2020</i>			
Accrued liabilities	234,637	-	234,637
Trade accounts payable	136,422	-	136,422
Lease inducement	49,300	-	49,300
Total	420,359	-	420,359
<i>2019</i>			
Accrued liabilities	598,496	-	598,496
Trade accounts payable	492,158	-	492,158
Lease inducement	61,920	-	61,920
Total	1,152,574	-	1,152,574

13. 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, 2020 was \$224,538 (2019 - \$193,597).

14. Controlled not-for-profit

The Company controls its wholly owned subsidiary, the Calgary Film Centre Ltd., formerly The Alberta Creative Hub. The companies are under common management. CFCL has not been consolidated in the Company's financial statements, but 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. It 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, 2020 and December 31, 2019. This information was prepared using the same accounting policies as Calgary Economic Development Ltd.

14. Controlled not-for-profit (Continued from previous page)

	2020	2019
Financial position		
Total assets	377,704	600,306
Total liabilities	(211,426)	(232,628)
Total net assets	166,278	367,678
Statement of operations		
Revenue	930,752	1,589,135
Expenses	1,132,152	1,264,108
(Deficiency) excess of revenue over expenses	(201,400)	325,027
Cash flows		
Cash flows from operating activities	(131,638)	102,493
Cash flows from capital activities	-	(1,000)
Cash flows from financing activities	-	-
(Decrease) increase in cash and cash equivalents	(131,638)	101,493

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 9).

15. Significant event

In early 2020 there was a global outbreak of COVID-19 (Coronavirus), which has had a significant impact on businesses and governments through the restrictions put in place by the Canadian, provincial, and municipal governments regarding travel, business operations and isolation orders. The extent to which the Company is impacted will depend on future developments, which are highly uncertain and that cannot be predicted with confidence, such as the ultimate geographic spread of the disease, the duration of the outbreak, travel restrictions and social distancing in Canada and other countries, business closures or business disruptions and the effectiveness of actions taken in Canada and other countries to fight the virus.



Financial Statements
December 31, 2020

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To The Board of Directors of Calgary Film Centre 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. 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.

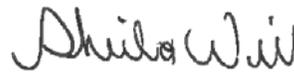
The Board of Directors is composed entirely of Directors who are neither management nor employees of the Centre. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Board is also responsible for recommending the appointment of the Centre's external auditors.

MNP LLP is appointed by the Board 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 3, 2021



Mary Moran
Chief Executive Officer, Calgary Economic Development Ltd.



Sheila Will
Chief Financial Officer, Calgary Economic Development Ltd.

To the Board of Calgary Film Centre Ltd.:

Opinion

We have audited the financial statements of Calgary Film Centre Ltd. (the "Centre"), which comprise the statement of financial position as at December 31, 2020, 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 Centre as at December 31, 2020, 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 Centre 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 Centre'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 Centre or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Centre'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 Centre'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 Centre'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 Centre 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 3, 2021

MNP LLP

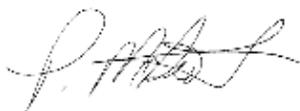
Chartered Professional Accountants

MNP

Calgary Film Centre Ltd.
Statement of Financial Position
As at December 31, 2020

	2020	2019
Assets		
Current		
Cash and cash equivalents	307,323	438,961
Amounts receivable (Note 3)	37,228	113,782
Accrued revenue	32,098	37,422
	376,649	590,165
Property and equipment (Note 4)	1,055	4,862
Intangible assets (Note 5)	-	5,279
	377,704	600,306
Liabilities		
Current		
Accounts payable and accrued liabilities (Note 7)	80,290	115,919
Tenant deposits (Note 8)	100,999	95,729
Due to related parties (Note 12)	30,137	20,980
	211,426	232,628
Commitments (Note 14)		
Net Assets		
Invested in property, equipment and intangible assets	1,055	10,141
Unrestricted	165,223	357,537
	166,278	367,678
	377,704	600,306

Approved on Behalf of the Board



Director



Director

The accompanying notes are an integral part of these financial statements

Calgary Film Centre Ltd.
Statement of Operations
For the year ended December 31, 2020

	2020	2019
Revenue		
Rental revenue	930,752	1,446,687
Amortization of deferred contributions <i>(Note 9)</i>	-	142,448
	930,752	1,589,135
Expenses		
Operating and utility costs	719,613	773,195
Corporate services <i>(Note 12)</i>	198,573	201,228
Personnel costs <i>(Note 12)</i>	186,685	199,520
Legal services	17,538	4,570
Amortization <i>(Note 4 and Note 5)</i>	9,086	13,960
Marketing and promotion	628	1,845
Business travel, entertainment and events	29	917
Programming events	-	68,873
	1,132,152	1,264,108
(Deficiency) excess of revenue over expenses	(201,400)	325,027

The accompanying notes are an integral part of these financial statements

Calgary Film Centre Ltd.
Statement of Changes in Net Assets
For the year ended December 31, 2020

	<i>Invested in property, equipment and intangible assets</i>	<i>Unrestricted</i>	<i>2020</i>	<i>2019</i>
Net assets, beginning of year	10,141	357,537	367,678	42,651
(Deficiency) excess of revenue over expenses (Note 5)	(9,086)	(192,314)	(201,400)	325,027
Net assets, end of year	1,055	165,223	166,278	367,678

The accompanying notes are an integral part of these financial statements

Calgary Film Centre Ltd.
Statement of Cash Flows
For the year ended December 31, 2020

	2020	2019
Cash provided by (used for) the following activities:		
Operating		
(Deficiency) excess of revenue over expenses	(201,400)	325,027
Adjustments for items not involving cash:		
Amortization	9,086	13,960
Recognition of deferred contributions related to programming funds	-	(142,448)
	(192,314)	196,539
Changes in working capital accounts		
Amounts receivable	76,554	(60,502)
Accrued revenue	5,324	(37,422)
Due from related parties	-	1,674
Accounts payable and accrued liabilities	(35,629)	26,318
Tenant deposits	5,270	90,664
Due to related party	9,157	(114,778)
	(131,638)	102,493
Capital		
Purchase of property and equipment (Note 4)	-	(1,000)
	-	(1,000)
(Decrease) increase in cash and cash equivalents	(131,638)	101,493
Cash and cash equivalents, beginning of year	438,961	337,468
Cash and cash equivalents, end of year	307,323	438,961

The accompanying notes are an integral part of these financial statements

1. Incorporation

Calgary Film Centre Ltd. (the "Centre") was incorporated under the authority of the Alberta Companies Act on December 17, 2009. The Centre is a wholly owned subsidiary of Calgary Economic Development Ltd. the ("Parent Company") and was granted para-municipal status retroactive to the incorporation date.

The Centre was formed with the primary purpose of supporting the growth and development of the film, television, media and other creative industries.

On June 23, 2014, the Centre changed its name from The Alberta Creative Hub to Calgary Film Centre Ltd.

On October 19, 2018, the Centre sold the land, buildings and its related fixtures and equipment to The City of Calgary ("The City"). The Centre pays The City \$10 a year to utilize the building to continue to fulfill its primary purpose.

2. Significant accounting policies

Basis of accounting

The financial statements are expressed in Canadian dollars. The financial statements have been prepared in accordance with Canadian Public Sector Accounting Standards for Government Not-for-Profit Organizations, with the optional 4200 series, as established by the Public Sector Accounting Board. The significant policies are described below.

Cash and cash equivalents

Cash and cash equivalents include balances with banks and short-term investments with maturities of three months or less.

Revenue recognition

The Centre 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 property and equipment are deferred and recognized on the same basis as amortization expense of the related asset. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Rental revenue is recognized on a monthly basis pursuant to the terms of the lease agreement.

Contributed materials and services

The Centre received various contributions in the form of materials or services that it used to carry out its objectives. Because of the difficulty in determining the fair value of these materials and services, the Centre does not recognize the amounts in the financial statements.

Property and equipment and intangible assets

Purchased property, equipment and intangible assets are recorded at cost. Contributed property, equipment and intangible assets are recorded at fair value at the date of contribution if fair value can be reasonably determined.

Amortization is provided using the straight-line method at rates intended to amortize the cost of assets over their estimated useful lives. Furniture, fixtures and equipment is amortized between 2 and 5 years. Amortization is calculated in the month the asset is put into use and ends in the month of disposal.

2. Significant accounting policies (*Continued from previous page*)

Financial instruments

The Centre recognizes its financial instruments when the Centre 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 12). At initial recognition, the Centre may irrevocably elect to subsequently measure any financial instrument at fair value. The Centre has not made such an election during the year.

The Centre 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 included in the carrying value of financial instruments for those measured at cost or amortized cost.

Financial asset impairment

The Centre assesses impairment of all of its financial assets measured at cost or amortized cost. When there is an indication of impairment, the Centre 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 Centre 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 excess of revenue over expenses. The Centre 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.

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 over 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 property and equipment and intangibles.

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

3. Amounts receivable

Amounts receivable relates to the following:

	2020	2019
Rent and recovery of expenses receivable	37,228	113,782

4. Property and equipment

Furniture, fixtures and equipment	2020	2019
Cost:		
Balance, beginning of year	34,887	33,887
Additions	-	1,000
Disposals	-	-
Balance, end of year	34,887	34,887
Accumulated amortization:		
Balance, beginning of year	(30,025)	(27,597)
Amortization	(3,807)	(2,428)
Balance, end of year	(33,832)	(30,025)
Net book value, end of year	1,055	4,862

5. Intangible assets

Website Development Costs	2020	2019
Cost:		
Balance, beginning of year	38,400	38,400
Additions	-	-
Disposals	-	-
Balance, end of year	38,400	38,400
Accumulated amortization:		
Balance, beginning of year	(33,121)	(21,589)
Amortization	(5,279)	(11,532)
Balance, end of year	(38,400)	(33,121)
Net book value, end of year	-	5,279

6. Net assets invested in property, equipment and intangible assets

	2020	2019
Property and equipment	1,055	4,862
Intangible assets	-	5,279
Invested in property, equipment and intangible assets	1,055	10,141
Amortization of intangible assets	(5,279)	(11,532)
Amortization of property and equipment	(3,807)	(2,428)
Deficiency of revenue over expenses	(9,086)	(13,960)

7. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities relate to the following:

	2020	2019
Trade accounts payable	41,520	71,373
Accrued liabilities	30,361	40,407
Goods and Services Tax payable	8,409	4,139
	80,290	115,919

8. Tenant deposits

Tenant deposits at December 31, 2020 consist of \$100,999 (2019 - \$95,729) received to be refunded upon satisfactory condition of the Centre's film studios and bays.

9. Deferred contribution and restricted cash

Deferred contributions consist of grant funding from the Government of Alberta externally restricted for the development, operations and programming of the Calgary Film Studio and are recognized as revenue in the to period when the specified expense occurs.

Changes in the deferred contribution balance are as follows:

	2020	2019
Balance, beginning of year	-	142,448
Amounts recognized as revenue during the year	-	(142,448)
Balance, end of year	-	-

10. Income taxes

The Centre is registered as 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 free status under the Act, the Centre must meet certain requirements within the Act. In the opinion of management, these requirements have been met.

11. Financial instruments

General objectives, policies and processes

The Board of Directors has overall responsibility for the determination of the Centre'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 Centre's senior management. The Board of Directors receives quarterly reports from the Centre'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.

Credit risk

Credit risk is the risk that the Centre will incur a financial loss because a lessee, contributor or counterparty has failed to discharge an obligation. The Centre is exposed to credit risk on its amounts receivable.

	<i>0-30 days</i>	<i>31-60 days</i>	<i>61-90 days</i>	<i>91 days and older</i>	<i>Total</i>
2020					
Accounts receivable	22,970	6,818	7,440	-	37,228
Total	22,970	6,818	7,440	-	37,228
2019					
Accounts receivable	100,567	-	13,215	-	113,782
Total	100,567	-	13,215	-	113,782

The Centre is also exposed to credit risk as a significant portion of the Centre's cash and cash equivalents are held at one Canadian Chartered Bank. As such, the Centre is exposed to all the risks of that financial institution.

Credit Concentration

As at December 31, 2020, one vendor (2019 – one) accounted for 65% (2019 – 74%) of accounts receivable, of which the vendor has a history with the Centre of making payments. The Centre believes that there is no unusual exposure associated with the collection of these amounts.

Liquidity risk

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

11. Financial instruments (Continued from previous page)

The following table sets out the contractual maturities of financial liabilities:

2020	0-90 days	91 days and older	Total
Due to related party	30,137	-	30,137
Trade accounts payable	41,520	-	41,520
Accrued liabilities	30,361	-	30,361
Total	102,018	-	102,018

2019	0-90 days	91 days and older	Total
Due to related party	20,980	-	20,980
Trade accounts payable	71,373	-	71,373
Accrued liabilities	40,407	-	40,407
Total	132,760	-	132,760

12. Related party transactions

The Centre is a wholly owned subsidiary of Parent Company. The Centre has entered into a Management Services Agreement with the Parent Company and is required to pay \$168,612 (2019 - \$168,612) for annual management fees, this is recorded in corporate services. Personnel costs of \$186,685 are incurred by Parent Company and charged to the Centre (2019 - \$199,520 of personnel costs incurred and paid directly by the Centre). Additional expenses of \$6,766 (2019 - \$18,963) are expenses incurred by the Parent Company on the Centre's behalf.

<u>Calgary Economic Development Ltd.</u>	2020	2019
Due to related party	30,137	20,980
Expenses paid to Parent Company	362,063	187,575

<u>The City of Calgary and affiliates</u>	2020	2019
Property tax expense	263,217	233,413
Utilities expense	6,471	8,390
Rental of leased facility	10	10

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

13. Note payable with related party

In 2018, the Board of the CED and CFCL voted to enter into a demand loan of up to \$300,000 to support CFCL cash funding if required, the agreement is dated January 1, 2019. As at December 31, 2020, \$nil (December 31, 2019 - \$nil) was drawn on this demand loan.

14. Commitments

The Centre has entered into an agreement for internet services with automatic annual renewals in the amount of \$6,600 per year.

15. Comparative figures

Certain comparative information has been reclassified to conform to the current year's presentation.

16. Significant event

In early 2020 there was a global outbreak of COVID-19 (Coronavirus), which has had a significant impact on businesses and governments through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation orders. The extent to which the Centre is impacted will depend on future developments, which are highly uncertain and that cannot be predicted with confidence, such as the ultimate geographic spread of the disease, the duration of the outbreak, travel restrictions and social distancing in Canada and other countries, business closures or business disruptions and the effectiveness of actions taken in Canada and other countries to fight the virus.



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