



AGENDA

AUDIT COMMITTEE

April 17, 2025, 9:30 AM

ENGINEERING TRADITIONS COMMITTEE ROOM

Members

Councillor E. Spencer, Chair
Councillor J. Wyness, Vice-Chair
Councillor A. Chabot
Councillor C. Walcott
Public Member K. Kim
Public Member C. McGillivray
Public Member J. Naicker
Mayor J. Gondek, Ex-Officio

SPECIAL NOTES:

*Members of the public are encouraged to follow Council and Committee meetings using the live stream:
[Calgary.ca/WatchLive](https://calgary.ca/WatchLive)
Committee Members may be participating remotely.*

1. CALL TO ORDER
2. OPENING REMARKS
3. CONFIRMATION OF AGENDA
4. CONFIRMATION OF MINUTES
 - 4.1 Minutes of the Regular Meeting of the Audit Committee, 2025 March 13
5. CONSENT AGENDA
 - 5.1 DEFERRALS AND PROCEDURAL REQUESTS
None
6. POSTPONED REPORTS
(including related/supplemental reports)
None
7. ITEMS FROM OFFICERS, ADMINISTRATION AND COMMITTEES

- 7.1 The City of Calgary 2024 Annual Investment Report, AC2025-0384
- 7.2 The City of Calgary 2024 Annual Financial Report, AC2025-0323
- 7.3 External Auditor 2024 Year-End Report, AC2025-0351
Attachments 2 and 3 held confidential pursuant to Sections 24 (Advice from officials) and 25 (Disclosure harmful to economic and other interests of a public body) of the *Freedom of Information and Protection of Privacy Act*.

Review By: 2030 April 17

- 7.4 Utilities Delivery - Deer Run Lift Station Project Management Audit, AC2025-0420
- 7.5 City Auditor's Office 1st Quarter 2025 Report, AC2025-0438

8. ITEMS DIRECTLY TO COMMITTEE

- 8.1 REFERRED REPORTS
None
- 8.2 NOTICE(S) OF MOTION
None

9. URGENT BUSINESS

10. CONFIDENTIAL ITEMS

10.1 ITEMS FROM OFFICERS, ADMINISTRATION AND COMMITTEES

- 10.1.1 External Auditor (Verbal), AC2025-0352
Held confidential pursuant to Section 24 (Advice from officials) of the *Freedom of Information and Protection of Privacy Act*.
- 10.1.2 Audit Forum (Verbal), AC2025-0353
Held confidential pursuant to Section 24 (Advice from officials) of the *Freedom of Information and Protection of Privacy Act*.
- 10.1.3 City Auditor (Verbal), AC2025-0354
Held confidential pursuant to Section 24 (Advice from officials) of the *Freedom of Information and Protection of Privacy Act*.
- 10.1.4 External Auditor Annual Renewal (Verbal), AC2025-0355
Held confidential pursuant to Sections 19 (Confidential evaluations) and 24 (Advice from officials) of the *Freedom of Information and Protection of Privacy Act*.

10.2 URGENT BUSINESS

11. BRIEFINGS
None

12. ADJOURNMENT



**MINUTES
AUDIT COMMITTEE**

**March 13, 2025, 9:30 AM
ENGINEERING TRADITIONS COMMITTEE ROOM**

PRESENT: Councillor E. Spencer, Chair
Councillor C. Walcott, A/Vice-Chair (Partial Remote Participation)
Councillor A. Chabot
Public Member K. Kim
Public Member C. McGillivray
Public Member J. Naicker
Councillor T. Wong (Remote Participation)

ABSENT: Councillor J. Wyness, Vice-Chair (Council Business)

ALSO PRESENT: Chief Operating Officer S. Dalglish
A/Chief Financial Officer L. Tochor
General Manager C. Arthurs (Partial Remote Participation)
General Manager K. Black
City Auditor L. Ormsby
External Auditor H. Gill
A/External Auditor S. Rajani
Executive Advisor C. Smillie
A/City Clerk S. Lancashire
Legislative Specialist A. Lennox

1. CALL TO ORDER

Councillor Spencer called the meeting to order at 9:35 a.m.

ROLL CALL

Councillor Walcott, Public Member Kim, Public Member McGillivray, Public Member Naicker, and Councillor Spencer

Absent from Roll Call: Councillor Wyness and Councillor Chabot

2. OPENING REMARKS

Councillor Spencer provided opening remarks and a traditional land acknowledgement.

Following nomination procedures, Councillor Walcott was elected Acting Vice-Chair of the Audit Committee, by acclamation.

3. CONFIRMATION OF AGENDA

Moved by Public Member Kim

That the Agenda for the 2025 March 13 Regular Meeting of the Audit Committee be confirmed.

MOTION CARRIED

4. CONFIRMATION OF MINUTES

4.1 Minutes of the Regular Meeting of the Audit Committee, 2025 February 13

Moved by Public Member McGillivray

That the Minutes of the 2025 February 13 Regular Meeting of the Audit Committee be confirmed.

MOTION CARRIED

5. CONSENT AGENDA

5.1 DEFERRALS AND PROCEDURAL REQUESTS

None

6. POSTPONED REPORTS

None

7. ITEMS FROM OFFICERS, ADMINISTRATION AND COMMITTEES

7.1 ENMAX Corporation 2024 Annual Report, AC2025-0234

A Revised Attachment 2 was distributed with respect to Report AC2025-0234.

Moved by Councillor Walcott

That pursuant to Sections 24 (Advice from officials) and 25 (Disclosure harmful to economic and other interests of a public body) of the *Freedom of Information and Protection of Privacy Act*, Committee now move into Closed Meeting, at 9:50 a.m. in the Engineering Traditions Committee Room, to discuss confidential matters with respect to Item 7.1, Enmax Corporation 2024 Annual Report, AC2025-0234.

And further, that the following be authorized to attend the Closed Meeting with respect to Item 7.1:

- Eric Markell, ENMAX
- Mark Poweska, ENMAX
- Sheri Primrose, ENMAX

- Jade Lee, ENMAX
- Megan Young, ENMAX
- Harman Gill, Deloitte
- Sanjeev Rajani, Deloitte
- Gabriella Greensill, Deloitte
- Nicole Torggrimson, Deloitte

For: (6): Councillor Spencer, Councillor Walcott, Councillor Chabot, Public Member Kim, Public Member McGillivray, and Public Member Naicker

MOTION CARRIED

People in attendance during the Closed Meeting discussions with respect to Report AC2025-0234:

Clerks: S. Lancashire, C. Doi, A. Lennox, and A. Oloko. Law: D. Mercer. Advice: L. Tochor, L. Ormsby, and C. Smillie. External: E. Markell, M. Poweska, S. Primrose, J. Lee, M. Young, S. Rajani, and N. Torggrimson.

Committee reconvened in public meeting at 10:38 a.m. with Councillor Spencer in the Chair.

ROLL CALL

Councillor Chabot, Councillor Walcott, Public Member Kim, Public Member McGillivray, Public Member Naicker, and Councillor Spencer

Absent from Roll Call: Councillor Wyness

Moved by Public Member Kim

That Committee rise and report.

MOTION CARRIED

Moved by Councillor Walcott

That with respect to Report AC2025-0234, the following be approved:

That Audit Committee:

1. Receive this report and presentation for the Corporate Record; and
2. Direct that Attachments 3, 4, 5, 7, 8, 10, 11, and 12, and the Closed Meeting discussions remain confidential pursuant to Sections 24 (Advice from officials) and 25 (Disclosure harmful to economic and other interests of a public body) of the *Freedom of Information and Protection of Privacy Act*; to be reviewed by 2040 April 17.

For: (6): Councillor Spencer, Councillor Walcott, Councillor Chabot, Public Member Kim, Public Member McGillivray, and Public Member Naicker

MOTION CARRIED

7.2 Community Association Support Audit, AC2025-0255

Moved by Councillor Chabot

That with respect to Report AC2025-0255, the following be approved:

That the Audit Committee:

1. Receive this report for the Corporate Record; and
2. Recommend that Council receive this report for the Corporate Record.

For: (6): Councillor Spencer, Councillor Walcott, Councillor Chabot, Public Member Kim, Public Member McGillivray, and Public Member Naicker

MOTION CARRIED

7.3 Property Tax Bill Adjustment Continuous Auditing Project, AC2025-0205

Moved by Public Member McGillivray

That with respect to Report AC2025-0205, the following be approved:

That the Audit Committee:

1. Receive this report for the Corporate Record; and
2. Recommend that Council receive this report for the Corporate Record.

For: (6): Councillor Spencer, Councillor Walcott, Councillor Chabot, Public Member Kim, Public Member McGillivray, and Public Member Naicker

MOTION CARRIED

7.4 Administration Code of Conduct Annual Update, AC2025-0247

Moved by Public Member McGillivray

That with respect to Report AC2025-0247, the following be approved:

That the Audit Committee:

1. Receive this report for the Corporate Record; and
2. Recommend that Council receive this report for the Corporate Record.

For: (6): Councillor Spencer, Councillor Walcott, Councillor Chabot, Public Member Kim, Public Member McGillivray, and Public Member Naicker

MOTION CARRIED

By General Consent, Committee modified the Agenda to bring forward Item 7.6 to be dealt with immediately following Item 7.4.

Committee then dealt with Item 7.6.

7.5 2024 Whistle-blower Program Internal Benchmark Report, AC2025-0280

This Item was dealt with following Item 10.1.6.

Moved by Public Member Kim

That with respect to Report AC2025-0280, the following be approved:

That the Audit Committee:

1. Receive this report for the Corporate Record; and
2. Recommend that Council receive this report for the Corporate Record.

For: (5): Councillor Spencer, Councillor Walcott, Councillor Chabot, Public Member Kim, and Public Member McGillivray

MOTION CARRIED

Committee then dealt with Item 12.

7.6 City Auditor's Office 2025 Audit Plan Amendment, AC2025-0275

This Item was dealt with following Item 7.4.

Moved by Public Member Naicker

That with respect to Report AC2025-0275, the following be approved:

That the Audit Committee:

1. Approve the City Auditor's Office amended 2025 Audit Plan (ATT);
2. Direct the City Auditor to include a follow up audit on the Corporate Supply Chain Resilience Strategy in the proposed 2026 Audit Plan;
3. Receive this report for the Corporate Record; and
4. Recommend that Council receive this report for the Corporate Record.

For: (6): Councillor Spencer, Councillor Walcott, Councillor Chabot, Public Member Kim, Public Member McGillivray, and Public Member Naicker

MOTION CARRIED

Committee recessed at 11:36 a.m. to the Call of the Chair.

Committee reconvened at 11:50 a.m. with Councillor Spencer in the Chair.

ROLL CALL

Councillor Chabot, Councillor Walcott, Public Member Kim, Public Member McGillivray, Public Member Naicker, and Councillor Spencer

Absent from Roll Call: Councillor Wyness

Audit Committee recognized former Councillor Richard Pootmans for his contributions to the Audit Committee and City Council.

By General Consent, Committee modified the lunch recess to commence at the Call of the Chair.

8. ITEMS DIRECTLY TO COMMITTEE

8.1 REFERRED REPORTS

None

8.2 NOTICE(S) OF MOTION

None

9. URGENT BUSINESS

None

10. CONFIDENTIAL ITEMS

Moved by Councillor Walcott

That pursuant to Sections 16 (Disclosure harmful to business interests of a third party) and 24 (Advice from officials) of the *Freedom of Information and Protection of Privacy Act*, Committee move into Closed Meeting following the lunch recess, in the Engineering Traditions Committee Room, to discuss confidential matters with respect to the following Items:

- 10.1.1 Audit Committee Infrastructure Review Interim Report, AC2025-0272
- 10.1.2 External Auditor – Pre-Approval Request for Provision of Non-Audit Services, AC2025-0286
- 10.1.3 External Auditor (Verbal), AC2025-0248
- 10.1.4 Confidential Progress Update on 2024 Annual Financial Report (Verbal), AC2025-0316
- 10.1.5 Audit Forum (Verbal), AC2025-0249
- 10.1.6 City Auditor (Verbal), AC2025-0250

And further, that the following be authorized to attend the Closed Meeting with respect to Item 10.1.1.

- Shane Thompson, Ernst & Young
- Derek Wispinski, Ernst & Young
- Jillian Beaton, Ernst & Young

And further, that the following be authorized to attend the Closed Meeting with respect to Items 10.1.1, 10.1.2, 10.1.3, and 10.1.4:

- Harman Gill, Deloitte
- Sanjeev Rajani, Deloitte
- Gabriella Greensill, Deloitte

- Nicole Torgrimson, Deloitte

For: (6): Councillor Spencer, Councillor Walcott, Councillor Chabot, Public Member Kim, Public Member McGillivray, and Public Member Naicker

MOTION CARRIED

Committee recessed at 12:13 p.m. and reconvened in Closed Meeting at 1:08 p.m.

Councillor Wong (Remote Member) joined the meeting at 1:18 p.m.

Councillor Walcott (Remote Member) left the meeting at 1:29 p.m.

Councillor Wong (Remote Member) left the meeting at 2:00 p.m.

Councillor Walcott (Remote Member) joined the meeting at 2:01 p.m.

Councillor Spencer left the Chair at 2:22 p.m. and Acting Vice-Chair Walcott assumed the Chair.

Councillor Spencer resumed the Chair at 2:25 p.m.

Committee reconvened in public meeting at 2:45 p.m. with Councillor Spencer in the Chair.

ROLL CALL

Councillor Chabot, Councillor Walcott, Public Member Kim, Public Member McGillivray, Public Member Naicker, and Councillor Spencer

Absent from Roll Call: Councillor Wyness

Moved by Councillor Walcott

That Committee rise and report.

MOTION CARRIED

10.1 ITEMS FROM OFFICERS, ADMINISTRATION AND COMMITTEES

10.1.1 Audit Committee Infrastructure Review Interim Report, AC2025-0272

People in attendance during the Closed Meeting discussions with respect to Confidential Report AC2025-0272:

Clerks: S. Lancashire, A. Lennox, C. Doi, and A. Oloko. Advice: S. Wyton, R. Vanderputten, A. Brown, L. Tochor, L. Ormsby, and C. Smillie. External: H. Gill, S. Rajani, S. Thompson, D. Wispinski, N. Torgrimson, and J. Beaton.

A Confidential Presentation was distributed with respect to Confidential Report AC2025-0272.

Moved by Public Member McGillivray

That with respect to Confidential Report AC2025-0272, the following be approved, **after amendment**:

That Audit Committee:

1. Approve Recommendation 1 contained in Report AC2025-0272;
2. Receive this report, Confidential Attachments 1 and 2, **and Confidential Presentation** for information and the Corporate Record;
3. Recommend that Council receive this report, Confidential Attachments 1 and 2, **and Confidential Presentation** for information and the Corporate Record; and
4. Recommend that the report, Recommendation 1, Confidential Attachments 1 and 2, **Confidential Presentation**, and the Closed Meeting discussions remain confidential pursuant to Section 24 (Advice from officials) of the *Freedom of Information and Protection of Privacy Act*, to be reviewed by 2025 June 30.

For: (5): Councillor Spencer, Councillor Walcott, Councillor Chabot, Public Member Kim, and Public Member McGillivray

MOTION CARRIED

10.1.2 External Auditor – Pre-Approval Request for Provision of Non-Audit Services, AC2025-0286

People in attendance during the Closed Meeting discussions with respect to Confidential Report AC2025-0286:

Clerks: S. Lancashire, A. Lennox, C. Doi, and A. Oloko. Advice: A. Brown, L. Ormsby, L. Tochor, and C. Smillie. External: H. Gill, S. Rajani, and N. Torgrimson.

Moved by Public Member Kim

That with respect to Confidential Report AC2025-0286, the following be approved:

That Audit Committee:

1. Approve Recommendation 1 as contained in Report AC2025-0286; and
2. Direct that this report, Recommendation 1, the attachment, and the Closed Meeting discussions remain confidential pursuant to Sections 16 (Harmful to business interest of a third party) and 24 (Advice from officials) of the *Freedom of Information and Protection of Privacy Act* to be reviewed before 2030 March 13.

For: (5): Councillor Spencer, Councillor Walcott, Councillor Chabot, Public Member Kim, and Public Member McGillivray

MOTION CARRIED

10.1.3 External Auditor (Verbal), AC2025-0248

People in attendance during the Closed Meeting discussions with respect to Confidential Verbal Report AC2025-0248:

Clerks: S. Lancashire, A. Lennox, C. Doi, and A. Oloko. Advice: L. Tochor, A. Brown, L. Ormsby, and C. Smillie. External: H. Gill, S. Rajani, and N. Torgimson.

Moved by Councillor Chabot

That with respect to Confidential Verbal Report AC2025-0248, the following be approved:

That the Audit Committee direct that the Closed Meeting discussions remain confidential pursuant to Section 24 (Advice from officials) of the *Freedom of Information and Protection of Privacy Act*.

For: (5): Councillor Spencer, Councillor Walcott, Councillor Chabot, Public Member Kim, and Public Member McGillivray

MOTION CARRIED

10.1.4 Confidential Progress Update on 2024 Annual Financial Report (Verbal), AC2025-0316

People in attendance during the Closed Meeting discussions with respect to Confidential Verbal Report AC2025-0316:

Clerks: S. Lancashire, A. Lennox, C. Doi, and A. Oloko. Advice: L. Tochor, T. Rathie, N. Hiscock, A. Brown, L. Ormsby, and C. Smillie. External: H. Gill, S. Rajani, and N. Torgimson.

Moved by Public Member Kim

That with respect to Confidential Verbal Report AC2025-0316, the following be approved:

That the Audit Committee direct that the Closed Meeting discussions remain confidential pursuant to Section 24 (Advice from officials) of the *Freedom of Information and Protection of Privacy Act*.

For: (5): Councillor Spencer, Councillor Walcott, Councillor Chabot, Public Member Kim, and Public Member McGillivray

MOTION CARRIED

10.1.5 Audit Forum (Verbal), AC2025-0249

Administration in attendance during the Closed Meeting discussions with respect to Confidential Verbal Report AC2025-0249:

Clerks: S. Lancashire, A. Lennox, C. Doi, and A. Oloko. Advice: L. Tochor, A. Brown, L. Ormsby, and C. Smillie.

Moved by Councillor Walcott

That with respect to Confidential Verbal Report AC2025-0249, the following be approved:

That the Audit Committee direct that the Closed Meeting discussions remain confidential pursuant to Section 24 (Advice from Officials) of the *Freedom of Information and Protection of Privacy Act*.

For: (5): Councillor Spencer, Councillor Walcott, Councillor Chabot, Public Member Kim, and Public Member McGillivray

MOTION CARRIED

10.1.6 City Auditor (Verbal), AC2025-0250

Administration in attendance during the Closed Meeting discussions with respect to Confidential Verbal Report AC2025-0250:

Clerks: S. Lancashire, A. Lennox, C. Doi, and A. Oloko. Advice: L. Ormsby and C. Smillie.

Moved by Public Member McGillivray

That with respect to Confidential Verbal Report AC2025-0250, the following be approved:

That the Audit Committee direct that the Closed Meeting discussions remain confidential pursuant to Section 24 (Advice from officials) of the *Freedom of Information and Protection of Privacy Act*.

For: (5): Councillor Spencer, Councillor Walcott, Councillor Chabot, Public Member Kim, and Public Member McGillivray

MOTION CARRIED

Committee then dealt with Item 7.5.

10.2 URGENT BUSINESS

None

11. BRIEFINGS

None

12. ADJOURNMENT

This Item was dealt with following Item 7.5.

Moved by Public Member McGillivray

That this meeting adjourn at 3:01 p.m.

MOTION CARRIED

The following Items have been forwarded to the 2025 April 29 Regular Meeting of Council:

CONSENT AGENDA

- Community Association Support Audit, AC2025-0255
- Property Tax Bill Adjustment Continuous Auditing Project, AC2025-0205
- Administration Code of Conduct Annual Update, AC2025-0247
- 2024 Whistle-blower Program Internal Benchmark Report, AC2025-0280
- City Auditor's Office 2025 Audit Plan Amendment, AC2025-0275
- Audit Committee Infrastructure Review Interim Report, AC2025-0272

The next Regular Meeting of the Audit Committee is scheduled to be held on 2025 April 17 at 9:30 a.m.

CONFIRMED BY COMMITTEE ON

CHAIR

CITY CLERK

**Corporate Planning & Financial Services Report to
Audit Committee
2025 April 17**

**ISC: UNRESTRICTED
AC2025-0384**

The City of Calgary 2024 Annual Investment Report

PURPOSE

The Annual Investment Report is an integral component of The City's investment governance structure and risk oversight to ensure investments are optimally managed. This report provides a summary of 2024 investment activity, asset mix, asset class and investment manager performance, as well as compliance information for Audit Committee.

The City of Calgary has allocated money to provide benefits for a variety of different purposes. While the monies are waiting to be disbursed the assets are invested to provide a rate of return to protect the funds from a variety of risks including but not limited to liability growth, cost inflation and preservation of principle. The City of Calgary Investment and Governance Policy CP2020-02 governs the investments of The City. City funds are invested in a diversified portfolio of financial assets consisting of money market securities, short- and long-term government and corporate bonds, global and Canadian equity investments, and real asset investments, to meet the investment objectives of City funds. This includes return and liquidity requirements as well, to match funds with longer-term time horizons.

PREVIOUS COUNCIL DIRECTION

Pursuant to The City of Calgary Investment and Governance Policy CP2020-02, Administration reports to Council annually, through the Audit Committee, regarding the investments of The City during the year.

RECOMMENDATION:

That the Audit Committee recommends Council approval of The City of Calgary 2024 Annual Investment Report.

CHIEF ADMINISTRATIVE OFFICER/GENERAL MANAGER COMMENTS

The investments in financial markets provide an important source of revenue for The City of Calgary. The results presented in the Annual Investment Report highlight The City's commitment to a well diversified and risk conscious approach to its investment portfolio. The governance and oversight provided by the Investment Advisory Committee ensures the preservation of capital, the income generation, and capital growth of the portfolio are done in a prudent manner. The income and capital growth provide necessary contributions to the overall goal of a Well-Run City.

HIGHLIGHTS

- As part of a sound governance practice, the Annual Investment Report provides the Audit Committee and Council with the reporting of The City's investment activity, asset class holdings, and performance during 2024 to meet investment objectives.
- In 2024, The City of Calgary's total investment portfolio (including internally and externally managed portfolios), returned 9.19 per cent after fees on a market value basis.

Corporate Planning & Financial Services Report to
Audit Committee
2025 April 17

ISC: UNRESTRICTED
AC2025-0384

The City of Calgary 2024 Annual Investment Report

- The 2024 net portfolio return outperformed the benchmark return of 8.50 percent by 69 basis points, as well as inflation in 2024, which was 2.4 per cent in Canada.
- On a three-year annualized basis, the total portfolio returns of 3.41 per cent exceeded the benchmark return of 2.89 per cent.
- Gross income generated by the investment program was \$336.6 million, with a net income to the operating budget of \$174.2 million after distributions to reserves, capital deposits, self-supported business units, and investment expenses.
- Investment related expenses were \$38.7 million.

DISCUSSION

- The City of Calgary Investment and Governance Policy CP2020-02 directs the investment of The City's assets, which at 2024 December 31, the market value of The City's total investment portfolio was \$7.09 billion.
- The funds are managed in a series of asset classes which include short-term liquidity, short-term fixed income, long-term fixed income, equities, and real assets (infrastructure and real estate).
- The funds are managed to meet the investment objectives of City funds. This includes return, liquidity, and capital preservation requirements, as well as longer term growth to match funds with longer-term time horizons.
- The management of The City's investment portfolios follows industry best practice and aligns with prudent stewardship of financial resources and sustainability of The City.

EXTERNAL ENGAGEMENT AND COMMUNICATION

- | | |
|--|---|
| <input type="checkbox"/> Public engagement was undertaken | <input type="checkbox"/> Dialogue with interested parties was undertaken |
| <input type="checkbox"/> Public/interested parties were informed | <input checked="" type="checkbox"/> Public communication or engagement was not required |

IMPLICATIONS

Social

Prudent investment in companies and governments that follow environmental and social principles supports sustainable risk/return performance of City investments to meet City goals and objectives.

Environmental

Prudent investment in companies and governments that follow environmental and social principles supports sustainable risk/return performance of City investments to meet City goals and objectives.

**Corporate Planning & Financial Services Report to
Audit Committee
2025 April 17**

**ISC: UNRESTRICTED
AC2025-0384**

The City of Calgary 2024 Annual Investment Report

Economic

Financial and economic market conditions impact both investment income earned, as well as the market valuation of The City's investment portfolios.

Service and Financial Implications

Other:

Investment Income earned is part of the budgeted amounts for General Revenues as well the projected balances for reserves and business units that have funds being invested. Investment income can help offset cost escalations for projects and other developments thus reducing possibility of project funding shortfalls. A shortfall of investment income could increase the burden on taxpayers, while a surplus could reduce that burden.

RISK

The City of Calgary mitigates risk within its investment portfolios through a sound governance structure, adherence to government regulations, and The City's Investment Policy. Investment managers retained by The City, manage risk by investing in quality investments and ensuring sufficient diversification among holdings in their portfolios. The Investment Advisory Committee oversees investment strategy and regularly reviews the investment activity, compliance, and risk mitigation practices of both internal and external managers to meet City's investment objectives. Prudent investment in companies and governments that follow environmental and social principles supports sustainable risk/return performance of City investments to meet City goals and objectives.

ATTACHMENTS

1. Previous Council Direction, Background
2. The City of Calgary 2024 Annual Investment Report
3. Presentation – 2024 Annual Investment Report

Department Circulation

General Manager/Director	Department	Approve/Consult/Inform
Les Tochor	CPFS	Approve
Aaron Brown	CPFS	Consult

Author: Rodney Babineau, Corporate Planning & Financial Services - Treasury

Background

The City of Calgary has allocated money to provide benefits for a variety of different purposes. While the monies are waiting to be disbursed the assets are invested to provide a rate of return in order to protect the funds from variety of different risks including but not limited to liability growth, cost inflation and preservation of principle. The City of Calgary Investment and Governance Policy CP2020-02 governs the investments of The City.

Context

City funds are invested in a diversified portfolio of financial assets consisting of money market securities, short- and long-term government and corporate bonds, global and Canadian equity investments, and real asset investments, to meet the investment objectives of City funds. This includes return and liquidity requirements as well, to match funds with longer-term time horizons.

The Annual Investment Report is an integral component of The City's investment governance structure and risk oversight to ensure investments are optimally managed. This report provides a summary of 2024 investment activity, asset mix, asset class and investment manager performance, as well as compliance information for Audit Committee.

Previous Council Direction

Pursuant to The City of Calgary Investment and Governance Policy CP2020-02, Administration reports to Council annually, through the Audit Committee, regarding the investments of The City during the year.

DATE	REPORT NUMBER	DIRECTION/DESCRIPTION
2024 April 18	AC2024-0460	Chief Financial Officer's Report to Audit Committee 2023 Annual Investment Report

Bylaws, Regulations, Council Policies

City of Calgary Investment and Governance Policy CP2020-02

City of Calgary Investment and Governance Policy CP2020-02

Calgary



2024 Annual Investment Report

Corporate Planning & Financial Services



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AC2020-0384
Attachment 2

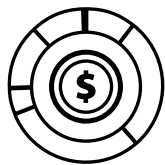
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Public Fixed Income	15	Investment Advisory Committee (IAC) members	36
Private Credit	17		
Equities	19		
Real Assets	22		
Currency Overlay	25		



This Annual Investment Report⁽¹⁾ provides a comprehensive overview of the performance of The City of Calgary's (The City) Consolidated Investment Portfolio in 2024, including key financial metrics, market analysis and insights into our sources of funds for investment, governance and investment strategy. The City strategically allocates assets across diverse investment opportunities to maximize returns while effectively managing risk. As part of maximizing returns, there is an increasing emphasis on generating income to meet the ongoing needs of Calgarians. Guided by thorough market analysis and prudent governance practices, our investment strategy is designed to adapt to evolving economic conditions while striving towards long-term financial sustainability.

We invite you to explore the following sections to learn more about how our investments support The City's mission to make life better every day for all Calgarians.

Headline results – 2024



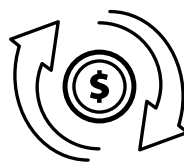
**Assets
under
management**

\$7,092
million



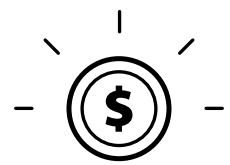
**Net
assets⁽²⁾**

\$6,696
million



Net return

9.19%



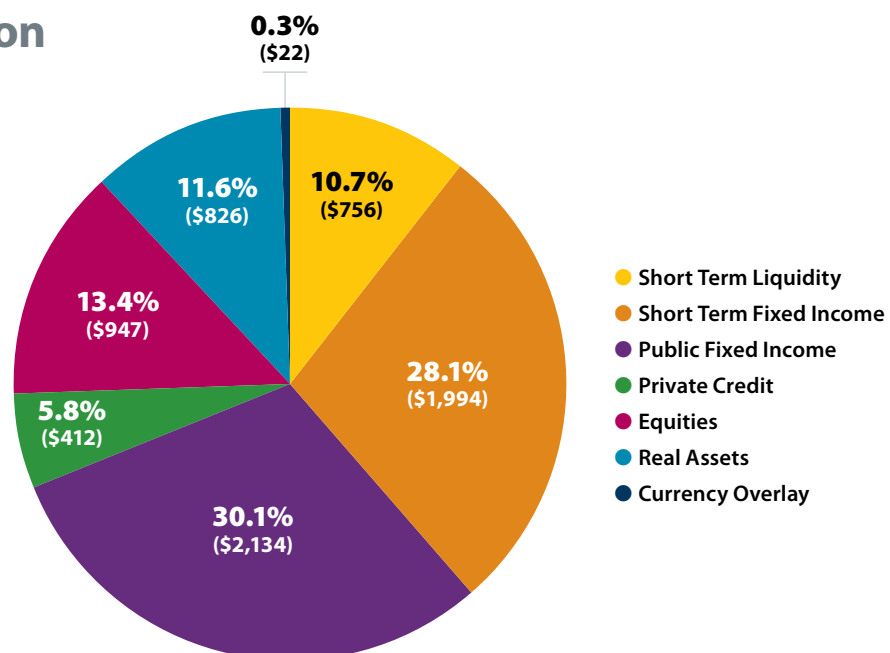
**Income
available for
distribution**

\$298
million

Investment allocation

For the year ended Dec. 31, 2024

Per cent (\$ millions)



1 All figures and returns within the Annual Investment Report are stated in Canadian dollars unless otherwise noted. Totals within tables and charts may not add due to rounding.

2 Excludes investments funded by commercial paper borrowings.

2024 proved to be a positive year for most financial markets, supported by shifting monetary policies, technological advancements and evolving economic conditions. Public equity markets benefited from continued growth in artificial intelligence and corporate earnings strength, while fixed-income markets found stability as central banks reversed restrictive monetary policy.

Central banks remained at the center of financial market narratives in 2024, with their policy decisions shaping investor sentiment across asset classes. As inflation eased from its 2022 highs, the U.S. Federal Reserve (Fed) and the Bank of Canada (BoC) reduced interest rates by 1 per cent and 1.75 per cent, respectively, in 2024 to 4.5 per cent and 3.25 per cent, respectively, implementing gradual cuts to support economic stability.

Global equity markets had a strong 2024, with the MSCI All Country World Index up 28.2 per cent and the S&P 500 rising 36.4 per cent, driven by U.S. technology stocks. The “Magnificent Seven” (Alphabet, Amazon, Apple, Meta, Microsoft, Nvidia and Tesla) fuelled gains as investor enthusiasm for AI advancements remained strong. Over the past decade, these companies expanded their share of the S&P 500 Index to 33.5 per cent, reinforcing U.S. equities as a key driver of global markets.

Fixed income markets in 2024 were shaped by central bank rate cuts, leading to a general decline in bond yields. However, yields experienced short-term fluctuations as markets assessed inflation risks and the pace of monetary easing. Cash investments remained strong, with the FTSE Canada 91 Day T-bill Index returning 4.9 per cent, while the FTSE Canada Universe Bond Index posted a 4.2 per cent return, reflecting moderate bond market gains amid shifting economic conditions.

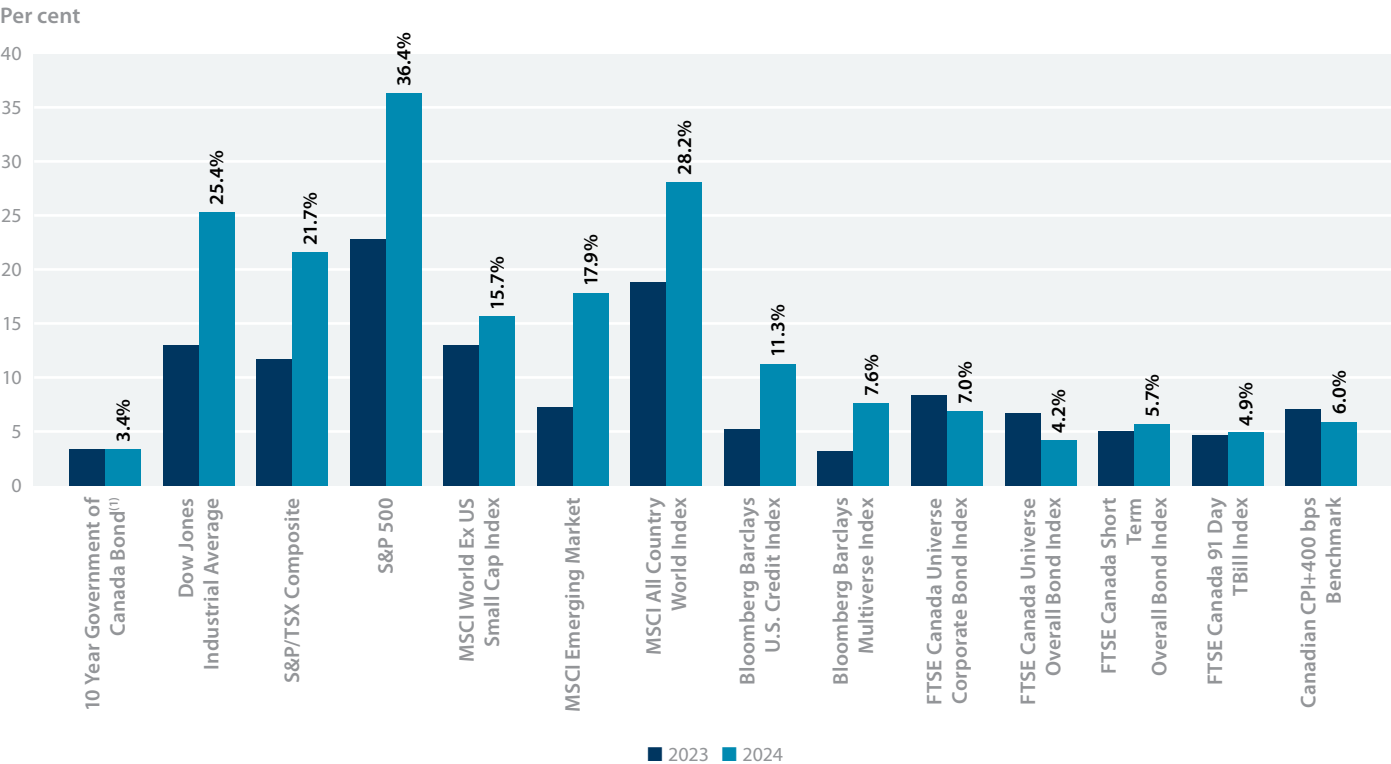
Crude oil prices (WTI, USD) remained relatively stable in 2024. Despite geopolitical risks in the Middle East, OPEC+ supply management and global economic uncertainty helped contain price fluctuations.

The Canadian dollar depreciated 7.7 per cent against the U.S. dollar, its sharpest drop since 2015, driven by significant monetary easing by the Bank of Canada and trade policy uncertainty.

As The City’s Consolidated Investment Portfolio has evolved in recent years, it enabled The City to capitalize on favourable market conditions across a range of asset classes in 2024. A more detailed analysis of the contribution of each asset class to the overall consolidated return is provided in the investment performance and contribution to return sections of this report.

Sources: CC&L, PH&N, Bloomberg, APS bank, Bank of Canada

2024 Capital Markets Return



Source: State Street, eVestment, Government of Canada, Refinitiv

1 Average annual yield

Sources of investment capital

The City of Calgary invests funds from the following sources:

- **Reserves**
Operating, capital and sustainment
- **Capital deposits**
Off-site levies and government grants
- **General operations**
Includes working capital
- **Funded employee benefit obligations (EBO)**
- **Other**
Trusts and affiliated entities

Each source of funds has its own objectives, constraints, target asset mix and income allocation rules for that fund. The composition of the full Portfolio is determined by the aggregation of these individual policies according to the proportion that each source contributes.

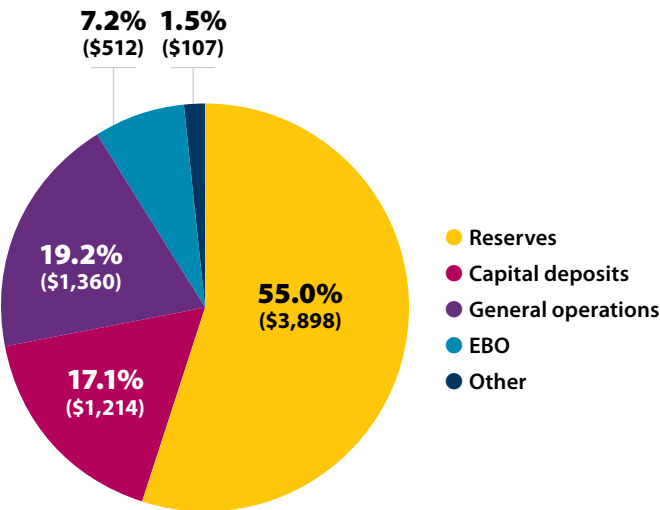
Growth in investments

The City's Consolidated Investment Portfolio has grown by \$1,836 million since year end 2020. The increase is primarily driven by additions to sources of investments and investment returns.

Investment capital by source

As at Dec. 31, 2024

Per cent (\$ millions)



Investment objectives of source capital

Source of Investment Capital	Capital Growth	Inflation Mitigation	Income Generation	Capital Preservation	Liquidity
Reserves	●	●	●	●	●
Capital deposits	●	●	●	●	●
General operations	●	●	●	●	●
EBO	●	●	●	●	●
Other	●	●	●	●	●

● Low-priority objective ● Intermediate objective ● Primary objective



The City of Calgary has three core investment objectives that drive all strategic investment decisions:

1. Preservation of capital

- a. Primary objective of the Consolidated Investment Portfolio

2. Risk mitigation

- a. Diversification of asset classes and security holdings by sector, geography and style
- b. Policy constraints and limits

3. Investment returns

- a. Maximization of returns, relative to risk
- b. Key considerations related to liquidity and investment time horizon requirements



Investment summary

Total assets under management (AUM)

As at Dec. 31, 2024, the market value of The City's Consolidated Investment Portfolio was \$7,092 million, an increase of \$272 million on a year-over-year basis, predominantly due to increases in the market values of the externally managed portfolios. Significant resources were deployed into alternative investments, such as private credit, infrastructure and real estate, over the year, funded from the Short Term Liquidity program.

Assets under management

As at Dec. 31, 2024

\$ millions

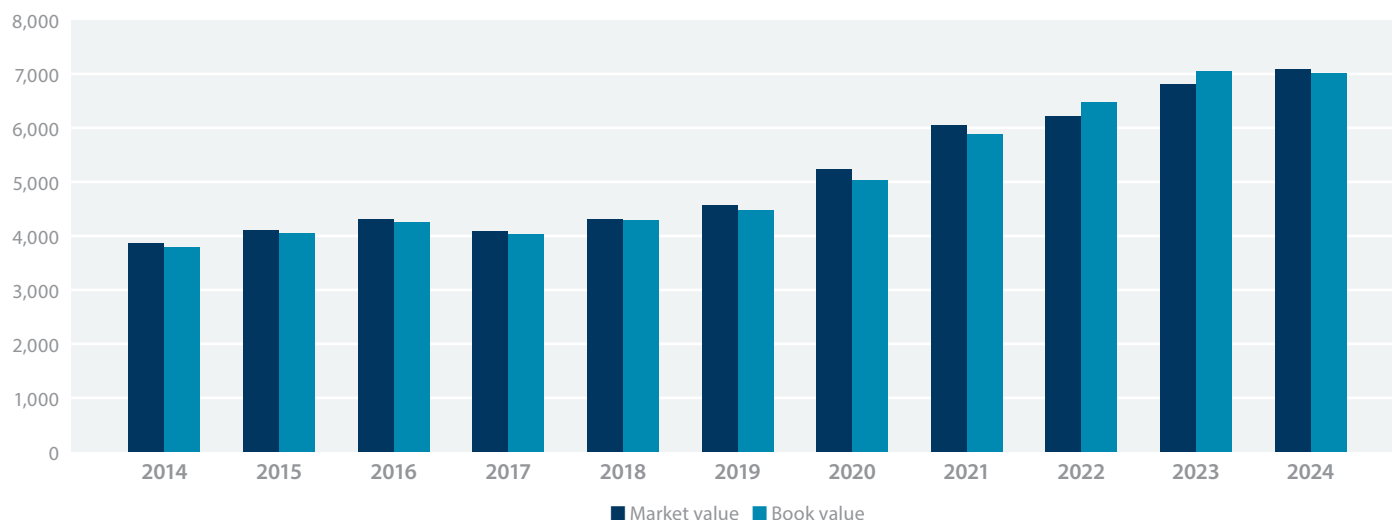
	Market value	Book value	Unrealized Gains/ (Losses)
Internal Management			
Short Term Liquidity	756.5	756.5	0.0
Short Term Fixed Income	507.5	500.7	6.9
External Management			
Short Term Fixed Income	1,486.8	1,489.3	(2.4)
Public Fixed Income (Canada)	1,122.4	1,134.9	(12.4)
Public Fixed Income (Global)	1,011.5	1,018.3	(6.7)
Private Credit	412.4	408.2	4.2
Equities	947.2	781.9	165.3
Real Assets	825.6	730.3	95.3
Currency Overlay	22.3	25.6	(3.3)
Total	7,092.3	6,845.6	246.7



Period-end asset under management (AUM)

As at Dec. 31, 2024

\$ millions



Portfolio summary

As at Dec. 31, 2024

	Market value (\$ millions)	Allocation (%)
Short Term Liquidity	756.5	10.7%
Short Term Fixed Income	1,994.3	28.1%
Short Term Universe Bonds	1,336.5	18.8%
Canadian Commercial Mortgages	657.9	9.3%
Public Fixed Income	2,134.0	30.1%
Public Fixed Income (Canada)	1,122.4	15.8%
Public Fixed Income (Global)	1,011.5	14.3%
Private Credit⁽¹⁾	412.4	5.8%
Equities	947.2	13.4%
Real Assets⁽²⁾	825.6	11.6%
Currency Overlay	22.3	0.3%

Source: State Street, The City of Calgary

Consolidated assets under management

	\$ millions
Opening net asset value – Jan. 1, 2024	6,820.3
Net cash transfers	(317.2)
Portfolio gains and losses ⁽³⁾	589.2
Closing net asset value – Dec. 31, 2024	7,092.3

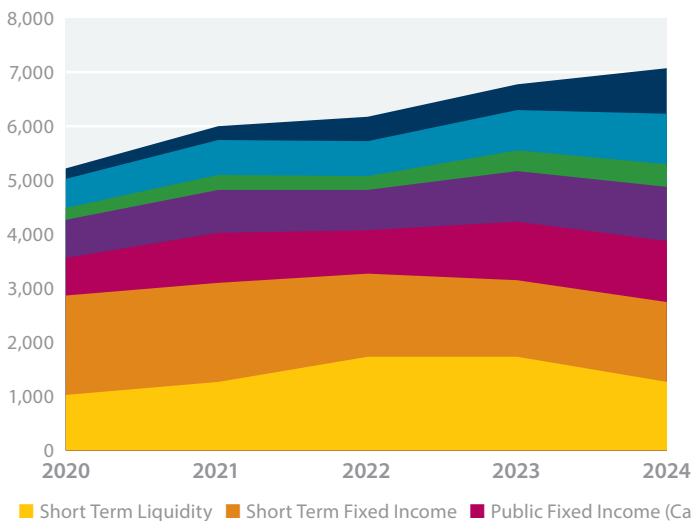
The strategic direction of the Consolidated Investment Portfolio changed in 2020 following the approval of the CP2020-02 Investment and Governance Policy. The direction was to reallocate short-term liquid assets to longer term higher yielding and higher returning assets.

The market value of the Consolidated Investment Portfolio has increased from \$5,256 million at year-end 2020 to \$7,092 million as of Dec. 31, 2024. During this time period the allocation to longer-term asset classes (excluding the Short Term Liquidity Portfolio) grew from 56 per cent to 75 per cent. The largest absolute allocation change was in the Public Fixed Income Portfolio, which has increased from a market value of \$1,397 million to \$2,134 million. The Private Credit Portfolio has risen from \$238 million to \$412 million and the Real Assets Portfolio has grown from \$195 million to \$826 million.

Looking forward, The City will continue to grow its exposure to longer-term asset classes through new and existing commitments, while continuing to closely monitor portfolio liquidity to fund operations and ongoing and near-term projects for The City.

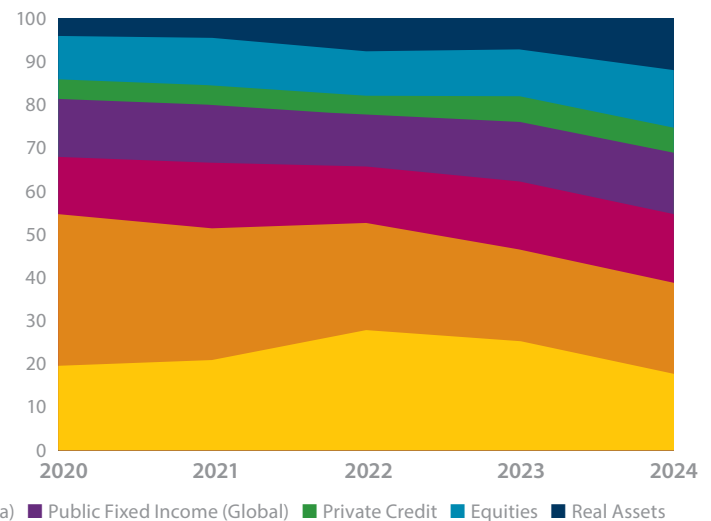
Market value

\$ millions



Investment allocations

Portion of portfolio (per cent)



1 Private Credit AUM does not include committed capital not yet deployed (\$218 million)

2 Real Assets AUM does not include committed capital not yet deployed (\$90 million)

3 Includes realized/unrealized capital gains and losses, dividends and interest income

Historical performance

Per cent net of fees

	Annualized Returns				Annual Returns				
	1 Year	3 Years	5 Years	ITD	2024	2023	2022	2021	2020
The City of Calgary Consolidated⁽¹⁾	9.19	3.41	3.76	3.31	9.19	7.61	(6.14)	2.06	6.53
Benchmark	8.50	2.89	3.30	2.89	8.50	7.35	(6.46)	1.28	6.65
Value added	0.69	0.52	0.46	0.42	0.69	0.26	0.32	0.79	(0.12)
Short Term Liquidity⁽¹⁾	5.82	4.56	3.26	2.37	5.82	5.19	2.54	0.85	1.79
Benchmark	4.92	3.81	2.48	1.63	4.92	4.71	1.82	0.17	0.86
Value added	0.90	0.75	0.78	0.74	0.90	0.48	0.73	0.68	0.93
Short Term Fixed Income	5.89	2.48	2.66	2.48	5.89	5.63	(3.78)	0.00	5.93
Benchmark	5.70	2.13	2.11	2.09	5.70	5.02	(4.05)	(0.93)	5.19
Value added	0.19	0.35	0.55	0.39	0.19	0.61	0.26	0.94	0.75
Public Fixed Income (Canada)	4.53	(0.32)	1.20	2.57	4.53	6.88	(11.34)	(2.27)	9.64
Benchmark	4.23	(0.60)	0.79	2.24	4.23	6.69	(11.69)	(2.54)	8.68
Value added	0.30	0.28	0.41	0.33	0.30	0.19	0.34	0.27	0.96
Public Fixed Income (Global)	7.49	1.78	2.45	3.85	7.49	6.69	(8.06)	(0.34)	7.39
Benchmark	7.23	0.21	0.82	2.27	7.23	3.82	(9.61)	(3.62)	7.38
Value added	0.26	1.57	1.63	1.58	0.26	2.87	1.54	3.27	0.01
Private Credit⁽²⁾	11.16	5.95	5.97	5.83	11.16	7.83	(0.77)	3.26	8.81
Benchmark	12.60	6.16	5.39	5.51	12.60	10.92	(4.14)	0.08	8.57
Value added	(1.44)	(0.21)	0.58	0.32	(1.44)	(3.09)	3.36	3.18	0.23
Equities	27.04	7.71	8.22	9.25	27.04	17.23	(16.09)	12.07	5.98
Benchmark	28.15	10.10	12.48	10.87	28.15	18.92	(12.43)	17.53	14.80
Value added	(1.11)	(2.39)	(4.26)	(1.62)	(1.11)	(1.69)	(3.66)	(5.46)	(8.82)
Real Assets⁽²⁾	13.41	11.21	9.98	9.19	13.41	7.90	12.41	9.92	6.41
Benchmark	5.96	6.45	6.03	6.93	5.96	5.05	8.37	10.43	1.28
Value added	7.45	4.76	3.95	2.26	7.45	2.85	4.04	(0.51)	5.13
Currency Overlay	(1.11)	(0.42)	0.10	0.00	(1.11)	0.45	(0.58)	1.02	0.73
Benchmark	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Value added	(1.11)	(0.42)	0.10	0.00	(1.11)	0.45	(0.58)	1.02	0.73

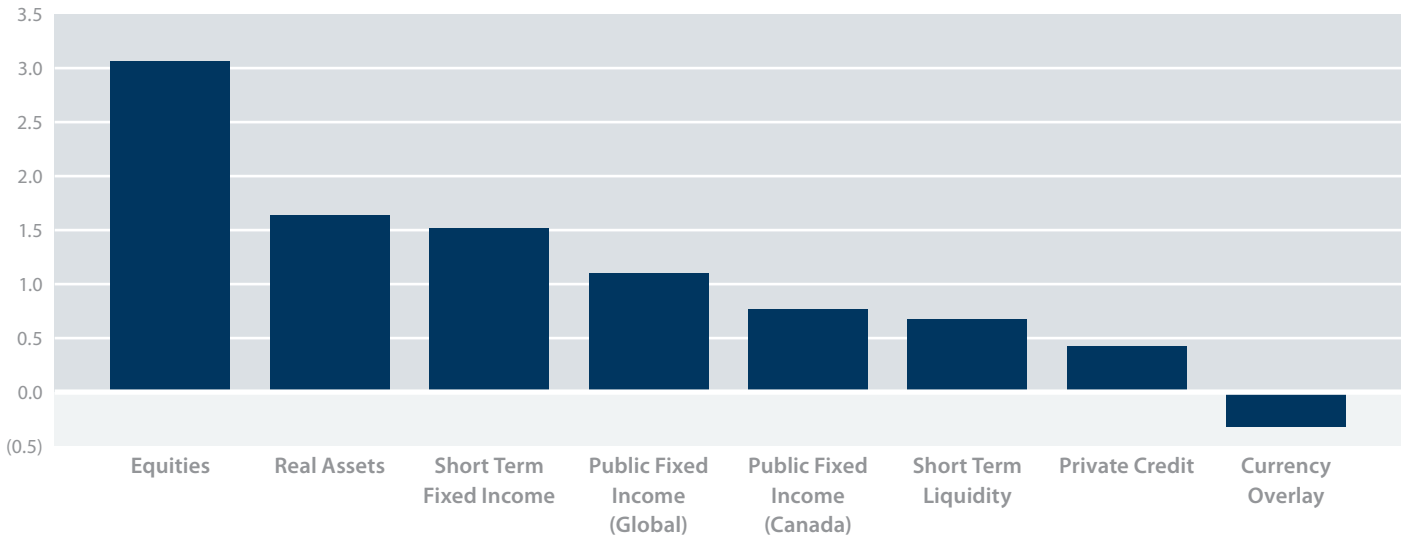
Source: State Street, The City of Calgary

1 The City of Calgary's Consolidated and Short Term Liquidity Portfolio performance excludes High Interest Savings Accounts (HISA). The estimated 2024 return, including HISA, for the Consolidated Portfolio is 8.93 per cent against an estimated blended benchmark of 8.25 per cent. The estimated 2024 return, including HISA, for the Short Term Liquidity Portfolio is 5.53 per cent.

2 Returns for private assets are reported on a one-quarter lag; benchmark returns are current as of the reporting period.

Portfolio contribution to return – 2024

Per cent net of fees



- The City of Calgary’s Consolidated Investment Portfolio return in 2024 was 9.19 per cent (8.93 per cent with HISAs).
- The largest contributor to The City’s returns in 2024 was the Equities Portfolio. The Equities return was the highest of any of the asset classes within The City’s asset mix, both in percentage and absolute terms. Real Assets also stood out for the size of its return relative to the Portfolio. These two asset classes, which made up a quarter of The City’s invested assets, were responsible for slightly more than half of 2024’s returns.
- In keeping with its size, the Public Fixed Income Portfolio also made significant contributions to The City’s return. When the two components of the Public Fixed Income Portfolio are combined, its total contribution to return was 1.87 per cent, second only to Equities.



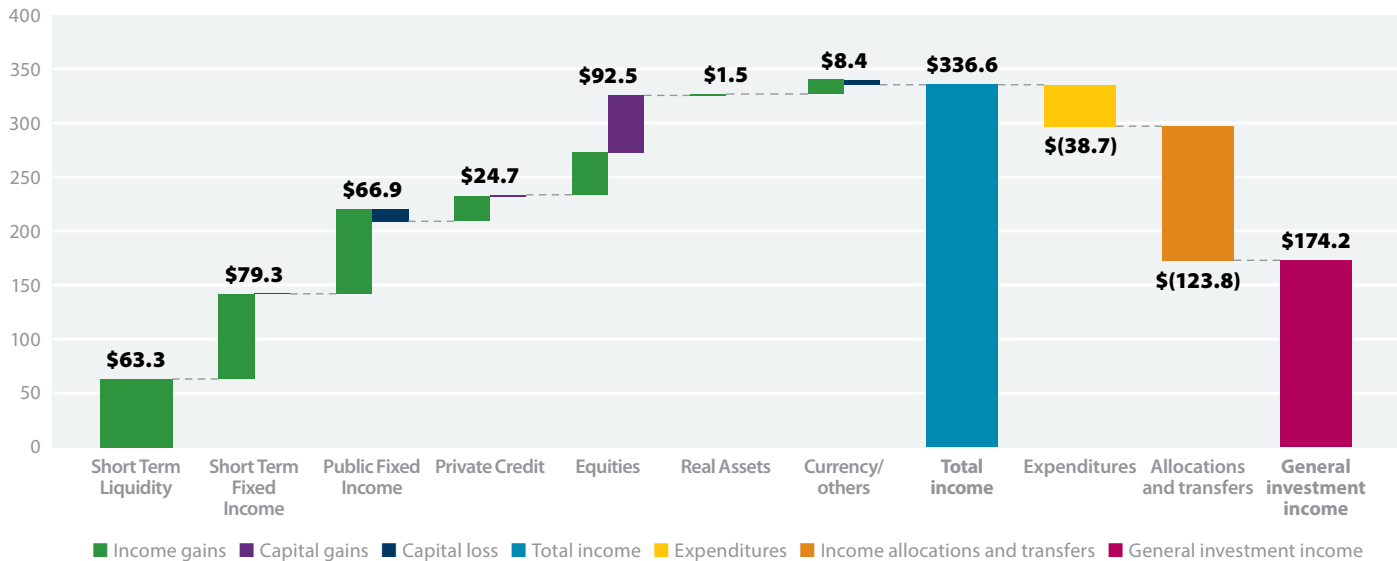
Investment income

AC2020-0384
Attachment 2

Through Dec. 31, 2024, The City of Calgary's Consolidated Investment Portfolio generated \$336.6 million of investment income before expenditures and allocations. Investment income varies from investment return because it is calculated based on interest, dividends and realized capital gains and losses. The majority of corporate total investment income earned in 2024 came from the Public and Short Term Fixed Income Portfolios, as well as the Equities Portfolio as realizations were captured in Q4 2024. Despite overall capital appreciation, minimal realized investment income was contributed by Real Assets in 2024.

Investment income breakdown

\$ millions

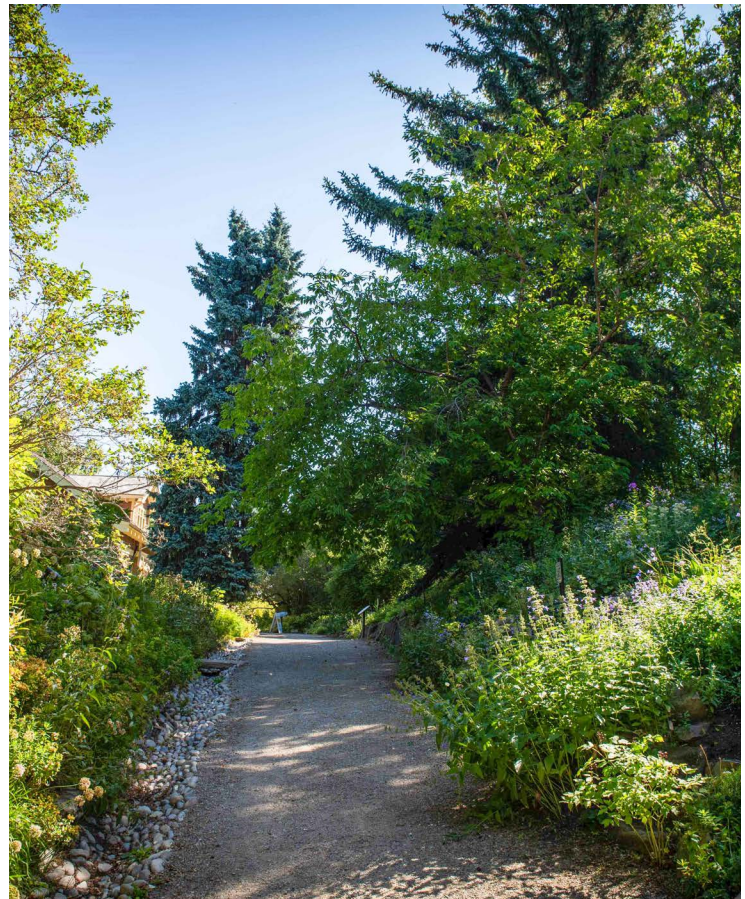


Investment income – budget vs. actual

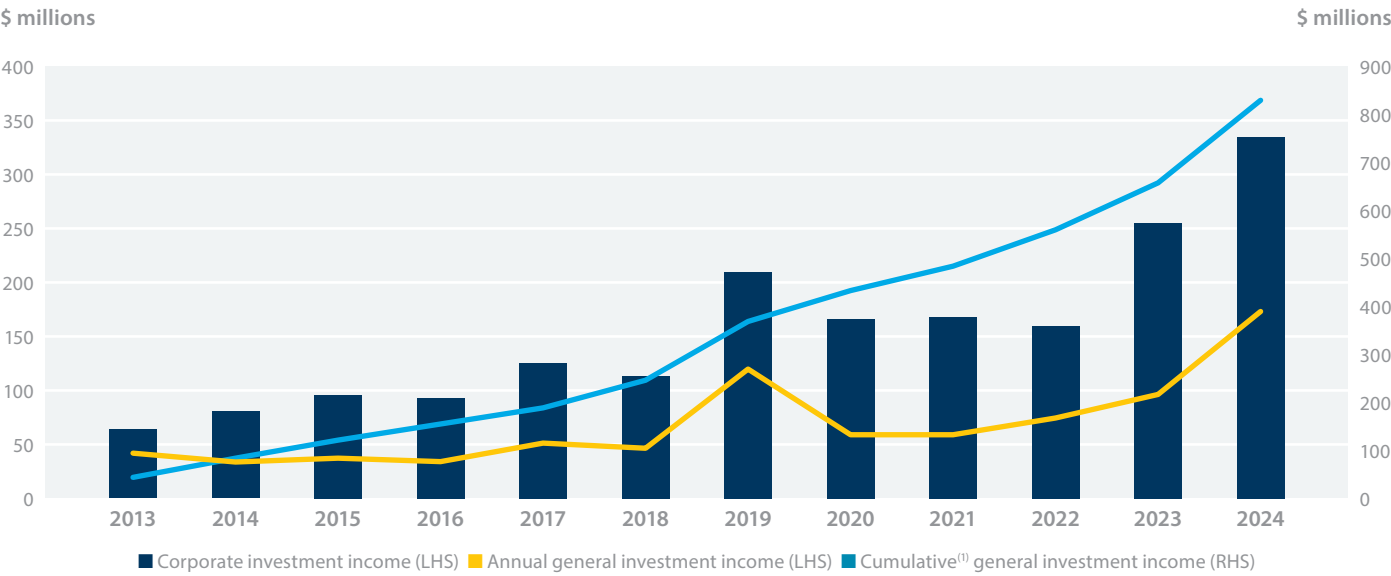
As of Dec. 31, 2024

\$ millions

	2024 Budget	2024 Actual	2023 Actual
Corporate total investment income	160.3	336.6	255.4
Expenditures (net of receivables)	23.4	38.7	33.9
Income available for distribution	136.9	298.0	221.6
Allocations to self-supporting business units and capital deposits	46.8	70.9	64.3
Transfers to reserves from operations	23.2	52.9	58.8
General investment income	67.0	174.2	98.5



Investment income - historical



¹ The City earned general investment income prior to January 1, 2013, but it is not included in this chart.

Asset Class Review



Short Term Liquidity

Investment objective

To generate investment income while preserving capital and providing liquidity for the cash flow requirements of all The City's funds.

Performance

For the year ended Dec. 31, 2024

Per cent net of fees

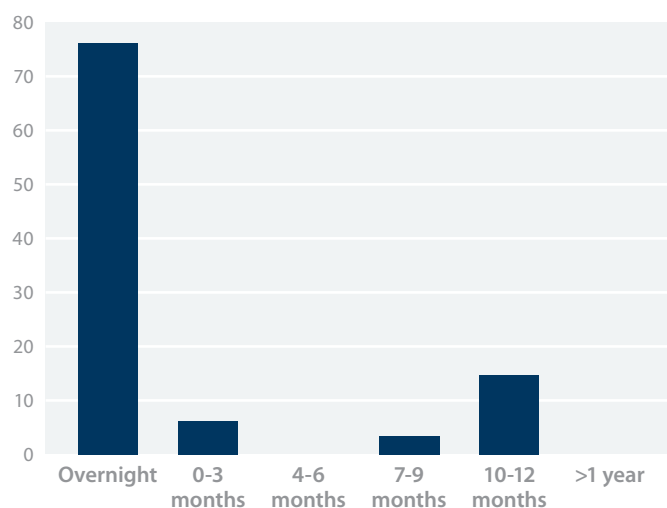
	Annualized returns ⁽¹⁾			
	1 Year	3 Years	5 Years	ITD
Short Term Liquidity	5.82	4.56	3.26	2.37
Benchmark	4.92	3.81	2.48	1.63
Value added	0.90	0.75	0.78	0.74

Benchmark: FTSE Canada 91 Day T-Bill Index

Portfolio maturities

As at Dec. 31, 2024

Per cent of Portfolio



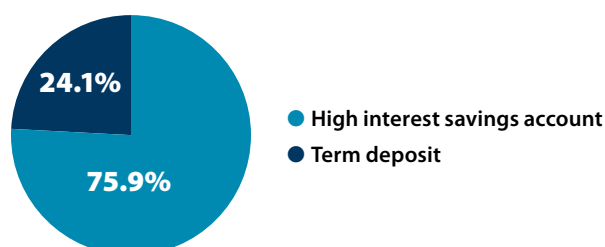
Assets under management

	\$ millions
Term deposits and accrued interest	182.6
High interest savings account	573.9
Closing net asset value – Dec. 31, 2024⁽²⁾	756.5

Asset type

As at Dec. 31, 2024

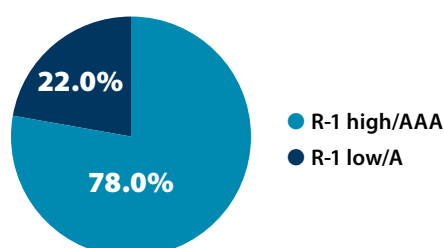
Per cent



Credit quality⁽³⁾

As at Dec. 31, 2024

Per cent



Investment highlights

The Short Term Liquidity Portfolio returned 5.82 per cent, exceeding its benchmark. Of note, the spread received by issuing commercial paper and investing in high interest savings accounts has widened to approximately 67 basis points (bps) compared to its historical average of 35 bps. This largely resulted from the closure of the Canadian Banker's Acceptance (BA) market in Q2 2024, increasing demand for commercial paper.

Positioning

In 2024, the Short Term Liquidity Portfolio primarily invested in high interest savings accounts, which made up about 76 per cent of the Portfolio. The remainder was invested in term deposits of terms up to one year. While the Portfolio can invest in other short-dated securities such as T-Bills, bank deposit notes, commercial paper and very short maturity corporate and government bonds, market conditions continue to favour staying in cash due to an inverted yield curve, a situation where shorter-term investments have higher yields than longer-term investments.

Throughout the course of 2024, the Bank of Canada lowered interest rates. The curve has begun to normalize; as the market continues to price in additional cuts, shorter-term yields have fallen more than longer-term yields.

¹ Returns are for term deposits and near-maturity bonds only. The estimated return, including returns from HISAs, for 2024 is 5.53 per cent.

² Total includes amounts funded by short-term commercial paper borrowings.

³ Term deposits only

Investment objective and philosophy

To provide exposure to short-term Canadian fixed income securities and commercial mortgages, with an emphasis on capital preservation, income generation and attaining net returns that meet or exceed the Portfolio benchmark. Five out of the six mandates within the Short Term Fixed Income Portfolio are externally managed.

The City believes active management can enhance value by adjusting duration, strategically over- and under-weighting sectors and credit and selecting securities with strong potential. Additionally, The City aims to capture an illiquidity premium by investing in commercial mortgages, while maintaining sufficient liquidity through short-term fixed income securities to balance the less liquid mortgage component. The Portfolio is almost entirely allocated to investment-grade assets.

Performance

For the year ended Dec. 31, 2024

Per cent net of fees

	1 Year	3 Years	5 Years	ITD
Short Term Fixed Income	5.89	2.48	2.66	2.48
Benchmark	5.70	2.13	2.11	2.09
Value added	0.19	0.35	0.55	0.39

Benchmark: FTSE Canada Short Term Bond Index

Composition

As at Dec. 31, 2024

Mandate	AUM (\$ millions)	Current yield (%)	Duration (years)
Short Term Universe Bonds	1,336.5	3.29%	2.7
Canadian Commercial Mortgages	657.9	4.69%	2.8
Short Term Fixed Income	1,994.3	3.75%	2.7

Assets under management

	\$ millions
Opening net asset value – Jan. 1, 2024	1,921.0
Net cash transfers	(27.7)
Portfolio gains and losses ⁽¹⁾	101.0
Closing net asset value – Dec. 31, 2024	1,994.3

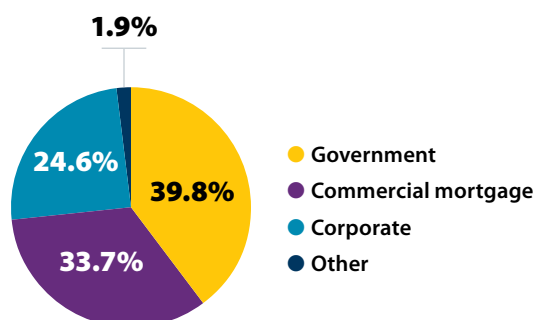
¹ Includes realized/unrealized capital gains and losses, dividends and interest income

ISC: Unrestricted

Sector allocation

As at Dec. 31, 2024

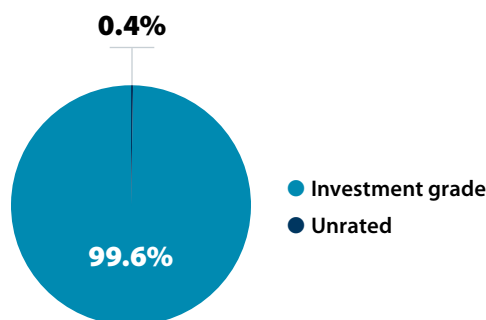
Per cent



Credit quality

As at Dec. 31, 2024

Per cent



Short Term Universe Bonds

In the fourth quarter of 2024, fixed income markets faced rising bond yields despite monetary policy easing by central banks. The Bank of Canada cut its overnight rate by a cumulative 100 bps across two meetings, bringing it to 3.25 per cent. Similarly, the U.S. Federal Reserve lowered its target rate by 50 bps, though it signaled a more measured approach to further easing. Despite these rate cuts, bond yields moved higher, reflecting persistent concerns about inflation stickiness and uncertainty over the ability of central banks to achieve a “soft landing.”

In Canada, two-year bond yields rose by 4 bps, while 10-year yields increased by 27 bps over the fourth quarter. In contrast, the U.S. saw a more pronounced movement, with two-year treasury yields rising 63 bps and 10-year yields climbing 77 bps. Credit spreads tightened during the fourth quarter, reflecting improving risk sentiment despite elevated volatility in broader markets.

The City’s external managers generated a net return of 5.82 per cent in 2024, outpacing the Portfolio benchmark by 12 bps. This relative outperformance was driven by a combination of macro positioning, security selection and tactical portfolio adjustments. Managers maintained a cautious stance on corporate bonds due to expensive valuations while increasing exposure to domestic banks as loan growth stabilized and mortgage renewal risks declined.

Canadian Commercial Mortgages

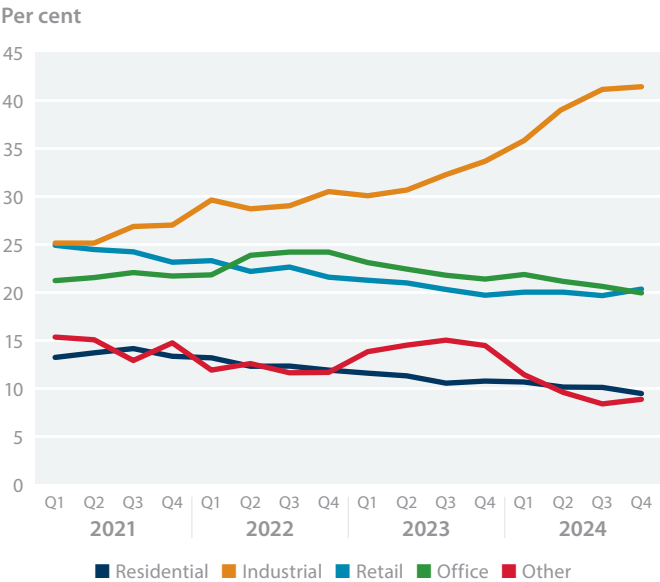
The Canadian commercial mortgage market in 2024 navigated a complex environment influenced by monetary policy shifts, sector-specific challenges and evolving investor sentiment. Despite the Bank of Canada’s rate cuts, totalling 1.75 per cent, aimed at stimulating activity, transaction volumes declined year-over-year, reflecting ongoing price discovery issues and the residual impact of prior high interest rates. Sector dynamics remained uneven, with industrial assets maintaining stability due to continued logistics demand, while office properties struggled with elevated vacancies and lender caution. Multifamily housing remained a bright spot, particularly in Alberta, Quebec and Atlantic Canada, where new supply continued to emerge despite broader economic headwinds. As lenders prioritized quality underwriting and liquidity, selective investments in resilient sectors such as grocery-anchored retail and high-quality multifamily projects provided avenues for growth amid uncertainty.

The City’s Canadian commercial mortgage investment managers managed an absolute net return of 6.48 per cent in 2024. This outperformed the benchmark by 79 bps in 2024 and has outpaced traditional short-term universe bond income returns over the last one-, three- and five-year periods. The three Canadian commercial mortgage managers share a cautious but opportunistic outlook on the market, positioning their portfolios to balance income generation

with risk mitigation. All three emphasize the importance of high-quality underwriting, strong borrower profiles and liquidity management to navigate the ongoing uncertainty in commercial real estate. Their portfolios are heavily weighted toward industrial and multifamily assets, sectors that continue to benefit from strong rental fundamentals, while they remain underweight or highly selective in the office segment due to persistent vacancy concerns. With interest rates stabilizing, each manager is selectively deploying capital into new opportunities, focusing on term loans with attractive spreads while maintaining short to medium duration to optimize flexibility in a changing rate environment.

Commercial mortgage sector allocation

As at Dec. 31, 2024



Forward looking strategy

The City will continue to rely on its Short Term Fixed Income Portfolio to remain a stable source of yield and liquidity. The City is evaluating its overall asset allocation to identify potential opportunities for enhancing the yield of the Consolidated Portfolio. This may lead to strategic rebalancing from the Short Term Fixed Income Portfolio to other asset classes.

Investment objective and philosophy

To provide exposure to longer term Canadian and Global public fixed income securities. To support the preservation of capital, the Portfolio will be largely composed of investment-grade holdings.

The City believes active management can enhance portfolio value by adjusting duration, strategically over- and under-weighting sectors and credit and selecting securities with strong potential. This Portfolio maintains a majority investment-grade allocation. Given the expected term structure of interest rates, it is anticipated to generate a higher yield than the Short Term Fixed Income Portfolio. Additionally, select Global fixed income investments may offer higher yields than Canadian counterparts and this Portfolio aims to capture that advantage.

Performance

For the year ended Dec. 31, 2024

Per cent net of fees

	Annualized returns			
	1 Year	3 Years	5 Years	ITD
Public Fixed Income (Canada)	4.53	(0.32)	1.20	2.57
Benchmark	4.23	(0.60)	0.79	2.24
Value added	0.30	0.28	0.41	0.33

Benchmark: FTSE Canada Universe Bond Index

	Annualized returns			
	1 Year	3 Years	5 Years	ITD
Public Fixed Income (Global)	7.49	1.78	2.45	3.85
Benchmark	7.23	0.21	0.82	2.27
Value added	0.26	1.57	1.63	1.58

Benchmark: Bloomberg Global Aggregate Index

Composition

As at Dec. 31, 2024

	AUM (\$ millions)	Current yield (%)	Duration (years)
Public Fixed Income (Canada)	1,122.4	3.76%	7.3
Public Fixed Income (Global)	1,011.5	5.17%	5.4
Public Fixed Income	2,134.0	4.43%	6.4

¹ Includes realized/unrealized capital gains and losses, dividends and interest income

ISC: Unrestricted

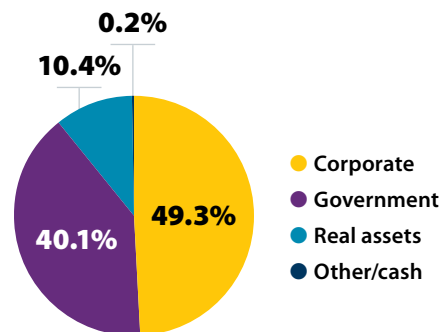
Assets under management

	\$ millions
Opening net asset value – Jan. 1, 2024	2,016.4
Net cash transfers	(6.1)
Portfolio gains and losses ⁽¹⁾	123.6
Closing net asset value – Dec. 31, 2024	2,134.0

Sector allocation

As at Dec. 31, 2024

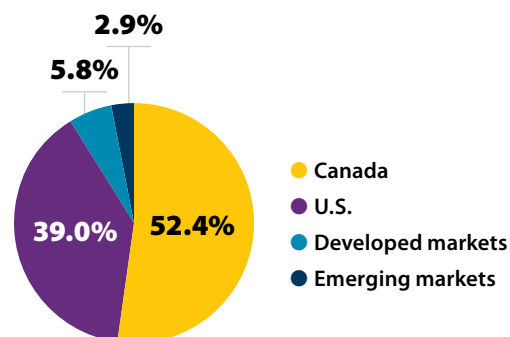
Per cent



Geographic allocation

As at Dec. 31, 2024

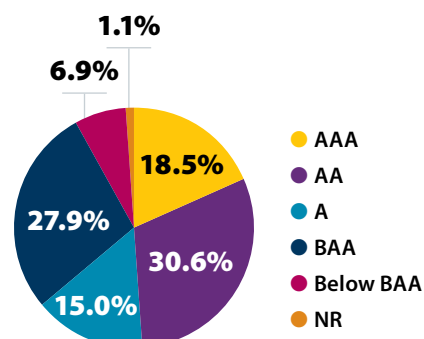
Per cent



Credit rating

As at Dec. 31, 2024

Per cent



Public Fixed Income (Canada)

In 2024, the Canadian fixed income market was shaped by monetary easing, shifting yield curves and tightening credit spreads. The Bank of Canada cut its overnight rate by a total of 175 bps during the easing cycle, while the U.S. Federal Reserve reduced rates by 100 bps, though both signaled a more measured pace of cuts moving forward. Despite these reductions, longer term Canadian bond yields rose overall, particularly in the latter half of the year, as market participants re-calibrated expectations for future rate movements. Corporate and provincial spreads tightened meaningfully, supported by investor demand for elevated yields, strong corporate earnings and reduced issuance. As a result, credit markets ended the year strong, while the Canadian yield curve steepened following more than two years of inversion, reflecting normalization in bond markets.

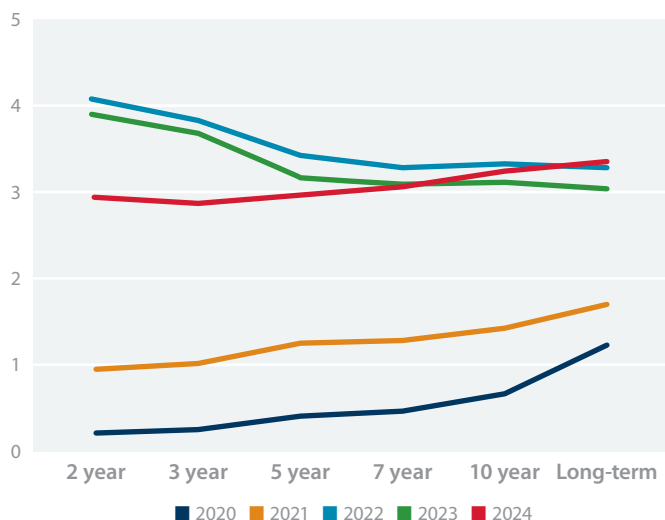
Both of The City's active managers managed to outperform the benchmark in 2024 by roughly 36 bps. This value-add was modestly offset by the index replication strategy, bringing the consolidated excess return for this portion of the portfolio to 30 bps.

In 2024, both active managers navigated a shifting fixed income landscape and maintained an underweight in Government of Canada bonds while overweighting corporate and provincial bonds, particularly in BBB-rated securities. Credit positioning was a key driver of performance, with strong contributions from spread tightening, though valuations remained stretched. One external manager benefited from macro positioning and quantitative factors while the other external manager's outperformance was driven by credit and liquidity strategies, though it faced some losses from duration and yield curve positioning. Both managers maintained a cautious outlook, focusing on high-quality assets amid ongoing economic and policy uncertainties.

Bank of Canada bond yields

As at Dec. 31, 2024

Per cent



Source: Bank of Canada

ISC: Unrestricted

Public Fixed Income (Global)

In 2024, the global bond market was shaped by shifting central bank policies, investor demand for higher yields and currency fluctuations. Despite widespread expectations for easing monetary policy, bond yields rose in many regions due to stronger-than-expected economic data, geopolitical uncertainty and fiscal sustainability concerns.

Corporate bonds outperformed sovereign bonds, with investment-grade credit seeing strong demand as spreads tightened, reflecting corporate resilience and investor preference for credit over duration risk. While sovereign bonds faced headwinds from rising government debt levels and fiscal expansion, opportunities emerged in corporate bonds, short- duration strategies and select credit sectors, positioning fixed income as a key portfolio diversifier heading into 2025.

Across The City's Global fixed income strategies, credit market positioning was a key driver of investment manager performance, with a broad preference for investment-grade corporate bonds over sovereign debt, particularly in sectors offering strong fundamentals. The Global strategies favoured high-barrier industries such as pipelines, housing and financials, while security selection within investment-grade credit added value. Yield curve management played a critical role, with some approaches benefiting from a shorter duration posture, while others made tactical adjustments based on market dislocations. Currency movements were also a significant factor, with foreign exchange volatility influencing returns, particularly in relation to the U.S. dollar. Each manager emphasized a cautious balance between risk and quality, with active liquidity and duration management to navigate an uncertain macroeconomic and geopolitical environment.

On a consolidated basis, the three active Global fixed income managers outperformed their collective benchmark in 2024 by 26 bps on a net of fee basis.

Forward looking strategy

The City is evaluating a transition from its existing segregated accounts to pooled funds with similar strategies to enhance operational efficiency. The City is also assessing pooled fund opportunities within its Public Fixed Income (Canada) holdings that offer broader risk exposures, with the objective of enhancing diversification and improving the overall risk-adjusted returns of the Public Fixed Income Portfolio.

Investment objective and philosophy

To provide exposure to private credit investments, with an emphasis on capital preservation, income generation, and providing net returns that meet or exceed the Private Credit benchmark.

The City believes that private credit investments offer a premium for their unique structure, complexity and illiquidity. Private credit may offer lower correlation of returns to other asset classes, has shown lower volatility versus traditional fixed income and offers stable current income.

Performance⁽¹⁾

For the year ended Dec. 31, 2024

Per cent net of fees

	Annualized returns			
	1 Year	3 Years	5 Years	ITD
Private Credit	11.16	5.95	5.97	5.83
Benchmark	12.60	6.16	5.39	5.51
Value added	(1.44)	(0.21)	0.58	0.32

Benchmark: A blended benchmark using account-weighted sub-benchmarks (see Appendix 1 – Private Credit)

Composition

As at Dec. 31, 2024

	AUM (\$ millions)	Current yield (%)	Duration (years)
Private Credit	412.4	7.17	4.3

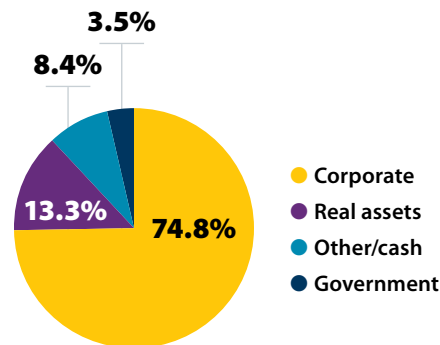
Assets under management

	\$ millions
Opening net asset value – Jan. 1, 2024	377.3
Net cash transfers	6.2
Portfolio gains and losses ⁽²⁾	28.8
Closing net asset value – Dec. 31, 2024	412.4

Sector allocation

As at Dec. 31, 2024

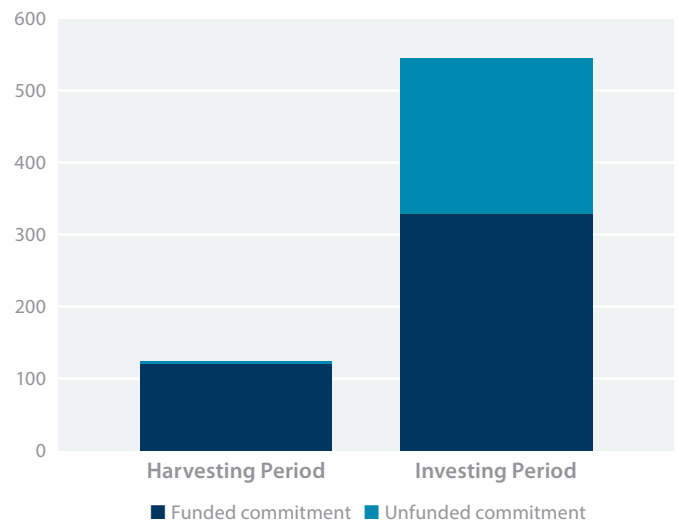
Per cent



Committed capital – Private Credit

As at Dec. 31, 2024

\$ millions



1 Performance for all mandates in the Private Credit Portfolio is reported on a one-quarter lag, except for Sun Life PFIP, which is reported on a current-quarter basis.

2 Includes realized/unrealized capital gains and losses, dividends and interest income.

Market

The private credit market in 2024 has continued its growth trajectory across both the U.S. and Europe, driven by shifting macroeconomic conditions, evolving regulatory landscapes and increased investor demand for alternative fixed-income strategies. While each region has its own unique factors at play, common themes such as the retreat of traditional banks, heightened competition and robust deal flow have shaped the market's evolution. Additionally, the current interest rate environment has continued to influence private credit, with elevated base rates keeping yields on variable-rate loans attractive, though borrowers remain cautious about long-term financing costs.

Portfolio updates

The City's Private Credit Portfolio underperformed its blended benchmark by 144 bps in 2024. At year-end, approximately 45 per cent of the portfolio was allocated to an investment-grade strategy, which underperformed its benchmark by

94 bps. Additionally, one of the City's private credit managers experienced its first realized losses in 2024 related to loans originated during the COVID-19 pandemic; however, these losses are not considered indicative of broader systemic issues within the Portfolio. Lastly, part of the Portfolio's relative underperformance was driven by the City's infrastructure credit mandate, which, despite outperforming its target return profile since inception, lagged the broader U.S. leveraged loan market in 2024—a market that delivered a notably strong return of over 19 per cent.

Performance for most mandates within the Private Credit Portfolio is reported on a one-quarter lag, while benchmark returns are current as of the reporting period. Given the long-term nature of these assets, performance is best evaluated over longer time horizons.

Forward looking strategy

The City will continue expanding its allocations to private credit markets by fulfilling existing commitments and pursuing new investments to enhance diversification within its holdings.



Investment objective and philosophy

Investment in a diversified portfolio of global equity securities to achieve long-term capital appreciation, dividend income, to mitigate the effects of inflation and to provide a net return that meets or exceeds the equity benchmark over a market cycle.

The Equities Portfolio is managed using a total portfolio approach, with the benefits of active management being realized most effectively through investment in less efficient markets. Currently, two of the four mandates within the Equities Portfolio are index replication strategies, with the other two being actively managed by external managers.

Performance

For the year ended Dec. 31, 2024

Per cent net of fees

	Annualized returns			
	1 Year	3 Years	5 Years	ITD
Equities	27.04	7.71	8.22	9.25
Benchmark	28.15	10.10	12.48	10.87
Value added	(1.11)	(2.39)	(4.26)	(1.62)

Benchmark: MSCI All Country World Index (MSCI ACWI)

Composition

As at Dec. 31, 2024

	AUM (\$ millions)	Current Yield (%)
Equities	947.2	1.69%

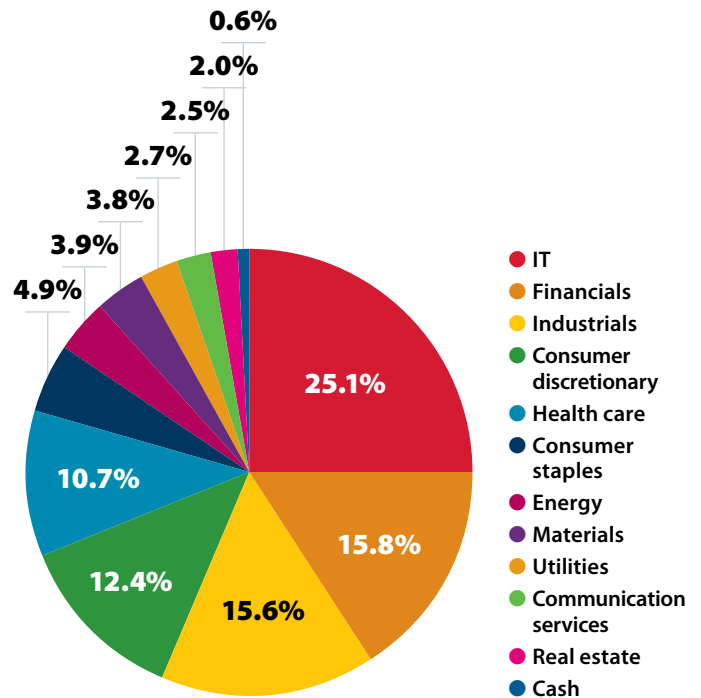
Assets under management

	\$ millions
Opening net asset value – Jan. 1, 2024	750.9
Net cash transfers	(7.2)
Portfolio gains and losses ⁽¹⁾	203.5
Closing net asset value – Dec. 31, 2024	947.2

Sector allocation

As at Dec. 31, 2024

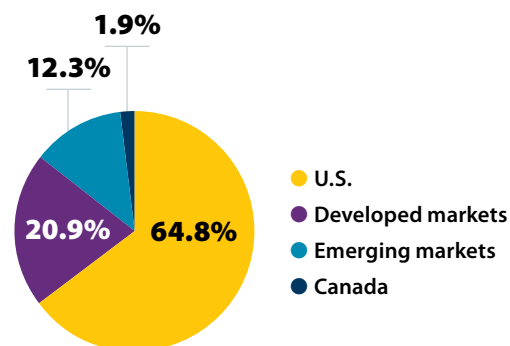
Per cent



Geographic allocation

As at Dec. 31, 2024

Per cent



¹ Includes realized/unrealized capital gains and losses, dividends and interest income.

U.S. market

In 2024, U.S. public equities experienced significant developments driven by several key themes:

Technological advancements

The rapid progression of artificial intelligence (AI) and other technologies played a pivotal role in shaping market dynamics. Companies at the forefront of AI and tech innovation attracted substantial investor interest, influencing market performance.

Monetary policy shifts

The U.S. Fed adjusted its monetary policy stance during the year, impacting investor sentiment and equity valuations. These policy changes influenced market liquidity and the cost of capital, thereby affecting equity markets.

Political developments

The U.S. presidential election had a notable impact on market sentiment. The election outcome led to significant capital inflows into U.S. equity funds, reflecting investor optimism about potential policy shifts and economic prospects.

Market concentration

A considerable portion of market gains was driven by a select group of large-cap technology companies, especially the “Magnificent Seven.” This concentration raised discussions about market breadth and the sustainability of such a narrow leadership.

Investor sentiment

Psychological factors and the perception that there were no viable investment alternatives, contributed to sustained investment in equities. This sentiment helped maintain upward momentum in the market despite various economic uncertainties.

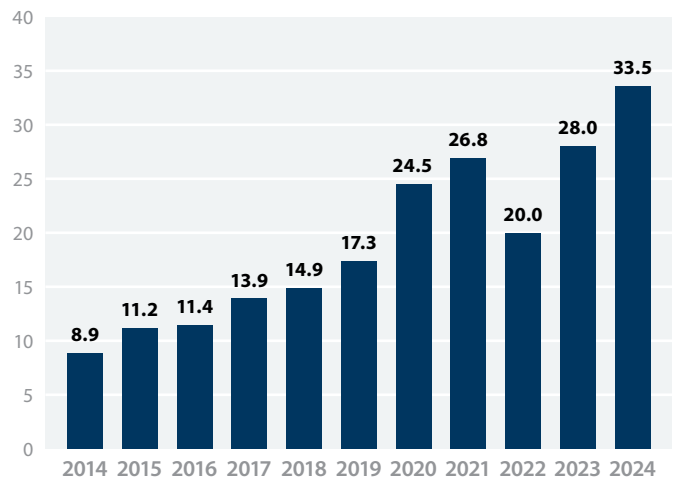
Collectively, these themes shaped the trajectory of U.S. public equities throughout 2024, reflecting a complex interplay of innovation, policy and investor behaviour.



Concentration in S&P 500

(Combined share of “Magnificent Seven”)

Per cent



Source: Bloomberg and S&P

Global market (ex-U.S.)

In 2024, global equities outside the United States experienced a range of developments influenced by several key themes:

Artificial intelligence (AI) expansion

The AI boom extended beyond U.S. borders, significantly impacting sectors such as robotics, industrials and automation in Europe and Japan. This expansion highlighted the global nature of AI adoption and its influence on various industries.

Asian market dynamics

Japan emerged as a top-performing market in the early part of the year, driven by corporate governance reforms and signs of economic revitalization. Conversely, China faced economic challenges, including consumer weakness and a slowdown in the real estate sector, leading to underperformance in its equity markets.

Market volatility

Global markets experienced significant volatility, with notable events such as a 12 per cent intraday decline in Japan’s TOPIX Index on August 5—the largest since 1987. These fluctuations underscored the shifting dynamics and investor sensitivities in international markets.

Investment strategies

Investors increasingly turned to European stocks with substantial U.S. exposure, seeking to capitalize on the robust American market while benefiting from comparatively lower valuations in Europe. This strategy highlighted a pricing inefficiency and a tactical approach to global investment.

Collectively, these themes shaped the performance and investor strategies within global equities ex-U.S. throughout 2024.

Portfolio updates

Historically, the City's Equities Portfolio has underperformed primarily due to allocation decisions relative to its MSCI ACWI benchmark. Since 2020, the Portfolio maintained an overweight position in Emerging Markets compared to the benchmark. Over the past five years, Emerging Markets have consistently underperformed relative to developed markets, particularly the U.S.

In Q2 2024, The City fully redeemed its investment in an active Emerging Markets equity strategy, valued at approximately \$97 million. This redemption aimed to correct the overweight position in Emerging Markets equities and was further justified by the strategy's continued underperformance relative to its benchmark. The proceeds from this redemption were reallocated into two index replication strategies. Approximately two-thirds of the capital was invested into a U.S. ETF with a value-oriented approach, while the remaining third was allocated to an Emerging Markets ETF. This reallocation was implemented to better align The City's Equities Portfolio with its benchmark. Index replication strategies were selected as an interim measure pending the completion of The City's ongoing portfolio construction review, which is detailed further in the forward looking strategy section.

Forward looking strategy

As The City moves into 2025, it continues to refine its Equities Portfolio through a portfolio construction exercise. The City plans to transition to a globally focused portfolio anchored by a unified global benchmark (MSCI ACWI). In this shift, The City will seek managers with the flexibility to dynamically adjust country and style allocations in response to evolving market conditions. Additionally, The City aims to incorporate strategies that offer differentiated sources of added value, aligning the Consolidated Portfolio with its long-term growth and risk objectives.



Investment objective and philosophy

Investment in infrastructure and real estate assets to help mitigate the effects of inflation and provide diversification in risk-seeking assets.

Real asset investments will be well-diversified by asset type, geography, revenue source, sector and risk profile, ensuring a balanced approach that spreads exposure and maximizes resilience across different market and economic conditions.

Performance⁽¹⁾

For the year ended Dec. 31, 2024

Per cent net of fees

	Annualized returns			
	1 Year	3 Years	5 Years	ITD
Real Assets	13.41	11.21	9.98	9.19
Benchmark	5.96	6.45	6.03	6.93
Value added	7.45	4.76	3.95	2.26

Benchmark: Canadian CPI + 400 bps

Composition

As at December 31, 2024

	AUM (\$ millions)	Current Yield (%)
Real Assets⁽²⁾	825.6	4.74%

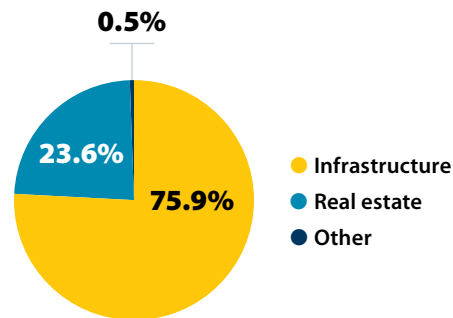
Assets under management

	\$ millions
Opening net asset value – Jan. 1, 2024	474.7
Net cash transfers	242.9
Portfolio gains and losses ⁽³⁾	108.1
Closing net asset value – Dec. 31, 2024	825.6

Sector allocation

As at Dec. 31, 2024

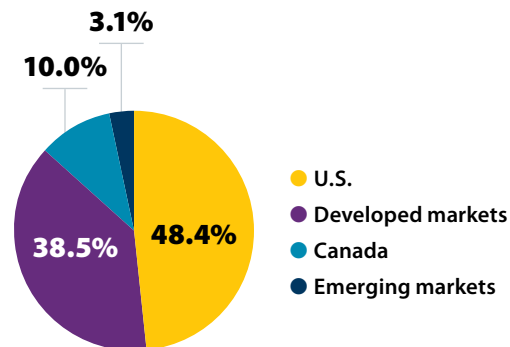
Per cent



Geographic allocation

As at Dec. 31, 2024

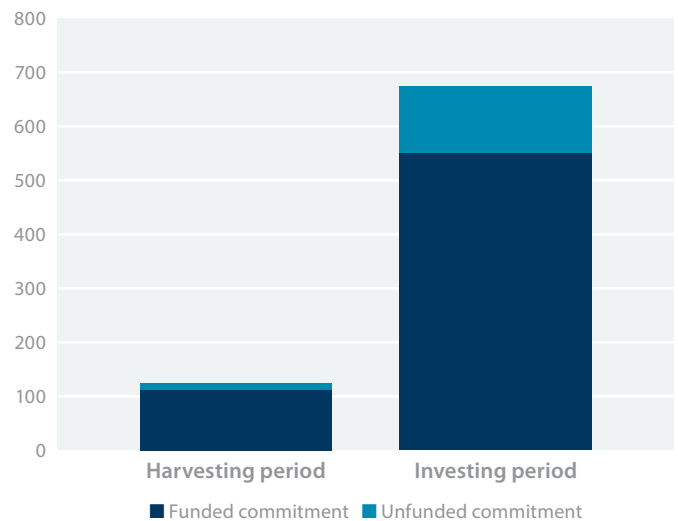
Per cent



Committed capital

As at Dec. 31, 2024

\$ millions



1 Performance for all mandates in the Real Assets Portfolio is reported on a one-quarter lag, except for Brookfield DRA, which is reported on a current-quarter basis.

2 Not all mandates have provided Q4 2024 data. Current yields are based on the latest reporting available.

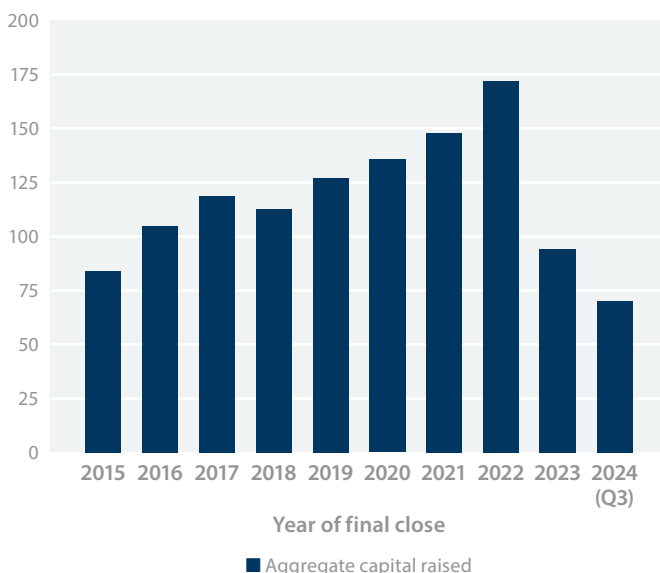
3 Includes realized/unrealized capital gains and losses, dividends and interest income.

Infrastructure

In 2024, the global infrastructure sector navigated a challenging investment environment, shaped by rising borrowing costs, shifting policies and a slowdown in fundraising after years of rapid capital deployment. Total capital raised fell in 2024, marking the weakest fundraising year in a decade, as higher borrowing costs and geopolitical uncertainties led to delayed commitments and extended holding periods. Despite these headwinds, infrastructure remained a stable, inflation-hedged asset class, led by digital infrastructure which continues to attract strong investor interest. Demand for data centers surged due to AI and cloud computing growth, while the United Nations continues to view energy transition projects as central to global decarbonization efforts. Conversely, traditional energy and transportation assets faced challenges from regulatory uncertainty and elevated financing costs. North America and Europe continued to dominate infrastructure investment, though U.S. sentiment was tempered by political uncertainty. Looking ahead, infrastructure remains well-positioned as a defensive asset class, benefiting from trends in digitalization, decarbonization and essential services, despite persistent geopolitical and interest rate risks.

Private infrastructure capital raised

\$ billions USD



Source: Preqin Ltd.

Real estate

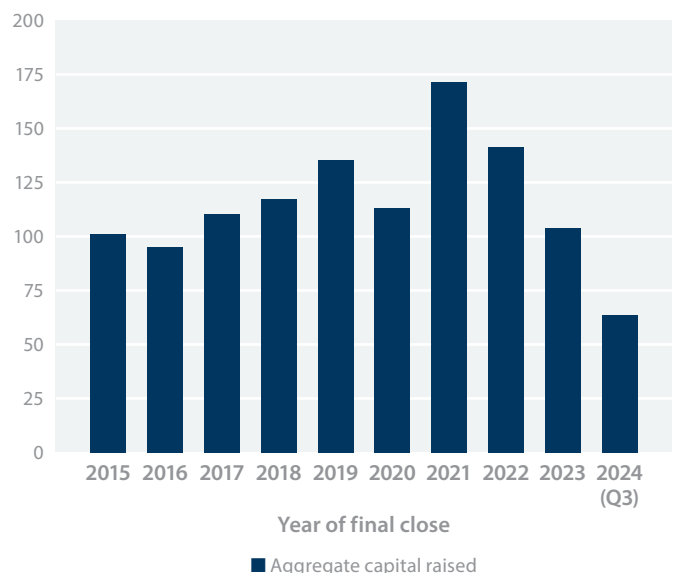
The global real estate market exhibited mixed performance across sectors in 2024, influenced by shifting economic conditions, evolving work patterns and demographic trends.

The residential sector, particularly multifamily housing, remained strong as investors favoured apartments and hotels, driving increased transaction volumes. Industrial and logistics properties also performed well, supported by the ongoing expansion of e-commerce and demand for supply chain solutions. However, the office sector continued to struggle due to persistent hybrid work models and elevated borrowing costs, leading to a decline in investment and transaction volumes. Retail real estate saw varied results, with prime locations maintaining demand while secondary areas faced higher vacancy rates. Regionally, North America showed resilience, with residential and industrial properties remaining strong, though office spaces lagged. Europe demonstrated signs of recovery, particularly in residential and hotel investments, while the office sector remained sluggish. In Asia-Pacific, most markets returned to pre-pandemic office attendance levels, with India leading demand and China showing caution. The industrial sector benefited from supply chain diversification and nearshoring trends.

Overall, real estate markets reflected a divergence in performance, with residential and industrial sectors thriving while office and certain retail segments faced ongoing

Private real estate capital raised

\$ billions USD



Source: Preqin Ltd.

Portfolio updates

The City funded its first two real estate investments in Q3 2024. As of its latest manager report, the mandate has achieved three consecutive quarters of positive performance after an extended period of markdowns. The mandate has remained resilient through a challenging period in real estate thanks to its ability to generate stable income, low portfolio leverage and limited exposure to development.

In November 2024, BlackRock announced write-downs associated with two key investments held within its Global Renewable Power Fund III (GRP III): Northvolt, a Swedish battery manufacturer, and SolarZero, a residential solar and storage platform based in New Zealand. These write-downs prompted an initial valuation review, which identified broader portfolio challenges, including revised market assumptions and concerns related to the business plans of certain portfolio companies.

Following this, a comprehensive portfolio review was undertaken in the fourth quarter. Updated valuations were informed by using a thorough underwriting process, incorporating current market dynamics and revised business plans. The review concluded that further write-downs are warranted. BlackRock also engaged directly with the management teams of each portfolio company to support ongoing evaluation and oversight. To further enhance oversight and strategic direction, BlackRock appointed senior executives from its Global Infrastructure Partners division to oversee the fund.

Prior to the disclosure of the GRP III write-downs, The City had made an additional commitment to Global Renewable Power Fund IV (GRP IV) in early Q3 2024. As of the publication date of The City's Annual Investment Report, GRP IV remains aligned with its target return expectations.

Finally, to improve diversification within its Real Assets Portfolio, The City reallocated its investment from a listed infrastructure strategy to a listed diversified real assets strategy. This shift aimed to broaden global exposure across a wider range of real assets sectors beyond infrastructure equities.

Performance for most mandates within the Real Assets Portfolio is reported on a one-quarter lag, while benchmark returns are current as of the reporting period. Given the long-term nature of these assets, performance is best evaluated over longer time horizons.

Forward looking strategy

The City will continue to allocate to existing infrastructure mandates through existing commitments. The City's Investment Team continues to develop its pipeline of potential real assets investments and intends to make additional allocations to the Real Assets Portfolio in 2025 and beyond.



Investment objective and philosophy

The Currency Overlay Portfolio is designed to provide an active strategy for reducing currency risk efficiently across the Consolidated Investment Portfolio. The currency manager reviews net foreign currency exposures for The City's Consolidated Investment Portfolio and at their discretion, implements a hedge between 0 per cent and 100 per cent for each underlying currency exposure.

The notional value managed by the currency manager is based on the foreign currency exposures of The City's underlying Portfolio, excluding all non-CAD exposures that represent less than 1 per cent of the Portfolio's Net Asset Value. All currency exposures for the Currency Overlay Portfolio are limited to currency exposures within the Consolidated Investment Portfolio.

Performance

For the year ended Dec. 31, 2024

Per cent net of fees

	Annualized returns			
	1 Year	3 Years	5 Years	ITD
Currency Overlay	(1.11)	(0.42)	0.10	0.00
Benchmark	0.00	0.00	0.00	0.00
Value added	(1.11)	(0.42)	0.10	0.00

Benchmark: Zero Benchmark (passive)

Assets under management

	\$ millions
Opening net asset value – Jan. 1, 2024	43.1
Net cash transfers	0.0
Portfolio gains and losses ⁽¹⁾	(20.8)
Closing net asset value – Dec. 31, 2024	22.3

Investment highlights

In 2024, the fund's active Currency Overlay mandate detracted 44 bps from the Consolidated Investment Portfolio's return (111 bps relative to notional foreign exposure). Most of this deduction was driven by hedging activities related to the U.S. dollar, against which the Canadian dollar depreciated by 7.7 per cent over the year. Despite the negative absolute return, the mandate outperformed the previous 90 per cent passive hedge benchmark by 542 bps. This relative outperformance was primarily due to the manager's decision

to maintain a lower hedge ratio throughout the year, allowing foreign-denominated assets to benefit from CAD weakness. Since inception, the mandate has recorded an annualized volatility of 1.19 per cent, compared to 4.90 per cent for the passive hedge benchmark.

Positioning

Active hedging was able to provide meaningful downside protection amid persistent Canadian dollar weakness in 2024. The manager's strategic decision to maintain minimal USD hedges was driven by the expectation of continued U.S. dollar strength. The USD remained the primary source of losses for those with passive hedges, particularly as the Fed's policy stance diverged from those of more dovish central banks. Meanwhile, the manager maintained higher hedge positions against the EUR and GBP, increasing their EUR hedge further in January 2025 as diverging growth prospects suggested more rate cuts in Europe. The Canadian dollar's underperformance, driven by protectionist trade policies and easing expectations, remains a core challenge, though there is potential for a turnaround later in 2025 as monetary policy shifts and domestic political stability improve.

Forward looking strategy

The evolving global economic landscape remains marked by divergence, policy uncertainty and shifting risk dynamics. The U.S. economy continues to show resilience, reducing recession risks for now, while the eurozone faces mounting economic headwinds that may require more aggressive monetary easing. The beginning of the Trump administration's second term has heightened financial market volatility, with trade tensions driving currency movements more than traditional macroeconomic fundamentals. Inflation expectations remain fluid, posing a key challenge for central banks, particularly the Fed, which could see its rate-cut trajectory shift depending on fiscal stimulus and labour market trends. The Canadian dollar's near-term trajectory will be dictated largely by trade disputes, where speculation and uncertainty outweigh clear policy direction, making short-term forecasting difficult.

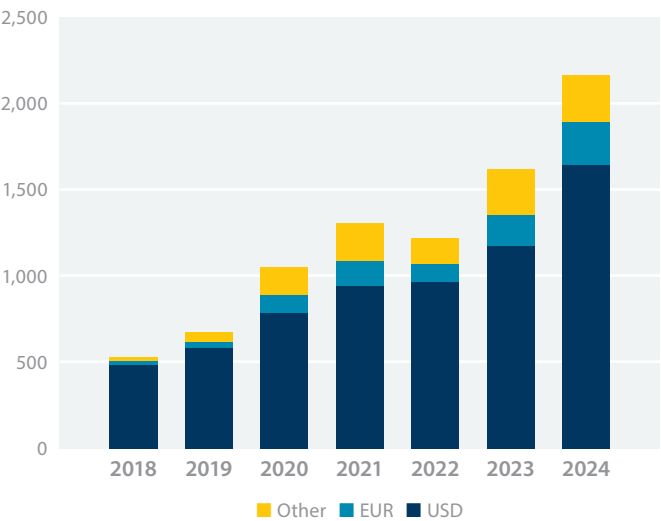
However, beyond the immediate turbulence, potential policy-driven support for growth, coupled with political stability, could improve sentiment toward CAD. Positioning within the Portfolio continues to remain nimble, with a preference for a bullish USD bias in the near term while maintaining flexibility to adjust as global growth conditions evolve.

¹ Includes realized/unrealized capital gains and losses, dividends and interest income.

Foreign currency exposures

As at year end, since inception (February 2018)

(\$ millions)



Historical performance

As at year end, since inception (February 2018)

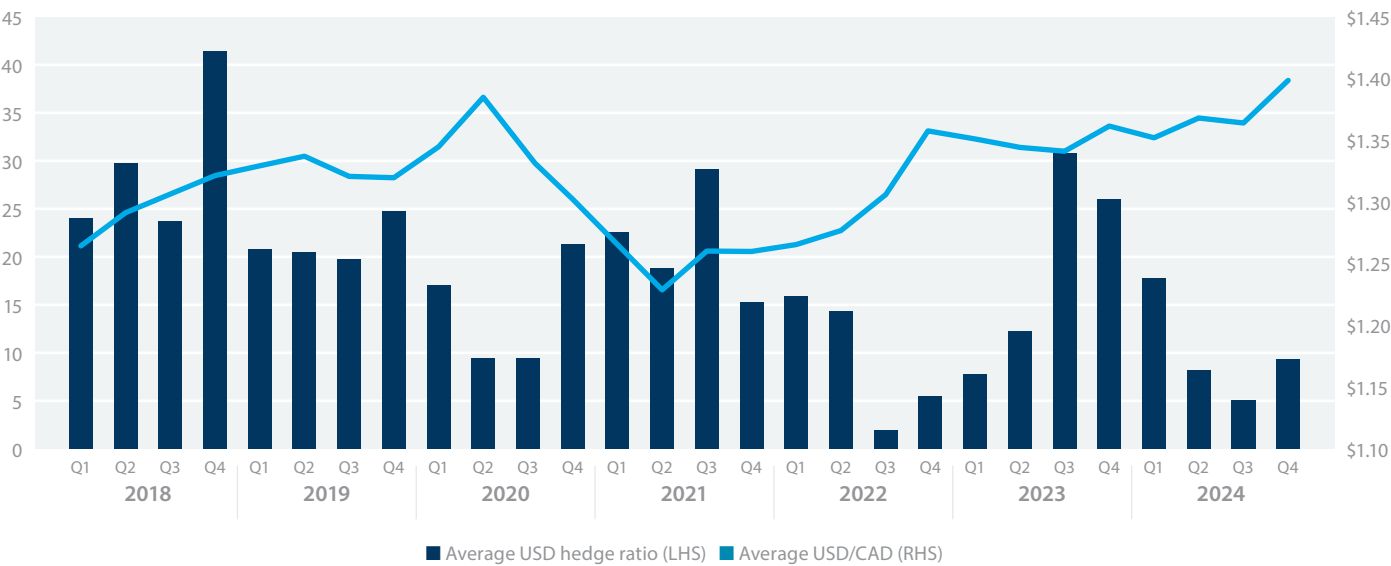
Portfolio Return (per cent)



Average USD hedge ratio

For each quarter, since inception (February 2018)

Average USD Hedge Ratio (per cent)



2025 Economic and capital market outlook

The International Monetary Fund (IMF) projects global economic growth to hold steady at 3.3 per cent in 2025, supported by robust U.S. economic activity, moderate fiscal tightening and easing inflationary pressures. Several key themes in 2025 could shape the trajectory of global growth:

- Resilient expansion in major economies despite fiscal tightening
- Further easing of inflationary pressures, though risks remain from trade disruptions
- Monetary policy divergence as central banks adjust to varying inflation dynamics
- Heightened uncertainty in trade policy, particularly in response to U.S. tariff measures

While shifting trade policies may reconfigure global trade and financial conditions, the IMF forecasts that the global economy will remain on a stable growth path thanks to falling inflation and gradually normalizing financial conditions. Global inflation is projected to decline to 4.2 per cent in 2025, helped by easing supply constraints and stabilizing labour markets. However, risks remain from trade disruptions and commodity price volatility. Monetary policy adjustments will be key to maintaining stability and managing inflation dynamics.

According to the Bank of Canada, Canadian economic growth is expected to strengthen in 2025, driven by monetary policy easing, rising household spending, and government stimulus. However, slower population growth may act as a structural headwind to longer-term economic expansion. Inflation is expected to remain near the 2 per cent target, with core measures gradually easing as shelter costs decline.

Volatility and uncertainty emerging in early 2025, particularly in response to newly-introduced tariff measures, has added a layer of caution to the economic outlook. These developments reflect the fluid nature of current trade policy and the potential for shifts in direction by U.S. policymakers. Ongoing geopolitical tensions and evolving trade dynamics may continue to influence investor sentiment, global trade activity, and broader economic conditions. Consequently, economic forecasts may require adjustment as these trends develop, underscoring the importance of maintaining flexibility and adaptability through the remainder of the year.

The City's diversified investments aim to strengthen resilience and support long-term growth and stability within the investment program.

Per cent change, YoY	2023 (Actual)	2024 (Estimate)	2025 (Projected)	2026 (Projected)
Gross Domestic Product (GDP)				
Global	3.3	3.2	3.3	3.3
Euro area	0.4	0.8	1.0	1.4
Emerging economies	4.4	4.2	4.2	4.3
Canada	1.5	1.3	2.0	2.0
United States	2.9	2.8	2.7	2.1
China	5.2	4.8	4.6	4.5
The Consumer Price Index (CPI)				
Global	6.7	5.7	4.2	3.5
Canada	3.9	2.4	2.3	2.1
Advanced economies	4.6	2.6	2.1	2.0
Emerging economies	8.1	7.8	5.6	4.5

Source: International Monetary Fund (IMF), Bank of Canada

The City's Investment & Governance Policy (CP2020-02) (IGP) articulates the governance framework for the management of City investments. It sets out the accountability, reporting and disclosure requirements for all investment activity. This policy establishes the roles and responsibilities of Council, the Investment Advisory Committee (IAC), Administration and external investment managers regarding the management of portfolio investments.

Council approves The City's IGP, receives the Annual Investment Report through the Audit Committee and delegates authority to manage investment-related policies to Administration. The IAC advises the CFO on The City's investment program to ensure that investments are effectively managed in accordance with The City objectives, City risk tolerances, legislation, Council-approved policies and industry best practices.

In 2020, The City completed a comprehensive investment strategy review which resulted in a new approach to how the investments were managed. The review entailed a major examination of City funds and obligations including operating and capital requirements, capital deposits and short-term liquidity to fully understand the characteristics, including risk tolerance, time horizon and liquidity requirements of these funds. Rather than a top-down structure managed through one overarching document, a new structure was approved to split the processes into areas that clearly defined the purpose, objectives and responsibilities.

The structure change necessitated a new IGP, approved by Council in June 2020, which outlines the parameters in how

the investments are managed. In addition to the new IGP, two additional policies were created to facilitate the management of the investment program.

The Funds Policy was established to create the interface between the Investment Team and the sources of capital they invest. This policy identifies the objectives, risk tolerances, asset mixes and other requirements for each source of funds under management.

The Investment Portfolios Policy provides the parameters in how the Investment Team interacts with the capital markets. The policy details on how each asset class Portfolio is constructed and managed.

The revised investment structure has the potential to increase risk-adjusted returns, increase diversification, reduce liquidity drag and deliver the benefits to The City of Calgary's citizens. For more details of the investment program governing documents, please refer to [Appendix 3](#).

In 2023, The City of Calgary engaged an external consultant to conduct a comprehensive investment governance review, aimed at identifying potential areas for enhancement. The final report was presented to both the IAC and Audit Committee in 2024 and The City's Investment Team has carefully reviewed the recommendations. As part of its commitment to continuous improvement, The City's Investment Team has implemented selected changes to further strengthen investment governance and portfolio management. The revised investment policies will be submitted to the Audit Committee for approval in 2025, at which point they will supersede existing policies.



Risk management

The City manages investment risk through a sound governance framework and comprehensive investment policies. These policies define investment objectives, risk tolerances, appropriate diversification requirements, eligible asset classes, eligible security instruments, investment strategies and quality and quantity constraints.

The City's primary risk management tool is effective governance of the investment program created by the approved policies. Risk is also mitigated through strategic implementation of the policies ensuring diversification at both the asset type, security and Portfolio level. The City constructs a total Portfolio of diverse strategies, asset classes and investment manager styles. A prudently diversified portfolio should reduce the overall impact if performance from any one security, asset class or investment manager underperforms. The Investment Team applies rigorous scrutiny and due diligence when selecting investment managers to invest The City's funds. The Investment Team continually monitors investment managers ensuring they are applying thorough investment analysis and practices to select securities and construct portfolios that are diversified among security types, maturity dates, issuers, industry sectors and geographically by country and region.

When investing in the capital markets, some risk is inevitable, even with a prudently diversified portfolio. This includes liquidity, market, credit and interest rate risk from inflation and rising interest rates. The key is to identify and understand the risks being accepted. The City monitors advanced risk metrics at both the manager and total Portfolio level to ensure that the level of risk taken is in line with The City's risk tolerance while still meeting The City's investment objectives.

The City's investments are held electronically at a securities custodian. One control the custodian provides is independent, third-party settling and reporting of all trades which protects The City's investable assets. The custodian provides independent verification of all accounting information and security holdings. The City also receives third-party performance measurement and reporting. Return performance reported by The City's investment managers is verified and compared against both market benchmarks and peers which allows The City to effectively evaluate manager performance.

Expense management

The management of The City's Consolidated Investment Portfolio results in expenses, including costs for banking and treasury services, technology systems, internal staff costs, interest expenses related to borrowing, transaction costs and external investment management fees. Total investment management expenditures were approximately \$38.7 million in 2024, an increase from \$33.9 million in 2023. This increase largely reflects the growth of The City's commercial paper program and associated interest expenses, which, despite higher borrowing costs, has generated additional net income that more than offsets those costs.

The City participates in the CEM Benchmarking survey, which compares investment costs across funds. In 2023, the City's externally managed investment costs were 39.9 bps—18.6 bps lower than the Canadian median among surveyed funds. However, the City's asset mix differs significantly from that of other participants. The 2024 CEM Benchmarking data will be available in Q4 2025.



Responsible investing and compliance

Responsible investing (RI) considerations

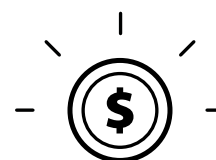
Responsible investing (RI) has been referred to as sustainable investment and can potentially lead to better financial returns while having positive impacts both socially and environmentally. Three key pillars of RI include:



**Environmental,
social and governance
(ESG) integration**



**Value
alignment**



**Overall impact of
investments**

The City's Investment Team recognizes RI as an important aspect of ongoing manager due diligence. As part of this approach, the team will continue to assess how RI considerations are incorporated within asset allocation and manager selection processes. This may include evaluating managers' ESG practices, refining due diligence frameworks and exploring ways to enhance RI-related disclosures within existing investment policies.

Environmental, social and governance (ESG) considerations

Environmental, social and governance factors are key considerations in the investment process, influencing both financial value and long-term sustainability. These factors—environmental impact, social responsibility and corporate governance—help assess risks and opportunities within an investment.

Integrating good governance and sustainable business practices into investment decisions has become common practice in institutional investing. While studies have historically indicated a positive correlation between strong ESG ratings and stock performance, the landscape is constantly evolving. As ESG considerations become more widespread, companies with weak governance may still face challenges in attracting long-term investors. However, market dynamics and regulatory shifts are leading some investors to take a more targeted approach, focusing on ESG factors that have clear financial materiality rather than broad sustainability objectives.

Good governance encompasses multiple dimensions, including compliance with environmental regulations, adherence to labour and safety standards and the presence of effective corporate board structures. A critical aspect of ESG and sustainable investing is engagement with company leadership. Institutional investors can influence corporate practices through active dialogue and proxy voting, using their shareholder rights to advocate for governance improvements and risk management strategies that support long-term value creation.

The City of Calgary incorporates ESG considerations when selecting and monitoring external investment managers. Beyond evaluating how ESG factors influence investment decisions, The City also assesses how managers integrate ESG principles into their own business operations. Many of The City's investment mandates involve fundamental analysis, where managers engage directly with companies to understand their governance structures and business practices. By partnering with investment managers who apply a pragmatic approach to ESG—focusing on material risks and opportunities—The City ensures its Consolidated Investment Portfolio reflects both RI principles and long-term financial objectives.

Compliance

Compliance statements from investment managers are received quarterly, except for a few private funds which only provide compliance statements annually. Compliance statements are verified and maintained by Treasury. During the year, all investments complied with the *Municipal Government Act*, the *Major Cities Investment Regulation* and The City of Calgary's investment policies. See [Appendix 4](#) for current compliance status from investment managers.

Basis points

Basis points (bps) represent 1/100th of one per cent.

Benchmark

A standard against which the performance of an investment manager can be measured. Generally, broad market stock and bond indexes are used for this purpose.

Consolidated Investment Portfolio

All internally- and externally-managed financial investments held by The City.

ETF

An Exchange-Traded Fund (ETF) is a pooled investment vehicle that trades on stock exchanges like a stock, typically tracking an index, sector, commodity or asset class while offering liquidity, diversification and lower fees compared to mutual funds.

Diversification

A risk-management technique that mixes a wide variety of investments within a portfolio. The rationale behind this technique contends that a portfolio of different kinds of investments will, on average, yield higher returns and result in lower price volatility than individual investments found within the portfolio.

Diversification strives to smooth risk events specific to a given issuer, sector or geography in a portfolio so that the positive performance of some investments will neutralize the negative performance of others. Therefore, the benefits of diversification will hold if the securities in the portfolio are not perfectly correlated.

Duration

Measures the sensitivity of the full price of a bond (including accrued interest) to a change in interest rates.

Harvesting period

Follows the investing period and focuses on realizing value from investments through exits or liquidity events. This period continues until capital and profits are fully returned to investors.

Investment managers

Those firms or individuals appointed by the Chief Financial Officer for the investment of each fund's assets. Includes both internal and external managers.

Investing period

The timeframe during which the fund actively deploys capital into new investments. This phase typically occurs early in the fund's life and lasts for several years.

Market value

The price at which a security is trading in the open market.

PRI

The Principles for Responsible Investment (PRI) is an independent organization advocating on behalf of responsible investment. They seek to understand the investment implications of ESG factors and work to support its international network of investor signatories in incorporating these factors into their investment and ownership decisions.

Rate of return

The gain or loss of an investment over a specified period, expressed as a percentage increase over the initial investment cost. Gains on investments include any income received from the security, plus realized and unrealized capital gains.

Risk-adjusted return

A standardized measure of investment return based on an adjustment for the level of risk involved in generating that return.



Appendix 1: Performance measurement benchmarks

The investment performance of all funds is reported to the Investment Advisory Committee on a quarterly basis and presented annually to The City's Audit Committee. Investment benchmarks⁽¹⁾ are used for comparison purposes to assess the actual performance of The City's investment managers versus their respective performance benchmarks. Active investment managers are expected to generate higher returns (net of fees) than the benchmark measure over a business cycle.

Short Term Fixed Income

- FTSE Canada Short Term Bond Index (Addenda, Connor, Clark & Lunn (CC&L), Phillips, Hager & North (PH&N), Internal short term bonds, Sun Life)

Public Fixed Income

- FTSE Canada Universe Bond Index (BlackRock, PH&N, CC&L)
- Bloomberg U.S. Credit Index (PIMCO)
- Bloomberg Capital Multiverse Index (Manulife)
- Bloomberg Global Aggregate Bond Index (BlackRock)

Private Credit

- FTSE Canada Universe Corporate Bond Index (Sun Life)
- MorningStar U.S. Leveraged Loan Index + 200 bps (Crestline, Brookfield)
- MorningStar European Leveraged Loan Index + 200 bps (Bridgepoint)

Equities

- MSCI All Country World Index ex-U.S. Index (CC&L)
- S&P 500 Total Return Index (Vanguard U.S. ETF)
- MSCI World Small Cap Index (Wasatch)
- Blended 67.5 per cent MSCI U.S. Value and 32.5 per cent MSCI Emerging Markets (Equity ETFs)

Real Assets

- Consumer Price Index (CPI) + 400 bps (Northleaf, BlackRock, CBRE)
- Blended 50 per cent FTSE Global Core Infrastructure 50/50 Index and 50 per cent FTSE EPRA NAREIT Developed Index (Brookfield)

¹ Please refer to [Appendix 2](#) for the disclaimer of the benchmarks

Appendix 2: Disclaimer

AC2020-0384
Attachment 2

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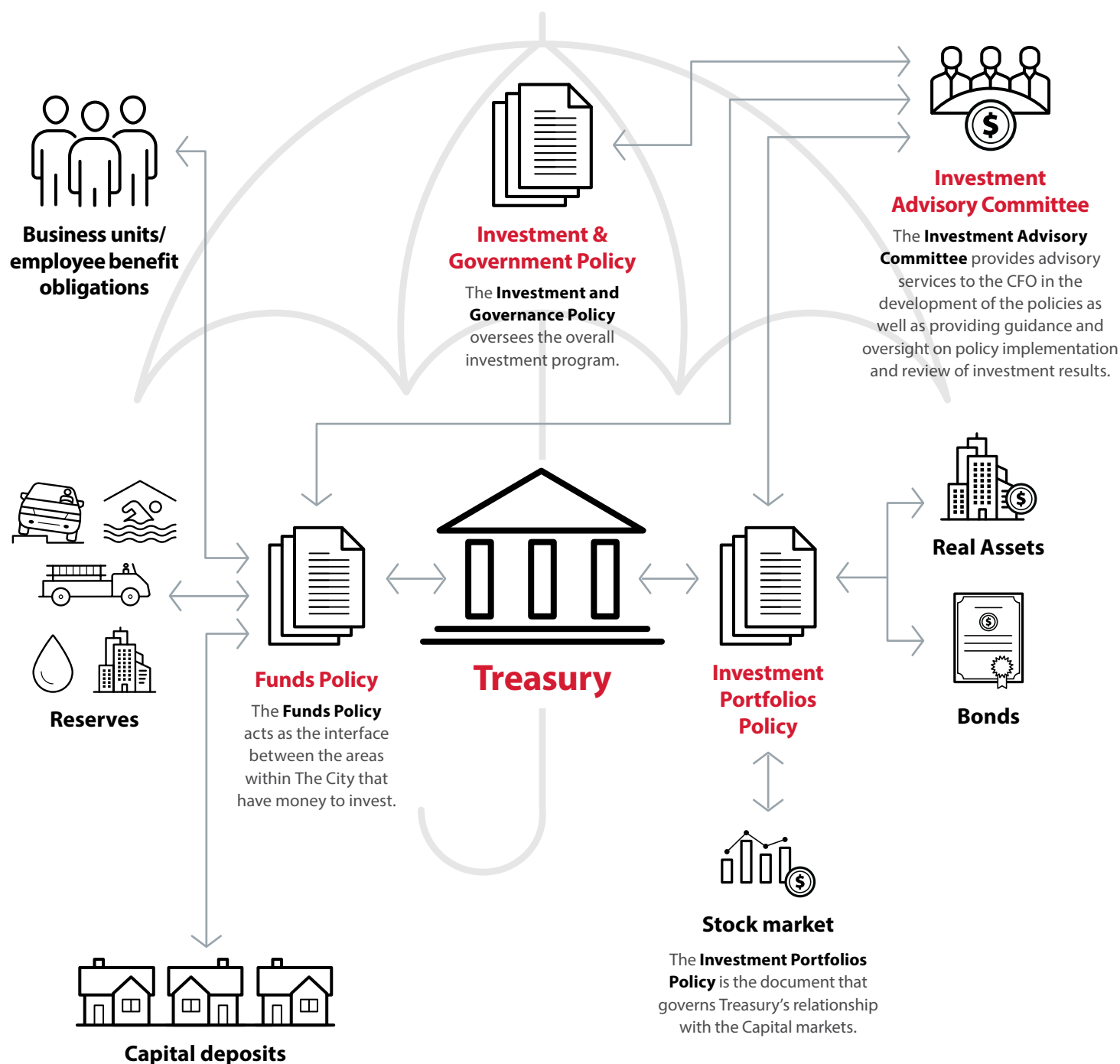
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Appendix 3: Investment program governing documents

The diagram shows the documents utilized in The City of Calgary's investment program and their relationship amongst themselves and how they interact with interested parties.



Appendix 4: Mandate-level responsible investing and compliance

Portfolio manager/mandate	In compliance?	PRI signatory	PRI rating
Short Term Fixed Income			
Short Term Universe Bonds			
PH&N Short Term	Yes	✓	★★★★★
CC&L Short Term	Yes	✓	★★★★☆
Canadian Commercial Mortgages			
PH&N Mortgage	Yes	✓	★★★★★
Addenda Mortgage	Yes	✓	★★★★☆
Sun Life Mortgage	Yes	✓	★★★★☆
Public Fixed Income			
Public Fixed Income (Canada)			
PH&N Universe	Yes	✓	★★★★★
CC&L Universe	Yes	✓	★★★★☆
BlackRock Universe	Yes	✓	★★★★☆
Public Fixed Income (Global)			
Pimco	Yes	✓	★★★★★
Manulife	Yes	✓	★★★★☆
BlackRock FIGO	Yes	✓	★★★★☆
Private Credit			
Sun Life PFIP	Yes	✓	★★★★☆
Bridgepoint BDL II	Yes	✓	★★★★★
Crestline SLF II	Yes	✓	★★★★☆
Crestline SLF III	Yes	✓	★★★★☆
Brookfield BID III	Yes	✓	★★★★★
Bridgepoint BDL III	Yes	✓	★★★★★
Crestline DLF IV	Yes	✓	★★★★☆
Equities			
Vanguard S&P 500 ETF	n/a	✓	★★★★☆
CC&L International	Yes	✓	★★★★☆
Wasatch	Yes	✓	★★★★☆
Equity ETFs	n/a	✓	★★★★☆
Real Assets			
Northleaf NICP II NSIP	Yes	✓	★★★★★
CBRE GIF	Yes	✓	★★★★★
Northleaf NICP III	Yes	✓	★★★★★
BlackRock GRP III	Yes ⁽¹⁾	✓	★★★★★
CBRE Global Alpha	Yes	✓	★★★★★
Brookfield Diversified Real Assets	Yes	✓	★★★★★
BlackRock GRP IV	Yes ⁽¹⁾	✓	★★★★★
Currency Overlay			
BNP Paribas	Yes	✓	★★★★★

¹ As of Q3 2024. Data for Q4 not yet available.

Appendix 5: Investment Advisory Committee (IAC) members

Among other roles and responsibilities shown in the IGP, the Investment Advisory Committee provides advice and risk oversight on The City's investments including the investment structure, implementation strategies, monitoring of performance and compliance.

Internal members

(As at Dec. 31, 2024)

- Les Tochor, CPA, CA – CFO & Committee Chair
- Aaron Brown, CFA, MBA – Acting City Treasurer & Director of Finance
- Katie Black, MSW – General Manager, Community Services
- Michael Thompson, P.Eng., MBA – General Manager, Infrastructure Services

External members

(As at Dec. 31, 2024)

- Brittany Jones, CAIA – Director of Investment Strategy, Government of Alberta
- Thomas Holloway, CFA – Associate Professor at the Haskayne School of Business (U of C)
- Ian Bourne, B.Comm, ICD.D – Corporate Director



2024 Annual Investment Report AC2025-0384

Audit Committee

2025 April 17

Recommendation

That the Audit Committee:

Recommends Council approval of The City of Calgary 2024 Annual Investment Report

Headline Results



Assets
under
management

\$7,092
million



Net
assets

\$6,696
million



Net return
9.19%



Income
available for
distribution

\$298
million

The investment portfolio grew, exceeded its benchmarks, and delivered above-budget returns

Sources of Funds

The City of Calgary invests funds that stem from the following sources:

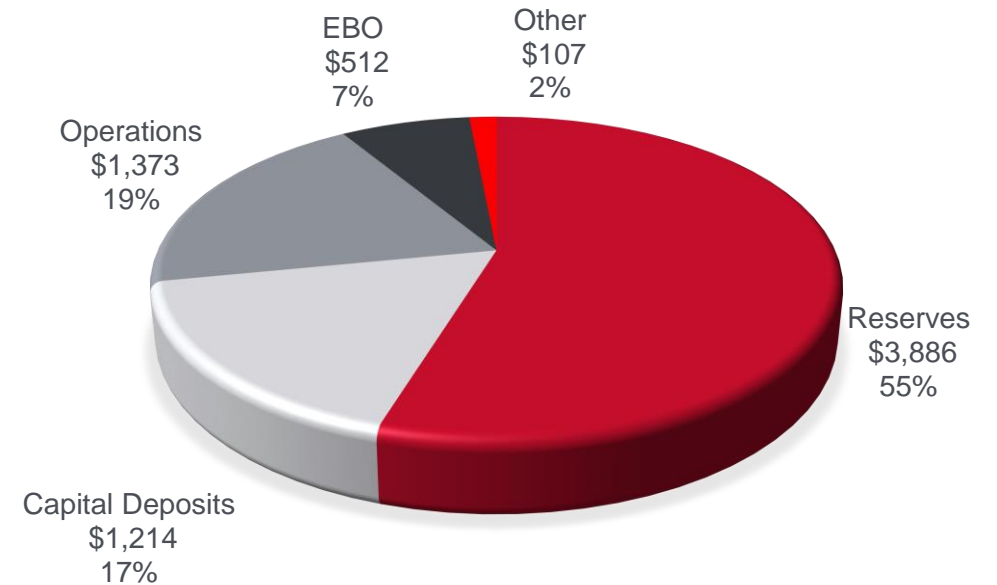
Reserves: operating, capital and sustainment

Capital Deposits: off-site levies and government grants

General Operations: includes working capital

Funded Employee Benefit Obligations (EBO)

Other: trusts and affiliated entities

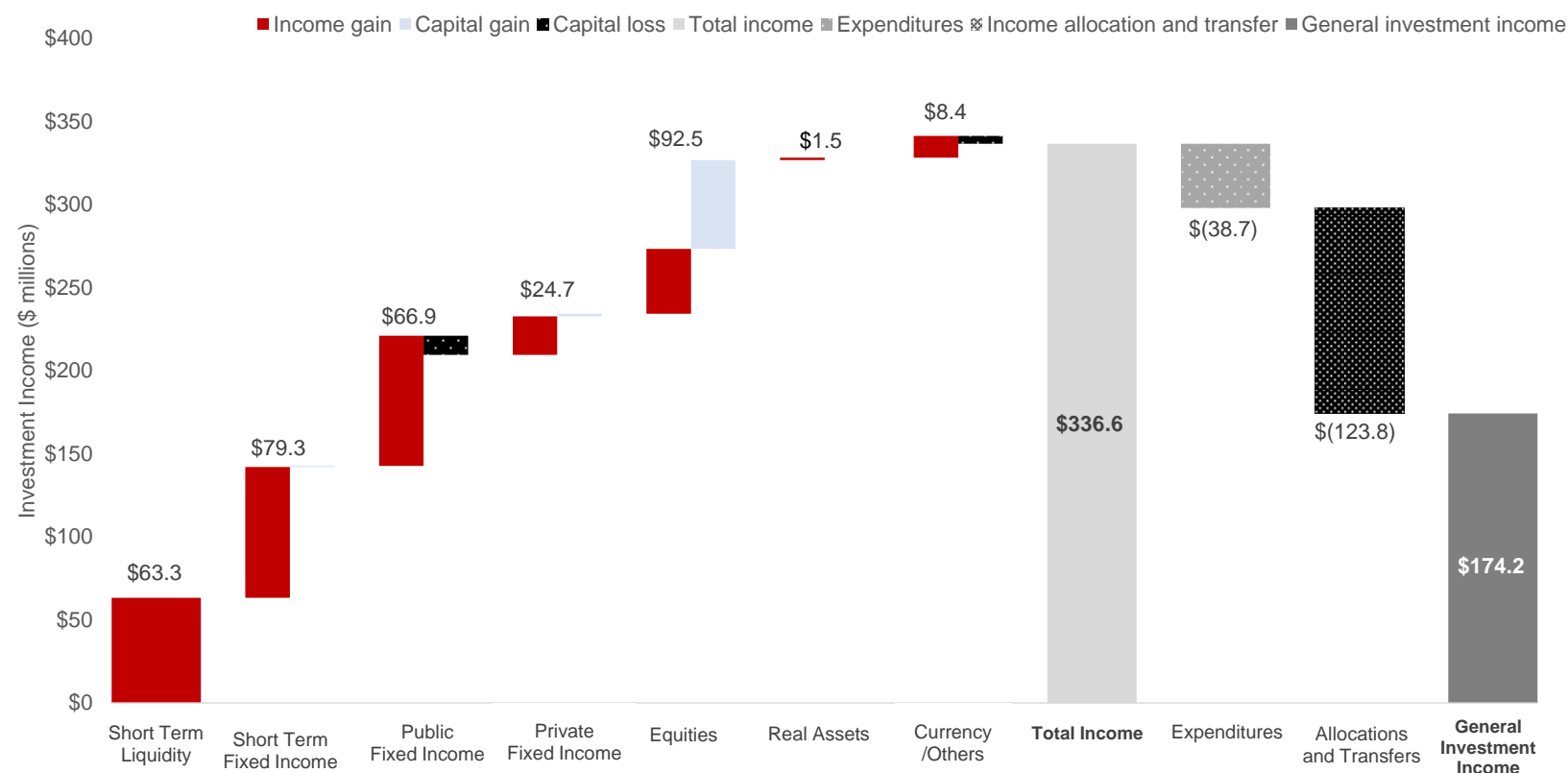


As at December 31, 2024

Reserves remained the largest source of investment capital

Investment Income

Investment Income (\$ millions) for the periods ended	2017	2018	2019	2020*	2021	2022	2023	2024
Corporate Total Investment Income	125.6	73.6	211.5	167.7	168.1	160.2	255.4	336.6
Expenditures (net of receivables)	7.0	2.4	7.0	11.2	17.0	19.5	33.9	38.7
Available Income for Allocation	118.6	71.2	204.5	156.6	151.1	140.7	221.6	298.0
Allocations to Self-Supporting Business Units and Capital Deposits	40.2	22.0	43.1	52.0	48.5	34.6	64.3	70.9
Transfers to Reserves from Operations	27.2	19.0	41.0	47.0	43.1	31.3	58.8	52.9
General Investment Income	51.2	30.2	120.4	57.6	59.4	74.7	98.5	174.2



Total Investment Income generated in 2024 was \$336.6 million: the highest single year income generated.



Portfolio Market Value and Cost

- As at December 31, 2024, the market value of The City of Calgary's total investment portfolio was \$7,092 million: an increase of \$272 million from \$6,820 million in the prior year. Book value increased by \$7 million.
- This was driven by \$589 million in returns and gains, partially offset by net cash transfers out of \$317 million.
- Short Term Liquidity Portfolio drawn down by \$480 million over the course of 2024.
 - Primarily to fund corporate needs
 - A secondary, but still large, use was funding new investments in private credit and real assets
 - Offset by issuing new commercial paper

\$ millions

Market value	Q4/24	Q3/24	Q2/24	Q1/24	Q4/23
Internal Management					
Short Term Liquidity	757	1,089	1,362	1,023	1,237
Short Term Fixed Income	508	495	490	487	484
External Management					
Short Term Fixed Income	1,487	1,476	1,428	1,428	1,436
Public Fixed Income (Canada)	1,122	1,127	1,077	1,066	1,072
Public Fixed Income (Global)	1,012	1,002	961	952	945
Private Credit	412	399	381	372	377
Equities	947	899	847	821	751
Real Assets	826	787	548	531	475
Currency Overlay	22	29	33	37	43
Total	7,092	7,302	7,126	6,717	6,820

\$ millions

Book value	Q4/24	Q3/24	Q2/24	Q1/24	Q4/23
Internal Management					
Short Term Liquidity	757	1,089	1,362	1,023	1,237
Short Term Fixed Income	501	487	491	490	485
External Management					
Short Term Fixed Income	1,489	1,475	1,461	1,464	1,459
Public Fixed Income (Canada)	1,135	1,128	1,116	1,107	1,072
Public Fixed Income (Global)	1,018	1,009	999	992	945
Private Credit	408	397	385	376	377
Equities	782	694	694	701	697
Real Assets	730	720	480	474	474
Currency Overlay	26	29	33	36	29
Total	6,846	7,026	7,021	6,664	6,839

The Consolidated Investment Portfolio grew by \$272 million over the course of 2024, primarily driven by natural growth



Portfolio Performance (YTD)

- In 2024, The City's total portfolio recorded a return of 9.19% after fees on a market value basis, which has outperformed the overall benchmark by 69bps. For Q4, this was 1.81% after fees and 50bps, respectively.

	Q4/24	Annualized Returns				Annual Returns				
		1 Year	3 Years	5 Years	ITD	2024	2023	2022	2021	2020
The City of Calgary Consolidated*	1.81	9.19	3.41	3.76	3.31	9.19	7.61	-6.14	2.06	6.53
Benchmark	1.31	8.50	2.89	3.30	2.89	8.50	7.35	-6.46	1.28	6.65
Value Added	0.50	0.69	0.52	0.46	0.42	0.69	0.26	0.32	0.79	-0.12
Short Term Liquidity*	1.43	5.82	4.56	3.26	2.37	5.82	5.19	2.54	0.85	1.79
Benchmark	1.08	4.92	3.81	2.48	1.63	4.92	4.71	1.82	0.17	0.86
Value Added	0.35	0.90	0.75	0.78	0.74	0.90	0.48	0.73	0.68	0.93
Short Term Fixed Income	0.74	5.89	2.48	2.66	2.48	5.89	5.63	-3.78	0.00	5.93
Benchmark	0.65	5.70	2.13	2.11	2.09	5.70	5.02	-4.05	-0.93	5.19
Value Added	0.09	0.19	0.35	0.55	0.39	0.19	0.61	0.26	0.94	0.75
Public Fixed Income (Canada)	0.03	4.53	-0.32	1.20	2.57	4.53	6.88	-11.34	-2.27	9.64
Benchmark	-0.04	4.23	-0.60	0.79	2.24	4.23	6.69	-11.69	-2.54	8.68
Value Added	0.07	0.30	0.28	0.41	0.33	0.30	0.19	0.34	0.27	0.96
Public Fixed Income (Global)	0.82	7.49	1.78	2.45	3.85	7.49	6.69	-8.06	-0.34	7.39
Benchmark	1.03	7.23	0.21	0.82	2.27	7.23	3.82	-9.61	-3.62	7.38
Value Added	-0.21	0.26	1.57	1.63	1.58	0.26	2.87	1.54	3.27	0.01
Private Credit	3.97	11.16	5.95	5.97	5.83	11.16	7.83	-0.77	3.26	8.81
Benchmark	3.32	12.60	6.16	5.39	5.51	12.60	10.92	-4.14	0.08	8.57
Value Added	0.65	-1.44	-0.21	0.58	0.32	-1.44	-3.09	3.36	3.18	0.23
Equities	5.61	27.04	7.71	8.22	9.25	27.04	17.23	-16.09	12.07	5.98
Benchmark	5.41	28.15	10.10	12.48	10.87	28.15	18.92	-12.43	17.53	14.80
Value Added	0.20	-1.11	-2.39	-4.26	-1.62	-1.11	-1.69	-3.66	-5.46	-8.82
Real Assets	4.28	13.41	11.21	9.98	9.19	13.41	7.90	12.41	9.92	6.41
Benchmark	0.99	5.96	6.45	6.03	6.93	5.96	5.05	8.37	10.43	1.28
Value Added	3.29	7.45	4.76	3.95	2.26	7.45	2.85	4.04	-0.51	5.13
Currency Hedge Overlay	-0.31	-1.11	-0.42	0.10	0.00	-1.11	0.45	-0.58	1.02	0.73
Benchmark	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Value Added	-0.31	-1.11	-0.42	0.10	0.00	-1.11	0.45	-0.58	1.02	0.73

*The City of Calgary's Consolidated and Short Term Liquidity Portfolio performance excludes High Interest Savings Accounts (HISA). The estimated 2024 (Q4) return, including HISA, for the Consolidated Portfolio is 8.93 (1.73) per cent against an estimated blended benchmark of 8.25 (1.29) per cent. The estimated 2024 return, including HISA, for the Short Term Liquidity Portfolio is 5.53 (1.19) per cent.

Consolidated Portfolio posted an annual return of 9.19% in 2024



Portfolio Performance (YTD)

- In 2024, The City's total portfolio recorded a return of 9.19% after fees on a market value basis, which has outperformed the overall benchmark by 69bps. For Q4, this was 1.81% after fees and 50bps, respectively.

	Q4/24	Annualized Returns				Annual Returns				
		1 Year	3 Years	5 Years	ITD	2024	2023	2022	2021	2020
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Short Term Liquidity*				1.43		5.82	7.35	-6.46	1.28	6.65
Benchmark				1.08		4.92	0.26	0.32	0.79	-0.12
Value Added				0.35		0.90	5.19	2.54	0.85	1.79
Short Term Fixed Income				0.74		5.89	4.71	1.82	0.17	0.86
Benchmark				0.65		5.70	0.48	0.73	0.68	0.93
Value Added				0.09		0.19	5.63	-3.78	0.00	5.93
							5.02	-4.05	-0.93	5.19
							0.61	0.26	0.94	0.75
							6.88	-11.34	-2.27	9.64
							6.69	-11.69	-2.54	8.68
							0.19	0.34	0.27	0.96
							6.69	-8.06	-0.34	7.39
Benchmark	1.03	7.23	0.21	0.82	2.27	7.23	3.82	-9.61	-3.62	7.38
Value Added	-0.21	0.26	1.57	1.63	1.58	0.26	2.87	1.54	3.27	0.01
Private Credit	3.97	11.16	5.95	5.97	5.83	11.16	7.83	-0.77	3.26	8.81
Benchmark	3.32	12.60	6.16	5.39	5.51	12.60	10.92	-4.14	0.08	8.57
Value Added	0.65	-1.44	-0.21	0.58	0.32	-1.44	-3.09	3.36	3.18	0.23
Equities	5.61	27.04	7.71	8.22	9.25	27.04	17.23	-16.09	12.07	5.98
Benchmark	5.41	28.15	10.10	12.48	10.87	28.15	18.92	-12.43	17.53	14.80
Value Added	0.20	-1.11	-2.39	-4.26	-1.62	-1.11	-1.69	-3.66	-5.46	-8.82
Real Assets	4.28	13.41	11.21	9.98	9.19	13.41	7.90	12.41	9.92	6.41
Benchmark	0.99	5.96	6.45	6.03	6.93	5.96	5.05	8.37	10.43	1.28
Value Added	3.29	7.45	4.76	3.95	2.26	7.45	2.85	4.04	-0.51	5.13
Currency Hedge Overlay	-0.31	-1.11	-0.42	0.10	0.00	-1.11	0.45	-0.58	1.02	0.73
Benchmark	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Value Added	-0.31	-1.11	-0.42	0.10	0.00	-1.11	0.45	-0.58	1.02	0.73

*The City of Calgary's Consolidated and Short Term Liquidity Portfolio performance excludes High Interest Savings Accounts (HISA). The estimated 2024 (Q4) return, including HISA, for the Consolidated Portfolio is 8.93 (1.73) per cent against an estimated blended benchmark of 8.25 (1.29) per cent. The estimated 2024 return, including HISA, for the Short Term Liquidity Portfolio is 5.53 (1.19) per cent.

Consolidated Portfolio posted an annual return of 9.19% in 2024



Portfolio Performance (YTD)

- In 2024, The City's total portfolio recorded a return of 9.19% after fees on a market value basis, which has outperformed the overall benchmark by 69bps. For Q4, this was 1.81% after fees and 50bps, respectively.

	Q4/24	Annualized Returns				Annual Returns				
		1 Year	3 Years	5 Years	ITD	2024	2023	2022	2021	2020
The City of Calgary Consolidated*	1.81	9.19	3.41	3.76	3.31	9.19	7.61	-6.14	2.06	6.53
Benchmark	1.31	8.50	2.89	3.30	2.89	8.50	7.35	-6.46	1.28	6.65
Value Added	0.50	0.69	0.52	0.46	0.42	0.69	0.26	0.32	0.79	-0.12
Short Term Liquidity*	1.43	5.82	4.56	3.26	2.37	5.82	5.19	2.54	0.85	1.79
Benchmark	1.08	4.92	3.81	2.48	1.63	4.92	4.71	1.82	0.17	0.86
							0.48	0.73	0.68	0.93
Public Fixed Income (Canada)				0.03		4.53	5.63	-3.78	0.00	5.93
Benchmark				-0.04		4.23	5.02	-4.05	-0.93	5.19
Value Added				0.07		0.30	0.61	0.26	0.94	0.75
							6.88	-11.34	-2.27	9.64
							6.69	-11.69	-2.54	8.68
							0.19	0.34	0.27	0.96
Public Fixed Income (Global)				0.82		7.49	6.69	-8.06	-0.34	7.39
Benchmark				1.03		7.23	3.82	-9.61	-3.62	7.38
Value Added				-0.21		0.26	2.87	1.54	3.27	0.01
							7.83	-0.77	3.26	8.81
							10.92	-4.14	0.08	8.57
							-3.09	3.36	3.18	0.23
Private Credit				3.97		11.16	17.23	-16.09	12.07	5.98
Benchmark				3.32		12.60	18.92	-12.43	17.53	14.80
Value Added				0.65		-1.44	-1.69	-3.66	-5.46	-8.82
							7.90	12.41	9.92	6.41
							5.05	8.37	10.43	1.28
							2.85	4.04	-0.51	5.13
Real Assets	4.20	10.41	11.21	9.90	9.70	10.41	7.90	12.41	9.92	6.41
Benchmark	0.99	5.96	6.45	6.03	6.93	5.96	5.05	8.37	10.43	1.28
Value Added	3.29	7.45	4.76	3.95	2.26	7.45	2.85	4.04	-0.51	5.13
Currency Hedge Overlay	-0.31	-1.11	-0.42	0.10	0.00	-1.11	0.45	-0.58	1.02	0.73
Benchmark	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Value Added	-0.31	-1.11	-0.42	0.10	0.00	-1.11	0.45	-0.58	1.02	0.73

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Benchmark	1.31	8.50	2.89	3.30	2.89	8.50	7.35	-6.46	1.28	6.65
Value Added	0.50	0.69	0.52	0.46	0.42	0.69	0.26	0.32	0.79	-0.12
Short Term Liquidity*	1.43	5.82	4.56	3.26	2.37	5.82	5.19	2.54	0.85	1.79
Benchmark	1.08	4.92	3.81	2.48	1.63	4.92	4.71	1.82	0.17	0.86
Value Added	0.35	0.90	0.75	0.78	0.74	0.90	0.48	0.73	0.68	0.93
Short Term Fixed Income	0.74	5.89	2.48	2.66	2.48	5.89	5.63	-3.78	0.00	5.93
Benchmark	0.65	5.70	2.13	2.11	2.09	5.70	5.02	-4.05	-0.93	5.19
Value Added	0.09	0.19	0.35	0.55	0.39	0.19	0.61	0.26	0.94	0.75
Public Fixed Income (Canada)	0.03	4.53	-0.32	1.20	2.57	4.53	6.88	-11.34	-2.27	9.64
Benchmark	-0.04	4.23	-0.60	0.79	2.24	4.23	6.69	-11.69	-2.54	8.68
Value Added	0.07	0.30	0.28	0.41	0.33	0.30	0.19	0.34	0.27	0.96
Public Fixed Income (Global)	0.82	7.49	1.78	2.45	3.85	7.49	6.69	-8.06	-0.34	7.39
Benchmark	1.03	7.23	0.21	0.82	2.27	7.23	3.82	-9.61	-3.62	7.38
Value Added	-0.21	0.26	1.57	1.63	1.58	0.26	2.87	1.54	3.27	0.01
Private Credit	3.97	11.16	5.95	5.97	5.83	11.16	7.83	-0.77	3.26	8.81
Benchmark	3.32	12.60	6.16	5.39	5.51	12.60	10.92	-4.14	0.08	8.57

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Currency Hedge Overlay	-0.31	-1.11	-0.42	0.10	0.00	-1.11	0.45	-0.58	1.02	0.73
Benchmark	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Value Added	-0.31	-1.11	-0.42	0.10	0.00	-1.11	0.45	-0.58	1.02	0.73

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- In 2024, The City's total portfolio recorded a return of 9.19% after fees on a market value basis, which has outperformed the overall benchmark by 69bps. For Q4, this was 1.81% after fees and 50bps, respectively.

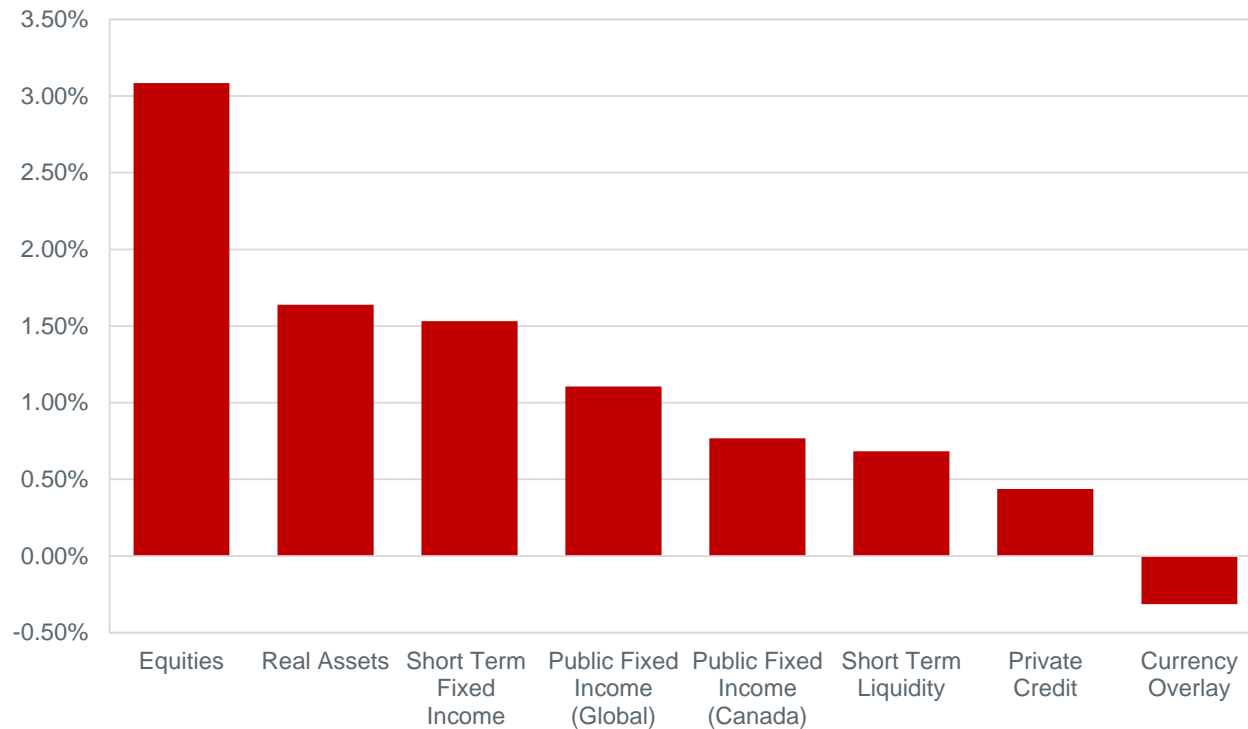
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Short Term Liquidity*	1.43	5.82	4.56	3.26	2.37	5.82	5.19	2.54	0.85	1.79
Benchmark	1.08	4.92	3.81	2.48	1.63	4.92	4.71	1.82	0.17	0.86
Value Added	0.35	0.90	0.75	0.78	0.74	0.90	0.48	0.73	0.68	0.93
Short Term Fixed Income	0.74	5.89	2.48	2.66	2.48	5.89	5.63	-3.78	0.00	5.93
Benchmark	0.65	5.70	2.13	2.11	2.09	5.70	5.02	-4.05	-0.93	5.19
Value Added	0.09	0.19	0.35	0.55	0.39	0.19	0.61	0.26	0.94	0.75
Public Fixed Income (Canada)	0.03	4.53	-0.32	1.20	2.57	4.53	6.88	-11.34	-2.27	9.64
Benchmark	-0.04	4.23	-0.60	0.79	2.24	4.23	6.69	-11.69	-2.54	8.68
Value Added	0.07	0.30	0.28	0.41	0.33	0.30	0.19	0.34	0.27	0.96
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Real Assets				4.28		13.41	3.82	-9.61	-3.62	7.38
Benchmark				0.99		5.96	2.87	1.54	3.27	0.01
Value Added				3.29		7.45	7.83	-0.77	3.26	8.81
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Consolidated Portfolio posted an annual return of 9.19% in 2024

Contribution to Return

Portfolio Contribution to Return – 2024



- Equity return was the highest of any asset class, both in of percentage and absolute terms.
- When the two components of the Public Fixed Income Portfolio are combined, its total contribution to return was 1.87%, second only to equities.
- The Currency Overlay was the sole portfolio with negative contribution to return in 2024, but its downside was limited due to the active nature of the mandate.

Equities and Real Assets were responsible for more than half of 2024's returns.

Recommendation

That the Audit Committee:

Recommends Council approval of The City of Calgary 2024 Annual Investment Report

Corporate Planning & Financial Services Report to
Audit Committee
2025 April 17

ISC: UNRESTRICTED
AC2025-0323

The City of Calgary 2024 Annual Financial Report

PURPOSE

The purpose of the report is to present the 2024 consolidated financial statements, which have been audited by Deloitte LLP, Chartered Professional Accountants, and received an unmodified opinion. Council approval of The City of Calgary 2024 Annual Financial Report is required to comply with Section 276(3) of the Municipal Government Act which states that each Municipality must make its financial statements available publicly by May 1 of the year following the year for which the statements have been prepared.

PREVIOUS COUNCIL DIRECTION

The Audit Committee's Terms of Reference (included in Bylaw 33M2020) as approved by Audit Committee and Council, state that the Audit Committee has responsibilities over The City of Calgary's (The City) Financial Disclosure and Accounting Practices as outlined in Attachment 1.

RECOMMENDATIONS:

That the Audit Committee:

1. Consider this report in conjunction with Report AC2025-0351 "External Auditor 2024 Year-End Report",
2. Recommends Council approval of The City of Calgary 2024 Annual Financial Report, and
3. Forward this report to the 2025 April 29 Regular Meeting of Council.

CHIEF ADMINISTRATIVE OFFICER/GENERAL MANAGER COMMENTS

The Annual Financial Report is part of The City's commitment to provide effective governance, increased accountability, transparency, and a well-run City. This year's report provides a comprehensive view of the 2024 financial results, highlighting The City's commitment to prudent cost management and savings.

Les Tochor, Chief Financial Officer and General Manager of Corporate Planning & Financial Services concurs with this report.

HIGHLIGHTS

- **What does this mean to Calgarians?** Reporting on our financials is an important way for Administration to provide updates to Council and Calgarians on how the financial resources entrusted to The City are being managed to provide municipal services and infrastructure.
- **Why does this matter?** Financial Reporting compliance with provincial legislation is essential to ensure public confidence and fulfill the public's need for transparency and accountability.

**Corporate Planning & Financial Services Report to
Audit Committee
2025 April 17**

**ISC: UNRESTRICTED
AC2025-0323**

The City of Calgary 2024 Annual Financial Report

- It is recommended that the report be forwarded to the 2025 April 29 Regular Meeting of Council in order that the legislated timeline for financial statements to be available to the public be met.
- The City of Calgary 2024 Annual Financial Report includes the 2024 consolidated financial statements which have been audited, by Deloitte LLP, Chartered Professional Accountants and received an unmodified audit opinion. Once the Annual Financial Report has been approved by Council, it will be available electronically on www.calgary.ca.
- The 2024 External Auditor's Year End Report is required for the Audit Committee to fulfill its audit governance responsibilities, with respect to confirming the integrity of The City's annual consolidated financial statements and recommending its approval to Council. The External Auditor's Year-End Report will be brought forward to Council as report AC2025-0351.

DISCUSSION

The City of Calgary 2024 Annual Financial Report ("Annual Financial Report") will be published in a one-book landscape format.

The Annual Financial Report presents financial information that consolidates all organizations that are controlled by The City, except for ENMAX Corporation, The City's government business enterprise, which is accounted for on a modified equity basis.

Within the Annual Financial Report, the reader will find four main sections:

1. The Financial Statement Discussion and Analysis (unaudited) expands on and further explains information disclosed in the consolidated financial statements. This section also provides information on The City's risk management as well as Outlook information for 2025 and beyond.
2. The Consolidated Financial Statements assist the reader in understanding how well The City has managed its finances in the year and where The City stands in terms of resources held and debts owed at the end of the year. The 2024 consolidated financial statements of The City of Calgary continue to reflect a strong and resilient financial picture of a municipality investing in infrastructure.
3. The Climate-Related Financial Disclosures (unaudited) provides readers with information on how The City is identifying, assessing, integrating, managing, and reporting its climate-related risks and opportunities within its organizational governance, strategy, business planning, and service provision to Calgarians.
4. The Financial and Statistical Schedules (unaudited) provide readers with a five-year history of various financial and statistical information in a summarized reader friendly format.

New Accounting Standards Adopted in 2024:

In 2024, The City adopted two new accounting standards; Revenue, Public Private Partnerships and one accounting guideline; Purchased Intangibles. The adoption of the standards and guideline did not have a significant impact to The City's 2024 Consolidated Financial Statements. All changes were adopted prospectively, effective January 1, 2024.

**Corporate Planning & Financial Services Report to
Audit Committee
2025 April 17**

**ISC: UNRESTRICTED
AC2025-0323**

The City of Calgary 2024 Annual Financial Report

Further details on the changes in accounting policy are outlined in Note 1(ab) of the Annual Financial Report (Attachment 2).

EXTERNAL ENGAGEMENT AND COMMUNICATION

- | | |
|--|---|
| <input type="checkbox"/> Public engagement was undertaken | <input type="checkbox"/> Dialogue with interested parties was undertaken |
| <input type="checkbox"/> Public/interested parties were informed | <input checked="" type="checkbox"/> Public communication or engagement was not required |

IMPLICATIONS

Social, Environmental, Economic

The Annual Financial Report demonstrates The City's accomplishments in 2024 in the areas:

- Strong statement of financial position and liquidity;
- Managing the 2023-2026 Service Plans and Budgets;
- Continued focus on existing infrastructure, downtown revitalization and supporting city growth, transit and public safety;
- Major investments in the Culture + Entertainment District and ARTS Commons & Olympic Plaza Transformation;
- Bears paw South Feeder Main break response and repair;
- Continuing investment in Green Line infrastructure;
- Preparing our city and infrastructure for a changing climate; and
- Adoption of new accounting standards.

Service and Financial Implications

No anticipated financial impact

Current and Future Operating Budget:

There are no anticipated financial implications as a result of implementing these recommendations.

Current and Future Capital Budget:

There are no anticipated financial implications as a result of implementing these recommendations.

RISK

Each municipality must make its financial statements, or a summary of them, and the auditor's report of the financial statements available to the public by May 1 of the year following the year for which the financial statements have been prepared. If Council does not approve this report at the 2025 April 29 Regular Meeting of Council, then The City would not be in compliance with this legislative requirement.

Corporate Planning & Financial Services Report to
Audit Committee
2025 April 17

ISC: UNRESTRICTED
AC2025-0323

The City of Calgary 2024 Annual Financial Report

ATTACHMENTS

1. Previous Council Direction, Background
2. The City of Calgary 2024 Annual Financial Report
3. 2024 Annual Financial Report Presentation

Department Circulation

General Manager/Director	Department	Approve/Consult/Inform
Les Tochor	Corporate Planning & Financial Services Department	Approve

Author: Corporate Financial Reporting Team, Finance

Background

Section 276(1)(a) of the Municipal Government Act specifies that the financial statements be prepared in accordance with “Canadian generally accepted accounting principles for municipal governments, which are the standards approved by the Public Sector Accounting Board included in the CPA Canada Public Sector Accounting Handbook published by the Chartered Professional Accountants of Canada, as amended from time to time.”

Further to this, Section 276(3) of the Municipal Government Act provides:

“Each municipality must make its financial statements, or a summary of them, and the auditor’s report of the financial statements available to the public in the manner the Council considers appropriate by May 1 of the year following the year for which the financial statements have been prepared.”

Previous Council Direction

The Audit Committee’s Terms of Reference (included in Bylaw 33M2020) as approved by Audit Committee and Council, state that the Audit Committee, with respect to The City’s Financial Disclosure and Accounting Practices:

- a) Reviews and oversees the integrity of the annual financial statements and recommends their approval to Council;
- b) Reviews and discusses The City’s compliance with financial reporting, policies and procedures with Administration and the External Auditor;
- c) Engages Administration and the External Auditor in candid discussions regarding issues that may alter judgment or affect the quality of the reporting process and search for insight into the results;
- d) In consultation with the Chief Financial Officer and External Auditor, review and discuss significant new accounting standards and financial reporting developments to understand any material impact on financial results. A detailed analysis, prepared by Administration, on the implications of any changes, as well as the progress made in the adoption of new accounting standards, may be requested; and
- e) Maintains open lines of communication with the External Auditor and Administration.
- f) Must meet with the Chief Financial Officer, in the absence of the External Auditor, at least quarterly.



Calgary



AC2025-0323
Attachment 2

2024 City of Calgary Annual Financial Report

For the fiscal year ended December 31, 2024

Calgary, Alberta, Canada

ISC: Unrestricted

1 of 130

Land acknowledgement

The Calgary area, where the Bow and Elbow rivers meet, is a place of confluence where the sharing of ideas and opportunities naturally come together.

Indigenous peoples have their own names for this area that have been in use long before Scottish settlers named this place Calgary.

The Métis call the Calgary area Otos-kwunee. In the Blackfoot language, they call this place, Moh'kinstsis. The Îlethka Nakoda Wicastabi refer to the Calgary area as Wicispa Oyade and the people of the Tsuut'ina nation call this area Guts'ists'i.

We appreciate and acknowledge that we live, work and play on the ancestral and traditional territories of the Blackfoot confederacy, made up of the Siksika, Piikani, Amskaapiikani and Kainai First Nations; the Îlethka Nakoda Wicastabi First Nations, comprised of the Chiniki, Bearspaw, and Goodstoney First Nations; and the Tsuut'ina First Nation.

The City of Calgary is also homeland to the historic Northwest Métis and to the Otipemisiwak Métis Government, Métis Nation Battle River Territory (Nose Hill Métis District 5 and Elbow Métis District 6). We acknowledge all Indigenous people who have made Calgary their home.



Indigenous Dancers at Elbow River Camp during Stampede 2023.
Photography by Colin Way for Tourism Calgary

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The Annual Financial Report is part of The City of Calgary's commitment to provide effective governance, increased accountability, transparency, and a well-run city. It provides a comprehensive view of the consolidated financial statements in accordance with Canadian generally accepted accounting principles for local governments.

Calgary is a great place to live, and this is achieved through the efforts of all Calgarians and the hard work of dedicated City employees who are committed to **making life better every day**.



The City of Calgary, Alberta

Annual Financial Report for the year ended December 31, 2024

Produced by the Corporate Planning and Financial Services Department of
The City of Calgary, in cooperation with all civic departments, offices and agencies.

Fall foliage on Nose Hill

Introduction

AC2025-0323
Attachment 2



Patios along 17th Avenue S.W.

ISC: Unrestricted

The City of Calgary (The City) conducts an annual Fall Survey of Calgarians to gather views about living in Calgary, perception of quality of life, attitudes towards City Administration and Council, overall satisfaction with services, perception of value for taxes and Calgarians' outlook for the future.

Public opinion research is a critical tool in helping Council and Administration better understand the needs and perceptions of Calgarians, informing decision-making and providing accountability through performance measures and insights. Given that the Fall Survey of Calgarians is a year-over-year longitudinal survey, it provides more than opinions captured in a single moment of time; tracking Calgarians' perceptions annually provides a performance-based report for Council and Administration, allows for comparison against previous years' findings and helps The City to gauge and better understand shifts and changes in perception.

A portion of the Fall Survey results are shared each year within the Annual Financial Report as a companion piece to the financial results. Complete Fall Survey results, including a year-to-year comparison, can be found at calgary.ca/fallsurvey.

Admin and Council

53%

of Calgarians are satisfied with the way Council and Administration are running The City.

Perceptions of transparency and Calgarians' input

56%

of Calgarians agree The City practices open and accessible government.

53%

agree they are confident that The City is working to improve how it includes Calgarians' input into important decisions.

50%

of Calgarians agree The City uses input from Calgarians in decision-making about City projects and services.

45%

agree The City manages its spending in a responsible way that reflects the needs and priorities of Calgarians.

City services



63%

are satisfied with the overall level and quality of City services and programs.



74%

are satisfied with the overall level and quality of customer service provided by The City.



70%

agree The City meets my customer service expectations.

Quality of life in Calgary

66%

of Calgarians say the quality of life in Calgary is good.

68%

agree The City of Calgary fosters a city that is inclusive and accepting of all.

70%

agree Calgary is a great place to make a life.

50%

agree Calgary is safe for all residents and visitors, regardless of things like ethnicity, race, religion, income, or sexual identity.

63%

agree Calgary is a great place to make a living.

46%

agree The City of Calgary delivers programs and services that remove barriers to participation for Calgarians who need it the most.

61%

agree that Calgary is on the right track to be a better city 10 years from now.



Calgarians enjoying Edworthy Park in the fall

Corporate Governance and Accountability

Council consists of 14 Councillors and the Mayor. In Council meetings, each member has one vote. They are elected by and accountable to the people of Calgary. The Mayor and Councillors hold office for four-year terms.

The role of Council is to govern The City of Calgary, Calgary's municipal corporation, to ensure it provides the civic services Calgarians need. In carrying out its many duties, Council must anticipate emerging opportunities and plan for the community's long-term development and growth, along with addressing concerns. Regular and open communication with Administration is central to setting and achieving Calgary's municipal corporation's mission, vision, goals, strategies and actions.

In addition to sitting as a Council in Council meetings, Council members participate in a variety of boards, commissions and committees. Their involvement provides a critical link between Calgary's communities, agencies and the workings of the municipal government.

Audit Committee

The Audit Committee assists Council in fulfilling its financial oversight and stewardship responsibilities. It maintains reasonable assurance in relation to the integrity of The City's annual financial statements, governance matters, risk management and compliance.

The Audit Committee upholds the qualifications, independence, and effectiveness of the External Auditor and the City Auditor. It also evaluates internal control systems and processes and maintains the utilization of a confidential and independent Whistle-blower Program. The Audit Committee consists of seven members appointed by Council, with the Mayor serving as ex-officio. The membership includes four City councillors and three volunteer public members, whom demonstrate extensive financial expertise. Support to the Audit Committee is provided by the Chief Financial Officer, City Auditor and the External Auditor.

City of Calgary Administration

Calgary's municipal government is responsible for supporting, encouraging and strengthening our community's dynamic development. It is Administration's responsibility to provide, manage and sustain civic infrastructure, facilities and programs in support of Calgary's excellent quality of life, contributing to why Calgary is consistently recognized as one of the world's most livable cities.

The Role of the Chief Administrative Officer

The Chief Administrative Officer leads the Executive Leadership Team (ELT) and works closely with Council. The Chief Administrative Officer implements the decisions of Council, provides advice and manages City Administration, made up of over 15,000 employees. The role is responsible and accountable for ensuring all City work, projects, operations and services comply with Council's policies, priorities and direction.

Executive Leadership Team

The ELT oversees all City operations and strategic management by leading, managing and coordinating The City's programs, projects and initiatives. The ELT also plays a major role in developing and implementing public policy as well as balancing the priorities and best interests of the community with The City's corporate goals and available resources.



City Council

AC2025-0323
Attachment 2



Historic City Hall



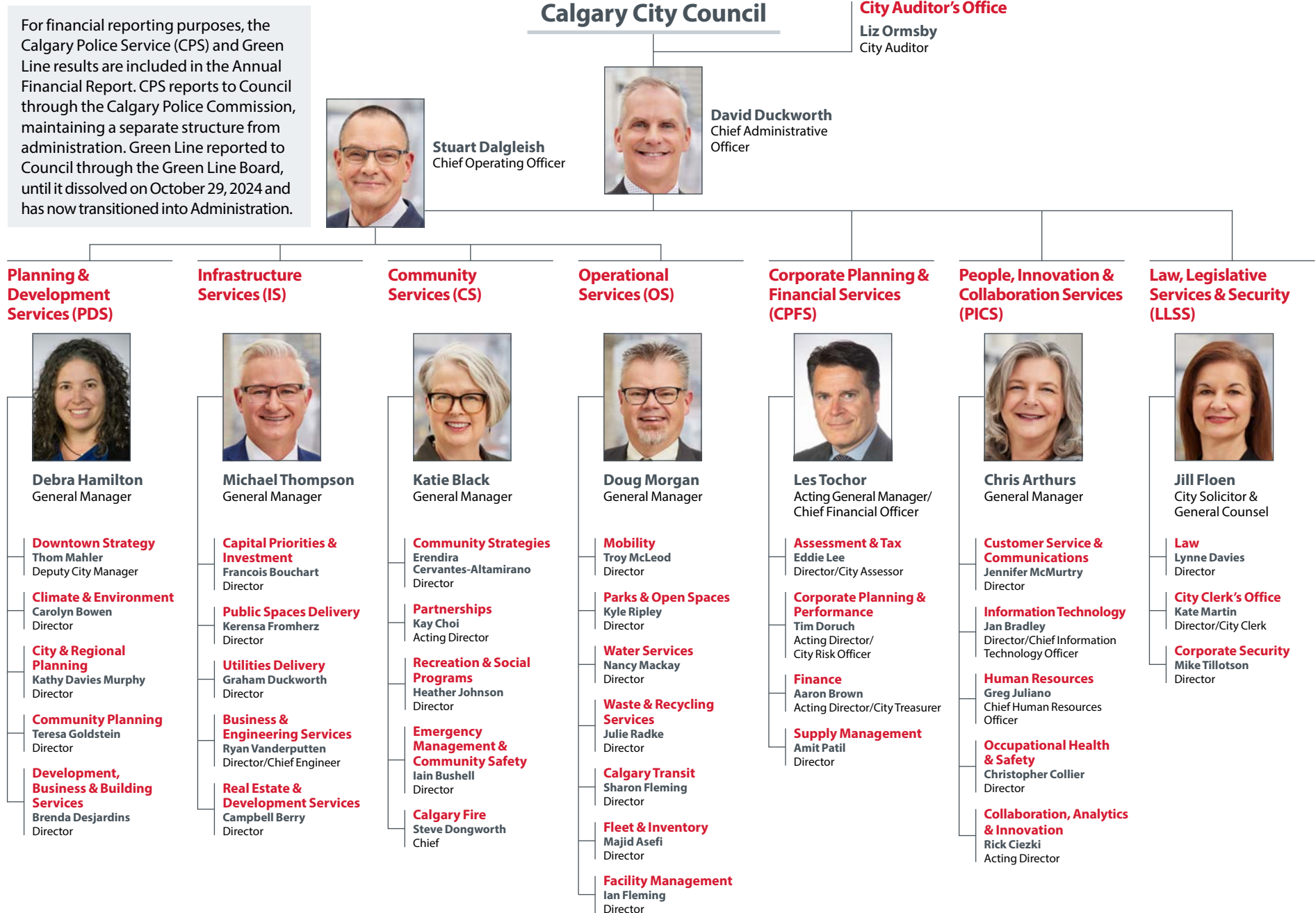
Fourth row	Ward 13 Councillor Dan McLean calgary.ca/ward13	Ward 9 Councillor Gian-Carlo Carra calgary.ca/ward9	Ward 14 Councillor Peter Demong calgary.ca/ward14	Ward 4 Councillor Sean Chu calgary.ca/ward4	Ward 11 Councillor Kourtney Penner calgary.ca/ward11
Third row	Ward 3 Councillor Jasmine Mian calgary.ca/ward3	Ward 5 Councillor Raj Dhaliwal calgary.ca/ward5	Ward 10 Councillor Andre Chabot calgary.ca/ward10	Ward 8 Councillor Courtney Walcott calgary.ca/ward8	
Second row	Ward 1 Councillor Sonya Sharp calgary.ca/ward1	Ward 2 Councillor Jennifer Wyness calgary.ca/ward2			
Front row	Ward 12 Councillor Evan Spencer calgary.ca/ward12	Mayor Jyoti Gondek calgary.ca/mayor	Ward 7 Councillor Terry Wong calgary.ca/ward7	Ward 6 Councillor Richard Pootmans⁽¹⁾ calgary.ca/ward6	

Above: Calgary 2021-2025 City Council stands on the steps of Historic City Hall after the swearing in ceremony on October 24, 2021.

(1) On November 26, 2024, Councillor Richard Pootmans stepped down from his position as Ward 6 Councillor, with Ward 6 represented by Councillor Courtney Walcott, Councillor Sonya Sharp and Councillor Kourtney Penner.

City of Calgary Organizational Structure 2024

AC2025-0323
Attachment 2



As of December 2024

9 of 130

The City of Calgary 2024 Annual Financial Report

ISC: Unrestricted

Calgary at a Glance



Downtown Calgary

1,491,900⁽¹⁾
population

1,198 km
city pathways

7.4%
population growth

190
City-supported events

37.7
median age

\$606,052
MLS average selling price

7.4%
unemployment rate

5,343
single family housing starts

852 km sq
city area

\$9.33 billion
value of building permits issues

In 2024, Calgary ranked fifth in the Economist Intelligence Unit's (EIU) annual list of the world's most livable cities.

For more information on this Calgary award and others see calgary.ca/awards.

(1) Estimate obtained from Calgary and Region Economic Outlook 2024-2029: Fall 2024

Financial Statement Discussion and Analysis

AC2025-0323
Attachment 2



Downtown Calgary Traffic

Introduction

The financial statement discussion and analysis (FSDA) reports to Calgarians on how the financial resources entrusted to The City of Calgary (The City) are being managed to provide municipal services and infrastructure. It explains any significant differences in the consolidated financial statements between the reported year and the previous year as well as between approved budget and actual results. The FSDA also identifies trends, risks and anticipated events that could have financial implications.

2024 is the second year in the four-year business plan and budget cycle, also known as the 2023 – 2026 Service Plans and Budgets. In November 2023, Council approved the Adjustments to the 2024 approved budgets with emphasis on addressing the ongoing economic challenges The City faces, while advancing the priorities laid out in Resilient Calgary: Council's Strategic Direction 2023-2026. Highlights include investments in housing, transit and safety, with a property tax increase to existing taxpayers of 5.7 per cent, up from 3.4 per cent in the original approval. The City needs to invest in priority areas while tackling the accumulated impacts of inflation and rapid population growth on existing infrastructure, while delivering the services Calgarians have come to expect from their municipal government.

The City's 2024 Annual Financial Report contains the audited consolidated financial statements prepared in accordance with principles and standards established by the Canadian Public Sector Accounting Board published by the Chartered Professional Accountants (CPA) Canada, as required by the *Alberta Municipal Government Act*. Deloitte LLP has audited The City's consolidated financial statements and provided an Independent Auditor's Report. The consolidated financial statements and auditor's report satisfy the legislative reporting requirement set out in the *Alberta Municipal Government Act*.

The consolidated financial statements consist of:

- Consolidated Statement of Financial Position: summary of financial assets and liabilities, net financial assets, non-financial assets and net assets at year end,
- Consolidated Statement of Operations and Accumulated Surplus: summary of the annual surplus for the year, consisting of revenues (reflecting what operating and capital funds were raised in the year) and expenses (reflecting how funds were used during the year), including the annual costs for owning and using tangible capital assets (amortization), plus the change in the net value of the government business enterprise, ENMAX Corporation (ENMAX), excluding other comprehensive income,
- Consolidated Statement of Remeasurement Gains and Losses: summary of unrealized gains and losses on investments, derivatives and foreign exchange instruments, including ENMAX's other comprehensive income,
- Consolidated Statement of Cash Flows: summary of how The City's cash position changed during the year, highlighting sources and uses of cash, including the use of cash to acquire tangible capital assets and
- Consolidated Statement of Changes in Net Financial Assets: a reconciliation between the net revenues earned in the year to the change in net financial assets. This statement shows the annual surplus, with a reversal of the non-cash accruals for amortization and sale of assets, less donated assets, the spending to acquire new tangible capital assets in the year, the addition of asset retirement obligations and the change in accumulated unrealized gains or losses. The change in net financial assets is an indicator of whether revenues raised in the year were sufficient to cover the spending in the year.



Les Tochor
Chief Financial Officer

City Administration is responsible for preparing the FSDA and the consolidated financial statements. The FSDA and the audited consolidated financial statements should be read in conjunction with the unaudited climate-related financial disclosures and the unaudited financial and statistical schedules.

Economic Environment

In 2024, Calgary continued to lead Canada in economic growth despite a high-interest rate environment that dampened economic activity nationwide. Alberta's expanding energy production, supported by the completion of the Trans Mountain pipeline expansion in May 2024, contributed significantly to the Calgary region's strong economic performance. Robust immigration further bolstered the local economy, driving record levels of housing activity. Total employment in the Calgary Economic Region expanded to 995,600 in 2024, increasing by 40,900 jobs (4.2 per cent) from 954,700 in 2023, twice the pace for Canada as a whole (1.8 per cent). However, the region's annual average unemployment rate rose to 7.4 per cent in 2024, up from 6.0 per cent in 2023, as rapid population growth outpaced job creation. Consumer price inflation in the Calgary Census Metropolitan Area continued to decelerate, reaching 3.4 per cent in 2024, down from 3.8 per cent in 2023. Fuelled by strong demand from population growth, the total value of building permits surged to \$9,300 million in 2024, a \$3,300 million increase from \$6,000 million in 2023. The number of building permits issued also rose significantly, up by 4,487, from 20,594 in 2023 to 25,081 in 2024.

	2024	2023	Change
Calgary			
Population (persons) ⁽¹⁾	1,491,900	1,389,200	7.4%
Building permit (numbers) ⁽²⁾	25,081	20,594	4,487
Building permit value (\$ billions)	9.3	6.0	3.3
Calgary Census Metro Area			
CPI inflation rate (%)	3.4	3.8	(0.4)
Calgary Economic Region			
Employment (persons)	995,600	954,700	40,900
Unemployment rate (%)	7.4	6.0	1.4

Population growth in Calgary was estimated at 102,700 (7.4 per cent) in 2024, compared to the 3.4 per cent in 2023. Significant immigration continues to drive population growth, with a net gain of 61,100 in 2024 alone, compared to 33,100 in 2023. However, net migration from both international and interprovincial sources is projected to slow over the next four years as the Federal Government tightens immigration policies. Annual population growth in Calgary is forecasted to be 1.5 per cent during 2025–2029, down from 3.1 per cent in 2020–2024.

Sources: All data is from Statistics Canada, except:

(1) The population figures are estimates from Corporate Economics (Fall 2024 estimate) using alternative demographic data from Statistics Canada and the Alberta Government.

(2) Building permit data is from The City of Calgary's Planning Department

Financial Highlights

Revenues and Expenses

The City had consolidated revenues of \$4,915 million in 2024 (2023 – \$4,606 million) before external transfers for infrastructure. External transfers for infrastructure include grants and revenue sharing recognized from other governments plus funds and tangible capital assets from developers, which totalled \$1,175 million (2023 – \$940 million).

The City had consolidated expenses of \$4,985 million (2023 – \$4,658 million). Included in expenses is depreciation and amortization in the amount of \$731 million (2023 – \$725 million) as the estimated annual cost of owning and using The City's tangible capital assets.

The City had a net loss before other contributions and transfers of \$70 million (2023 – \$52 million net loss). After other contributions and transfers of \$1,175 million (2023 – \$940 million) are added, The City's annual surplus on a consolidated basis for financial statement reporting totalled \$1,105 million (2023 – \$888 million).

Consolidated Financial Position

As at December 31 (in millions)

	2024	2023
A. Financial Assets	\$ 11,587	\$ 10,622
B. Financial Liabilities	6,690	6,098
C. Net Financial Assets (A minus B)	4,897	4,524
D. Non-Financial Assets	21,616	20,442
E. Net Assets (C plus D)	26,513	24,966

The City's net financial assets increased by \$373 million (2023 – \$241 million) mainly due to an increase in investments of \$649 million, an increase in other assets of \$395 million and investment in ENMAX of \$253 million. The increase in net financial assets was partially offset by decreases in cash and cash equivalents of \$337 million, increase in bank indebtedness of \$163 million, an increase in accounts payable and accrued liabilities of \$99 million, and an increase in long-term debt of \$263 million. Financial assets are partially offset by financial liabilities which are governed by agreements with the parties involved, including funds owed for goods and services already received (accounts payable and accrued liabilities), bank indebtedness and capital deposits that are restricted to specific types of capital.

The City's net assets increased by \$1,547 million (6 per cent) in 2024, mainly due to an increase in investments of \$649 million, net increase in tangible capital assets (purchased and donated) of \$1,164 million, increase in other assets of \$395 million mainly due to an increase in long-term receivables from ENMAX, an increase in investment in ENMAX of \$253 million, offset by decreases in cash and cash equivalents of \$337 million, increase in bank indebtedness of \$163 million, an increase in accounts payable and accrued liabilities of \$99 million, and an increase in long-term debt of \$263 million.

The City's long-term debt ratings were affirmed at AA+ by S&P Global Rating Agency (S&P), (AA high) by Morningstar DBRS (DBRS) and Aa1 Stable by Moody's in 2024.

ISC: Unrestricted

Cash Flow

The City's cash and cash equivalents decreased by \$337 million to \$769 million and investments increased by \$649 million to \$6,409 million. The decrease in cash and cash equivalents is primarily due to cash used for the acquisition of tangible capital assets and purchase of investments. This decrease was offset by cash generated from operating activities and dividends received from ENMAX.

Cash provided by operating activities

In 2024, cash provided by operating activities was \$1,334 million, compared to \$1,313 million in 2023, and includes:

- Annual surplus of \$1,105 million (2023 – \$888 million);
- Items included in the annual surplus and not affecting cash of \$473 million (2023 – \$453 million).
- Decrease in non-cash items of \$244 million (2023 – \$28 million).

Cash used in capital activities

Cash used in capital activities was \$1,543 million, compared to \$1,053 million in 2023, and includes:

- Additions to capital assets of \$1,564 million (2023 – \$1,065 million); and
- Proceeds on the sale of tangible capital assets of \$21 million (2023 – \$12 million).

Cash used in investing activities

Cash used in investing activities was \$554 million, compared to \$471 million used in 2023, and includes:

- Net purchases of investments of \$649 million (2023 – \$553 million); less
- Dividends from ENMAX of \$95 million (2023 – \$82 million).

Cash provided by financing activities

Cash provided by financing activities was \$426 million, compared to \$6 million in 2023, and includes:

- Proceeds from long-term debt issued of \$493 million (2023 – \$234 million);
- Long-term debt repayments of \$230 million (2023 – \$228 million); and
- Net increase in bank indebtedness of \$163 million (2023 – \$0.3 million).

ENMAX (The City's Wholly-Owned Subsidiary)

ENMAX is a private Alberta corporation with The City being the sole shareholder. The City's investment in ENMAX comprises 28 per cent (2023 – 28 per cent) of The City's financial assets on the consolidated statement of financial position.

ENMAX's 2024 consolidated financial statements have been prepared in accordance with IFRS® Accounting Standards, as issued by the International Accounting Standards Board (IFRS). Summary financial information for ENMAX is included in Note 8 of the consolidated financial statements. ENMAX provided The City with annual dividends based on a target of 30 per cent of comparable net earnings or \$30 million, whichever is greater.

DBRS Morningstar confirmed its credit rating of BBB (high) with Stable Trends for ENMAX on July 5, 2024. Fitch Ratings affirmed its credit rating of ENMAX of BBB with a Stable Outlook on May 16, 2024. S&P Global affirmed and revised its rating for ENMAX on September 27, 2024, to BBB- with a Positive Outlook, up from BBB- with a Stable Outlook. S&P Global also affirmed its standalone rating for Versant Power on September 27, 2024, to BBB+ with a Stable Outlook.



Couple walking over the pedestrian bridge to Prince's Island

Financial Analysis Review

Revenues – Comparison to Prior Year

For the year ended December 31 (in thousands)

	2024	2023	Increase/ (Decrease)	Per cent Change
Net taxes available for municipal purposes	\$ 2,627,877	\$ 2,607,604	\$ 20,273	1%
Sales of goods and services	1,341,457	1,359,983	(18,526)	(1%)
Government transfers related to operating	178,613	179,306	(693)	(0%)
Investment income	312,073	219,934	92,139	42%
Fines and penalties	75,731	77,650	(1,919)	(2%)
Licences, permits and fees	153,977	134,083	19,894	15%
Miscellaneous revenue	44,051	43,243	808	2%
Equity in earnings (loss) of ENMAX Corporation	181,248	(15,608)	196,856	1,261%
Total revenues (before external transfers for infrastructure)	\$ 4,915,027	\$ 4,606,195	\$ 308,832	7%
Developer contributions	\$ 145,368	\$ 188,830	\$ (43,462)	(23%)
Government transfers related to capital	684,848	462,316	222,532	48%
Developer contributions-in-kind related to capital	345,075	288,695	56,380	20%
Total external transfers for infrastructure	\$ 1,175,291	\$ 939,841	\$ 235,450	25%

Net taxes available for municipal purposes increased by 1 per cent due to increased property assessment values and supplementary revenue due to higher population growth in 2024. In addition, there was an increase in local improvement levies due to a change in the timing of projects year over year. These increases were offset by lower ENMAX local access fees as a result of weaker electricity prices compared to the previous year and lower franchise fees.

Sales of goods and services decreased by 1 per cent primarily due to softer industrial land sales. Further, there was decreased water consumption as a result of the Bearspaw South Feeder Main break and the water restrictions in place. This was offset by an increase in landfill tipping fees as a result of higher tonnage from new commercial agreements and higher monthly program fees for black, blue and green carts due to household growth in Calgary and higher recyclable revenue from favourable market price conditions compared to 2023. In addition, Calgary Transit received one-time funding to offset a fare revenue shortfall. Lastly, there were stronger general land sales, and increases due to water installations for new housing construction and businesses.

Investment income was 42 per cent higher due to favourable returns generated throughout the year on The City's investments due to realizing capital gains in the equity portfolios. The City's investments are managed by both internal and external managers allowing them to capitalize on investment opportunities while staying within set policy ranges and limits. In addition to this, The City undertook portfolio rebalancing resulting in one-time investment gains in 2024.

Licences, permits and fees were 15 per cent higher due to higher overall volume and value of building permits for the construction of new housing in the city. In addition, there were higher excavation, hoarding and street permits overall compared to 2023.

Equity in earnings (loss) of ENMAX Corporation increased by 1,261 per cent primarily due to lower after-tax unrealized mark-to-market losses in 2024 compared to 2023. In addition, there were improved net earnings primarily related to lower electricity, fuel and natural gas purchases and delivery expenses, and an increase in transmission and distribution revenues. This was partially offset by lower electricity and natural gas revenues and increases in impairment, other expenses and income taxes.

Developer contributions decreased 23 per cent primarily due to lower offsite levy revenue applied to debt servicing expenditures for water infrastructure. In addition, project scope modifications and delays in construction resulted in lower spending and therefore reduced capital funding required.

Government transfers related to capital increased 48 per cent primarily due to increased construction costs and enabling works for the Green Line LRT Project, resulting in a significant amount of expenditures claimed in 2024 versus 2023. In addition, there was increased spending on projects funded by the Municipal Sustainability Initiative provincial grant and Canada Community Building Fund federal grant in 2024 compared to 2023, including the Arts Commons Transformation Phase 1, Glenbow Museum, Civic

Partners Infrastructure Grant program and Telus Convention Centre Lifecycle project. The mild fall weather allowed for a longer construction window supporting an increase in the completion of various Calgary Transit projects funded by government transfers compared to 2023. This was offset by the exhaustion of grant funding available for the East Calgary Waste Management Facility project resulting in a reduction of revenue recognized in 2024 compared to 2023.

Developer contributions-in-kind related to capital were 20 per cent higher in 2024 versus 2023 due to the timing of completion of developer donated assets which vary year to year.

Expenses – Comparison to Prior Year

For the year ended December 31 (in thousands)

	2024	2023	Increase/ (decrease)	Per cent Change
Planning and development services	\$ 236,089	\$ 200,982	\$ 35,107	17%
Infrastructure services	243,144	377,687	(134,543)	(36%)
Community services	1,626,943	1,565,365	61,578	4%
Operational services	2,352,755	2,146,059	206,696	10%
General government	526,276	367,654	158,622	43%
	\$ 4,985,207	\$ 4,657,747	\$ 327,460	7%

Planning and development services expenses increased by 17 per cent primarily due to staff additions in the year related to higher development applications and an increase in disbursements from completion of the Downtown Calgary Development Incentive Program project in the current year. There was a temporary change in work hours schedule to manage increased volumes and overtime in Development Building & Business Services, and an increase in salary, wages and benefits from new union agreements signed in 2024 for Local 37 and Local 38, along with increases in management exempt salaries.

Infrastructure services services expenses decreased by 36 per cent primarily due to BMO Centre Expansion costs incurred in the prior year, but not in the current year due to the completion of the project in 2023. In addition, there was a decrease due to a repayment of the Revolving Fund occurring in 2023 but not in the current year, and a decrease in the projects delivered on behalf of Alberta Transportation.

Community services expenses increased by 4 per cent primarily due to an increase in salaries, wages and benefits related to new union agreements signed in 2024 for Local 37 and Local 38, along with increases in management exempt salaries. There was also an increase in overtime costs due to operational demands and staffing shortages in the Calgary Police Service. There was also an increase in materials and equipment related to inflationary pressures, as well as increases in contract and general services related to increased project development costs in Housing, Public Safety and other priorities.

Operational services expenses increased by 10 per cent primarily due an increase in salary and wages in Transit related to hiring more operators, and higher seasonal requirements and personnel in Water Services. Additionally, the increase is due to the Bearspaw South Feeder Main break and repairs causing an increase in contract and general services, salary and wage costs and materials, equipment and supplies. Lastly, there was an unusually high snowfall in the first quarter of 2024 causing an increase in materials, equipment and supplies, as well as higher insurance premiums in 2024.

General government expenses increased 43 per cent primarily due to higher corporate contingencies compared to the previous year, as well as an increase in management and private investment fees. There were higher salary, wages and benefits in 2024 due to base wage increases related to new union agreements signed in 2024 for Local 37 and Local 38, along with increases in management exempt salaries, additional security guards and other resources required to meet the growing service demand, an increase in the total workforce, as well as higher insurance claim costs and estimated open insurance claims provision.



Reviewing a mechanical schematic
at the Calgary Transit depot

Revenues – Budget to Actual Comparison

For the year ended December 31 (in thousands)

	Budget 2024	Actual 2024	Favourable/ (Unfavourable)	Per cent Change
Net taxes available for municipal purposes	\$ 2,544,594	\$ 2,627,877	\$ 83,283	3%
Sales of goods and services	1,377,646	1,341,457	(36,189)	(3%)
Government transfers related to operating	152,909	178,613	25,704	17%
Investment income	110,110	312,073	201,963	183%
Fines and penalties	83,047	75,731	(7,316)	(9%)
Licences, permits and fees	138,514	153,977	15,463	11%
Miscellaneous revenue	32,366	44,051	11,685	36%
Equity in earnings of ENMAX Corporation	353,000	181,248	(171,752)	(49%)
Total revenues (before external transfers for infrastructure)	\$ 4,792,186	\$ 4,915,027	\$ 122,841	3%
Developer contributions	\$ 231,285	\$ 145,368	\$ (85,917)	(37%)
Government transfers related to capital	760,636	684,848	(75,788)	(10%)
Developer contributions-in-kind related to capital	–	345,075	345,075	100%
Total external transfers for infrastructure	\$ 991,921	\$ 1,175,291	\$ 183,370	18%

Net taxes available for municipal purposes were 3 per cent higher than budgeted primarily due an increase in municipal property taxes and higher population growth, as well as an increase in local access fees from ENMAX due to a strong regulated rate option process, which was higher than budgeted.

Sales of goods and services were 3 per cent lower than budgeted largely driven by total land sales being lower than budgeted related to transactions being approved, but not closing, in 2024 as well as lower activity, delayed closes and sales under the non-market land sales policy, and lower water consumption during the summer months related to water restrictions for emergency repairs of the Bearspaw South Feeder Main break. This was offset by higher landfill tipping fees due to higher tonnage from commercial agreements.

Government transfers related to operating were 17 per cent higher than budgeted due to budget appropriation timing for a provincial grant related to the Calgary Police Service which was approved during the 2024 mid-cycle budget adjustment, but will not be reflected until 2025. In addition, the increase is due to unbudgeted reimbursements for the Jasper Wildfire Emergency event, which included two Canada Task Force 2 deployments the Municipal Emergency Plan activation to support evacuees from the Jasper wildfire. Lastly, the increase is due to unbudgeted grant programs, including the Building Safer Community Program and a Government of Alberta contribution to the Family Community Support Services.

Investment income was 183 per cent higher than budgeted due to portfolio rebalancing resulting in one-time investment gains, a favourable equity market and higher interest income from bond portfolios. In addition, there was higher investment income from short-term bond portfolios and higher than expected offsite levy deferred revenue interest.

Licences, permits and fees were 11 per cent higher than budgeted primarily due to an increased demand in new housing initiatives and higher construction permit values and as well as higher demand for hoarding and street use permits.

Miscellaneous revenue was 36 per cent higher than budgeted due to the recognition of developer contributions to fund Calgary Transit on-demand services, unbudgeted contributions from organizations related to Community Strategies and Calgary Municipal Land Corporation project management fees for various projects, some of which include the Arts Commons and Olympic Plaza Transformation projects.

Equity in earnings of ENMAX Corporation were 49 per cent lower than budgeted due to impairment losses, unrealized mark-to-market losses on commodities contracts due to changes in forward electricity and natural gas prices and lower electricity margins due to lower commodity prices. This was partially offset by increased margins in the regulated businesses due to an increase in customer sites, energy and demand, and higher rates from regulatory decisions.

Developer contributions were 37 per cent lower than budgeted due to project scope modifications and delays in construction resulting in lower spending and therefore reduced capital funding required, mainly related to the Calgary Events Centre and a new district office for the Calgary Police Service.

Government transfers related to capital were 10 per cent lower than budgeted primarily due to a timing difference between budgeted revenue from the Provincial and Federal Governments and actual project cashflows for the Green Line LRT Project. In addition, there were project scope modifications and delays in construction resulting in lower spending and lower capital funding required mainly related to the Calgary Events Centre. This was offset with mild weather leading to a longer construction window supporting an increase in the completion of various Calgary Transit projects funded by government transfers, as well as an increase in accelerated lifecycle investments at various City facilities, and unplanned City Hall lifecycle costs.

Developer contributions-in-kind related to capital were higher than budgeted as capital acquisitions and capital donated assets of this nature are not budgeted due to the timing of completion of developer donated assets which is variable from year to year.

Expenses – Budget to Actual Comparison

For the year ended December 31 (in thousands)

	2024 Budget (excluding Amortization)	2024 Actual (excluding Amortization and Write-downs)	Favourable/ (Unfavourable)	Per cent Change	2024 Budget Amortization Expense	2024 Actual Amortization Expense and Write-downs
Planning and development services	\$ 299,286	\$ 231,600	\$ 67,686	23%	\$ 508	\$ 4,489
Infrastructure services	260,800	233,810	26,990	10%	–	9,334
Community services	1,599,527	1,571,161	28,366	2%	3,663	55,782
Operational services	1,574,309	1,711,887	(137,578)	(9%)	151,166	640,868
General government	594,486	505,388	89,098	15%	–	20,888
	\$ 4,328,408	\$ 4,253,846	\$ 74,562	2%	\$ 155,337	\$ 731,361

In order to comply with the *Alberta Municipal Government Act* regarding balanced operating budgets and associated contents, The City only budgets for amortization charges for self-supported business activities.

The following variance explanations exclude the impact of amortization expense and write-downs:

Planning and development services expenses were 23 per cent lower than budgeted primarily due to the return of the Downtown Calgary Development Incentive Program bridge funding when Housing Accelerator Funding was secured. This was partially offset by unbudgeted Clean Energy Improvement Program expenses in Climate & Environment.

Infrastructure services expenses were 10 per cent lower primarily due to lower industrial land sales and reduced property tax and business expenses in Real Estate & Development Services.

Community services expenses were 2 per cent lower than budgeted primarily due to timing of anticipated land transactions under Housing Land Fund and Housing Incentive Program. Unspent amounts were transferred to the Corporate housing reserve to be applied to fund commitments in future years.

Operational services expenses were 9 per cent higher than budgeted due to increased costs related to the Bearspaw South Feeder Main break and repair. As well, there was an increase in vehicle maintenance costs from retaining older vehicles, new vehicle issues due to supply constraints impacting the quality of new vehicles, and higher equipment costs from cart and bin purchases in Waste & Recycling Services. In addition, there was an increase in salaries and wages partially due to overtime requirements and fringe benefits.

General government expenses were 15 per cent lower than budgeted primarily due to savings from intentional management of corporate provisions and utilities contingencies and lower private investment related fees in 2024. This was offset by unbudgeted expenditures for the Density Incentive Program and higher interest expense than budgeted on corporate programs.

Tangible Capital Assets

As at December 31 (in thousands)

	2024 Net book value	2023 Net book value	Increase/ (Decrease)
Land	\$ 3,026,264	\$ 2,846,703	\$ 179,561
Land improvements	570,101	575,747	(5,646)
Engineered structures	12,265,536	11,942,856	322,680
Buildings	2,179,616	2,229,948	(50,332)
Machinery and equipment	172,160	189,879	(17,719)
Vehicles	852,853	811,552	41,301
	\$ 19,066,530	\$ 18,596,685	\$ 469,845
Work in progress			
Land	\$ 7,108	\$ 1,624	\$ 5,484
Construction	2,410,354	1,721,671	688,683
Tangible capital assets	\$ 21,483,992	\$ 20,319,980	\$ 1,164,012

During 2024, the net book value of tangible capital assets increased by \$1,164 million (2023 – \$575 million). Spending on capital projects was primarily for the Green Line LRT Project, the Calgary Events Centre, land acquisitions, roads and utility infrastructure projects.

Tangible capital assets are recorded at cost, which includes all amounts that are directly attributable to the acquisition, construction, development or betterment of the asset. The cost, less estimated salvage value of the tangible capital assets is amortized on a straight-line basis over the assets' estimated useful lives, ranging from five to 100 years.

In total there was \$345 million (2023 – \$289 million) of donated and contributed assets which were primarily for The City's Water Services, Parks & Open Spaces and Mobility business units. Disposals with a net book value of \$14 million were made in 2024 (2023 – \$21 million) which consisted of land, land improvements, engineered structures, buildings, machinery and equipment and vehicles.



Significant Trends

Consolidated Statement of Operations

For the year ended December 31 (in thousands)

	2024	2023	2022 (Restated)	2021	2020
Revenues	\$ 4,915,027	\$ 4,606,195	\$ 4,704,706	\$ 4,248,825	\$ 4,180,830
Other Revenues	1,175,291	939,841	843,042	787,325	617,438
Expenses	(4,985,207)	(4,657,747)	(4,343,624)	(3,980,169)	(3,848,802)
Annual Surplus (previously Net Revenues)	\$ 1,105,111	\$ 888,289	\$ 1,204,124	\$ 1,055,981	\$ 949,466

Annual Surplus for the year was \$1,105 million after accounting for developer contributions, government transfers related to capital and developer contributions-in-kind related to capital. Revenues increased 7 per cent from the prior year, primarily due to equity in earnings of ENMAX Corporation and an increase in investment income. Other

revenues vary from year to year based on fluctuations in development activities and timing of significant capital projects. Expenses over the past five years reflect the growing demand for additional services and infrastructure that comes with a growing city.

Liquidity and Debt

Financial Position – Net Financial Assets

As at December 31 (in thousands)

	2024	2023	2022 (Restated)	2021	2020
Financial Assets					
Cash and cash equivalents	\$ 769,402	\$ 1,106,014	\$ 1,311,375	\$ 1,149,220	\$ 632,626
Investments	6,408,871	5,759,703	5,206,794	4,804,797	4,423,320
Receivables	459,672	462,582	484,018	384,329	373,481
Land inventory	242,736	234,506	211,213	257,031	279,307
Other assets	501,731	106,923	115,858	114,148	101,415
Investment in ENMAX Corporation	3,204,896	2,951,848	3,072,460	2,714,462	2,416,472
	\$ 11,587,308	\$ 10,621,576	\$ 10,401,718	\$ 9,423,987	\$ 8,226,621
Liabilities					
Bank indebtedness	\$ 510,829	\$ 348,320	\$ 348,010	\$ 355,179	\$ 224,159
Accounts payable and accrued liabilities	1,029,493	930,870	965,218	828,217	800,092
Deferred revenue	130,389	106,571	106,619	98,768	109,765
Capital deposits	1,214,148	1,188,138	1,185,905	1,203,110	838,562
Asset retirement obligations ⁽¹⁾	330,004	326,466	307,239	101,806	104,593
Employee benefit obligations	511,972	497,573	510,709	516,455	514,061
Long-term debt	2,963,341	2,700,337	2,695,093	2,770,590	2,845,144
	\$ 6,690,176	\$ 6,098,275	\$ 6,118,793	\$ 5,874,125	\$ 5,436,376
Net Financial Assets	\$ 4,897,132	\$ 4,523,301	\$ 4,282,925	\$ 3,549,862	\$ 2,790,245

There was an increase of \$373 million in net financial assets in 2024 relative to 2023 due to a large increase in investments and long-term receivables consisting primarily of a receivable from ENMAX, as well as investment in ENMAX. This increase was offset with a decrease in cash and cash equivalents and an increase in long-term debt and bank indebtedness. Investments in 2020, 2021 and 2022 were reported at cost but reported at fair value in 2023 and 2024 due to the adoption of PS 3450 – Financial Instruments. Asset retirement obligations were significantly higher than 2020 and 2021 as a result of PS 3280 – Asset Retirement Obligations which introduced retirement obligations beyond just The City's landfills.

General trends from 2020 to 2024 have remained relatively consistent with some changes in certain years and areas due to operational requirements, large capital projects, or timing of cash flows. The increase in long-term debt in 2024 is mainly due to the change in presentation resulting from the new Corporate Borrowing Strategy. A portion of debt attributable to ENMAX was borrowed under this new program and is now presented on a gross basis due to timing differences in how the debt is repaid. There is an offsetting receivable included in other assets, where previously all ENMAX debt had simultaneous payment terms and was not included.

(1) Formerly Provision for landfill rehabilitation, which has been repealed and replaced by PS 3280 – Asset Retirement Obligation.

Long-Term Debt

As at December 31 (in thousands)

	2024	2023	2022	2021	2020
Opening Balance	\$ 2,700,337	\$ 2,695,093	\$ 2,770,590	\$ 2,845,144	\$ 2,883,447
Increase (Decrease)					
Tax-supported	(26,932)	(32,422)	(35,667)	(33,854)	(40,342)
Self-sufficient tax-supported	32,759	30,372	27,544	5,531	3,946
Self-supported	257,177	7,294	(67,374)	(46,231)	(1,907)
Net increase (decrease) during the year	\$ 263,004	\$ 5,244	\$ (75,497)	\$ (74,554)	\$ (38,303)
Closing balance	\$ 2,963,341	\$ 2,700,337	\$ 2,695,093	\$ 2,770,590	\$ 2,845,144
Additional debt attributable to ENMAX Corporation ⁽¹⁾	1,467,222	1,722,502	1,606,493	1,455,813	1,371,972
Total debt attributable to The City	\$ 4,430,563	\$ 4,422,839	\$ 4,301,586	\$ 4,226,403	\$ 4,217,116

The City utilizes debt to finance certain capital projects on the premise that the cost of these projects should be borne by the taxpayers and utility users who will benefit from the projects. Debt financing allows The City to appropriately manage the timing of cash flows.

The City has three categories of debt, including:

- Tax-supported – debt issued for capital expenditures that is funded in whole or in part from tax revenues.
- Self-sufficient tax-supported – debt for non-utility operations or programs that historically have been funded in whole or in part by revenue from municipal property and business taxes, but that are currently self-funded by their own operations; and
- Self-supported – debt mainly for utility services which is not funded by tax revenues but by rates charged directly to users and cash flows generated from operations and debt borrowed on behalf of ENMAX which is not funded by tax revenues but by ENMAX operations, offset by a long-term receivable from ENMAX within other assets.

In 2024, The City repaid \$28 million in tax-supported debt offset by a minor increase in debt issued of \$1 million resulting in a net reduction in tax-supported debt of \$27 million to \$272 million as at December 31, 2024.

The ratio of debt servicing charges to tax-supported gross expenditure (net of recoveries) was 0.85 per cent (including self-sufficient tax-supported), which is within The City's 10 per cent policy limitation.

Self-sufficient tax-supported debt comprises debt for Calgary Municipal Land Corporation's (CMLC) programs and activities. CMLC's operating costs, including debt servicing, have historically been funded in whole or in part, directly or indirectly, by

revenue from municipal property and business taxes. These costs are currently being partially funded by revenues resulting from their own operations. As at December 31, 2024, Calgary Municipal Land Corporation has \$310 million in outstanding debt. In 2009, Council approved a maximum debt of \$1,000 million to provide bridge financing for Municipal Sustainability Initiative (MSI) funded projects. Additional bridge financing for MSI-funded projects was approved in 2011, bringing the total capacity to approximately \$1,600 million. As at December 31, 2024, The City has no outstanding debt for these projects. With the MSI program concluded and replaced with the Local Government Fiscal Framework, no further MSI debt will be issued.

Additionally, \$273 million in new self-supported debt related to ENMAX plus \$171 million in new self-supported debt (primarily related to water infrastructure) was obtained and \$187 million was repaid, resulting in a net increase in self-supported debt of \$257 million to \$2,381 million (excluding \$1,467 million in debt attributable to ENMAX, which is not included within The City's long-term debt).

In 2024, The City attained three separate credit ratings from DBRS Morningstar, Moody's and S&P Global. The ratings attained were:

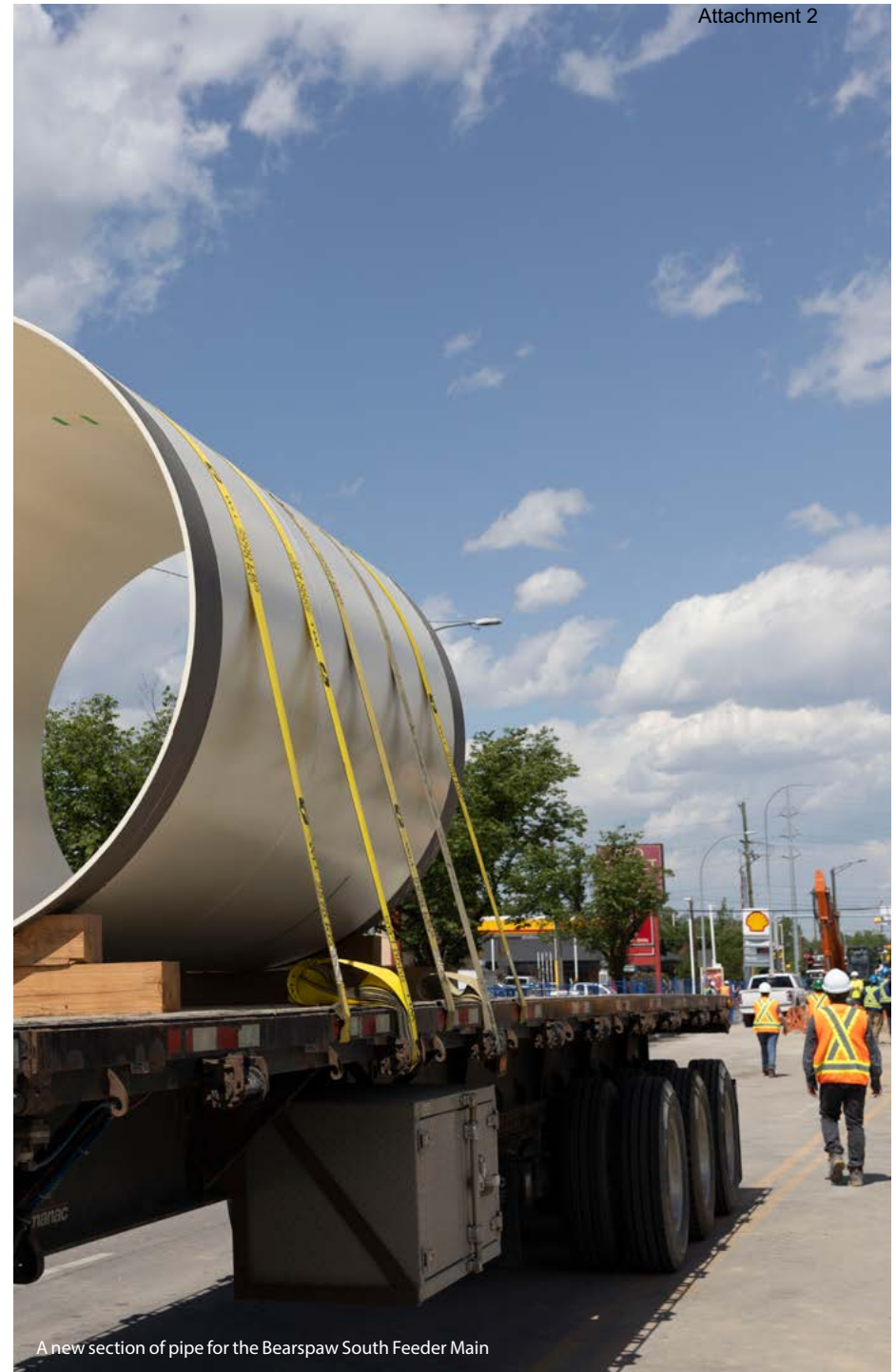
- DBRS Morningstar – re-affirmed the long-term debt rating of The City at AA (high), and The City's commercial paper rating at R-1 (high), with stable trends.
- Moody's – initiated coverage of The City with a Aa1 Stable rating citing strong governance, and prudent liquidity and debt policies.
- S&P Global – re-affirmed The City's long-term debt rating at AA+ and commercial paper rating of A-1+ reflecting healthy operating cash flows, robust liquidity, and strong financial management.

(1) Only the debt with simultaneous payment terms is excluded from The City's long-term debt and is not included within long-term receivables

Corporate Borrowing Strategy (CBS Program)

In December 2021, the Province formally announced a change in the methodology for pricing loans to local authorities which made it more costly to obtain capital borrowing. In response, Administration put forward a report New Capital Debt Borrowing Option EC2023-0673, to Council to introduce alternative capital borrowing options for business units, lending parties and the Corporation as a whole.

To facilitate this, The City can leverage its unrestricted cash balances for internal borrowing requests and recover this through external municipal bond issuances or traditional debentures from the Province. In October 2023, Council gave the third reading of the Omnibus Bylaw 10B2023 authorizing The City to issue municipal bonds to the debt capital markets as an additional capital debt borrowing option to finance future capital projects. On March 15, 2024, The City issued \$180 million of a 10-year City of Calgary bond with a coupon of 4.2 per cent and a maturity date of June 1, 2034.

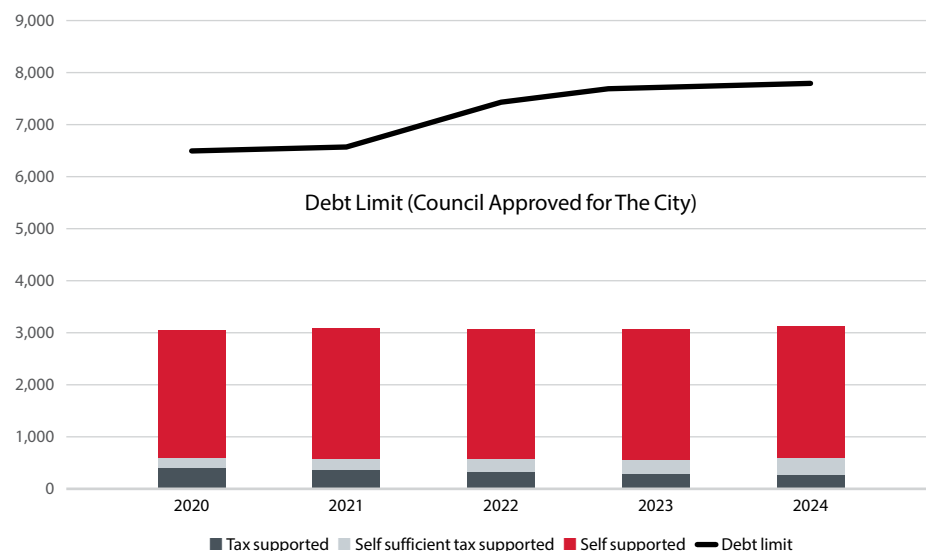


A new section of pipe for the Bearspaw South Feeder Main

Chart A

Debt Limits Trend⁽¹⁾

2020-2024 (in millions of dollars)



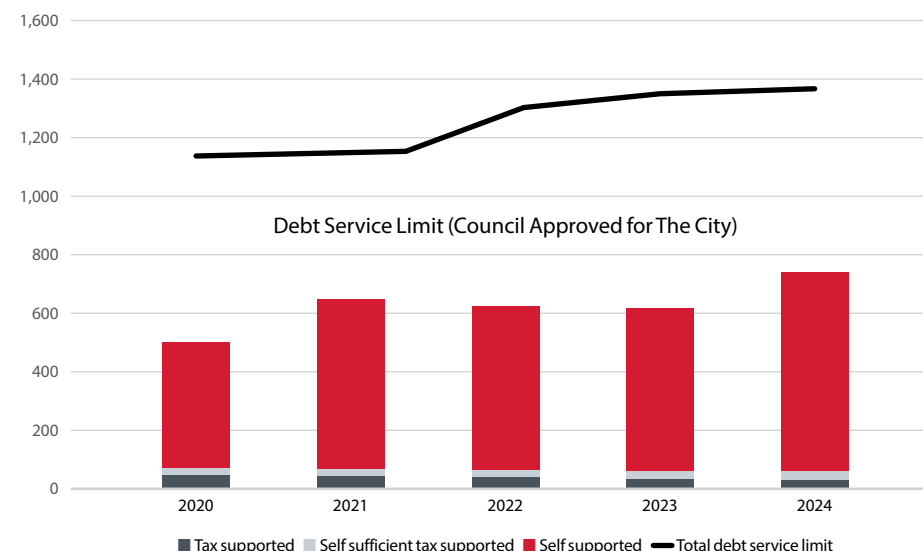
The City's Debt Policy has limits on total debt and total debt service that are expressed as a percentage of revenue, as well as a limit on tax-supported debt service expressed as a percentage of expenditures. Per Council Policy CP2020-05, The City is required to maintain an investment grade credit rating in order to issue debt and The City will strive to maintain or improve its current credit rating (AA (high) according to DBRS, AA+ according to S&P's Global Ratings, and Aa1 according to Moody's) for long-term debt in order to minimize the cost of debt and be able to access capital markets in an efficient manner.

The Debt Limit stipulates the maximum amount of debt principal The City can have in outstanding debt, including loan guarantees and is calculated at 1.6 times revenue (MGA debt limit of two times the revenue). Chart A reports The City's total historical outstanding debt from 2020 to 2024. It indicates that as at December 31, 2024 The City had used 40.15 per cent (2023 – 39.96 per cent) of its debt limit.

Chart B

Debt Service Limit Trend⁽²⁾

2020-2024 (in millions of dollars)



Council Policy CP2020-05 also sets out the maximum amount of annual debt servicing (principal and interest) that The City can incur and is calculated at 0.28 times revenue (MGA limit of 0.35 times revenue). The tax-supported debt service limit is 10 per cent of tax-supported gross expenditures net of recoveries. Chart B reports The City's total historical Debt Service Limit from 2020 to 2024. It indicates that as at December 31, 2024 The City had used 54.09 per cent (2023 – 45.84 per cent) of its debt service limit.

(1) For comparative purposes, The City has presented 2020 debt limit in accordance with Council Policy CP2020-05 at 1.6 times revenue.

(2) For comparative purposes, The City has presented 2020 debt service limit in accordance with Council Policy CP2020-05 at 0.28 times revenue.

Reserves

As at December 31 (in thousands)

	2024	2023	2022	2021	2020
	\$ 3,898,434	\$ 4,003,003	\$ 3,635,785	\$ 3,281,056	\$ 2,743,827

The reserve balances totalled \$3,898 million at the end of 2024 (2023 – \$4,003 million), excluding the Operating Fund variance of \$276 million (2023 – \$236 million), which is transferred to the Fiscal stability reserve (FSR) in the next fiscal year.

The net decrease was primarily the result of:

- Decreases in the Real estate services reserve, Utility sustainment and Waste and recycling sustainment reserves,
- Offset by increases in the Fiscal stability reserve.

The City allocates funds to reserves to meet specific future operating and capital expenditure requirements and to provide for emergencies in accordance with a Financial Reserve Policy that establishes guidelines and criteria for the proper creation and administration of reserve funds. This policy includes a triennial review process requiring that each reserve be reviewed at least once every three years. This review ensures reserves are being administered as approved by Council and in accordance with The City's policies and procedures, that reserve purpose and requirements are still relevant, and whether reserves are still required or can be closed. During 2024, City staff conducted a review of 15 reserves totaling \$1,700 million, representing approximately 40 per cent of all reserve balances as at December 31, 2023. Recommendations from this review were approved by the Executive Committee and Council in December 2024.

Maintaining financial reserves is good management, allowing funds to be collected as available and spent judiciously as needed to ensure service levels to Calgarians are maintained. The City classifies reserves into three categories to be used for three distinct purposes:

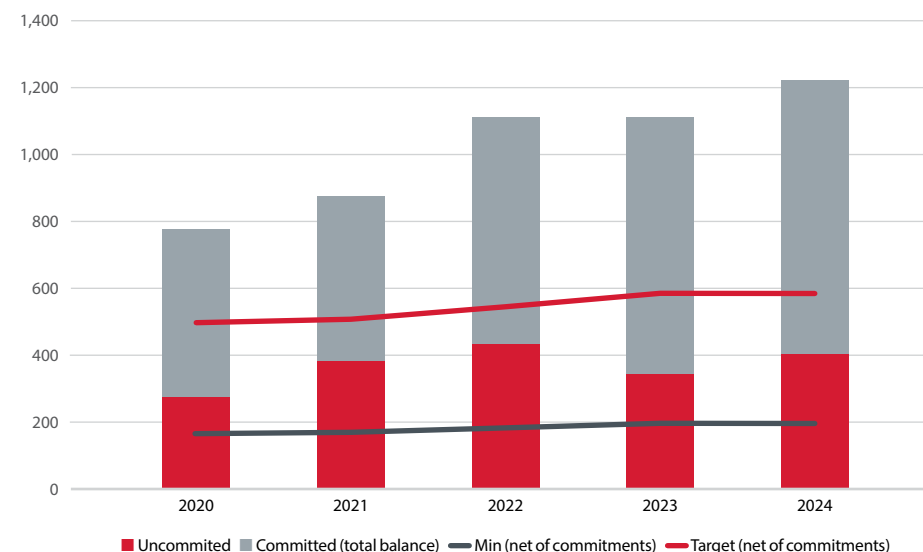
- Operating reserves are used to fund operating expenses for one-time projects/ pilot programs, to stabilize operating budgets for unanticipated fluctuations in revenue or expenses, and to comply with a contractual agreement or for contingency funds for operational emergencies.
- Capital reserves are used to fund capital expenses.
- Sustainment reserves are used to fund both operating and capital expenses for activities that are treated as self-sustaining.

The FSR is mandated to act as a contingency fund for operational emergencies, urgent or contingency capital expenditures and to compensate for unplanned revenue reductions with significant financial impacts. Investment income from the reserve can be used to fund one-time operating budget expenditures.

The balance of the FSR is \$1,214 million at the end of 2024, inclusive of the 2024 annual surplus, while the balance of the Reserve for future capital and lifecycle maintenance and upgrade (RFC/LMUR) merged reserve is \$962 million. As at December 31, 2024 the FSR was below its Council approved target level of 15 per cent of The City's tax-supported gross expenditures (net of recoveries), but above the minimum balance of five per cent of The City's tax-supported gross expenditures (net of recoveries).

During 2024, a total of \$73 million was transferred to the FSR as per Council's approval, with \$52.6 million from Debt servicing reserve, \$20 million from Calgary parking's long-term investment fund, and \$0.3 million from Tax loss provision reserve. Other contributions to the FSR included \$31 million of relinquished contingent liabilities and \$5 million of inter-business units loan repayments. A \$136 million contribution was transferred from the FSR to the RFC/LMUR per C2024-0552. In 2024, the 2024 Mid-Year Progress Update was delivered to Council.

Fiscal Stability Reserve (millions)



The report highlighted favourable operating variances primarily related to higher franchise fee revenue due to higher energy prices, increased investment income and expenditure savings across several tax-supported services. In November 2024 (C2024-1097), Council approved a draw of \$61 million from the FSR for new one-time operating and capital investments. Through that report, Council also approved funding of \$30 million by increasing the 2025 franchise fees revenue budget that will flow through the RFC/LMUR merged reserve for new capital investments.

The Major capital projects (MCP) reserve includes the BMO Centre Expansion, Calgary Events Centre, Foothills Multisport Fieldhouse and Arts Commons Transformation Phase 1. The Foothills Multisport Fieldhouse and Arts Commons Transformation (other than Phase 1 and Olympic Plaza) are still in the process of receiving full Council approval. As part of this strategy, the MCP reserve was created in 2019 with a total of \$424 million. The balance of the MCP reserve at the end of 2024 is \$430 million.

Financial Indicators

An analysis of the Consolidated Statement of Financial Position and the Consolidated Statement of Operations and Accumulated Surplus provides an overview of The City's financial condition. The financial condition of The City is assessed by its ability to meet its existing financial obligations to creditors, employees and others in a timely manner, while continuing to meet its service obligations to the public. Financial condition is measured in terms of sustainability, flexibility and vulnerability.

Indicators of Financial Condition

	2024	2023	2022	2021	2020 ⁽¹⁾
Sustainability Indicators					
Assets-to-liabilities	4.96	5.09	4.95	4.90	5.01
Financial assets-to-liabilities	1.73	1.74	1.70	1.60	1.51
Net debt-to-total annual revenue	0.36	0.29	0.25	0.32	0.46
Expense by function-to-total expenses ⁽²⁾					
Planning and development services	0.05	0.04	0.04	0.03	–
Infrastructure services	0.05	0.08	0.09	0.08	–
Community services	0.32	0.34	0.32	0.33	–
Operational services	0.47	0.46	0.46	0.46	–
General government	0.11	0.08	0.09	0.09	–
Flexibility Indicators					
Total debt charges-to-revenue	0.02	0.02	0.02	0.02	0.02
Net book value of capital assets-to-cost of capital assets	0.64	0.64	0.65	0.66	0.67
Vulnerability Indicators					
Government transfers-to-total revenues	0.14	0.12	0.11	0.11	0.13

(1) The City underwent an organizational re-alignment in 2022, with 2021 comparative figures. Comparative figures for 2020 are not able to be provided in the same format due to the extent of changes that occurred in 2022.

(2) Refer to "Expenses – Comparison to Prior Year" for explanation of change from the prior year.

Sustainability

Sustainability is the degree to which The City can maintain its existing financial obligations in terms of its service commitments to the public and financial commitments to creditors, employees and others without increasing the debt or tax burden relative to the economy within which it operates.

The assets-to-liabilities indicator reports the ratio of The City's financial and non-financial assets to its liabilities and supports the extent to which The City finances its operations by issuing debt. Sustainability indicators include The City's assets-to-liabilities ratio, which exceeds one in all five years. This positive ratio indicates The City has not been financing its operations by issuing debt.

The financial assets-to-liabilities indicator reports the ratio of The City's financial assets to its liabilities. The City has maintained a result higher than one and has been trending upward, indicating financial assets exceed liabilities (net financial assets) and financial resources are on hand that can finance future operations if a shortfall were to arise.

The net debt-to-total annual revenue indicator measures The City's net debt as a percentage of total revenues. Net debt provides a measure of the future revenue required to pay for past transactions and events. The ratio has remained relatively consistent year-over-year indicating The City's debt is at a manageable level.

The expense by function-to-total expenses indicator provides a summary of the major areas of The City's spending as a proportion of the total expenses. The expense by function-to-total expenses has remained relatively consistent year over year, with the Operational services segment maintaining the highest percentage of total expenses, followed by the Community services segment.

Flexibility

Flexibility is the degree to which The City can change its debt or tax burden on the economy within which it operates to meet its existing financial obligations both in respect of its service commitments to the public and financial commitments to creditors, employees and others.

The total debt charges-to-revenues indicator measures total debt charges (interest expense) as a percentage of revenues. It illustrates the extent to which past borrowing decisions present a constraint on The City's ability to meet its financial and service commitments in the current period. The ratio has remained consistently low, reflecting prudent fiscal management and more revenues available for program spending.

The net book value of capital assets-to-cost of capital assets indicator reports the extent to which the estimated useful lives of The City's tangible capital assets are available to provide its products and services. If The City's scale, scope and level of services remain unchanged or grow, its asset base could eventually impair flexibility because of the impending future costs of capital asset repair or replacement. The ratio has remained relatively consistent year-over-year indicating The City's tangible capital asset base continued to be adaptable.

Vulnerability

Vulnerability is the degree to which The City is dependent on sources of funding outside its control or influence or is exposed to risks that could impair its ability to meet its existing financial obligations both in respect of its service commitments to the public and financial commitments to creditors, employees and others.

The purpose of reporting government transfers-to-total revenues is to show the proportion of revenues The City receives from other governments. This indicator offers a perspective on the degree of vulnerability The City faces due to its dependence on another order of government for revenues. The ratio remained at a reasonable level in 2024, though it has steadily increased since 2021, indicating a trend towards greater dependence on other orders of government for revenues.

Risk Management

The City is committed to an enterprise approach to risk management, as it is an essential component of good management, sound business practice, decision-making and due diligence. Enterprise Risk Management (ERM) is a continuous, proactive and systematic process to understand, manage and communicate risks from an organization-wide perspective. It is part of The City's Performance Management System and is embedded with other components: performance measurement and accountability, service plans and budgets, service review and individual operational efficiency to better serve Calgarians, businesses and the community.

Financial Sustainability Risk

The Financial Sustainability Principal Corporate Risk is defined as:

A risk that The City is unable to maintain strong financial capacity. This could manifest as a sudden financial constraint, including lower revenues or higher expenses. It arises from external forces and shocks, such as reduced funding from other orders of government or higher than anticipated expenses due to higher population growth or inflation or cost for service delivery. Generally, this risk increases if the variability in the broader economic context for our operations triggers a significant shift in any revenue or expense category.

Risk Pressures in 2024

During 2024, The City faced four risk pressures that could affect its Financial Sustainability Risk, as well as other principal corporate risks.

- The first pressure is challenges related to insufficient workforce capacity, labour shortages, competing priorities, change fatigue, and capacity constraints impacting service delivery and project completion.
- The second pressure is economic. While many indicators suggest this area's risk trends are stabilizing, there remains some uncertainty and potential volatility.
- The third pressure is political. Changing regulations and legislation can affect The City's operations and financial sustainability and our ability to work together with other orders of government on major capital projects. There remains uncertainty and risk related to future changes in policy from other orders of government as well.
- The fourth pressure is Calgary's population growth. Calgary is one of the fastest growing cities in Canada. This growth puts pressure on City services and infrastructure with an increase in usage and demand. As our critical assets are aging and deteriorating this additional strain will continue to stress our ability to deliver services to Calgarians.

Despite initial projections for stable economic performance, the uncertainty caused by threat and imposition of tariffs and overall policy volatility in the United States, this magnifies economic risk to The City. A Supply Chain Resilience program was established several years ago to make sure The City's supply chain remains strong. This has helped The City to proactively manage commodity fluctuations, labour disruptions, inflation and other supply chain challenges, including tariffs. Given this, Financial Sustainability Risk is a principal corporate risk that is being monitored by The City.

Key trends and measures related to this risk in 2024

To help manage these varied and complex risk areas, The City monitors key risk measures, researching trends and anticipating how the needs of Calgarians can change in the short to medium-term.

The Financial Sustainability Risk remained relatively stable throughout 2024. Property tax remains a stable source of revenue, with approval of 2023-2026 property tax increases slightly below population growth and inflation. While there are no changes to existing delays and cutbacks to provincial grants, The City is looking to participate in discussions with the Provincial Government for long-term capital funding beyond 2024-2025 for the Local Government Fiscal Framework. The current debt forecast indicates debt will range between 40 to 50 per cent of The City's total debt limit over the medium term. The debt limits in The City's Debt Policy are more stringent limits than those set out for other local authorities in the *Municipal Government Act*. The City's financing constraints may be subject to internal pressures such as the magnitude and timing of Green Line debt as well as external pressures such as a cost escalation, a volatile interest rate environment and availability of financing options.

The City continues to monitor the ability of Calgarians to pay property taxes, and actively manage The City's debt financing, including longer term projections. The City's Long Range Financial Plan can be found at calgary.ca/financialplan.

Relationship to other Principal Corporate Risks

The Financial Sustainability Risk is closely related to other Principal Corporate Risks, in particular: the Capital Infrastructure Risk, the Sustainable City Risk, and the Service Delivery Risk.

The Capital Infrastructure Risk is facing multiple overlapping trends. Calgary's significant population growth, coupled with financial constraints driven by trends such as the tightening of funds from other orders of government and inflation, are putting an increasing strain on The City's ability to deliver critical infrastructure services for Calgarians. The infrastructure gap, which is the difference between the infrastructure investment needed to meet service levels and the financial resources available to address those needs, continued to grow. The City's critical assets are aging and deteriorating as some of them begin to reach the end of their useful life. Supply chain disruptions and labour shortages are other notable pressures impacting The City. Together, these contribute to the risk of unplanned service interruptions, facility shutdowns and/or other impacts to the organization such as financial and reputational risk.

The Sustainable City Risk is monitoring how without investment, support, buy-in and collaboration from the private sector and Calgarians, The City may struggle to execute relevant policies and plans. Progress has been made on implementing the Climate Strategy – Pathways to 2050. However, the current pace of progress poses an increased risk to our economy, environment, people and The City's reputation. There are significant opportunities associated with developing and implementing green technologies in Calgary, enhancing resilience to climate events and applying an equity lens to environmental and climate services. This risk also encompasses how The City is managing growth in a sustainable and efficient manner. Recently, opportunities have been acted upon to enable housing at higher volumes, in new ways and in new locations; however, the balance of growth across established and new communities has not materially changed. The City continues to develop new policy and programs that are intended to assist in achieving the Municipal Development Plan.

The Service Delivery Risk's exposure is exemplified how recently, several events have underscored the increasing risk to The City's service delivery. Coverage of extreme weather events, such as sudden snowstorms, record-setting number of potholes partly due to increased freeze-thaw cycles and summer's catastrophic water feeder main break have highlighted vulnerabilities in The City's infrastructure. To mitigate these risks, The City will need to enhance its resiliency measures, from infrastructure upgrades to more agile digital systems, to continue providing reliable municipal services in a rapidly evolving environment.

Operational Risks

Financial Operational Risk

As part of the financial operational risk, The City is subject to credit risk with respect to tax, trade and other receivables. This operational risk arises from the possibility that taxpayers and counterparties to which The City provides services may not be able to fulfil their obligations to The City. The City mitigates these risks through its processes and by having a vast diversity of taxpayers and customers.

The City has policies which include cash management, cash handling, banking, investing and borrowing activities. These policies describe associated risks and how they are monitored, managed and/or mitigated.

The City has cash flows and assets denominated in currencies other than Canadian dollars. Whether these flows are from paying for goods or services or receiving revenues, refunds, or investment income, they expose The City to foreign exchange risk. As part of the risk management strategy, The City has developed policies to monitor, manage and/or mitigate the risks associated with currency fluctuations.

The City mitigates risk within its investment portfolios through a sound governance structure, adherence to regulations, and The City's Investment Policy. The Investment Advisory Committee (IAC) advises on the oversight of investment strategy, strategy implementation, and investment activity and performance. The IAC also reviews compliance and risk mitigation practices of both internally and externally managed assets to ensure The City's investment program is being managed within the parameters of the Investment Policy.

In October 2023 Council approved the Bylaw authorizing The City of Calgary to incur indebtedness by way of Municipal Bond issuances into the domestic debt capital markets (the Corporate Borrowing Strategy (CBS) Program). The inaugural Municipal Bond issuance under the CBS Program closed in March 15, 2024. This issuance and any future issuances under the CBS Program will be supported by a debt retirement account which aligns a separate set of investments with the interest and repayment cashflow requirements of the program.

The City has fully met its current year cash contributions for employee benefit obligations at December 31, 2024. The City sponsored registered and non-registered defined benefit pension plans currently have a total unamortized net actuarial gain of \$68 million (2023 - \$57 million).

All employees of The City, with the exception of police officers, are members of the Local Authorities Pension Plan (LAPP), which is a public sector pension plan in Alberta registered under the *Alberta Employment Pension Plans Act* (EPPA). The City, in conjunction with other participating employers (such as Alberta Health Services, other Alberta municipalities, universities, colleges and school boards) and its employees, share in funding the future plan requirements through contribution rates. Police officers employed by The City are participants in the Special Forces Pension Plan (SFPP).

Both plans are multi-employer, defined-benefit pension plans jointly sponsored by employees and employers through the LAPP and SFPP Corporations respectively and are administered by Alberta Pension Services. The contributions by each participating employer are not segregated in a separate account or restricted to provide benefits only to employees of The City, but rather are used to provide benefits to employees of all participating employers. The City includes a provision for expected LAPP and SFPP contributions in its multiple-year budget plans.

As of December 31, 2023, both LAPP and SFPP have a plan surplus, with the actuarial value of the assets exceeding the accrued benefit obligations.

Green Line LRT Infrastructure Investment

The Green Line LRT Project represents the largest infrastructure investment in Calgary's history, with a total commitment of \$6,248 million from the Government of Canada, the Government of Alberta, and The City. Following Council's approval of the business case for Stage 1 in June 2020, and as a condition of the Government of Alberta's approval and funding, the Green Line Board was established to govern, oversee, and ensure the successful delivery of the project.

In July 2024, to respond to rising costs and potential future escalations, while maximizing the benefits identified in the approved Investing in Canada Infrastructure Program (ICIP) grant application, Council approved a revised project scope, capital funding request, and delivery model for Phase 1 of the Green Line, based on recommendations from the Green Line Board. The revised plan prioritized the construction of the 9 km segment from Lynnwood/Millican in the southeast to Eau Claire, encompassing the most complex and costly elements, including a tunnel and two underground stations in downtown Calgary. Future extensions to the north and south would proceed as funding became available.

In September 2024, the Government of Alberta withdrew its funding for the Green Line, citing concerns with the costs, potential risks of the downtown tunnel, and the reduced benefits and ridership of the shortened route. As a result, Council moved forward with winding down the project, as The City was unable to proceed without provincial funding.

With more than \$6,000 million in funding commitments and almost \$1,400 million spent to date on construction, vehicles, land and engineering/design, The City and Government of Alberta reached an interim agreement to restore provincial funding, continue to advance design beyond 60 per cent in the southeast, retain the contract for the Light Rail Vehicles (LRV) and work together on a reimagined Green Line, through a City/Provincial Working Group. These efforts would be concurrent to the Province's work to develop a new alignment for the Downtown Segment that would not include extensive tunnelling, as previously approved.

Subsequently, the Green Line Board announced the completion of its mandate and transferred responsibility for the Green Line Program to The City on October 29, 2024.

In December, the Province provided Council with a concept plan (5 per cent design) and estimate for an elevated alignment for the Downtown Segment. With an estimated \$6,200 million budget for both the SE and Downtown Segments, the reimagined project would feature 12 stations across 17.2 kilometres, from Shepard in the southeast, connecting riders to the existing Red and Blue Line LRT networks in the Downtown, as well as three of the MAX rapid transit routes.

The Province confirmed in the concept plan that additional work is required on the Downtown Segment. This work would include but not be limited to impact assessments to existing City and private infrastructure, public engagement, negotiations with Canadian Pacific Kansas City, additional design and validation of the cost estimate.

On January 28, 2025, Council directed Administration to implement a concurrent development process for delivery of a south-to-north LRT program, beginning construction in 2025 of the SE Segment (Shepard to Calgary Events Centre/Grand Central Station), and begin functional design of the downtown segment. The functional design is expected to be completed in Q4 2026.

During this session, Council also directed Administration to work with the Government of Alberta to submit an updated business case to the Government of Canada reflecting these changes in order to secure the federal funding based on requirements of the investing in Canada Infrastructure Program (ICIP) grant. The matching federal funding commitment was received March 19, 2025.

As The City continues to be the funder of last resort, this project has a large risk profile and could present a significant impact to The City's financial capacity. Despite the challenges faced in 2024, including funding uncertainties and a revised project scope, significant progress was made in advancing the project. The Green Line remains a crucial component of Calgary's transportation infrastructure, and its evolution will continue to shape Calgary's future.

Bearspaw South Feeder Main Repair

On June 5, 2024, the Bearspaw South Feeder Main, which is the largest feeder main in Calgary's water distribution network, experienced a catastrophic break resulting in reduced capacity of Bearspaw Water Treatment Plant to supply water to Calgarians. The Calgary Emergency Management enacted its Municipal Emergency Plan with The City's Emergency Operations Centre (EOC) and Water's Utility Emergency Operations Centre (H₂O_C) to respond and to repair the infrastructure. The City declared a state of local emergency on June 15, 2024 as well as a temporary boil water advisory for the community of Bowness, city-wide outdoor watering restrictions and voluntary indoor water use reduction. The initial break was repaired in June 2024, along with five additional hot spots. Varying stages of water restrictions remained through the months of June and July.

In August/September 2024, additional repair work was carried out on 21 segments along the feeder main requiring another period of outdoor watering restrictions and voluntary indoor water use reduction. Three additional segments of the Bearspaw South Feeder Main were repaired in October 2024. No water restrictions were required for this phase of work.

The feeder main break and disruption of water service to Calgarians presented some risks for The City, including the public's perception of The City's ability to supply water to a growing city, The City's operational ability to meet supply demands from citizens and businesses while meeting regulatory requirements, financial implications of damages related to feeder main failures, business interruption, revenue shortfalls, regional partnerships and repair costs.

Outside of the rehabilitation work on the Bearspaw South Feeder Main, The City is also working on plans to increase redundancy in the water distribution system with additional infrastructure. The focus on water efficiency and water loss will be continued. The City will also examine parts of the service network where single points of failure could have a significant service implication. Asset management practices have changed since the Bearspaw incident including adjusting the balance of efforts to increase focus on high consequence but low likelihood infrastructure risks, increasing condition assessment frequency where possible and implementing continuous monitoring to identify issues before failures occur.

ENMAX Risk

ENMAX, through its three business units, operates as a regulated wires company, a competitive power generator and an energy retailer. ENMAX has earnings volatility that is captured on The City's consolidated statement of operations. There is a risk that The City will not receive budgeted dividends or earnings annually which could impact The City's ability to realize the expected return on its investment.

Risks identified by ENMAX and presented in detail in its annual financial report include regulatory and government policy, health, safety and operational, technological, human resources, climate change and environmental, market, commodity price, foreign exchange and interest rate, credit and liquidity risks. ENMAX manages risk across all its business activities using an Enterprise Risk Management (ERM) program, aligned to its business objectives and risk tolerance. Risk levels are approved by its board of directors and CEO, and monitored by its business units, risk department and senior management. Each area assesses and manages its risks, with enterprise-level oversight provided by ENMAX's Corporate Governance Committee (CGC). The CGC oversees the ERM program while the board of directors oversees risk exposures and risk management.

Technological Disruption Risks

Cyber Security Risk

The City is continually working to manage the risks associated with technological advancements. This is a multi-faceted approach based on industry best practices. The City also continuously strengthens its practices relative to cyber threats.

The Outlook

Council and City Administration Actions

2023 – 2026 Service Plans and Budgets and Related Adjustments

On November 22, 2024, Council approved further adjustments to The City's service plans and budgets which were originally approved in November 2022 with an average annual increase of 3.7 per cent in 2023-2026. This year's adjustments continue to balance the desire to keep property tax and utility fees affordable for Calgarians while focusing on retaining and improving the quality of the service infrastructure needed for a growing metropolis.

In response to some of the challenges associated with rapid population growth over the past few years and accumulated inflationary pressures resulting from years of fiscal prudence, Council and Administration worked collaboratively to identify efficiencies within the corporation to minimize the impact on Calgarians and businesses. Specifically, \$141 million in operating budget capacity, comprising \$112 million in on-going and \$29 million in one-time funding, and \$135 million in relinquished corporate capital funding, were found to accommodate new investments without increasing taxes or fees. Through deliberations, Council further approved \$18 million in operating funding as well as \$59 million in capital funding.

The focus of the 2024 Adjustments to Service Plans and Budgets continues to be guided by economic, social and climate resilience. It focuses primarily on the following areas:

- Inflationary pressures on existing infrastructure
- Downtown revitalization and supporting city growth
- Transit
- Public safety

Reflective of sound financial management and benefiting from internally found efficiencies, most of the operating investments were funded without any additional property tax support, with only a minor increase needed in 2026.

Economic uncertainty caused by possible tariff impacts and continuing trade disputes with Canada's main trading partners may adversely affect Calgary's economic prospects in 2025. The City is enhancing its procurement practices to increase local and Canadian procurements to counteract the impact of United States tariffs, including bolstering its Social Procurement program.

Major Investments

Culture + Entertainment District

On December 12, 2024, Scotia Place secured approval of a third development permit, a major milestone toward the construction of the Calgary Events Centre Block. The first two development permits secured earlier in the year enabled the work and trades required to begin the excavation and site preparation process. Construction of all Scotia Place components, including the community rink will begin in 2025.

The construction of the Calgary Events Centre Block and associated District Infrastructure Improvements represents the full investment in the Culture + Entertainment District within the Rivers District. Construction of the District Infrastructure Improvements started in 2024 with the work on the new 5a Street and will expand in 2025 to include other street improvements including a new rail underpass on 6th Street. Collectively, this work represents a \$1,223 million investment in The City of Calgary's future Culture + Entertainment District supported by funding from the Province of Alberta, Calgary Sports and Entertainment Corporation and The City of Calgary.

Arts Commons & Olympic Plaza Transformation

In Q1 2024, The Province announced through Budget 2024 that it would provide \$103 million over seven years to Arts Commons to support the Arts Commons and Olympic Plaza Transformations.

On June 26, 2024, Arts Commons announced a \$75 million donation from Dave Werklund and his family to fund the modernization of Arts Commons, transformation of Olympic Plaza, establish the Dave Werklund Education Wing and the creation of four funds to support Arts Commons' key institutional priorities.

On December 11, 2024, it was announced that Calgary Municipal Land Corporation, Arts Commons and The City of Calgary break ground on the Arts Commons Transformation expansion.

The Arts Commons and Olympic Plaza Transformation projects are being led in partnership by Arts Commons, Calgary Municipal Land Corporation and The City of Calgary. The \$660 million transformation project includes the creation of \$50 million in sustainment funding and anticipated \$610 million capital costs for:

- Arts Commons Transformation, Expansion of \$270 million
- Arts Commons Transformation, Modernization of \$270 million
- Olympic Plaza Transformation of \$70 million

Conclusion

Throughout 2024, The City demonstrated resilience and remained focused on supporting Calgarians and its ongoing economic recovery. The City continued assisting Calgarians in need, ensuring delivery of essential services, making strategic investment in infrastructure, supporting business opportunities and financial sustainability.

During 2022, The City's 2023 – 2026 Service Plans and Budgets was approved by Council, a roadmap for how The City will support Calgarians and businesses over the next four years. This budget provides a solid path forward by maintaining or improving City services.

Strategic ongoing investment continued throughout 2024 in the BMO Centre Expansion project, Arts Commons Transformation and the Green Line LRT Infrastructure investment, supporting business, arts, entertainment and accessibility for Calgarians to make life better every day. The City's resilience and prudent financial management have allowed it to maintain its AA+ credit rating by S&P and AA (high) by DBRS.

The economic uncertainty in recent years has emphasized the need to have a robust governance structure that can adapt to emerging risks and ensure Calgarians are provided with continuing essential services with minimal disruptions. In 2022, City Administration undertook an organizational realignment to modernize municipal government and meet the changing needs and expectations of Calgarians, customers, businesses, and communities. Seven new departments were formed to plan and build a great city, deliver services to Calgarians and enable The City to operate effectively. Minor adjustments were further made to this organizational realignment throughout 2024 to continuously improve efficiencies.

As we look forward to 2025, we will continue to focus on reducing The City's costs, modernizing service delivery and supporting communities both now and in the long-term.



Les Tochor, Chief Financial Officer
April 29, 2025



Government Finance Officers Association

Canadian Award for Financial Reporting

Presented to

**City of Calgary
Alberta**

For its Annual
Financial Report
for the Year Ended

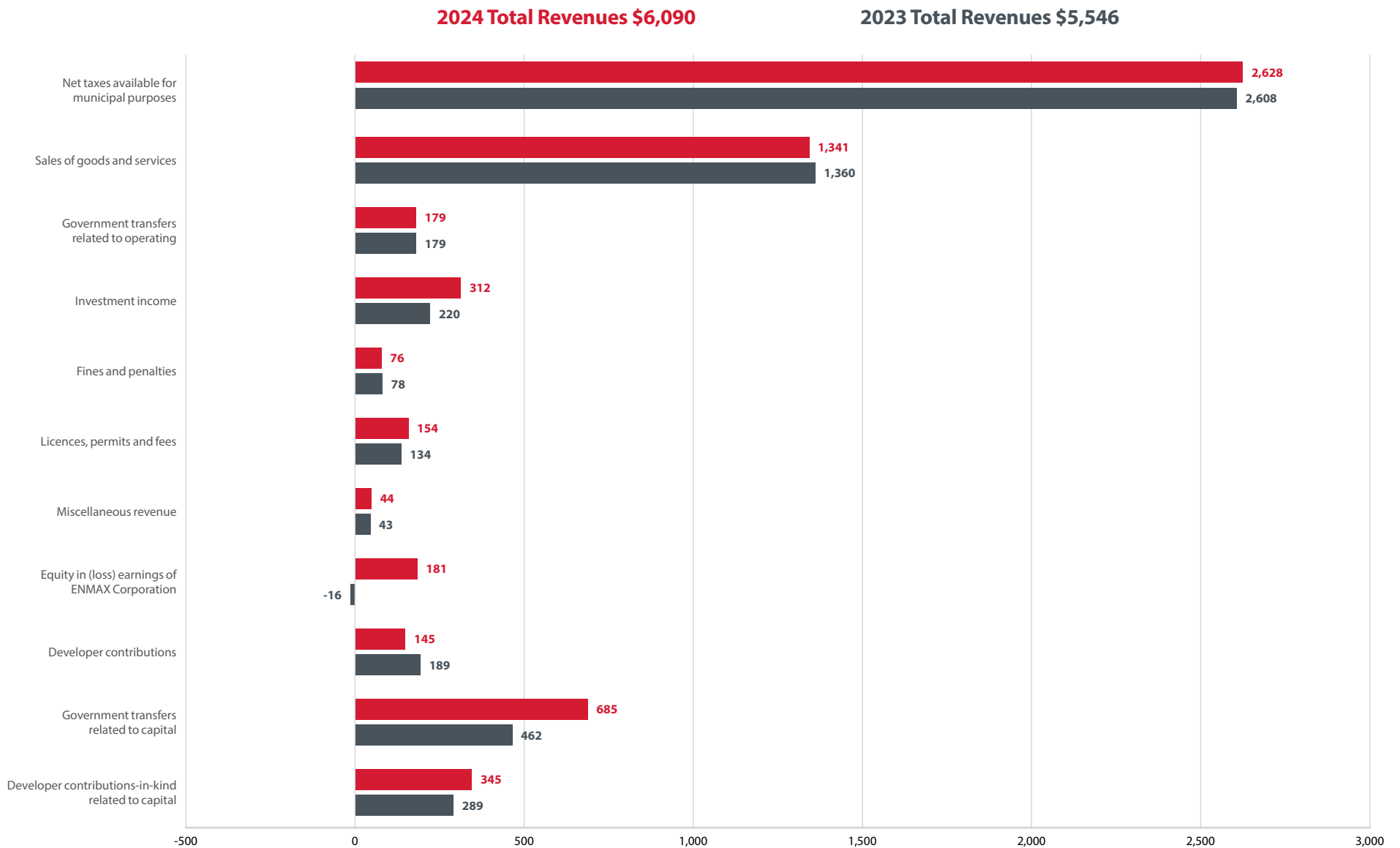
December 31, 2023

Executive Director/CEO

Financial Synopsis 2024 Sources of Revenue

AC2025-0323
Attachment 2

For the year ended December 31 (in millions)



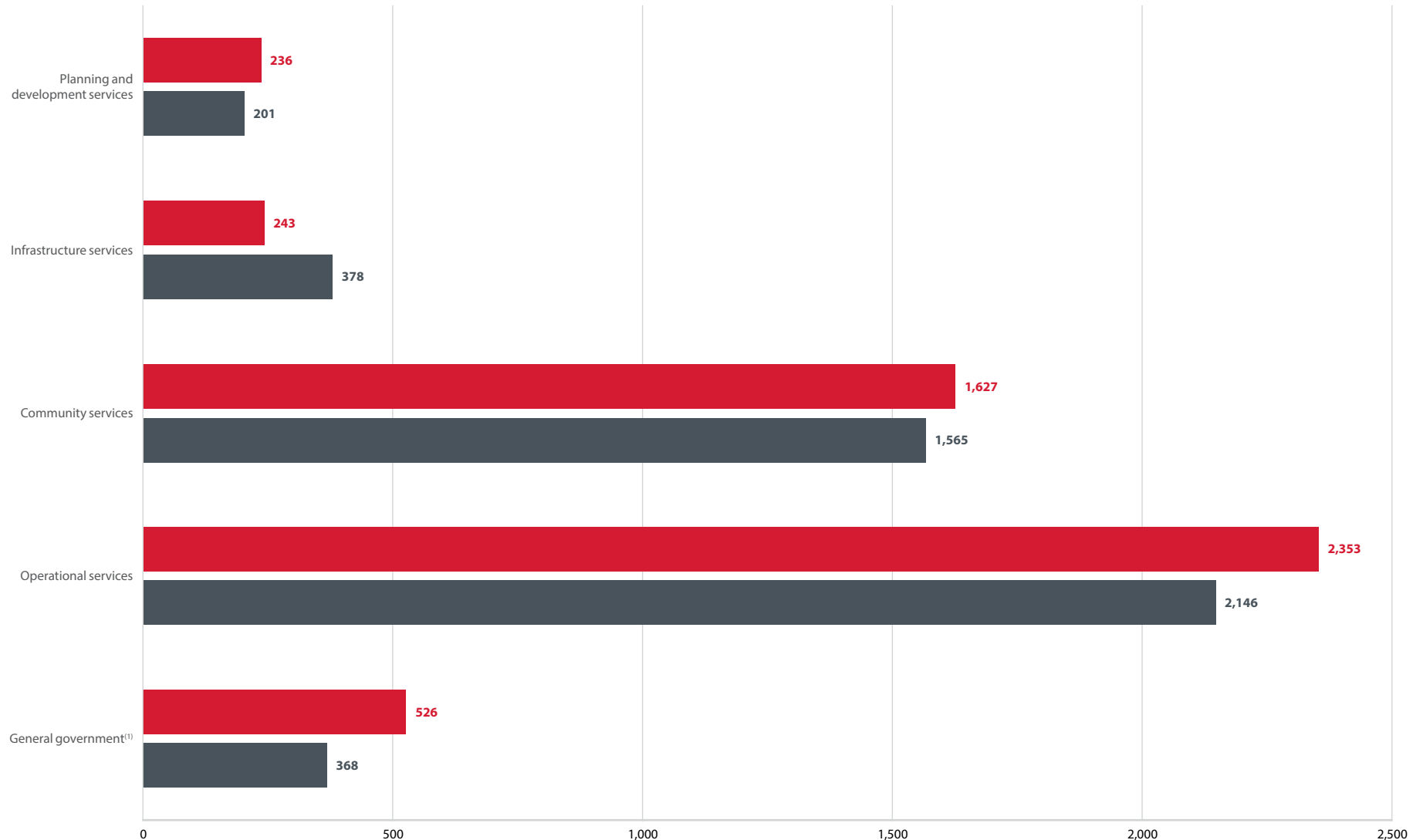
Financial Synopsis 2024 Expenses

AC2025-0323
Attachment 2

For the year ended December 31 (in millions)

2024 Total Expenses \$4,985

2023 Total Expenses \$4,658



(1) Includes the costs of Council, Chief Administrative Officer, Chief Operating Officer, Finance, Supply Management, City Auditor, City Clerk's, Law, Assessment & Tax, Corporate Planning & Performance, Corporate Security, Customer Service & Communications, Human Resources, Information Technology, Collaboration Analytics & Innovation and Occupational Health & Safety.

Consolidated Financial Statements

AC2025-0323
Attachment 2



Newly planted trees along pathway
(37 Street & 17 Avenue Main Streets)

ISC: Unrestricted

Responsibility for Financial Reporting

Administration's Report

The integrity, relevance and comparability of the data in the accompanying consolidated financial statements are the responsibility of administration.

The consolidated financial statements are prepared by administration, in accordance with Canadian Public Sector Accounting Standards. They necessarily include some amounts that are based on the best estimates and judgments of administration. Financial data elsewhere in the report is consistent with that in the consolidated financial statements.

To assist in its responsibility, administration maintains accounting, budget and other controls to provide reasonable assurance that transactions are appropriately authorized, that assets are properly accounted for and safeguarded and that financial records are reliable for the preparation of these consolidated financial statements.

The City Auditor's Office reports directly to City Council, through the Audit Committee, on an ongoing basis, carrying out its audit program to ensure internal controls and their application are reviewed and financial information is tested and independently verified.

In 2024, City Council fulfilled its responsibility for financial reporting through the Executive Committee and its Audit Committee. The Executive Committee, which consists of the Mayor, the Chairs of each Standing Policy Committee, the Chair of the Audit Committee and three Councillors-at-large appointed by the Mayor, meets regularly to deal with, among other issues, financial planning and reporting matters. The Audit Committee consists of four councillors and three public members, which meets regularly with both the independent external auditor and the City Auditor to review financial control and reporting matters.

Deloitte LLP, Chartered Professional Accountants, have been appointed by City Council to express an audit opinion on The City's consolidated financial statements. Their report follows.



David Duckworth, Chief Administrative Officer



Les Tochor, Chief Financial Officer

Calgary, Canada
April 29, 2025

Independent Auditor's Report

To Mayor Jyoti Gondek and Members of City Council The City of Calgary

Opinion

We have audited the consolidated financial statements of The City of Calgary ("The City"), which comprise the Consolidated Statement of Financial Position as at December 31, 2024 and the Consolidated Statements of Operations and Accumulated Surplus, Remeasurement Gains and Losses, Cash Flows and Changes in Net Financial Assets for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of The City as at December 31, 2024 and the results of its operations, remeasurement gains and losses, cash flows and changes in net financial assets for the year then ended in accordance with Canadian public sector accounting standards ("PSAS").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). 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 City 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.

Other Information

City Administration is responsible for the other information. The other information comprises the information, other than the financial statements and our auditor's report thereon, in the Financial Statement Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained the Financial Statement Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

Responsibilities of City Administration and Those Charged with Governance for the Consolidated Financial Statements

City Administration is responsible for the preparation and fair presentation of the financial statements in accordance with PSAS and for such internal control as City Administration 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, City Administration is responsible for assessing The City'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 City Administration either intends to liquidate The City or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing The City's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated 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 GAAS 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 GAAS, 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 City's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by City Administration.

- Conclude on the appropriateness of City Administration'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 City'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 City 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within The City as a basis for forming an opinion on the financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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.

Chartered Professional Accountants

April 29, 2025

Consolidated Statement of Financial Position

As at December 31 (in thousands)

	2024	2023
Financial Assets		
Cash and cash equivalents (Note 3)	\$ 769,402	\$ 1,106,014
Investments (Note 4)	6,408,871	5,759,703
Receivables (Notes 5 and 8 c.)	459,672	462,582
Land inventory (Note 6)	242,736	234,506
Other assets (Note 7)	501,731	106,923
Investment in ENMAX Corporation (Note 8)	3,204,896	2,951,848
	\$ 11,587,308	\$ 10,621,576
Financial Liabilities		
Bank indebtedness (Note 9)	\$ 510,829	\$ 348,320
Accounts payable and accrued liabilities (Notes 8 c. and 10)	1,029,493	930,870
Deferred revenue (Notes 8 c. and 11)	130,389	106,571
Capital deposits (Note 12)	1,214,148	1,188,138
Asset retirement obligations (Note 13)	330,004	326,466
Employee benefit obligations (Note 14)	511,972	497,573
Long-term debt (Note 15)	2,963,341	2,700,337
	\$ 6,690,176	\$ 6,098,275
Net Financial Assets	\$ 4,897,132	\$ 4,523,301
Non-Financial Assets		
Tangible capital assets (Note 16)	\$ 21,483,992	\$ 20,319,980
Inventory	85,134	81,935
Prepaid assets	46,684	40,055
	\$ 21,615,810	\$ 20,441,970
Net Assets	\$ 26,512,942	\$ 24,965,271
Net Assets is comprised of (Note 18):		
Accumulated surplus	\$ 26,139,479	\$ 25,034,368
Accumulated remeasurement gains (losses)	373,463	(69,097)
	\$ 26,512,942	\$ 24,965,271

Contingent assets, commitments, contingent liabilities and guarantees (Notes 29, 30 and 31)

See accompanying notes to the consolidated financial statements.

Approved on behalf of City Council:



Mayor Jyoti Gondek

Consolidated Statement of Operations and Accumulated Surplus

AC2025-0323
Attachment 2

For the year ended December 31 (in thousands)

	Budget 2024 (Note 17)	Actual 2024	Actual 2023
Revenues			
Net taxes available for municipal purposes (Note 21)	\$ 2,544,594	\$ 2,627,877	\$ 2,607,604
Sales of goods and services	1,377,646	1,341,457	1,359,983
Government transfers related to operating (Note 24)	152,909	178,613	179,306
Investment income	110,110	312,073	219,934
Fines and penalties	83,047	75,731	77,650
Licences, permits and fees	138,514	153,977	134,083
Miscellaneous revenue	32,366	44,051	43,243
Equity in earnings (loss) of ENMAX Corporation (Note 8)	353,000	181,248	(15,608)
	\$ 4,792,186	\$ 4,915,027	\$ 4,606,195
Expenses			
Planning and development services	\$ 299,794	\$ 236,089	\$ 200,982
Infrastructure services	260,800	243,144	377,687
Community services	1,603,190	1,626,943	1,565,365
Operational services	1,725,475	2,352,755	2,146,059
General government	594,486	526,276	367,654
	\$ 4,483,745	\$ 4,985,207	\$ 4,657,747
Net Revenue (Loss) Before Other Contributions and Transfers	\$ 308,441	\$ (70,180)	\$ (51,552)
Other Contributions and Transfers			
Developer contributions	\$ 231,285	\$ 145,368	\$ 188,830
Government transfers related to capital (Note 24)	760,636	684,848	462,316
Developer contributions-in-kind related to capital	–	345,075	288,695
	\$ 991,921	\$ 1,175,291	\$ 939,841
Annual Surplus	\$ 1,300,362	\$ 1,105,111	\$ 888,289
Accumulated Surplus, Beginning of Year	25,034,368	25,034,368	24,140,816
Adjustment on adoption of financial instruments (Note 8)	–	–	\$ 5,263
Accumulated Surplus, End of Year	\$ 26,334,730	\$ 26,139,479	\$ 25,034,368

See accompanying notes to the consolidated financial statements.

Consolidated Statement of Remeasurement Gains and Losses

For the year ended December 31 (in thousands)

	2024	2023
Accumulated Remeasurement Losses, Beginning of Year	\$ (69,097)	\$ –
Adjustment on adoption of financial instruments:		
Adjustments to accumulated unrealized losses	–	(282,731)
Accumulated other comprehensive loss from ENMAX Corporation	–	(5,263)
Adjusted Accumulated Remeasurement Losses, Beginning of Year	\$ (69,097)	\$ (287,994)
Unrealized gains (losses) attributable to:		
Investments	332,593	264,188
Accounts payable	(36)	89
Derivatives	79	(52)
Amounts reclassified to the Consolidated Statement of Operations and Accumulated Surplus:		
Investments	(56,782)	(20,599)
Accounts payable	(62)	34
Derivatives	(32)	(1,759)
ENMAX Corporation – other comprehensive income (loss) (Note 8)	166,800	(23,004)
Net remeasurement gains for the year	\$ 442,560	\$ 218,897
Accumulated Remeasurement Gains (Losses), End of Year	\$ 373,463	\$ (69,097)

See accompanying notes to the consolidated financial statements.

Consolidated Statement of Cash Flows

For the year ended December 31 (in thousands)

	2024	2023
Net Inflow (Outflow) of Cash and Cash Equivalents		
Operating Activities		
Annual Surplus	\$ 1,105,111	\$ 888,289
Items not affecting cash:		
Equity in (earnings) loss of ENMAX Corporation (Note 8)	(181,248)	15,608
Change in unrealized market value of financial instruments	275,760	(40,830)
Amortization of tangible capital assets	730,097	724,479
Write-down of tangible capital assets	1,264	–
Net gain (loss) on disposal of tangible capital assets	(7,332)	42,063
Developer contributions-in-kind related to capital	(345,075)	(288,695)
Change in non-cash items:		
Receivables	2,910	21,436
Land inventory	(8,230)	(23,293)
Other assets	(394,808)	8,935
Inventory	(3,199)	(4,556)
Prepaid assets	(6,629)	(4,581)
Accounts payable and accrued liabilities	98,623	(34,348)
Deferred revenue	23,818	(48)
Capital deposits	26,010	2,233
Asset retirement obligations	3,538	19,227
Employee benefit obligations	14,399	(13,136)
	\$ 1,335,009	\$ 1,312,783
Capital Activities		
Acquisition of tangible capital assets	\$ (1,564,033)	\$ (1,064,908)
Proceeds on sale of tangible capital assets	21,067	12,119
	\$ (1,542,966)	\$ (1,052,789)
Investing Activities		
Dividends from ENMAX Corporation (Note 8)	\$ 95,000	\$ 82,000
Net purchases of investments	(649,168)	(552,909)
	\$ (554,168)	\$ (470,909)
Financing Activities		
Proceeds from long-term debt issued	493,106	\$ 233,473
Repayments of long-term debt	(230,102)	(228,229)
Net increase in bank indebtedness	162,509	310
	425,513	\$ 5,554
Decrease in Cash and Cash Equivalents	\$ (336,612)	\$ (205,361)
Cash and Cash Equivalents, Beginning of Year	1,106,014	1,311,375
Cash and Cash Equivalents, End of Year	\$ 769,402	\$ 1,106,014

See accompanying notes to the consolidated financial statements.

Consolidated Statement of Changes in Net Financial Assets

For the year ended December 31 (in thousands)

	Budget 2024 (Note 17)	Actual 2024	Actual 2023
Annual Surplus	\$ 1,300,362	\$ 1,105,111	\$ 888,289
Amortization of tangible capital assets	155,336	730,097	724,479
Write-down of tangible capital assets	–	1,264	–
Proceeds on sale of tangible capital assets	603	21,067	12,119
Tangible capital assets received as contributions	–	(345,075)	(288,695)
Net loss (gain) on disposal of tangible capital assets	260	(7,332)	42,063
Acquisition of tangible capital assets	(1,218,483)	(1,564,033)	(1,064,908)
Acquisition of supplies inventories	–	(172,820)	(178,196)
Use of supplies inventories	–	169,621	173,640
Acquisition of prepaid assets	–	(340,095)	(262,940)
Use of prepaid assets	–	333,466	258,359
Unrealized measurement gains (losses)	–	442,560	(63,834)
Increase in Net Financial Assets	\$ 238,078	\$ 373,831	\$ 240,376
Net Financial Assets, Beginning of Year	\$ 4,523,301	\$ 4,523,301	\$ 4,282,925
Net Financial Assets, End of Year	\$ 4,761,379	\$ 4,897,132	\$ 4,523,301

Notes to the Consolidated Financial Statements

The City of Calgary (The City) is a municipality in the Province of Alberta incorporated in 1884 as a town and in 1894 as a city and operates under provisions of the *Municipal Government Act*.

1. Significant Accounting Policies

The consolidated financial statements of The City are prepared by administration in accordance with Canadian Public Sector Accounting Standards (PSAS).

a. Basis of Consolidation

The consolidated financial statements reflect the assets, liabilities, revenues and expenses of the operating fund, capital fund and reserve fund of The City.

The consolidated financial statements fully consolidate all organizations that are controlled by The City, as defined below as Related Authorities, except for The City's government business enterprise, ENMAX Corporation (ENMAX) which is accounted for on a modified equity basis. The City's inter-departmental transactions and balances have been eliminated.

Government Business Enterprise

ENMAX, a wholly owned subsidiary of The City, is accounted for on a modified equity basis, consistent with the generally accepted accounting treatment for a government business enterprise (Note 8). Under the modified equity basis, the government business enterprise's accounting principles are not adjusted to conform with those of The City, and inter-organizational transactions and balances are not eliminated. Other comprehensive income due to fair value adjustments is reported on the Consolidated Statement of Remeasurement Gains and Losses.

Related Authorities

The related authorities (Note 22) that are controlled by The City and included in the consolidated financial statements include:

- | | |
|--|--|
| • Attainable Homes Calgary Corporation | • Calgary Economic Development Ltd. |
| • Calgary Arts Development Authority Ltd. | • Calgary Municipal Land Corporation |
| • The Calgary Convention Centre Authority (operating as Calgary TELUS Convention Centre) | • Calgary Public Library Board |
| | • Calhome Properties Ltd. (operating as Calgary Housing) |

The City and related authorities' inter-entity transactions and balances have been eliminated.

Partners

The City has relationships with many organizations for which control lies outside of Council. Across a variety of services, The City works with external organizations through partnerships to deliver positive results for Calgarians. These partners have a financial relationship with The City but are not controlled by The City, and the financial results of these organizations are not included in the consolidated financial statements. Civic Partners refers to categories of Partners as set out in Schedule 3 of the Investing in Partnerships Policy (CP2017-01). Separate financial information may be sought directly from the Partner organizations.

- | | |
|----------------------------------|--|
| • Burns Memorial Trust | • Calgary Roman Catholic Separate School District No.1 |
| • The Burns Memorial Fire Fund | • Conseil Scolaire FrancoSud |
| • The Burns Memorial Police Fund | • Saddledome Foundation |
| • Calgary Board of Education | • St. Mary's University |

Civic Partners

- | | |
|--|---|
| • Aero Space Museum of Association Calgary (operating as the Hangar Flight Museum) | • Heritage Calgary |
| • Arts Commons | • Heritage Park Society |
| • Calgary Exhibition and Stampede Limited | • Lindsay Park Sports Society (operating as MNP Community and Sport Centre) |
| • Calgary Female Sport Development Association (operating as Great Plains Recreation Facility) | • NE Centre of Community Society (operating as Genesis Centre) |
| • Calgary Science Centre Society (operating as TELUS Spark) | • Parks Foundation, Calgary |
| • Calgary Sport Council Society (operating as Sport Calgary) | • Platform Calgary |
| • Calgary Young Men's Christian Association (operating as YMCA) | • Silvera for Seniors |
| • Calgary Zoological Society (operating as Calgary Zoo) | • South Fish Creek Recreation Association (operating as Cardel Rec South) |
| • Contemporary Calgary Arts Society (operating as Contemporary Calgary) | • Tourism Calgary – Calgary Convention & Visitors Bureau |
| • The Confluence Historic Site & Parkland | • Vecova Centre for Disability Services and Research |
| • Glenbow Alberta-Institute | • Vibrant Initiatives Ltd. (operating as Vibrant Communities Calgary) |
| | • Vivo for Healthier Generations Society |
| | • Westside Regional Recreation Centre |

Registered Pension Plans

Civic employees and elected officials participate in one or more registered defined-benefit pension plans and/or multi-employer pension plans provided by The City.

City-Sponsored Registered Pension Plans

The City records its share of the obligations net of plan assets which are held in trust by external parties, except for the Calgary Police Supplementary Pension Plan, whose funds are held within The City's investments. These plans include:

- Calgary Firefighters' Supplementary Pension Plan;
- Calgary Police Supplementary Pension Plan;
- Pension Plan for Elected Officials of The City of Calgary; and
- The City of Calgary Supplementary Pension Plan.

Multi-Employer Registered Pension Plans

Due to the multi-employer nature of these plans, information is not available to determine the portion of the plans' obligations and assets attributable to each employer. Therefore, The City appropriately accounts for both plans following the standards for defined contribution plans. These plans include:

- Local Authorities Pension Plan; and
- Special Forces Pension Plan.

Further details about these pension plans are available in Notes 1 n. and 14.

Funds Held in Trust

Funds held in trust and their related operations administered by The City for the benefit of external parties are not included in the consolidated financial statements, but are reported separately in Note 33.

b. Basis of Accounting

- i. Expenses are recognized in the period the goods and services are acquired and a liability is incurred or transfers are due.
- ii. Inter-entity transactions are recorded at the exchange amount when they are undertaken on similar terms and conditions to those adopted if the entities were dealing at arm's length. Cost allocations to and from commonly controlled entities are recorded on a gross basis. Inter-entity transfers and receipts of assets or liabilities for nominal or no consideration are recorded at carrying amount. Differences between the exchange amount and carrying amount for asset or liability transfers are recorded as a gain or loss in the Consolidated Statement of Operations and Accumulated Surplus. A value for unallocated costs is not recorded.

c. Cash and Cash Equivalents

Cash and cash equivalents consist of cash on deposit and treasury bills with original maturities of 90 days or less at the date of acquisition and are recorded at fair value.

d. Investments

Investments are recorded at the fair value with the associated unrealized gains or losses reflected in the Consolidated Statement of Remeasurement Gains and Losses. When an investment gain or loss is realized, the accumulated remeasurement gain or loss is reclassified to the Consolidated Statement of Operations. When there has been a loss in fair value that is determined not to be a temporary decline, the respective investment is written down to recognize the loss.

e. Financial Instruments

Unrealized gains and losses from changes in the fair value of financial instruments are recognized in the Consolidated Statement of Remeasurement Gains and Losses. Upon settlement, the realized gains and losses are reclassified to the Consolidated Statement of Operations and Accumulated Surplus except for the gains on externally restricted financial liabilities which are recognized as an increase to the liability.

Financial instruments are classified as Level 1, 2 or 3 for the purposes of describing the basis of the inputs used to measure the fair values of financial instruments in the fair value measurement category, as described below:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Market-based inputs other than quoted prices that are observable for the asset or liability either directly or indirectly.

Level 3 – Inputs for the asset or liability that are not based on observable market data; assumptions are based on the best internal and external information available and are most suitable and appropriate based on the type of financial instrument being valued in order to establish what the transaction price would have been on the measurement date in an arm's length transaction.

The City's financial instruments are measured as follows:

Financial Statement Component	Measurement
Cash and cash equivalents	Cost
Investments	Fair value
Receivables (excluding taxes)	Amortized cost
Other assets	Amortized cost or fair value
Bank indebtedness	Amortized cost
Accounts payable and accrued liabilities	Amortized cost or fair value
Long-term debt	Amortized cost

For financial instruments measured at amortized cost, the effective interest rate method is used to determine interest revenue or expense. Transaction costs are a component of cost for financial instruments that are measured at amortized cost and expensed when measured at fair value.

All financial assets except derivatives are assessed annually for impairment. An impairment of a financial asset is recognized as a decrease in revenue. A write-down of an investment to reflect a loss in value is not reversed for a subsequent increase in value.

The City evaluates contractual rights and obligations for the existence of embedded derivatives and elects to either measure the entire contract at fair value or separately measure the value of the derivative component when the characteristics of the derivative are not closely related to the economic

characteristics and risks of the host contract itself.

f. Land Inventory

Land inventory is carried at the lower of cost and net realizable value. Cost includes amounts for land development expenses. Land inventory is held for sale in the normal course of business.

g. Loan Receivables

Loan receivables are recorded at cost less allowance for doubtful accounts. Allowance for doubtful accounts is recognized when collection is in doubt. Loan receivables are stated at the lower of cost and net recoverable value. No interest is charged on owed amounts.

h. Bank Indebtedness

Bank indebtedness consists of cheques outstanding in excess of deposits in transit with commercial banks and short-term borrowings.

i. Provision for Contaminated Sites

The Environmental Protection and Enhancement Act (Alberta) sets out the regulatory requirements pertaining to contaminant releases. Under this Act, there is a requirement for the persons responsible to address a contaminant release that is causing or has caused an adverse effect. A provision in PS 3260 – Liability for Contaminated Sites is provided for sites where contamination exists that exceeds an environmental standard, The City is legally responsible or has accepted responsibility for the contamination, future economic benefits are expected to be given up, and a reasonable estimate for the provision can be made.

The provision reflects The City's best estimate of the amount required to remediate sites to a condition that is suitable for the sites' intended use, as at the date of these consolidated financial statements. The provision is determined on a site-by-site basis, and is adjusted to reflect the passage of time, new obligations, regulatory changes, and changes to administration's intent and actual remediation costs incurred.

The provision for future remediation is an estimate of the minimum costs known for sites where an assessment has been conducted and where there is available information that is sufficient to estimate costs. Where sites require ongoing monitoring or maintenance as part of the remediation plan, the present value of all estimated future costs are discounted using The City's weighted average cost of capital. The provision is included in accounts payable and accrued liabilities.

j. Environmental Provisions

The City has a formal environmental assessment and management program in place to ensure that it complies with environmental legislation with respect to contamination. The City provides for the cost of compliance with environmental legislation when costs are identified and can be reasonably measured. The provision is included in accounts payable and accrued liabilities.

k. Deferred Revenue

Deferred revenue represents amounts received from third parties for a specified operating purpose. These amounts include deferred government transfers, which are externally restricted until used for the purpose intended. Also included in deferred revenue are private contributions, advance sales of goods and services and amounts received for licences, permits, and application fees, which are recognized as revenue in the period when the related expenses are incurred to reflect the completion of The City's performance obligations.

l. Capital Deposits

Capital deposits represent amounts received from third parties for specified capital projects. Deposits must be expended on projects for which they are designated and are recognized as revenue when expenditures are incurred.

m. Asset Retirement Obligations

An asset retirement obligation is recognized when, as at the financial reporting date, there is a legal obligation to incur retirement costs in relation to a tangible capital asset, the past transaction or event giving rise to the liability has occurred, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount can be made. The best estimate of the liability includes all costs directly attributable to asset retirement activities based on information available at year end.

When a liability for an asset retirement obligation is initially recognized, a corresponding asset retirement cost is capitalized to the carrying amount of the related tangible capital asset. The asset retirement cost is amortized over the useful life of the related asset. Asset retirement obligations which are incurred incrementally with use of the asset are recognized in the period incurred with a corresponding asset retirement cost expensed in the period.

At each financial reporting date, The City reviews the carrying amount of the liability and recognizes period-to-period changes to the liability due to the passage of time as accretion expense. Changes to the liability arising from revisions to timing, amount of the original estimate of undiscounted cash flows or the discount rate are recognized as an increase or decrease to the carrying amount of the related tangible capital asset. The City continues to recognize the liability until settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

n. Employee Benefit Obligations

The cost of City-sponsored registered and non-registered defined-benefit pension plans and post-retirement benefits are recognized when earned by plan members. These costs are actuarially determined using the projected benefit method prorated on service, applying The City's best estimate of expected salary and benefit escalation, retirement ages of employees and plan investment performance. Plan obligations are discounted using The City's cost of borrowing based on estimated rates for debt with maturities similar to expected future benefit payments.

Contributions to multi-employer plans are expensed when the contributions are due. No obligations are recorded for multi-employer defined-benefit pension plans administered by external parties as The City's share of those obligations is not readily determinable.

The City records the actuarially determined net fund benefit asset or liability for City-sponsored, registered defined-benefit pension plans. For jointly sponsored plans, The City records its proportionate share of that asset or liability. For non-registered defined-benefit plans and other retirement benefit obligations, The City records the actuarially determined accrued benefit liability; assets are held within The City's cash and investments accounts to fund these obligations.

Actuarial gains and losses for active plans are amortized on a straight-line basis over the expected average remaining service life of the related employee group. Adjustments arising from prior service costs due to plan amendments, changes in the valuation allowance and net actuarial gains and losses for plans closed to new entrants are fully recognized in the year they occur. Long-term unamortized actuarial losses will be recognized in future periods in accordance with the applicable funding and accounting policies.

o. Loan Guarantees

Periodically The City provides loan guarantees on specific debt issued by related authorities and other entities not consolidated in The City's consolidated financial statements. Loan guarantees are accounted for as contingent liabilities and no amounts are accrued in the consolidated financial statements of The City until The City considers it likely that the borrower will default on the specified loan obligation. Should a default occur, The City's resulting liability would be recorded in the consolidated financial statements.

p. Non-Financial Assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the normal course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses before other contributions and transfers, is provided in the Consolidated Statement of Changes in Net Financial Assets for the year.

q. Tangible Capital Assets

Tangible capital assets, including assets held under capital leases, are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. Donated and contributed assets are capitalized and recorded at their estimated fair value at the time they are transferred to The City; and their corresponding revenue is recognized. Interest charges are not capitalized.

Work in progress represents assets which are not available for use and therefore are not subject to amortization.

Works of art for display are not recognized as tangible capital assets (Note 26).

Tangible capital assets are reviewed annually for any impairment and written down when conditions indicate that a tangible capital asset no longer contributes to The City's ability to provide goods or services, or that the value of future economic benefits associated with the tangible capital asset is less than its book value.

The cost, less residual value, of tangible capital assets are amortized on a straight-line basis over the estimated useful life as follows:

	Years
Buildings	
Buildings	10 – 75
Leasehold improvements	5
Vehicles	
Light rail transit	25
Transit buses and fire trucks	5 – 20
Vehicles	5 – 10
Land improvements	15 – 25
Engineered structures	
Drainage, waterworks and wastewater distribution and collection systems and treatment plants	15 – 75
Transit network	15 – 50
Road and transportation network	5 – 100
Communication networks and landfills	5 – 45
EV Infrastructure	15
Machinery and equipment	
Computer equipment	5
Computer software	7
Other equipment and machinery	5 – 20

r. Inventories

Inventories comprising materials and supplies are carried at the lower of cost and replacement cost.

s. Land Held for Municipal Purposes

Land held for municipal purposes is comprised of land held for future civic use and is carried at the lower of cost and net realizable value. Cost includes amounts for land acquisition and improvements to prepare the land for civic use. Land held for municipal purposes is included in tangible capital assets for financial statement purposes.

t. Budget Figures

The 2024 budget is reflected on the Consolidated Statement of Operations and Accumulated Surplus. The budget consists of the Council-approved amounts for the operating budget and the capital budget, modified for capital revenue adjustments, assets capitalized on the Consolidated Statement of Financial Position and amortization expense for tax-supported assets. The established capital budgets are for projects in which costs may be incurred over one or more years. The capital budget figures include unspent budget for ongoing projects from the preceding year.

u. Revenues

Revenues are recognized in the period in which the transactions or events giving rise to the revenue occur, providing the revenues are reliably measured and reasonably estimated. Funds from external parties and earnings thereon restricted by agreement or legislation are recognized in capital deposits (capital funds) or deferred revenue (operating funds) until used for the purpose specified. Revenue from transactions with performance obligations are recognized in the period when (or as) The City satisfies a performance obligation by providing the promised goods or services to the intended recipient. Until performance obligations are met, funds are recognized in capital deposits (capital funds) or deferred revenue (operating funds). Revenue from transactions with no performance obligations are recognized in the period when The City has the authority to claim or retain an inflow of economic resources and identifies a past transaction or event that gives rise to an asset.

v. Tax Revenues

Taxation revenues are recorded at the time tax billings are issued. Taxation billings are subject to appeal. A provision has been recorded in accounts payable and accrued liabilities for potential losses on taxation revenue appeals outstanding as at December 31, 2024.

w. Local Improvements

Local improvements are recognized as revenue, and established as a receivable, for the property owners' share of the improvements in the period that the project expenses are incurred.

x. Government Transfers

Government transfers are recognized as revenues in the period in which the events giving rise to the transfer occur, provided the transfers are authorized, any eligibility criteria and stipulations have been met and reasonable estimates of the amounts can be made. Where transfers are received but eligibility criteria or stipulations are not met, government transfers are recognized in capital deposits (capital grants) or deferred revenue (operating grants) until eligibility criteria or stipulations are met.

Authorized transfers from The City are recorded as expenses when eligibility criteria have been met by the recipient and the amount can be reasonably estimated.

y. Foreign Currency Translation

Transaction amounts denominated in foreign currencies are translated into their Canadian Dollar equivalents at exchange rates prevailing at the transaction dates. Carrying values of monetary assets and liabilities and non-monetary items included in the fair value category reflect the exchange rates at the Consolidated Statement of Financial Position date. Unrealized foreign exchange gains and losses are recognized in the Consolidated Statement of Remeasurement Gains and Losses.

In the period of settlement, foreign exchange gains and losses are reclassified to the Consolidated Statement of Operations and Accumulated Surplus, and the cumulative amount of remeasurement gains and losses is reversed in the Consolidated Statement of Remeasurement Gains and Losses.

z. Use of Estimates

The preparation of the consolidated financial statements requires administration to make estimates and use assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Where estimation uncertainty exists, the consolidated financial statements have been prepared within reasonable limits of materiality. The amounts recorded for valuation of tangible capital assets (including construction work in progress), the useful lives and related amortization of tangible capital assets, Level 3 financial instruments, accrued liabilities, employee benefit obligations, provision for tax appeals, asset retirement obligations, contaminated sites and environmental assessments and contingent liabilities are areas where administration makes significant estimates and assumptions in determining the amounts to be recorded in the consolidated financial statements. These estimates are reviewed periodically. The amounts recorded in the consolidated financial statements are based on the last reliable information available to administration at the time the consolidated financial statements were prepared where that information reflects conditions as at the date of the financial statements. However, there is inherent uncertainty about assumptions and estimates which could result in outcomes that require adjustments to the carrying amount of the affected assets and liabilities in the future and as adjustments become necessary, they are reported in the statement of operations and accumulated surplus in the year in which they become known. Actual results could differ from these estimates.

aa. Public Private Partnerships

A public private partnership (P3) is a contractual agreement between a public authority and a private entity for the provision of infrastructure and/or services.

When The City controls the acquired and/or constructed asset(s), P3 costs are accounted for as follows:

- Costs incurred during construction or acquisition are recognized in the work-in-progress and liability balances based on the estimated percentage complete.
- Construction costs, as well as the combined total of future payments, are recognized as a tangible capital asset and amortized over the estimated useful life once the asset is in-service.
- Sources of funds used to finance the tangible capital asset and future payments will be classified based on the nature of the funds, such as debt, grants, and/or reserves.

In the event The City does not control the asset(s), then all costs associated with the transaction are expensed in the period in which the costs are incurred.

ab. Adoption of New Accounting Standards

In 2024, The City adopted the following two accounting standards and one accounting guideline to comply with PSAS.

Adoption of the standards and guideline require all public sector entities to assess information using definitions, criteria and exceptions provided in the standards and apply professional judgement to comply with the disclosure requirements of each standard. Comparative information is presented in accordance with the accounting policies by The City immediately preceding its adoption of these sections:

i. Revenue

Revenue (PS 3400) establishes standards on how to account for and report on revenue. Specifically, it differentiates between revenues arising from transactions that include performance obligations and transactions that do not have performance obligations. Upon adoption The City has assessed there to be no significant impact to its revenue recognition.

ii. Public Private Partnerships

Public Private Partnerships (PS 3160) establishes standards on accounting for public private partnerships between public and private sector entities where the public sector entity procures infrastructure using a private sector partner. The City has assessed the impact of this standard on The City's current treatment of public private partnerships as described in Note 1 aa. The City has assessed no impact for the adoption of this standard, with the exception of additional note disclosure which is included in Note 15 a iii.

iii. Purchased Intangibles

Purchased Intangibles (PSG-8) establishes guidelines on how to account for identifiable non-monetary economic resources without physical substance acquired through an arm's length exchange transaction between knowledgeable, willing parties who are under no compulsion to act.

The City has assessed there to be no impact resulting from the adoption of this guideline. There are no changes on the consolidated financial statements related to the adoption of Purchased Intangibles.

ac. Future accounting pronouncements

Effective January 1, 2027, The City will adopt the new Conceptual Framework for Financial Reporting in the Public Sector (Conceptual Framework) and PS 1202 – Financial Statement Presentation. The City continues to assess the impact on the consolidated financial statements.

i. Conceptual Framework

The Conceptual Framework defines the nature, function and scope of financial accounting and reporting in the public sector. It serves as the foundation for developing PSAS and applying professional judgment. This framework will replace the conceptual components of PS 1000 – Financial Statement Concepts and PS 1100 – Financial Statement Objectives.

ii. Financial Statement Presentation

The Financial Statement Presentation (PS 1202) standard establishes the general and specific requirements for presenting information in government consolidated financial statements. Its principles are based on the concepts outlined in the Conceptual Framework, ensuring consistency and transparency in financial reporting.

2. Financial Risk Assessment

a. The City's financial instruments are subject to certain risks due to its operating environment:

Market risk

Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices. Market risk is comprised of three types of risk: price risk, interest rate risk and foreign currency risk. In order to earn financial returns at an acceptable level of market risk, The City has policies and procedures in place governing asset mix, asset allocation and performance measurement.

i. Price Risk

Price risk relates to the possibility that equity investments will change in fair value due to future fluctuations in market prices caused by factors specific to an individual equity investment or other factors affecting all equities traded in the market. The City is exposed to price risk associated with its equity investments and the underlying equity investments held in pooled funds. If equity market indices declined by 1 per cent, and all other variables are held constant, the potential loss in fair value to The City would be approximately \$9,381 (2023 – \$7,716) or 0.15 per cent (2023 – 0.13 per cent) of total investments.

ii. Interest Rate Risk

Interest rate risk is the risk that the value of a financial instrument might be affected by a change in market interest rates.

The City is exposed to interest rate risk through its investments in fixed income securities. In general, investment returns for fixed income securities, including bonds and mortgage funds, are sensitive to changes in the level of interest rates, with longer-term interest-bearing securities being more sensitive to interest rate changes than shorter term securities. The City manages the interest rate risk exposure of its fixed income investments by adjusting portfolio durations. A 1 per cent change in market yield relating to fixed income securities would have increased or decreased fair value by approximately \$200,154 (2023 – \$193,002).

The fixed income securities have the following average maturity structure:

	2024	2023
0-3 years	34.82%	37.12%
3-7 years	33.96%	34.71%
7-10 years	14.29%	11.71%
Over 10 years	16.93%	16.46%
Total	100%	100%

The City has fixed interest rate loans for all debt, thereby mitigating interest rate risk from rate fluctuations over the term of the outstanding debt. The fair value of fixed rate debt fluctuates with changes in market interest rates, but the related future cash flows will not change. The City assesses its debt sensitivity by using a 1 per cent increase and decrease in interest rates. As at December 31, 2024, if interest rates had a 1 per cent increase with all other variables held constant, the decrease in the fair value of debt would be approximately \$165,316 (a 5.98 per cent drop without Commercial Paper) (2023 – \$141,387, 5.85 per cent drop without Commercial Paper). A 1 per cent decrease to the interest rate assumption would increase the fair value of debt by \$183,947 (a 6.66 per cent increase without Commercial Paper) (2023 – \$157,206, 6.51 per cent increase without Commercial Paper).

iii. Foreign Currency Risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The fair value of cash and investments denominated in foreign currencies is translated into Canadian dollars on an annual basis using the reporting date exchange rate.

The City is exposed to foreign exchange fluctuations on its cashflows denominated in foreign currencies, and also to changes in the valuation on its assets denominated in foreign currencies attributable to fluctuations in exchange rates. As at December 31, 2024, investments in non-Canadian assets represented 33.73 per cent (2023 – 27.51 per cent) of total investments by fair value.

The impact of a change in value of Canadian dollar against all foreign currencies is as follows:

	2024 Fair Value	2024 2% decrease	2024 1% decrease	2024 1% increase	2024 2% increase
Foreign Currency Assets	\$2,171,379	\$ 36,727	\$ 18,178	\$ (17,818)	\$ (35,287)

	2023 Fair Value	2023 2% decrease	2023 1% decrease	2023 1% increase	2023 2% increase
Foreign Currency Assets	\$ 1,595,175	\$ 22,700	\$ 11,235	\$ (11,013)	\$ (21,810)

As at December 31, 2024, The City had 1 USD (2023 – 2 USD) exchange fixed contract in place. The delivery date for this contract is December 2025 (2023 – November 2024 to December 2025).

The City utilizes an external manager to execute an active portfolio hedging strategy designed to efficiently reduce currency risk on assets denominated in foreign currencies. Risks associated with foreign currency inflows and outflows are forecasted and managed internally for timing and view on expected changes in the exchange rates of the various currencies. As at December 31, 2024, the portfolio held 9 forward contracts (2023 – 16 forward contracts), all with settlement dates in March 2025 (2023 – January 2024). The fair market value of these forward contracts was \$(3,615) CAD (2023 – \$14,893 CAD) and is included in The City's investments (Note 4).

The forward contracts had the following rates with the following currencies*:

- | | |
|-------------------------------------|----------------------------------|
| • 2 CAD per USD (2 at \$0.71) | *Currencies |
| • 1 AUD per USD (\$1.57) | CAD – Canadian Dollar (\$) |
| • 2 EUR per USD (€0.95 and €0.96) | AUD – Australian Dollar (\$) |
| • 1 GBP per USD (£0.79) | EUR – Euro (€) |
| • 2 HKD per USD (\$7.77 and \$7.76) | GBP – British Pound Sterling (£) |
| • 1 NOK per USD (kr 11.17) | HKD – Hong Kong Dollar (\$) |
| | NOK – Norwegian Krone (kr) |

Liquidity Risk

Liquidity risk is the risk that The City will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivery of cash or another financial asset. The City is subject to liquidity risk through its accounts payable and debt. To manage its liquidity risk, The City performs extensive budgeting exercises, ongoing monitoring of its short-term cash flows, and has highly liquid securities that can be easily converted to cash to ensure it meets all short-term obligations. The City maintains a portfolio of short-term investments with rolling maturity dates to manage short-term cash requirements. The City maintains an unsecured short-term bank line of credit with a commercial bank to ensure funds are available to meet current and forecasted financial requirements. Furthermore, accounts payable are primarily due and settled within 30 days of receipt of an invoice. The contractual maturities of long-term debt is disclosed in Note 15.

Credit Risk

The City is exposed to credit risk on investments arising from the potential failure of a counterparty to honour its contractual obligations. To manage the risk, The City has established an investment policy with required minimum credit quality standards and maximum exposures per-issuer and sector. The credit risk from accounts receivable is low as the majority of balances are due from government agencies.

The City is subject to credit risk with respect to tax, trade and other receivables. This operational risk arises from the possibility that taxpayers and counterparties to which The City provides services may not be able to fulfil their obligations to The City. The City mitigates these risks through its processes and by having a vast diversity of taxpayers and customers.

3. Cash and Cash Equivalents

	2024	2023
Cash on deposit	\$ 740,728	\$ 1,078,185
Treasury bills with original maturities of 90 days or less	28,674	27,829
	\$ 769,402	\$ 1,106,014

Treasury bills interest rates are approximately 4.39 per cent in 2024 (2023 – 4.81 per cent).

4. Investments

The City's investment portfolio is diversified at both the security and portfolio level, holding a range of investment types. The fair value and cost of all investments as at December 31 are as follows:

	2024 Fair Value	2024 Cost	2023 Fair Value	2023 Cost
Canadian fixed income ⁽¹⁾	\$ 2,318,716	\$ 2,310,255	\$ 2,344,688	\$ 2,371,423
Foreign fixed income	615,692	605,790	416,013	423,308
Pooled fixed income	1,137,367	1,158,688	1,154,266	1,194,758
Mortgages	634,247	648,620	615,637	636,877
Canadian Equities	–	–	56	56
Global Equities	138,679	113,113	115,269	103,801
Pooled Equities ⁽¹⁾	791,452	656,923	713,787	670,415
Infrastructure	483,073	403,423	399,987	399,987
Real Estate	289,645	277,169	–	–
	\$ 6,408,871	\$ 6,173,981	\$ 5,759,703	\$ 5,800,625

The average yield earned from investments during the year ended December 31, 2024 was 4.71 per cent (2023 – 3.40 per cent). Maturity dates on the investments range from 2025 to 2099. Investments include \$677,535 (2023 – \$790,569) in cost, and fair value of \$687,521 (2023 – \$789,496) in an internally managed portfolio comprised of short-term money market instruments and bonds.

The following table provides a categorization of investments that are measured subsequent to initial recognition at fair value, grouped into levels (from 1 to 3) based on the degree to which the fair value is observable.

	2024 Level 1	2024 Level 2	2024 Level 3	2024 Total	2023 Level 1	2023 Level 2	2023 Level 3	2023 Total
Canadian fixed income ⁽¹⁾	\$ (17,976)	\$ 2,336,692	\$ –	\$ 2,318,716	\$ 9,271	\$ 2,335,417	\$ –	\$ 2,344,688
Foreign fixed income	149,123	466,569	–	615,692	31,767	384,246	–	416,013
Pooled fixed income	50	342,441	794,876	1,137,367	38	441,963	712,265	1,154,266
Mortgages	11	634,236	–	634,247	106	615,531	–	615,637
Canadian Equities	–	–	–	–	56	–	–	56
Global Equities	138,679	–	–	138,679	114,869	400	–	115,269
Pooled Equities ⁽¹⁾	536,001	247,404	8,047	791,452	329,141	379,435	5,211	713,787
Infrastructure	–	–	483,073	483,073	–	–	399,987	399,987
Real Estate	–	148,795	140,850	289,645	–	–	–	–
Total	\$ 805,888	\$ 4,176,137	\$ 1,426,846	\$ 6,408,871	\$ 485,248	\$ 4,156,992	\$ 1,117,463	\$ 5,759,703

(1) Parks Foundation Calgary is an endowment fund which uses investment income to fund the administrative costs of the Parks Foundation which reduces the annual contribution from The City to its operating budget. Investments with a cost of \$2,609 (2023 – \$2,534) and a fair value of \$2,703 (2023 – \$2,600) are managed by the Parks Foundation Calgary and include equity investments with a cost of \$1,650 (2023 – \$1,631) and fair value of \$1,811 (2023 – \$1,770).

The following table reconciles the changes in fair value of level 3 investments:

	2024	2023
Balance, beginning of year	\$ 1,117,463	\$ 855,046
Remeasurement gains	96,007	5,919
Purchases	244,821	256,498
Sales	(31,445)	–
Balance, end of year	\$ 1,426,846	\$ 1,117,463

A portion of The City's investments are committed for certain purposes including reserves, capital deposits and employee benefit obligations.

5. Receivables

	2024	2023
Taxes	\$ 74,005	\$ 67,269
Federal and Provincial Governments	43,646	38,046
General	342,021	357,267
	\$ 459,672	\$ 462,582

Included within General is \$44,846 (2023 – \$22,210) receivable from ENMAX (Note 8).

6. Land Inventory

Land inventory includes acquisition costs of the land and the improvements to prepare the land for sale or servicing. Related development costs incurred to provide infrastructure are recorded as capital assets.

	2024	2023
Developed land	\$ 54,599	\$ 61,769
Under development	106,234	90,777
Long-term inventory	81,903	81,960
	\$ 242,736	\$ 234,506

7. Other Assets

	2024	2023
Long-term debt recoverable	\$ 19,913	\$ 33,047
Long-term receivables	455,793	64,038
Other receivables	21,032	4,670
Loans receivable	4,944	5,166
Derivative assets	49	2
	\$ 501,731	\$ 106,923

Long-term debt recoverable includes debentures issued to fund local improvements which are collectible from property owners for work authorized by them and performed by The City, and term loans granted on previously owned city sites.

Long-term receivables consist primarily of a receivable from ENMAX (Note 8). The long-term receivable of \$389,386 from ENMAX bears interest between 4.54 per cent and 5.19 per cent. The City issues loans to ENMAX in accordance with a Debt Management Service Level Agreement between The City and ENMAX. Loan principal and interest payments are semi-annual and mature between 2029 and 2049. On a monthly basis, ENMAX is required to pay The City an administration fee of 0.25 per cent on the average monthly outstanding balance (Notes 15 a. i. and 15 a. ii.). Long-term receivables also consist of local improvement levies recognized as revenue on the basis of full or partial completion of the related projects, a receivable from Silvera for Seniors and a receivable from St. Mary's University (Note 15 a. i.).

Loans receivable consist of interest-free loans offered by Attainable Homes Calgary Corporation to Calgarians when they purchase their housing units, and are secured by The City's encumbrance on the title of each property. The interest portion of the loans are recognized as an expense. In 2024, an allowance for doubtful accounts of \$1,263 (2023 – \$1,796) related to the loans receivable was recognized. These loans are forgiven once the home owner sells or refinances their housing unit and a shared participation amount is repaid.

(1) Parks Foundation Calgary is an endowment fund which uses investment income to fund the administrative costs of the Parks Foundation which reduces the annual contribution from The City to its operating budget. Investments with a cost of \$2,534 (2022 – \$2,491) and a fair value of \$2,600 (2022 – \$2,503) are managed by the Parks Foundation Calgary and include equity investments with a cost of \$1,631 (2022 – \$1,636) and fair value of \$1,770 (2022 – \$1,708).

8. Investment In ENMAX

- a. ENMAX is a wholly-owned subsidiary and a municipally controlled corporation of The City. ENMAX's core operations are organized into three main business segments: ENMAX Power, Versant Power and ENMAX Energy. In addition, ENMAX has obligations to provincial and US regulators for its regulated business. ENMAX maintains an independent credit rating and holds financial relationships external from The City.
- b. The financial statements of ENMAX are prepared in accordance with IFRS® Accounting Standards, as issued by the International Accounting Standards Board (IFRS). There were no new accounting standards effective during the year.

The following table provides condensed supplementary financial information reported separately by ENMAX:

	2024	2023
Financial Position		
Current assets	\$ 1,198,920	\$ 1,262,228
Capital and intangible assets	7,304,114	6,785,375
Other assets	1,525,077	1,398,848
Total assets	\$ 10,028,111	\$ 9,446,451
Current liabilities (including current portion of long-term debt; 2024 – \$404,602; 2023 – \$292,440)	\$ 1,516,388	\$ 1,828,785
Non-current liabilities	1,661,685	1,480,397
Long-term debt	3,645,142	3,185,421
Total liabilities	\$ 6,823,215	\$ 6,494,603
Accumulated other comprehensive income (loss)	\$ 138,533	\$ (28,267)
Retained earnings	3,066,363	2,980,115
Investment in ENMAX Corporation	\$ 3,204,896	\$ 2,951,848

	2024	2023
Results of Operations		
Revenues	\$ 3,532,119	\$ 3,810,977
Expenses	3,350,871	3,826,585
Net income (loss)	\$ 181,248	\$ (15,608)
Changes in Shareholder's Equity		
Net assets, beginning of year	\$ 2,951,848	\$ 3,072,460
Net income (loss)	181,248	(15,608)
Dividends paid	(95,000)	(82,000)
Other comprehensive income (loss)	166,800	(23,004)
Net assets, end of year	\$ 3,204,896	\$ 2,951,848

- c. The following summarizes The City's related-party transactions with ENMAX:

	2024	2023
Received by The City		
Dividends	\$ 95,000	\$ 82,000
Local access fee	182,175	308,499
Sales of services	36,450	21,061
Purchased by The City		
Power and other services	\$ 172,242	\$ 169,916
Capital expenditures paid or payable	30,087	23,032

The City's accounts payable, accrued liabilities and deferred revenue include \$13,707 (2023 – \$21,025) for amounts owed to ENMAX at December 31, 2024 (Notes 5 and 7). The City's receivables include \$434,232 (2023 – \$22,210) for amounts owing to The City by ENMAX at December 31, 2024. Corresponding related-party differences between the payables and receivables for The City and ENMAX result primarily from timing differences related to recognizing the receipt of payments. Sale of services and purchase of power and other services are transacted at fair market value, which is the amount agreed upon by the parties.

Debentures in the amount of \$1,569,156 (2023 – \$1,722,502) and a municipal bond of \$171,082 with an amount payable of \$167,405 reported by ENMAX have been issued in the name of The City (Note Note 15 a.i. and ii.)

9. Bank Indebtedness

	2024	2023
Cheques issued in excess of deposits and operating facility ⁽¹⁾	\$ 100,547	\$ 48,983
Short-term borrowings ⁽²⁾	410,282	299,337
	\$ 510,829	\$ 930,870

An unsecured short-term bank line of credit with a commercial bank is available to The City up to an amount of \$60,000 (2023 – \$60,000), which as at December 31, 2024, had \$nil (2023 - \$nil) outstanding balance.

The City has the approved authority to issue up to \$600,000 (2023 - \$600,000) of short-term borrowings, through a combination of a bank line of credit and the issue of commercial paper. As at December 31, 2024, The City had \$410,282 (2023 – \$299,337) of short-term borrowings, which consisted of 28 promissory notes held by The City valued at \$396,322 with maturity dates from January 3 to March 26, 2025 and interest rates ranging from 3.32 per cent to 4.20 per cent (2023 – 20 promissory notes valued at \$296,312 with maturity dates from January 3 to March 18, 2024, with interest rates ranging from 5.20 per cent to 5.40 per cent). In addition, there were credit facility balances as at December 31, 2024 held by Calgary Arts Development Authority Ltd. of \$nil and Attainable Homes Calgary Corporation of \$13,960 (2023 – Calgary Arts Development Authority Ltd. of \$2,331 and Attainable Homes Calgary Corporation of \$694).

10. Accounts Payable and Accrued Liabilities

	2024	2023
Trade	\$ 971,319	\$ 881,621
Federal and Provincial Governments	41,146	33,100
Accrued interest	17,028	16,149
	\$ 1,029,493	\$ 930,870

11. Deferred Revenue

Advance sales of goods and services are revenues received from operations in advance of the services being provided. Licences, permits and application fees include amounts received for building permits, business and animal licences that are recognized as revenue over the term of the underlying agreements. Government grants are externally restricted amounts that are recognized in revenue when the conditions of use are satisfied. Other contributions relate primarily to private sponsorships and donations received for which the related expenditures have not yet been incurred. These funds are recognized as revenue in the period they are used for the purpose specified.

Deferred revenue is comprised of the following:

	December 31, 2023	Contributions Received	Revenue Recognized	December 31, 2024
Advance sales of goods and services	\$ 25,647	\$ 114,353	\$ (112,091)	\$ 27,909
Licences, permits and application fees	46,850	52,985	(31,339)	68,496
Government grants	20,580	87,949	(85,551)	22,978
Other contributions	13,494	5,962	(8,450)	11,006
	\$ 106,571	\$ 261,249	\$ (237,431)	\$ 130,389

	December 31, 2022	Contributions Received	Revenue Recognized	December 31, 2023
Advance sales of goods and services	\$ 27,400	\$ 104,255	\$ (106,008)	\$ 25,647
Licences, permits and application fees	42,969	29,343	(25,462)	46,850
Government grants	24,219	41,610	(45,249)	20,580
Other contributions	12,031	6,010	(4,547)	13,494
	\$ 106,619	\$ 181,218	\$ (181,266)	\$ 106,571

(1) Included in this balance is \$44,033 from Calgary Municipal Land Corporation and \$7 from Attainable Homes Calgary Corporation (2023 – \$34,135 from Calgary Municipal Land Corporation).

(2) Consisted of promissory notes held by The City and credit facilities held by Calgary Arts Development Authority Ltd. and Attainable Homes Calgary Corporation (2023 – Calgary Arts Development Authority Ltd. and Attainable Homes Calgary Corporation).

12. Capital Deposits

Capital deposits are received for various capital projects from land developers, pursuant to development agreements or the *Municipal Government Act*, and from other governments, through grants and provincial tax revenue sharing agreements. Certain deposits are allocated investment income, and some may become refundable with interest should they not be fully utilized for the designated capital projects. Capital deposits are comprised of the following:

	December 31, 2023 (Note 34)	Contributions Received ⁽¹⁾	Revenue Recognized ⁽²⁾	December 31, 2024
Developers contributions	\$ 143,812	\$ 24,433	\$ (12,907)	\$ 155,338
Off-site levies	413,611	147,429	(37,806)	523,234
Centre city levies	9,473	1,980	(152)	11,301
Other private contributions	2,615	(550)	(637)	1,428
Provincial Government grants	334,625	459,930	(467,688)	326,867
Federal Government grants	284,002	132,718	(220,740)	195,980
	\$ 1,188,138	\$ 765,940	\$ (739,930)	\$ 1,214,148

	December 31, 2022	Contributions Received ⁽¹⁾	Revenue Recognized ⁽²⁾	December 31, 2023
Developers contributions	\$ 142,305	\$ 15,955	\$ (14,448)	\$ 143,812
Off-site levies	366,176	91,154	(43,719)	413,611
Centre city levies	8,210	1,403	(140)	9,473
Deferred capital contribution – Event Centre	14,159	–	(14,159)	–
Other private contributions	2,656	539	(580)	2,615
Provincial Government grants	425,335	213,148	(303,858)	334,625
Federal Government grants	227,064	219,576	(162,638)	284,002
	\$ 1,185,905	\$ 541,775	\$ (539,542)	\$ 1,188,138

(1) These amounts may include refunds of capital deposits issued due to changes in project scope.

(2) Dependent on the capital deposit agreement or legislation, amounts may be recognized into either operating or capital revenues.

13. Asset Retirement Obligations

The City's asset retirement obligations consist of:

Landfill sites

Under environmental law, there is a requirement for closure and post-closure care of landfill sites. Closure and post-closure care includes final covering and landscaping of a landfill, pumping of ground water and leachates from the site and ongoing environmental monitoring, site inspections and maintenance.

In 2024, The City reviewed the model supporting the provision of the landfill liability. The model was revised to ensure alignment with Alberta Environment and Protected Areas (AEPA) requirements and to reflect the current economic conditions. The City reviews the model every three years and the next review is due in 2027.

The costs are based upon the presently known obligations that will exist at the estimated year of closure of the sites and for 25 years post this date. The landfills have an estimated useful life of 84 to 87 years, of which 28 to 35 years remain. The duration of post-closure care is dependent on the overall activities that are required at each landfill site; a discount rate of 4.10 per cent (2023 – 2.97 per cent) was used for active landfills and 4.02 per cent (2023 – 2.90 per cent) for the closed landfills.

The unfunded liability will be funded through future contributions from the Waste and recycling sustainment reserve. At December 31, 2024, the balance of the Waste and recycling sustainment reserve is \$31,675 (2023 – \$53,340). The landfill asset retirement obligation asset is recorded as part of engineered structures tangible capital asset.

Buildings

The City owns and operates several buildings that are known to have hazardous materials which are legally required to be removed in a prescribed manner upon demolition. The City has recognized an obligation for the removal of hazardous materials in these buildings, which is adjusted annually (Note 1 m.). The buildings have an estimated or revised useful life of 70 – 120 years from the year of acquisition or construction. The majority of the buildings will be remediated at intervals during their estimated useful life. Estimated costs have been discounted to December 31, 2024 using a discount rate of 4.10 per cent (2023 – 2.97 per cent).

Engineered Structures

The City owns and operates several engineered structures that are known to have hazardous materials, and there is a legal obligation to remove them in a prescribed manner. In 2024, The City has recognized an obligation for the removal of hazardous materials in these engineered structures, which is adjusted annually (Note 1 m.). The engineered structures range in useful lives from 40 – 100 years from the year of acquisition or construction. The majority of the engineered structures will be remediated at intervals during their estimated useful life. Estimated costs have been discounted to December 31, 2024 using a discount rate of 4.10 per cent (2023 – 2.97 per cent).

Changes to the asset retirement obligations in the year are as follows:

	December 31, 2023	Change due to TCA Additions (Disposals)	Settlements	Change in estimate	Accretion expense	December 31, 2024
Asset Retirement Obligation						
Landfill	\$ 168,280	\$ –	\$ (1,195)	\$ 3,549	\$ 4,969	\$ 175,603
Buildings	147,945	(652)	(4,471)	(2,225)	4,033	144,630
Engineered Structures	10,241	–	(296)	(376)	202	9,771
	\$ 326,466	\$ (652)	\$ (5,962)	\$ 948	\$ 9,204	\$ 330,004

	December 31, 2022	Change due to TCA Additions (Disposals)	Settlements	Change in estimate	Accretion expense	December 31, 2023
Asset Retirement Obligation						
Landfill	\$ 164,608	\$ –	\$ (1,281)	\$ 94	\$ 4,859	\$ 168,280
Buildings	132,236	16,192	(3,712)	555	2,674	147,945
Engineered Structures	10,395	–	(296)	–	142	10,241
	\$ 307,239	\$ 16,192	\$ (5,289)	\$ 649	\$ 7,675	\$ 326,466

14. Employee Benefit Obligations

The City participates in multi-employer pension plans and sponsors defined-benefit pension plans and post-retirement benefit plans for eligible civic employees and elected officials. The employee benefit obligations related to The City-sponsored plans represent liabilities earned but not taken by the plan members as at December 31, 2024.

The City has fully met its current year cash contribution requirements for employee benefit obligations as at December 31, 2024. Employee benefit obligations recognized on The City's Consolidated Statement of Financial Position in respect to employee benefits is as follows:

	2024 Funded ⁽¹⁾	2023 Funded ⁽¹⁾
a. Registered defined-benefit pension plans	\$ 41,559	\$ 52,236
b. Non-registered defined-benefit pension plans	46,397	44,039
c. Post-retirement benefits	112,825	113,338
d. Vacation and overtime (undiscounted)	311,191	287,960
	\$ 511,972	\$ 497,573

Obligations related to multi-employer pension plans, Local Authorities Pension Plan (LAPP) and Special Forces Pension Plan (SFPP), are not recorded by The City as The City's share is not determinable. Contributions to LAPP and SFPP for current and past service are recorded as expenses in the year in which they become due (Note 14 e. i. and ii.).

Accounting Methodology

Annual valuations for accounting purposes are completed for The City-sponsored registered and non-registered defined-benefit pension plans and post-retirement benefits using the projected unit credit actuarial cost method prorated on service to determine the accrued benefit obligation and the expense to be recognized in the consolidated financial statements. The significant actuarial assumptions used for the valuations reflect The City's best estimates as follows:

	December 31, 2024	December 31, 2023
Year end obligation discount rate (%)	5.14	5.14
Inflation rate (%)	2.00	2.00
Expected rate of return on plan assets (%)		
The City of Calgary Supplementary Pension Plan (SPP)	6.65	5.50
Pension Plan for Elected Officials of The City of Calgary (EOPP)	6.65	5.50
Calgary Firefighters' Supplementary Pension Plan (FSPP)	6.65	5.60

a. Registered defined-benefit pension plans

Certain defined-benefit pension plans are registered for Canada Revenue Agency (CRA) purposes. These plans provide benefits up to limits prescribed by the *Income Tax Act* (ITA). The assets of these plans are held in trust and The City records its share of the obligations net of plan assets.

In accordance with regulations, actuarial valuations for funding purposes are performed at least triennially for registered plans, except for the Calgary Police Supplementary Pension Plan (PSPP) (Note 14 a. iv.), to determine The City's required contributions to the plan trusts. The most recent actuarial valuations for the purposes of developing funding requirements were prepared as of the following dates:

Pension Plan	Latest Valuation Date
FSPP	December 31, 2021
SPP	December 31, 2022
EOPP	December 31, 2021
PSPP	Not applicable

(1) The concept of funding refers to employee benefit obligations supported by dedicated assets held within The City's investments and separate trust funds specifically for this purpose.

The following table sets out the results of, and significant assumptions utilized, in the most recent valuations for accounting purposes of The City sponsored registered pension plans:

	2024	2023
Fair value of plan assets – beginning of year	\$ 184,223	\$ 172,057
Contributions – employer	10,851	9,335
Contributions – member	149	146
Expected interest on plan assets	12,354	9,635
Less benefits paid	(7,925)	(7,553)
Actuarial gain	17,527	613
Fair value of plan assets – end of year	\$ 217,189	\$ 184,233
Accrued benefit obligation – beginning of year	\$ 176,293	\$ 180,475
Current period benefit cost	7,721	8,135
Interest on accrued benefit obligation	9,255	8,336
Less benefits paid	(7,925)	(7,553)
Actuarial loss (gain)	2,044	(13,100)
Accrued benefit obligation – end of year	\$ 187,388	\$ 176,293
Funded status – plan surplus	\$ (29,801)	\$ (7,940)
Unamortized net actuarial gain	71,360	60,176
Accrued benefit liability ⁽¹⁾	\$ 41,559	\$ 52,236
Current period benefit cost	\$ 7,721	\$ 8,135
Amortization of actuarial gains	(4,299)	(2,962)
Less member contributions	(149)	(146)
Benefit expense	\$ 3,273	\$ 5,027
Interest on accrued benefit obligation	\$ 9,255	\$ 8,336
Less expected interest on plan assets	(12,354)	(9,635)
Benefit interest income	\$ (3,099)	\$ (1,299)
Total expense	\$ 174	\$ 3,728

Unamortized net actuarial gains and losses are amortized over the expected average remaining service life (EARSL) of the active employee groups, except sponsored registered pension plans: for the Calgary Police Supplementary Pension Plan which is deemed a closed plan and commence in the period following the determination of the gain or loss. The EARSL for each plan is:

Pension Plan	2024	2023
FSPP	14.7	14.7
SPP	8.1	8.2
EOPP	13.2	14.0
PSPP	Not applicable	Not applicable

i. Calgary Firefighters' Supplementary Pension Plan

The FSPP was established on June 3, 1975. The plan is jointly administered by The City and the International Association of Firefighters (IAFF) Local 255. The plan is supplemental to the LAPP (Note 14 e. i.) and provides an annual retirement benefit of 1.4 per cent of pensionable earnings up to the year's maximum pensionable earnings (YMPE), 2 per cent of pensionable earnings over YMPE, a bridge benefit of 0.6 per cent of YMPE to age 65, and improved early retirement and death benefits, up to maximum pension limits of the ITA. The City and the IAFF Local 255 have agreed to share the cost of future service and future additional unfunded liabilities 55 per cent by The City and 45 per cent by the plan members. The consolidated financial statements of The City reflect The City's portion only of both the expense and the accrued benefit liability.

At December 31, 2024, The City's portion of plan assets, held in trust, is invested in a mix of equities, bonds and money market instruments. Plan assets are stated at market value.

The City's and members' cash contributions to the external trust are made in compliance with the minimum funding requirements pursuant to the most recent actuarial funding valuation report dated December 31, 2024, as follows:

	2024 Employer	2024 Members	2023 Employer	2023 Members
Current service contributions	\$ 7,151	\$ 5,921	\$ 5,558	\$ 4,605

(1) To satisfy the obligations under these plans, assets in the amount of \$41,559 (2023 – \$52,236) are held within The City's investments.

ii. The City of Calgary Supplementary Pension Plan

The SPP commenced on February 1, 2000 and is sponsored and administered by The City. The plan is supplemental to the LAPP (Note 14 e. i.) and provides an annual retirement benefit of 2 per cent of earnings, up to maximum pension limits of the ITA for years of service since the later of February 1, 2000 and the date of eligibility for membership in the plan, as well as enhanced death benefits. The cost of future service and future additional unfunded liabilities are shared 55 per cent by The City and 45 per cent by the plan members. The consolidated financial statements of The City reflect The City's portion only of both the expense and the accrued benefit liability.

At December 31, 2024, The City's portion of plan assets, held in trust, is invested in a mix of equities, bonds and money market instruments. Plan assets are stated at market value.

The City's and members' cash contributions to the external trust are made in compliance with the minimum funding requirements pursuant to the most recent actuarial funding valuation report dated December 31, 2024 as follows:

	2024 Employer	2024 Members	2023 Employer	2023 Members
Current service contributions	\$ 3,545	\$ 2,901	\$ 3,689	\$ 3,016

iii. Pension Plan for Elected Officials of The City of Calgary

The EOPP commenced on October 1, 1989 and provides pension benefits of 2 per cent of taxable salary, up to a maximum pension limit of the ITA per year of service to The City elected officials who choose to participate.

At December 31, 2024, plan assets, held in trust, are invested in a mix of equities, bonds and money market instruments. Plan assets are stated at market value.

The City's and members' cash contributions to the external trust are made in compliance with the minimum funding requirements pursuant to the most recent actuarial funding valuation report dated December 31, 2024 as follows:

	2024 Employer	2024 Members	2023 Employer	2023 Members
Current service contributions	\$ Nil	\$ 149	\$ Nil	\$ 146

iv. Calgary Police Supplementary Pension Plan

The PSPP commenced on January 1, 1975 and provides supplemental pension benefits to those police officers who retired prior to September 1, 1979. The PSPP is deemed a closed plan as police officers who have retired after September 1, 1979 are covered under the SFPP Plan (Note 14 e. ii.).

The PSPP is not subject to provincial minimum funding legislation. Pursuant to the agreement made in 1985, The City will continue to pay benefits out of its investments. In 2007, the fund was exhausted and benefits to pensioners for the year and future years are now being paid from The City's investments. The liabilities associated with these continued benefits have been accounted for in accordance with PSAS Handbook Section 3250 *Retirement Benefits*.

Sufficient funds are held within The City's investments to cover the liabilities as determined by the actuarial valuation for accounting purposes as at December 31, 2024.

b. Non-registered defined-benefit pension plans

Certain plans are non-registered for CRA purposes and provide benefits beyond the limits of the ITA supplemental to the registered plans. As such, there is no legislated requirement to pre-fund these plans through external trusts, and current income tax rules would impose additional costs on any external pre-funding arrangement.

Actuarial valuations for accounting purposes were performed as follows:

Pension Plan	Latest Valuation Date
The City of Calgary Overcap Pension Plan (OCP)	December 31, 2024
The City of Calgary Police Chief & Deputy Overcap Pension Plan (PCDOPP)	December 31, 2024
The City of Calgary Fire Chief and Deputies Overcap Pension Plan (FCDOPP)	December 31, 2024
Supplementary Pension Plan for Elected Officials of The City of Calgary (EOSP)	December 31, 2024
Executive Pension Plan (EPP)	December 31, 2024
Contractual obligations	December 31, 2024

The following table sets out the results of, and significant assumptions utilized, in the December 31, 2024 valuations for accounting purposes for the non-registered pension plans:

	2024	2023
Accrued benefit obligation – beginning of year	\$ 47,226	\$ 49,337
Current period benefit cost	529	495
Interest on accrued benefit obligation	2,380	2,171
Less benefits paid	(2,906)	(3,407)
Actuarial loss (gain)	2,775	(1,370)
Accrued benefit obligation – end of year	\$ 50,004	\$ 47,226
Funded status – plan deficit	\$ 50,004	\$ 47,226
Unamortized net actuarial loss	(3,607)	(3,187)
Accrued benefit liability ⁽¹⁾	\$ 46,397	\$ 44,039
Current period benefit cost	\$ 529	\$ 495
Amortization of actuarial losses	2,355	2,189
Interest on accrued benefit obligation	2,380	2,171
Total expense	\$ 5,264	\$ 4,855

Unamortized net actuarial gains and losses of the OCPP and PCDOPP are amortized over the EARS of the active employee groups and commence in the period following the determination of the gain or loss. Net actuarial gains and losses for plans closed to new entrants are fully amortized in the year in which they arise. The EARS for each plan is:

Pension Plan	2024	2023
OCPP	10.2	10.2
PCDOPP	6.1	6.9
FCDOPP (closed plan)	Not applicable	Not applicable
EOSP (closed plan)	Not applicable	Not applicable
EPP (closed plan)	Not applicable	Not applicable
Contractual obligations (closed plan)	Not applicable	Not applicable

The following information details the structure and benefits of each of The City's non-registered defined-benefit pension plans:

i. The City of Calgary Overcap Pension Plan

The OCPP commenced on February 1, 2000. The plan is sponsored and administered by The City and provides supplementary pension benefits for management employees, the Police Chief and Deputies, and the Fire Chief and Deputies.

The OCPP for management employees provides a coordinated benefit with the LAPP (Note 14 e. i.), and the SPP (Note 14 a. ii.), to provide an annual retirement benefit of 2 per cent of all pensionable earnings for the years of service since the later of January 1, 1992, and the date of hire with The City.

The OCPP for the Police Chief and Deputies and the OCPP for the Fire Chief and Deputies provide supplementary pension benefits in excess of the maximum pension benefits provided under the SFPP (Note 14 e. ii.) and the FSPP (Note 14 a. i.) respectively. The OCPP for the Fire Chief and Deputies is deemed a closed plan as new entrants are not eligible to participate. The Plan will continue to provide benefits to existing retirees and to grandfathered members.

ii. Supplementary Pension Plan for Elected Officials of The City of Calgary

The EOSP commenced on October 1, 1999. This plan is sponsored and administered by The City and provides a coordinated benefit with the EOPP to provide an annual retirement benefit of 2 per cent of all pensionable earnings for the years of service recognized under the EOPP (Note 14 a. iii.). The decision made by Council to end service accruals in the EOSP took effect as of the 2021 election – October 18, 2021. The plan is considered closed to new entrants as of that date.

iii. Executive Pension Plan

The EPP was designed to provide pension arrangements for key members of senior management pursuant to individual employment contracts with The City prior to the inception of the OCPP and SPP. The EPP is deemed a closed plan as it provides no benefits to active employees; however, benefits will continue to existing retirees.

iv. Contractual Obligations

The City has entered into individual compensation arrangements with key members of management that provide defined benefits upon retirement. These contractual obligations were grandfathered to members and have been deemed as closed as no benefits are provided to new employees; however, benefits will continue to retirees. These arrangements are sponsored and administered by The City.

1) To satisfy the obligations under these plans, assets in the amount of \$46,397 (2023 – \$44,039) are held within The City's investments

c. Post-retirement benefits

The post-retirement benefits programs of The City include the Pensioners and Widows/Widowers Benefit Plan (PWB), the Retirement Allowance Program (discontinued in 2024) and the Supplementation of Compensation Plan.

Actuarial valuations for accounting purposes in respect of the postretirement benefits programs were performed as follows:

	Latest Valuation Date
PWB	December 31, 2024
Retirement Allowance	December 31, 2024
Supplementation of Compensation	December 31, 2024

The following table sets out the results of, and significant assumptions utilized, in the December 31, 2024 valuations for accounting purposes for post-retirement benefits:

	2024	2023
Accrued benefit obligation – beginning of year	\$ 76,345	\$ 90,634
Current period benefit cost	4,755	5,454
Interest on accrued benefit obligation	4,096	4,218
Less benefits paid	(2,819)	(5,140)
Curtailment gain ⁽¹⁾	(757)	(25,259)
Actuarial (gain) loss	(5,224)	6,438
Accrued benefit obligation – end of year	\$ 76,396	\$ 76,345
Plan assets ⁽²⁾	\$ (3,335)	\$ (2,979)
Funded status – plan deficit	\$ 73,061	\$ 73,366
Unamortized net actuarial gain	39,764	39,972
Accrued benefit liability ⁽³⁾	\$ 112,825	\$ 113,338
Current period benefit cost	\$ 4,755	\$ 5,454
Amortization of actuarial gain	(5,787)	(6,754)
Curtailment gain ⁽¹⁾	(757)	(25,259)
Interest on accrued benefit obligation	4,096	4,218
Total expense	\$ 2,307	\$ (22,341)
Annual increase in dental and extended health costs	5.3%	5.1%

Unamortized net actuarial gains and losses are amortized as follows:

- for plans where employees are actively accruing benefits (i.e. PWB and Retirement Allowance), on a straight line basis over the EARSL of such employees beginning at the times such amounts are determined; and
- for plans where employees are not actively accruing benefits (i.e. Supplementation of Compensation), recognized in the year in which they arise.

The EARSL for each plan is:

	2024	2023
PWB	12.4	12.2
Retirement Allowance	14.3	11.0
Supplemental of Compensation	Not applicable	Not applicable

The following information details the structure and benefits of each of The City's post-retirement benefits:

i. Pensioners and Widows/Widowers Benefits (PWB)

The City sponsors optional post-retirement benefits for extended health, dental and life insurance benefits for qualifying retirees and their surviving spouses, from the date of retirement to age 65. After 10 years or age 65, the life insurance policy reduces to a paid-up death benefit based on the number of years of contributory service prior to retirement. The sponsors and retirees share equally in the cost of benefits. The City's consolidated financial statements show the sponsors' portions only of the expense and the accrued benefit liability.

ii. Retirement Allowance

The City had sponsored a non-contributory retirement allowance of up to 7 weeks of salary for qualifying retirees. The cost of these benefits were recognized as an expense and an accrued benefit liability. Council made the decision on December 16, 2019 to discontinue the retirement allowance as of December 31, 2021, subject to applicable Labour Code requirements. As of December 31, 2024, no members were eligible for the benefit, and the retirement allowance obligation was deemed \$nil. As of December 31, 2023, only Employees in the IBEW L254 PSC Officers and Local 1779, 2103 Carpenters collective agreements (275 employees) were still eligible for the benefit.

iii. Supplementation of Compensation

The City sponsors a supplementation of compensation plan for employees who were disabled, or survivors of employees who were killed in the line of duty. The plan is deemed closed as employees are not actively accruing benefits.

(1) Beginning in 2021, the Retirement Allowance Program is being phased out as collective agreements are renewed. This phase out was completed in 2024 with last remaining members ceasing membership in the Program, constituting a curtailment gain of \$757 (2023 – curtailment gain of \$25,259).

(2) Plan assets in the amount of \$3,335 (2023 – \$2,979) to satisfy future life claims are equal to fair market value.

(3) Assets in the amount of \$112,825 (2023 – \$113,338) to satisfy the obligations under these plans are held within The City's investment portfolio.

d. Vacation and overtime

The vacation and overtime liability comprises the vacation and overtime that employees are allowed to defer to future years as defined in administrative policies and/or contractual agreements. Assets in the amount of \$311,191 (2023 – \$287,960) are held within The City's investments portfolio and working capital to satisfy the obligations under these programs.

e. Multi-employer pension plans

Civic employees, with the exception of police officers, are members of the LAPP. Police officers are members of the SFPP. Both plans are multi-employer, defined-benefit pension plans jointly sponsored by employees and employers through the LAPP and SFPP Corporations respectively and administered by Alberta Pension Services (APS).

Due to the multi-employer nature of these plans, information is not available to determine the portion of the plans' obligations and assets attributable to each employer. Therefore, The City appropriately accounts for both plans following the standards for defined contribution plans. The amount of expense recorded in the consolidated financial statements is equal to The City's current service contributions to the plan as determined by APS for the year and no obligation is recorded in The City's consolidated financial statements. As at December 31, 2023, the LAPP and SFPP were in surplus positions.

i. Local Authorities Pension Plan

The LAPP plan provides an annual retirement benefit of 1.4 per cent of earnings up to the YMPE and 2 per cent of earnings over YMPE. Under the *Alberta Public Sector Pension Plans Act*, The City and members of the LAPP plan made the following contributions:

	2024 Employer	2024 Members	2023 Employer	2023 Members
Current service contributions	\$ 149,642	\$ 132,578	\$ 130,733	\$ 116,873

The LAPP reported a surplus (extrapolation results of the actuarial valuation) for the overall plan as at December 31, 2023 of \$15,057,000 (2022 – \$12,671,000). More recent information was not available at the time of preparing these consolidated financial statements.

LAPP consists of 173,459 active members (2022 – 167,300 active members). The City's active plan membership represents approximately 8.5 per cent (2022 – 7.9 per cent) of the total LAPP active membership as at December 31, 2023.

ii. Special Forces Pension Plan

The SFPP provides an annual retirement benefit of 1.4 per cent of pensionable earnings up to YMPE, 2 per cent of pensionable earnings over YMPE, a bridge benefit of 0.6 per cent of YMPE to age 65, and improved early retirement and death benefits, up to maximum pension limits of the ITA. Under the *Alberta Public Sector Pension Plans Act*, The City and members of the SFPP made the following contributions:

	2024 Employer	2024 Members	2023 Employer	2023 Members
Current service contributions	\$ 41,118	\$ 37,737	\$ 43,625	\$ 39,578

The SFPP reported a surplus (extrapolation results of the actuarial valuation) for the overall plan as at December 31, 2023 of \$553,089 (2022 – surplus of \$265,340). More recent information was not available at the time of preparing these consolidated financial statements. The City's 2024 contribution rates did not change as a result of this surplus.

SFPP consists of 4,742 active members (2022 – 4,649 active members). The City's active plan membership represents approximately 48.8 per cent (2022 – 49.1 per cent) of the total SFPP active membership as at December 31, 2023.

15. Long-term Debt

- a. Debt payable by and issued in the name of The City includes the following amounts:

	2024 Tax Supported	2024 Self Sufficient Tax Supported	2024 Self Supported	2024 Total	2023 Tax Supported	2023 Self Sufficient Tax Supported	2023 Self Supported	2023 Total
i. Debentures	\$ 213,255	\$ 301,556	\$ 3,668,076	\$ 4,182,887	\$ 239,532	\$ 277,715	\$ 3,837,020	\$ 4,354,267
ii. Municipal bonds	–	8,918	171,082	180,000	–	–	–	–
iii. Mortgages and other debt	58,277	–	8,684	66,961	59,647	–	8,925	68,572
iv. Capital lease	715	–	–	715	–	–	–	–
	\$ 272,247	\$ 310,474	\$ 3,847,842	\$ 4,430,563	\$ 299,179	\$ 277,715	\$ 3,845,945	\$ 4,422,839
Less								
Debenture debt attributable to ENMAX ⁽¹⁾	\$ –	\$ –	\$ (1,467,222)	\$ (1,467,222)	\$ –	\$ –	\$ (1,722,502)	\$ (1,722,502)
	\$ 272,247	\$ 310,474	\$ 2,380,620	\$ 2,963,341	\$ 299,179	\$ 277,715	\$ 2,123,443	\$ 2,700,337

Tax-supported debt is repaid using tax revenues and is the long-term debt used in tax-supported areas.

Self-sufficient tax-supported debt comprises debt for programs and activities whose operating costs, including debt servicing, have historically been funded in whole or in part, directly or indirectly, by revenue from municipal property and business taxes, but that are currently being funded by revenues resulting from their own operations.

- i. Debentures, which are predominantly held by the Province of Alberta, mature in annual amounts to the year 2049.

ENMAX is included within self-supported debt, with outstanding debentures in the amount of \$1,569,156 (2023 – \$1,722,502) of which \$1,467,222 is not included in The City's outstanding balance. Some of The City's debenture debt has been specifically issued on behalf of ENMAX. For this debt The City expects to realize the receivable from ENMAX and settle the external debt simultaneously. The debt was initially issued by The City on behalf of the Calgary Electric System (CE) pursuant to City Bylaw authorizations prior to January 1, 1998. Pursuant to the Master Agreement between ENMAX and The City, a liability equivalent to the debentures attributable to ENMAX was included in the assumed liabilities upon transfer of substantially all of the assets and liabilities of CE from The City to ENMAX at January 1, 1998. The City continues to borrow on behalf of ENMAX in accordance with a Debt Management Service Level Agreement between The City and ENMAX. The City shall service the

existing debentures, which included debt issuance of \$101,934 in 2024 (2023 – \$204,177), through the disbursement of principal and interest payments. The City is liable for the outstanding ENMAX debenture debt to the debenture debt holders. On a monthly basis, ENMAX is required to pay to The City an administration fee of 0.25 per cent (2023 – 0.25 per cent) on the average monthly outstanding debenture balance held by The City on behalf of ENMAX.

Another component of self-supported debt relates to local improvements, which includes debentures in the amount of \$58,430 (2023 – \$57,072). This has been issued to fund improvements that are collectable from property owners for work authorized by them and performed by The City. Principal and interest on local improvement debentures are recovered from property owners through annual local improvement levies over the term of the debenture to a maximum of 25 years.

Included in the self-supported debt is the debenture issued in 2014 by The City on behalf of St. Mary's University (SMU) in the amount of \$2,787 (2023 – \$3,022). In accordance with the Credit Agreements between SMU and The City, The City shall service the debenture through the disbursement of principal and interest payments. The City is liable for the outstanding debenture debt to the debenture debt holder. SMU is required to reimburse The City for all principal and interest payments with respect to the debenture on the same day as The City disburses the payments to the debt holder. As at December 31, 2024, SMU is in compliance with its Credit Agreements.

(1) Only debt with simultaneous payment terms is deducted from The City's long-term debt and is not included within long-term receivables.

Also included in the self-supported debt is the debenture issued in 2022 by The City on behalf of Silvera for Seniors in the amount of \$8,099 (2023 – \$8,099). In accordance with the Credit Agreements between Silvera for Seniors and The City, The City shall service the debenture through the disbursement of principal and interest payments. The City is liable for the outstanding debenture debt to the debenture debt holder. Silvera for Seniors is required to reimburse The City for all principal and interest payments with respect to the debenture on the same day as The City disburses the payments to the debt holder. As at December 31, 2024, Silvera for Seniors is in compliance with its Credit Agreements.

ii. The City issued its first municipal bond into the Canadian debt capital markets on March 15, 2024. The bond has a coupon value of 4.20 per cent with interest paid semi-annually and it matures in the year 2034. Of the \$180,000 issued, \$171,082 was initially assigned to ENMAX. As at December 31, 2024 \$167,405 is receivable from ENMAX (Note 8).

iii. Mortgages and other debt are predominantly held by Plenary Infrastructure Calgary LP (Plenary). On September 13, 2016, The City entered into a Public Private Partnerships (P3) agreement with Plenary to design, build, finance, operate and maintain The City's Stoney compressed natural gas bus storage and transit facility. Plenary started operating the new facility on March 12, 2019 and will continue to operate it until 2049. As at December 31, 2024, the total P3 obligation is \$58,277.

Also included in Mortgages and other debt are mortgages held by Canada Mortgage and Housing Corporation, which mature in annual amounts to the year 2036. Capital assets with a carrying value of \$51,591 (2023 – \$50,973) are pledged as collateral against the mortgages.

iv. The capital lease is a vehicle lease entered into on July 1, 2024. It is a 3 year lease with zero per cent interest. In 2024, the principal payments totaled \$82.

b. Long-term debt is repayable as follows:

	Tax Supported	Self Sufficient Tax Supported	Self Supported	Less: Debenture Debt attributable to ENMAX	Total
2025	\$ 25,809	\$ 15,662	\$ 289,151	\$ (89,777)	\$ 240,845
2026	24,330	14,090	292,509	(90,915)	240,014
2027	23,339	11,475	294,431	(91,057)	238,188
2028	21,653	8,702	280,671	(89,081)	221,945
2029	20,790	6,443	267,563	(88,564)	206,232
Thereafter	156,326	254,102	2,423,517	(1,017,828)	1,816,117
	\$ 272,247	\$ 310,474	\$ 3,847,842	\$ (1,467,222)	\$ 2,963,341

c. The maturity dates, interest rates and contractual principals for long-term debt are as follows:

Type	Maturity	Lowest Interest Rate Range	Highest Interest Rate Range	Ending Balance
Debentures, incl. ENMAX	< 1 year	0.86%	4.39%	\$ 7,686
	1 – 3 years	0.96%	5.00%	104,537
	3 – 5 years	1.14%	5.22%	249,618
	5 – 10 years	1.29%	5.17%	942,964
	10 – 20 years	1.79%	5.45%	2,056,612
	> 20 years	2.06%	5.43%	821,470
				\$ 4,182,887
Municipal bonds	5 – 10 years	4.26%	4.26%	\$ 180,000
Capital Leases	1 – 3 years	–	–	\$ 715
Mortgages and other	< 1 year	–	–	\$ –
	1 – 3 years	–	–	–
	3 – 5 years	6.00%	6.00%	2,353
	5 – 10 years	–	–	–
	10 – 20 years	0.68%	3.84%	1,331
	> 20 years	2.00%	4.29%	63,277
				\$ 66,961
Total with ENMAX				\$ 4,430,563
Less: ENMAX debenture				\$ (1,467,222)
Total				\$ 2,963,341

d. Interest charges are as follows:

	2024 Tax Supported	2024 Self Sufficient Tax Supported	2024 Self Supported	2024 Total	2023 Tax Supported	2023 Self Sufficient Tax Supported	2023 Self Supported	2023 Total
Debenture interest	\$ 7,583	\$ 9,522	\$ 74,743	\$ 91,848	\$ 8,771	\$ 8,606	\$ 74,529	\$ 91,906
Municipal bonds	–	302	5,795	6,097	–	–	–	–
Other interest and charges	27,383	236	290	27,909	23,627	1,120	232	24,979
	\$ 34,966	\$ 10,060	\$ 80,828	\$ 125,854	\$ 32,398	\$ 9,726	\$ 74,761	\$ 116,885

- e.** The estimated fair value of The City's long-term debt is \$2,765,721 (2023 – \$2,415,884). Calculation of the estimated fair value of the debt is based on lending rates obtainable at December 31, 2024 for debentures with comparable maturities from The City's primary lender, the Province of Alberta.
- f.** The debt limit is calculated at 1.6 times revenue (as defined in The City's Debt Policy CP2020-05) and the debt service limit is calculated at 0.28 times revenue. Incurring debt beyond these limits requires approval by Council. The calculation, taken alone, does not represent the financial stability of the municipality as the consolidated financial statements must be interpreted as a whole.

	2024	2023
Total debt limit (1.6 times revenue)	\$ 7,806,635	\$ 7,697,013
Total debt (short and long-term)	3,134,275	3,075,366
Percentage of debt capacity used	40.15%	39.96%
Total debt service limit (0.28 times revenue)	\$ 1,366,161	\$ 1,346,977
Total debt service	738,974	617,440
Percentage of debt servicing capacity used	54.09%	45.84%

16. Tangible Capital Assets

	December 31, 2023	Additions/ Transfers	Disposals	Write-downs	December 31, 2024
Cost					
Land	\$ 2,846,703	\$ 183,248	\$ (3,687)	\$ –	\$ 3,026,264
Land improvements	1,409,201	46,191	(1,216)	–	1,454,176
Engineered structures	19,212,258	740,504	(25,901)	–	19,926,861
Buildings	3,875,821	74,529	(11,918)	–	3,938,432
Machinery and equipment	732,321	27,972	(16,204)	–	744,089
Vehicles	1,726,111	142,513	(45,950)	–	1,822,674
	\$ 29,802,415	\$ 1,214,957	\$ (104,876)	\$ –	\$ 30,912,496
Work in progress					
Land	\$ 1,624	\$ 5,484	\$ –	\$ –	\$ 7,108
Construction	1,721,671	688,667	-	–	2,410,338
	\$ 31,525,710	\$ 1,909,108	\$ (104,876)	\$ –	\$ 33,329,942
	December 31, 2023	Additions	Disposals	Write-downs	December 31, 2024
Accumulated Amortization					
Land improvements	\$ 833,454	\$ 51,243	\$ (622)	\$ –	\$ 884,075
Engineered structures	7,269,402	416,709	(24,786)	–	7,661,325
Buildings	1,645,873	122,925	(9,982)	–	1,758,816
Machinery and equipment	542,442	45,367	(15,880)	–	571,929
Vehicles	914,559	93,853	(39,871)	1,264	969,805
	\$ 11,205,730	\$ 730,097	\$ (91,141)	\$ 1,264	\$ 11,845,950
Net book value	\$ 20,319,980	\$ 1,179,011	\$ (13,735)	\$ (1,264)	\$ 21,483,992

	December 31, 2022	Additions/ Transfers	Disposals	Write-downs	December 31, 2023
Cost					
Land	\$ 2,738,755	\$ 133,976	\$ (26,028)	\$ –	\$ 2,846,703
Land improvements	1,410,681	31,032	(32,512)	–	1,409,201
Engineered structures	18,608,308	622,671	(18,721)	–	19,212,258
Buildings	3,814,602	70,882	(9,663)	–	3,875,821
Machinery and equipment	740,306	28,573	(36,558)	–	732,321
Vehicles	1,652,827	108,460	(35,176)	–	1,726,111
	\$ 28,965,479	\$ 995,594	\$ (158,658)	\$ –	\$ 29,802,415
Work in progress					
Land	\$ 13,722	\$ 33,544	\$ (45,642)	\$ –	\$ 1,624
Construction	1,346,422	424,074	(48,825)	–	1,721,671
	\$ 30,325,623	\$ 1,453,212	\$ (253,125)	\$ –	\$ 31,525,710
	December 31, 2022	Additions	Disposals	Write-downs	December 31, 2023
Accumulated Amortization					
Land improvements	\$ 802,433	\$ 35,448	\$ (4,427)	\$ –	\$ 833,454
Engineered structures	6,878,906	408,159	(17,663)	–	7,269,402
Buildings	1,511,626	141,634	(7,387)	–	1,645,873
Machinery and equipment	531,646	50,031	(39,235)	–	542,442
Vehicles	855,974	89,207	(30,622)	–	914,559
	\$ 10,580,585	\$ 724,479	\$ (99,334)	\$ –	\$ 11,205,730
Net book value	\$ 19,745,038	\$ 728,733	\$ (153,791)	\$ –	\$ 20,319,980

In 2024, \$345,075 (2023 – \$288,695) in engineered structures, land improvements and land were contributed to The City. These contributions were represented at their fair value at the time received. Assets recognized at nominal value by The City in 2024 and 2023 consist of certain buildings and land. Work in progress land contains expenses related to the purchase of land parcels related to a tangible capital asset project.

The land is being utilized to complete the project but is not ready for its intended purpose. Once the project is complete, the land is transferred out of the work in progress land category into the land category.

Cultural and historical properties and treasures are held by The City in various locations. Due to the subjective nature of the assets, they are not recorded as tangible capital assets in the consolidated financial statements (Note 26).

17. 2024 Budget

Budget data presented in these consolidated financial statements are based upon the 2024 operating and capital budgets as approved by Council. Council approved budgets are prepared in accordance with the *Municipal Government Act*, which in some cases is different from budget amounts prepared in accordance with PSAS and reported on the Consolidated Statement of Operations and Accumulated Surplus and Consolidated Statement of Change in Net Financial Assets. The table below reconciles the Council approved budget to the PSAS budget figures reported in these consolidated financial statements. Actual amounts have been used to approximate budget amounts for certain reconciling items that were not included in the Council budget.

	Revenues	Expenses	Other Revenues
Budget as approved by Council			
Operating	\$ 4,606,895	\$ 4,716,225	\$ 109,330
Capital	–	1,988,500	1,988,500
Add			
Operating budget adjustments and revisions	101,260	101,260	–
Capital budget adjustments and revisions	–	103,146	103,146
Related authorities	160,450	271,116	101,252
Equity in earnings of ENMAX	296,000	–	–
Transfers between capital and operating	–	–	95,393
	\$ 5,164,605	\$ 7,180,247	\$ 2,397,621
Less			
Intercompany eliminations	\$ (15,754)	\$ (44,254)	\$ (32,166)
Contributions from Water Services and Calgary Parking	(133,927)	(107,103)	–
Contributions from reserves and operations	(222,738)	(762,608)	–
Debt principal repayments	–	(46,267)	–
Tangible capital asset adjustments	–	(1,580,934)	–
Debt issued	–	–	(499,318)
Transfers from reserves	–	–	(874,216)
Amortization	–	(155,336)	–
Budget for Financial Statement Purposes	\$ 4,792,186	\$ 4,483,745	\$ 991,921

18. Net Assets

Net assets consist of restricted and unrestricted amounts of equity in non-financial assets as follows:

	2024	2023
Operating fund	\$ 276,278	\$ 236,408
Capital fund	406,791	234,414
Local improvements to be funded in future years	55,522	52,780
Obligation to be funded in future years ⁽¹⁾	(227,264)	(225,106)
Reserves (Note 20)	3,898,434	4,003,003
Equity in ENMAX (Note 8) ⁽²⁾	3,066,363	2,980,115
Equity in non-financial assets (Note 19)	18,663,355	17,752,754
Accumulated surplus	\$ 26,139,479	\$ 25,034,368
Accumulated remeasurement gains (losses)	373,463	\$ (69,097)
	\$ 26,512,942	\$ 24,965,271

19. Equity in Non-Financial Assets

	2024	2023
Tangible capital assets (Note 16)	\$ 21,483,992	\$ 20,319,980
Long-term debt (Note 15)	(2,963,341)	(2,700,337)
Long-term debt recoverable – non capital (Note 15 a. i.)	10,886	11,121
Inventory	85,134	81,935
Prepaid assets	46,684	40,055
	\$ 18,663,355	\$ 17,752,754

20. Reserves

Reserves are established and managed in accordance with the reserve's purpose and any or all conditions and/or restrictions placed on the reserve by Council. Reserve funds are transferred either to operating or capital funds for use.

	2024	2023 (Note 34)
Calgary Housing	\$ 57,805	\$ 45,451
Fiscal stability	937,853	876,390
Other operating	54,261	63,751
Total operating reserves	\$ 1,049,919	\$ 985,592
Community investment	\$ 156,814	\$ 147,820
Debt servicing	–	52,570
Established area investments	32,391	36,007
Green Line fund	182,753	172,799
Legacy parks	64,555	61,625
Major capital projects	430,281	412,687
Calgary Police Service	25,218	30,194
Reserve for future capital and lifecycle maintenance and upgrade merged	962,386	977,167
Other capital	87,738	87,438
Total capital reserves	\$ 1,942,136	\$ 1,978,307
Calgary Parking	\$ 158,416	\$ 169,955
Cash in lieu lifecycle sustainment	–	37,376
Corporate housing reserve	44,999	42,076
General hospital legacy reserve	17,660	17,733
Planning and development services sustainment	96,913	105,144
Opportunity Calgary investment	60,619	71,247
Perpetual care	26,860	27,205
Real estate services	184,305	215,072
Utilities sustainment	215,183	245,719
Waste and recycling sustainment	31,675	53,340
Other sustainment	69,749	54,237
Total sustainment reserves	\$ 906,379	\$ 1,039,104
Total reserves	\$ 3,898,434	\$ 4,003,003

(1) Obligation to be funded in future years consists of unfunded liabilities of \$227,264 (2023 – \$225,106) for the asset retirement obligations provision (Note 13).

(2) Excluded from Equity in ENMAX is \$138,533 of accumulated other comprehensive gains (2023 – \$28,267 losses) which are reflected within the accumulated remeasurement gains of \$373,463 (2023 – losses of \$69,097).

21. Net Taxes Available for Municipal Purposes

	2024	2023
Property taxes	\$ 3,190,867	\$ 2,945,083
Community Revitalization Levy	41,409	39,790
Revenue in lieu of taxes	266,526	403,535
Local improvement levies and special taxes	12,423	8,588
	\$ 3,511,225	\$ 3,396,996
Less: Provincial property taxes		
Current year levy	\$ (881,550)	\$ (785,920)
Prior year levy	(1,798)	(3,472)
Net taxes available for municipal use	\$ 2,627,877	\$ 2,607,604

The City is required to collect provincial property taxes under Section 353 of the *Municipal Government Act*. The amount of these provincial property taxes is determined solely by the Government of Alberta. Provincial property taxes are recorded at the amounts levied. If property taxes are reduced due to an assessment reduction, The City is required by legislation to fund the repayment of both the municipal and provincial taxes with applicable interest.

An amount of provincial property taxes receivable of \$222 (2023 – \$1,798) has been recorded at December 31, 2024 within accounts receivable that will be funded through an increase in the subsequent year's provincial property tax rate.

22. Related Authorities

The assets and liabilities and the operations of the following related authorities are included in The City's consolidated financial statements within the following department segments:

a. Planning and development services

i. Calgary Economic Development Ltd.

Calgary Economic Development Ltd. (CED) is a controlled corporation of The City and was incorporated in July 1999 under the *Alberta Business Corporations Act*. CED's mandate is to position Calgary for long-term economic success and shared prosperity for all through the expansion, retention and attraction of companies, capital and talent which results in business growth and industry development, increased investment and trade activities.

b. Infrastructure services

i. Attainable Homes Calgary Corporation

Attainable Homes Calgary Corporation (AHCC) is a controlled corporation of The City and was incorporated in November 2009 under the *Alberta Business Corporations Act*. The purpose of AHCC is the implementation and administration of attainable housing in The City. The City has guaranteed certain indebtedness of AHCC related to losses in prior years as disclosed in Note 31 a. iii.

ii. Calgary Municipal Land Corporation

Calgary Municipal Land Corporation (CMLC) is a controlled corporation of The City pursuant to Section 73 of the *Municipal Government Act*, and the Control of Corporations Regulation. CMLC began operations in 2007, with The City as the sole shareholder of CMLC. CMLC is accountable for the development and sale of land transferred from The City and the implementation of public infrastructure improvements in The Rivers District, a former industrial and residential area located in downtown Calgary. On January 15, 2019, through City Bylaw authorization, Council approved an amendment to the Bylaw to extend the Rivers District Community Revitalization Levy an incremental 20 years from the originally planned end date of 2027 through to 2047. On February 13, 2019, the Lieutenant Governor of Alberta approved the amended City Bylaw pursuant to Section 381.2 of the *Municipal Government Act*.

c. Community services

i. Calgary Arts Development Authority Ltd.

Calgary Arts Development Authority Ltd. (CADA) is a controlled corporation of The City and was incorporated under the *Alberta Business Corporations Act* in March 2005. The mandate of CADA is to promote and direct investment in the arts to increase the sector's public and artistic impact on behalf of the residents of Calgary. CADA supports artists in the development of their skills, while supporting and strengthening the arts to benefit all Calgarians.

ii. Calgary Housing

Calhome Properties Ltd. (operating as Calgary Housing) delivers safe and affordable housing to Calgarians. Some of the housing is provided under agreements with The City and the Province of Alberta, which provides subsidies for certain properties. Since its inception, Calgary Housing has assumed ownership and/or management of Portfolios under different agreements.

iii. Calgary Public Library Board

The Calgary Public Library Board is constituted under the *Libraries Act* of the Province of Alberta. It operates a system of 20 branches and the Central Library in Calgary.

iv. Calgary TELUS Convention Centre

The Calgary Convention Centre Authority (the Authority) is incorporated under the laws of the Province of Alberta and operates the Calgary TELUS Convention Centre (CTCC) pursuant to an operating agreement between the Authority and The City. The land, building, furniture and equipment are owned by The City, who also contributes a grant towards the operating costs of CTCC. In accordance with an amendment to the operating agreement, the Authority retains operating surpluses to fund any net operating deficits.

Related Authority's Financial Information

For the year ended December 31, 2024 (in thousands)

	Calgary Economic Development Ltd.	Attainable Homes Calgary Corporation	Calgary Municipal Land Corporation	Calgary Arts Development Authority Ltd.	Calgary Housing	Calgary Public Library Board	Calgary TELUS Convention Centre	2024 Total
Segment	Planning and development services	Infrastructure services	Infrastructure services	Community services	Community services	Community services	Community services	
Financial position								
Physical assets	\$ 859	\$ –	\$ 324,999	\$ 22,528	\$ 98,588	\$ 40,785	\$ 980	\$ 488,739
Financial assets	7,841	26,670	444,796	15,624	80,132	16,177	10,647	601,887
	\$ 8,700	\$ 26,670	\$ 769,795	\$ 38,152	\$ 178,720	\$ 56,962	\$ 11,627	\$ 1,090,626
Long-term debt	\$ –	\$ –	\$ 310,473	\$ 2,353	\$ 3,829	\$ –	\$ –	\$ 316,655
Financial liabilities	7,965	18,872	449,960	12,589	46,417	5,506	11,295	552,604
	\$ 7,965	\$ 18,872	\$ 760,433	\$ 14,942	\$ 50,246	\$ 5,506	\$ 11,295	\$ 869,259
Net assets	\$ 735	\$ 7,798	\$ 9,362	\$ 23,210	\$ 128,474	\$ 51,456	\$ 332	\$ 221,367
Results of operations								
Revenues								
Community revitalization levy	\$ –	\$ –	\$ 64,325	\$ –	\$ –	\$ –	\$ –	\$ 64,325
Sales of goods and services	–	675	–	1,230	60,725	–	37,545	100,175
Government transfers, agreements and subsidies	5,749	–	–	–	67,592	7,222	–	80,563
Developers contributions	–	–	–	–	–	–	–	–
Donated assets	–	–	–	5	64	–	–	69
Investment income	230	2	–	590	3,343	1,048	–	5,213
Miscellaneous revenue	1,000	2,249	2,176	1,288	4,875	2,958	–	14,546
Loss on sale of tangible capital assets	–	–	–	–	7	–	–	7
Internal transfers and contributions	12,998	–	49,000	25,481	(761)	66,066	3,352	156,136
Total revenues	\$ 19,977	\$ 2,926	\$ 115,501	\$ 28,594	\$ 135,845	\$ 77,294	\$ 40,897	\$ 421,034
Expenses								
Salaries, wages and benefits	\$ 11,002	\$ 1,345	\$ 6,760	\$ 3,580	\$ 26,930	\$ 45,206	\$ 8,136	\$ 102,959
Contracted and general services	9,088	328	17,597	20,889	53,881	17,307	5,252	124,342
Materials, equipment and supplies	241	644	30,183	272	1,380	6,914	25,304	64,938
Interest charges	–	18	19,945	146	136	–	–	20,245
Transfers	–	–	–	–	22,455	–	–	22,455
Utilities	–	–	99	145	12,426	1,249	1,527	15,446
Amortization	179	–	8,701	1,004	3,394	5,539	141	18,958
Accretion	–	–	–	–	316	–	–	316
Debt principal repayments	–	–	–	–	613	–	–	613
Total expenses	\$ 20,510	\$ 2,335	\$ 83,285	\$ 26,036	\$ 121,531	\$ 76,215	\$ 40,360	\$ 370,272
(Loss) Income before appropriations	\$ (533)	\$ 591	\$ 32,216	\$ 2,558	\$ 14,314	\$ 1,079	\$ 537	\$ 50,762
Internal transfers	533	(591)	(32,216)	(2,558)	(14,314)	(1,079)	(537)	(50,762)
Change in fund balance	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –

Related Authority's Financial Information

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Attachment 2

For the year ended December 31, 2023 (in thousands)

	Calgary Economic Development Ltd.	Attainable Homes Calgary Corporation	Calgary Municipal Land Corporation	Calgary Arts Development Authority Ltd.	Calgary Housing	Calgary Public Library Board	Calgary TELUS Convention Centre	2023 Total
Segment	Planning and development services	Infrastructure services	Infrastructure services	Community services	Community services	Community services	Community services	
Financial position								
Physical assets	\$ 1,037	\$ –	\$ 283,322	\$ 23,521	\$ 97,951	\$ 39,605	\$ 1,121	\$ 446,557
Financial assets	9,003	12,070	447,998	15,163	56,553	16,667	5,571	563,025
	\$ 10,040	\$ 12,070	\$ 731,320	\$ 38,684	\$ 154,504	\$ 56,272	\$ 6,692	\$ 1,009,582
Long-term debt	\$ –	\$ –	\$ 277,715	\$ –	\$ 4,442	\$ –	\$ –	\$ 282,157
Financial liabilities	8,773	4,864	427,659	15,661	36,515	5,895	6,898	506,265
	\$ 8,773	\$ 4,864	\$ 705,374	\$ 15,661	\$ 40,957	\$ 5,895	\$ 6,898	\$ 788,422
Net assets	\$ 1,267	\$ 7,206	\$ 25,946	\$ 23,023	\$ 113,547	\$ 50,377	\$ (206)	\$ 221,160
Results of operations								
Revenues								
Community revitalization levy	\$ –	\$ –	\$ 141,111	\$ –	\$ –	\$ –	\$ –	\$ 141,111
Sales of goods and services	–	4,557	6,100	1,162	55,606	–	26,345	93,770
Government transfers, agreements and subsidies	6,388	–	–	–	69,513	7,221	–	83,122
Developers contributions	–	–	–	10	–	–	–	10
Donated assets	–	–	–	–	2,590	–	–	2,590
Investment income	185	3	–	162	1,650	1,055	–	3,055
Miscellaneous revenue	1,645	192	3,047	950	2,446	3,723	–	12,003
Loss on sale of tangible capital assets	–	–	–	–	–	(5)	–	(5)
Internal transfers and contributions	11,022	–	46,500	20,951	(2,351)	60,415	2,936	139,473
Total revenues	\$ 19,240	\$ 4,752	\$ 196,758	\$ 23,235	\$ 129,454	\$ 72,409	\$ 29,281	\$ 475,129
Expenses								
Salaries, wages and benefits	\$ 10,139	\$ 1,136	\$ 6,335	\$ 3,456	\$ 25,211	\$ 42,501	\$ 7,686	\$ 96,464
Contracted and general services	9,248	27	13,582	18,681	44,019	17,185	4,643	107,385
Materials, equipment and supplies	–	4,264	112,602	231	1,075	6,548	16,395	141,115
Interest charges	–	41	15,893	126	134	–	–	16,194
Transfers	–	–	–	–	22,810	–	–	22,810
Utilities	292	–	106	139	12,958	1,323	1,651	16,469
Amortization	144	–	8,412	1,067	3,196	5,436	59	18,314
Accretion	–	–	–	–	293	–	–	293
Debt principal repayments	–	–	–	–	812	–	–	812
Total expenses	\$ 19,823	\$ 5,468	\$ 156,930	\$ 23,700	\$ 110,508	\$ 72,993	\$ 30,434	\$ 419,856
(Loss) Income before appropriations	\$ (583)	\$ (716)	\$ 39,828	\$ (465)	\$ 18,946	\$ (584)	\$ (1,153)	\$ 55,273
Internal transfers	583	716	(39,828)	465	(18,946)	584	1,153	(55,273)
Change in fund balance	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –

23. Expenses by Object

	2024	2023
Salaries, wages and benefits	\$ 2,523,359	\$ 2,237,853
Contracted and general services	684,507	597,112
Materials, equipment and supplies	539,526	592,803
Utilities	118,952	125,774
Transfers	243,861	238,615
Interest charges (Note 15)	125,854	116,885
Amortization and write-downs (Note 16)	731,361	724,479
Accretion	9,203	7,675
Loss on disposal of tangible capital assets	8,584	16,551
	\$ 4,985,207	\$ 4,657,747

24. Government Transfers

	2024	2023
Operating		
Province of Alberta	\$ 169,756	\$ 169,513
Government of Canada	8,857	9,793
	\$ 178,613	\$ 179,306
Capital		
Province of Alberta	\$ 463,392	\$ 299,568
Government of Canada	221,456	162,748
	\$ 684,848	\$ 462,316
	\$ 863,461	\$ 641,622

In accordance with PSAS, government transfers related to capital acquisitions are required to be recognized as revenue in the consolidated financial statements in the period in which the eligibility criteria and stipulation requirements of the agreements are met.

25. Segmented Information

The accounting policies used in the segment disclosures are consistent with those followed in the preparation of the consolidated financial statements (Note 1).

For each reported segment, revenues and expenses represent amounts directly attributable to each segment:

a. Planning and development services

Responsible for planning, facilitating and building a great and sustainable Calgary through cross-functional, customer, community and regional collaboration.

b. Infrastructure services

Responsible for designing, building and optimizing municipal infrastructure investment including the Green Line LRT Project to create inclusive, accessible, connected, resilient communities.

c. Community services

Responsible for connecting and protecting Calgarians and communities. Working together to create and sustain healthy, safe, caring and socially inclusive communities that people want to call home.

d. Operational services

Responsible for operating, maintaining and delivering critical services that Calgarians rely on.

e. General government

- Corporate Planning & Financial Services is responsible for driving value and performance for the organization.
- People, Innovation & Collaboration Services is responsible for empowering and enabling employees.
- Law, Legislative Services & Security is responsible for providing legal services to The City, delivers open, accessible and impartial government services to the public, Council and The City and secures and protects the people who work and visit our municipal facilities and amenities.
- Chief Administrative Office and Chief Operating Office is responsible for ensuring the policies and programs of the municipality are implemented, advising and informing Council on the operations and affairs of the municipality, and performing the duties and functions assigned by the *Municipal Government Act* and Council.

f. ENMAX

ENMAX is a wholly owned subsidiary of The City, accounted for on a modified equity basis as a government business enterprise. Note 8 of these consolidated financial statements provides condensed financial information for ENMAX.

Schedule of Financial Activities by Segment

AC2025-0323
Attachment 2

For the year ended December 31, 2024 (in thousands)

	Planning and development services	Infrastructure services	Community services	Operational services	General government	ENMAX Corporation	Total Consolidated 2024
Revenues							
Net taxes available for municipal purposes	\$ 103	\$ 32	\$ –	\$ 1,967	\$ 2,625,775	\$ –	\$ 2,627,877
Sales of goods and services	763	15,318	154,942	1,156,925	13,509	–	1,341,457
Government transfers related to operating							
Provincial	4,233	33	157,956	7,282	252	–	169,756
Federal	4,286	1	3,472	253	845	–	8,857
Investment income	3,693	79	5,247	15,873	287,181	–	312,073
Fines and penalties	50	–	36,789	21,935	16,957	–	75,731
Licences, permits and fees	107,293	677	20,107	25,470	430	–	153,977
Miscellaneous revenue	1,460	2,648	15,134	8,896	(78)	–	28,060
Gain (loss) on sale	–	15,627	210	683	(529)	–	15,991
Dividend income from ENMAX Corporation	–	–	–	–	95,000	–	95,000
Equity in gain from ENMAX Corporation	–	–	–	–	–	86,248	86,248
	\$ 121,881	\$ 34,415	\$ 393,857	\$ 1,239,284	\$ 3,039,342	\$ 86,248	\$ 4,915,027
Expenses							
Salaries, wages and benefits	\$ 156,966	\$ 101,931	\$ 1,050,883	\$ 829,152	\$ 384,427	\$ –	\$ 2,523,359
Contracted and general services	59,134	79,065	170,866	355,867	19,575	–	684,507
Materials, equipment and supplies	(919)	36,664	116,650	316,413	70,718	–	539,526
Utilities	68	615	21,384	96,871	14	–	118,952
Transfers	13,996	27	208,798	11,261	9,779	–	243,861
Interest charges	2,355	10,985	1,232	90,408	20,874	–	125,854
Amortization and write-downs (Note 16)	4,489	9,334	55,782	640,868	20,888	–	731,361
Accretion	–	607	767	7,829	–	–	9,203
Loss on disposal of tangible capital assets	–	3,916	581	4,086	1	–	8,584
	\$ 236,089	\$ 243,144	\$ 1,626,943	\$ 2,352,755	\$ 526,276	\$ –	\$ 4,985,207
Net (Loss) Revenues Before Other Contributions and Transfers	\$ (114,208)	\$ (208,729)	\$ (1,233,086)	\$ (1,113,471)	\$ 2,513,066	\$ 86,248	\$ (70,180)
Other Contributions and Transfers							
Developer contributions	\$ –	\$ 32,575	\$ 7,383	\$ 105,410	\$ –	\$ –	\$ 145,368
Government transfers related to capital	6,483	312,840	94,199	271,326	–	–	684,848
Developer contributions-in-kind related to capital	–	3,303	2,046	339,726	–	–	345,075
	\$ 6,483	\$ 348,718	\$ 103,628	\$ 716,462	\$ –	\$ –	\$ 1,175,291
Annual (Deficit) Surplus	\$ (107,725)	\$ 139,989	\$ (1,129,458)	\$ (397,009)	\$ 2,513,066	\$ 86,248	\$ 1,105,111

Schedule of Financial Activities by Segment

AC2025-0323
Attachment 2

For the year ended December 31, 2023 (in thousands)

	Planning and development services	Infrastructure services	Community services	Operational services	General government	ENMAX Corporation	Total Consolidated 2023
Revenues							
Net taxes available for municipal purposes	\$ –	\$ 42	\$ –	\$ 2,550	\$ 2,605,012	\$ –	\$ 2,607,604
Sales of goods and services	3,739	56,342	143,684	1,143,393	12,825	–	1,359,983
Government transfers related to operating							
Provincial	3,889	62	153,275	10,224	2,063	–	169,513
Federal	6,399	543	2,202	330	319	–	9,793
Investment income	3,244	156	3,058	23,467	190,009	–	219,934
Fines and penalties	54	–	37,212	24,322	16,062	–	77,650
Licences, permits and fees	93,794	915	19,968	19,214	192	–	134,083
Miscellaneous revenue	2,424	2,185	13,021	7,198	8,671	–	33,499
Gain on sale	4	6,834	250	920	1,736	–	9,744
Dividend income from ENMAX Corporation	–	–	–	–	82,000	–	82,000
Equity in loss from ENMAX Corporation	–	–	–	–	–	(97,608)	(97,608)
	\$ 113,547	\$ 67,079	\$ 372,670	\$ 1,231,618	\$ 2,918,889	\$ (97,608)	\$ 4,606,195
Expenses							
Salaries, wages and benefits	\$ 131,695	\$ 85,107	\$ 975,231	\$ 734,950	\$ 310,870	\$ –	\$ 2,237,853
Contracted and general services	50,345	120,563	186,169	278,617	(38,582)	–	597,112
Materials, equipment and supplies	4,200	131,593	112,766	290,407	53,837	–	592,803
Utilities	344	565	23,205	101,627	33	–	125,774
Transfers	8,055	4,605	208,979	9,730	7,246	–	238,615
Interest charges	2,008	13,095	2,094	87,979	11,709	–	116,885
Amortization	4,335	9,560	55,634	632,471	22,479	–	724,479
Accretion	–	99	658	6,918	–	–	7,675
Loss on disposal of tangible capital assets	–	12,500	629	3,360	62	–	16,551
	\$ 200,982	\$ 377,687	\$ 1,565,365	\$ 2,146,059	\$ 367,654	\$ –	\$ 4,657,747
Net (Loss) Revenue Before Other Contributions And Transfers	\$ (87,435)	\$ (310,608)	\$ (1,192,695)	\$ (914,441)	\$ 2,551,235	\$ (97,608)	\$ (51,552)
Other Contributions and Transfers							
Developer contributions	\$ –	\$ 47,982	\$ 14,340	\$ 126,508	\$ –	\$ –	\$ 188,830
Government transfers related to capital	3,500	208,078	63,953	186,785	–	–	462,316
Developer contributions-in-kind related to capital	–	374	3,370	284,951	–	–	288,695
	\$ 3,500	\$ 256,434	\$ 81,663	\$ 598,244	\$ –	\$ –	\$ 939,841
Annual (Deficit) Surplus	\$ (83,935)	\$ (54,174)	\$ (1,111,032)	\$ (316,197)	\$ 2,551,235	\$ (97,608)	\$ 888,289

26. Unrecognized Assets

The City has the following major categories of unrecognized assets:

a. Art Collections

The City has acquired various art collections for the benefit of Calgarians funded by capital infrastructure projects, donated by local artists and heritage art. As at December 31, 2024, the insured value of the various art collections is \$25,180 (2023 – \$25,180).

b. Antique Airplanes

The City has ownership of antique airplanes, which are displayed in the Hangar Flight Museum of Calgary. As at December 31, 2024, the insured value of the antique airplanes is \$6,614 (2023 – \$6,614).

c. Crown Land

The City has assets that reside/intersect on certain crown lands. The City is unable to determine a reasonable value for the crown lands.

d. Heritage Artifacts

The City has a variety of heritage artifacts that are items of cultural significance. The City is unable to determine a reasonable value for the heritage artifacts.

27. Related Party Disclosure

A related party exists when one party has the ability to exercise control or shared control over the other, which could be an individual or an entity. Related party transactions are disclosed if the transaction occurred at a value different from that which would have been arrived at if the parties were unrelated and if the transaction has a material effect on the consolidated financial statements.

Related parties include key management personnel which include members of Council, general managers and their close family members including their spouse and any dependents.

An external entity becomes a related party to The City when the key management personnel and/or their close family member have the ability to influence and impact the policies, operations and strategic decisions of the external entities.

As at December 31, 2024, there are no material transactions to disclose that occurred between related parties at a value other than or terms different from that which would have been arrived at as if the parties were unrelated. Refer to Note 8 c. for ENMAX related party disclosures.

28. Contractual Rights

Contractual rights are rights to economic resources arising from contracts or agreements that will result in revenues and assets in the future. The City's contractual rights arise because of contracts entered into for various service, long-term lease and rental contracts. Contractual rights arise from the normal course of business and are not reflected in the consolidated financial statements until revenues or assets are received. The following table summarizes the contractual rights of The City assuming no counter-party default for future assets:

		Service contracts	Long-term lease and rental agreements	Total
2025	\$	22,333	\$ 15,523	\$ 37,856
2026		5,853	5,756	11,609
2027		5,533	14,700	20,233
2028		5,121	21,073	26,194
2029		1,640	19,468	21,108
Thereafter		4,488	673,513	678,001
	\$	44,968	\$ 750,033	\$ 795,001

29. Contingent Assets

In the ordinary course of business, various claims and lawsuits are brought by The City. It is the opinion of administration that the settlement of these actions will result in The City's favour and the settlement amounts will be available for The City's use. The estimated assets value could not be disclosed due to the nature of the claims and may have an adverse effect on the outcomes. Contingent assets are not recorded in the consolidated financial statements.

30. Commitments and Contingent Liabilities

- a. Capital commitments of \$2,452,057 (2023 – \$2,276,192) are not reflected in the consolidated financial statements. This amount represents uncompleted portions of contracts, as at December 31, 2024, on major projects and estimated obligations under other various agreements. These capital commitments were included in The City's capital budget and will be funded from capital deposits, reserves and debt in future years.
- b. Operating commitments of \$504,554 (2023 – \$385,590) are not reflected in the consolidated financial statements. This amount represents uncompleted portions of contracts and obligations, as at December 31, 2024, on estimated obligations under other various agreements. The timing of future expenditures is uncertain; however, these operating commitments will be funded from the operating budget, reserves and deferred revenue in future years.
- c. Commitments of \$88,540 (2023 – \$107,780) related to reserves and operating leases for office premises and facilities are not reflected in the consolidated financial statements. Annual commitments will be funded from the operating budget in the respective future years and are as follows:

2025	\$	25,312
2026		19,284
2027		14,277
2028		8,661
2029		5,212
Thereafter		15,794
	\$	88,540

- d. In the ordinary course of business, various loss claims, expropriation claims and lawsuits are brought against The City. It is the opinion of administration that the settlement of these actions will not result in any material liabilities beyond any amounts already accrued. Where the resulting loss of various claims and lawsuits brought against The City cannot be reasonably estimated, amounts have not been recorded, and The City's Administration believes that there will be no material adverse effect on the financial position of The City.
- e. Where estimated environmental management costs are reasonably determinable, The City has recorded a total provision in the amount of \$2,283 (2023 – \$2,163) for environmental liabilities based on estimates of the costs to manage the sites. Such estimates are subject to adjustment based on changes in laws and regulations and as additional information becomes available.
- f. As at December 31, 2024, there were various assessment appeals pending with respect to properties. The outcome of those appeals would be settled from an already established provision. The City makes an annual provision for property taxes that might be impacted by appeals, including specific provision where the results of an appeal are reasonably determinable and general provision for those where the outcome is presently indeterminable.
- g. Alberta Tax and Revenue Administration is responsible for assessing the income tax returns filed under the payment in-lieu-of-taxes regulation to the *Electric Utilities Act* which became effective January 1, 2001. ENMAX regularly reviews the potential for adverse outcomes in respect of tax matters and believes it has adequate provisions for these tax matters. The determination of the income tax provision is an inherently complex process, requiring administration to interpret continually changing regulations and to make certain judgments.
- h. The City has entered into a 20-year contract for power supply from ENMAX Energy, a wholly owned subsidiary of ENMAX, from 2007 to 2026. Under the terms of the agreement, ENMAX Energy supplies 100 per cent renewable electricity up to contracted volumes. Annual electricity prices are based on a portfolio of energy sources developed for The City by ENMAX Energy.
- i. The City has entered into four 20-year agreements (commencing 2010, 2011, 2013, 2020) with ENMAX, for the supply of thermal energy. The annual price of the energy supplied by each agreement is a blended rate which includes a fixed charge component. During 2021, ENMAX's district energy system was sold to Calgary District Heating Inc. (CDHI), a wholly owned subsidiary of Atlantica Sustainable Infrastructure plc, and it was agreed that all existing agreements with The City would be honoured. Additionally, The City has entered into one 25-year agreement (commencing 2023) with CDHI for the supply of thermal energy. As at December 31, 2024, the estimated future obligation for this fixed charge is \$3,629 (2023 – \$4,242).

- j. The City has entered into a 20-year agreement with ENMAX Independent Energy Solutions Inc, a wholly owned subsidiary of ENMAX, for supply of on-site production of electricity and thermal energy at the Stoney Transit Facility until November 2037. The commitment is estimated to be \$4,690 (2023 – \$5,005).
- k. The City has entered into a 10-year agreement with ENMAX Generation Portfolio Inc, a wholly owned subsidiary of ENMAX, for supply of on-site production of electricity and thermal energy at the Village Square Leisure Centre until December 2026. The commitment is estimated to be \$994 (2023 – \$1,476).
- l. The City is responsible for the remediation of contaminated sites where The City is directly responsible or has accepted responsibility for remediation. A provision for future clean-up costs and monitoring has been accrued based on environmental assessments. As at December 31, 2024, the provision was \$1,701 (2023 – \$1,755) and is classified in accounts payable and accrued liabilities. This provision is based on \$2,091 (2023 – \$2,091) in expenditures expected to be incurred over the next 25 years discounted at 4.04 per cent (2023 – 3.57 per cent) based on The City's weighted average cost of capital.

The liability for contaminated sites is for a non-sanctioned activity on a City-owned parcel of land and an operating industrial operation. The nature of contamination includes heavy metals and petroleum hydrocarbons.

From time to time, there may be uncertainty as to whether The City has a legal responsibility or accepts responsibility for a contaminated site or whether economic benefits will be foregone for a contaminated site. It is not expected that the impact of any such sites would have a material impact on the consolidated financial statements. When The City is able to determine that all inclusion criteria have been met, The City will accrue a liability for these future remediation costs.

- m. On November 1, 2019, The City entered into a contribution agreement with CMLC and Calgary Exhibition and Stampede Limited (CESL) to expand the BMO Centre which is owned and operated by CESL. The City, through CMLC, committed to fund two-thirds of the eligible costs of \$333,334 which will be funded via The City's Major capital projects reserve. CMLC will repay The City through the Rivers District Community Revitalization Levy starting in 2028 through 2047. In 2024, The City incurred \$28,461 (2023 – \$106,670) of costs, which were expensed as a donation to CESL. The remaining commitment is \$7,097 (2023 – \$35,558) and has been included as a capital commitment in Note 30 a.
- n. On September 5, 2020, The City entered into a development management agreement with CMLC and Arts Commons for the design work of the Arts Commons Transformation project. This agreement was restated and amended on January 31, 2022 to provide for the construction and further amended on June 6, 2023 to include the Olympic Plaza Transformation project. Council authorized the allocation of \$123,400 (2023 – \$83,400) towards the design and construction of the project to be funded from the Canada Community Building Fund, Fiscal stability reserve and the Major capital project reserve. In addition to the above funding, Council passed a Bylaw authorizing a loan of up to \$165,000 to CMLC with both principal and interest to be repaid with future community revitalization levy starting in 2027 through 2047. In 2024, The City incurred \$21,088 (2023 – \$6,585) of costs which have been capitalized.
- o. On October 5, 2023, agreements were signed between The City, Calgary Sports and Entertainment Corporation, the Province of Alberta and Calgary Exhibition and Stampede Limited to develop and operate a new modern event centre and make additional infrastructure investments in the Culture + Entertainment District. The City's commitment to the projects is \$972,192 (2023 – \$853,300) and will be funded via the Major capital projects reserve, Pay-As-You-Go, Reserve for future capital and lifecycle maintenance and upgrade reserve. The City incurred \$104,523 (2023 – \$10,129) of costs to date. A commitment of \$867,668 (2023 – \$843,171) has been included as a capital commitment in Note 30 a.

31. Guarantees

In the normal course of business, The City enters into various agreements that may contain features that meet the definition of a guarantee. A guarantee is defined to be a contract (including an indemnity) that contingently requires The City to make payments to the guaranteed party based on (a) changes in an underlying interest rate, foreign exchange rate, equity or commodity instrument, index or other variables that are related to an asset, liability or an equity security of the counterparty, (b) failure of a guaranteed party to perform under an obligating agreement or, (c) failure of a guaranteed party to pay its indebtedness when due. Significant guarantees The City has provided to third parties include the following:

a. Third party debt agreements

No amounts have been accrued in the consolidated financial statements of The City with respect to the following agreements.

- i. The City has guaranteed certain indebtedness of CESL. This third party debt agreement requires The City to make immediate payment of certain outstanding borrowings on behalf of CESL in the event CESL cannot fulfil its obligations to a Canadian chartered bank. The terms of these guarantees are equal to the amortization periods of the related credit facilities, which mature between 2023 and 2035. The interest rates on the credit facilities owed by CESL range from 4.49 per cent to 6.30 per cent (2023 – 3.64 per cent to 6.70 per cent). As at December 31, 2024, CESL has drawn a total of \$30,004 (2023 – \$74,558) on the total maximum available facility of \$30,004 (2023 – \$74,558). The City, as an unconditional guarantor, holds as security a fixed debenture in the amount of \$80,000 (2023 – \$80,000) charging certain lands owned by CESL.
- ii. The City guaranteed certain indebtedness of The Calgary Zoological Society (The Zoo). This third party debt agreement required The City to make immediate payment of outstanding borrowings on behalf of The Zoo in the event The Zoo could not fulfil its obligations to a Canadian chartered bank. The term of the guarantee is valid until December 18, 2024, when the related debt matured. As at December 31, 2024, the outstanding balance of the facility was \$nil (2023 – \$441) on the total maximum available facility of \$nil (2023 – \$441).

- iii. The City has guaranteed certain indebtedness of AHCC. This third party debt agreement requires The City to make immediate payment of outstanding borrowings on behalf of AHCC in the event AHCC cannot fulfil its obligations on a revolving credit facility to a Canadian financial institution. The City guarantee is valid until June 30, 2026, when the related credit facility matures. The interest on the credit facility is Prime minus 0.75 per cent (2023 – Prime minus 0.75 per cent). As at December 31, 2024, the outstanding balance of the facility was \$3,664 (2023 – \$694) on the total maximum available facility of \$10,000 (2023 – \$10,000). The City, as an unconditional guarantor, holds as security a fixed and floating debenture in the amount of \$10,000 (2023 – \$10,000).

b. Other indemnification agreements

In the normal course of business, The City may provide indemnification to counterparties that would require The City to compensate them for costs incurred as a result of litigation claims or statutory sanctions that may be suffered by the counterparty as a result of the transaction. The terms of these indemnification agreements will vary based upon the contract. The nature of the indemnification agreements prevents The City from making a reasonable estimate of the maximum potential amount it could be required to pay to counterparties. Any potential indemnification claims may be claimed against the Civic Insurance Program, which comprises a combination of purchased insurance and a self-funded component.

32. Executive Salaries and Benefits

The following executive salaries and benefits are disclosed as required under the Supplementary Accounting Principles and Standards Regulation (AR 313/2000) of the *Municipal Government Act*. Executive salaries and benefits obligations have been fully funded by The City.

	Salaries		Benefits ⁽¹⁾		Transitional Allowance ⁽²⁾		2024	Salaries	Benefits ⁽¹⁾		Transitional Allowance ⁽²⁾		2023
Mayor													
Gondek, J	\$	212	\$	9	\$	–	\$ 221	\$ 208	\$ 9	\$ –	\$	217	
	\$	212	\$	9	\$	–	\$ 221	\$ 208	\$ 9	\$ –	\$	217	
Councillors													
Carra, G	\$	120	\$	18	\$	–	\$ 138	\$ 117	\$ 18	\$ –	\$	135	
Chabot, A		120		18		–	138	117	18	–		135	
Chu, S		120		18		–	138	117	18	–		135	
Demong, P		120		18		–	138	117	18	–		135	
Dhaliwal, R		120		18		–	138	117	18	–		135	
McLean, D		120		16		–	136	117	18	–		135	
Mian, J		120		18		–	138	117	18	–		135	
Penner, K		120		18		–	138	117	18	–		135	
Pootmans, R		109		17	14		140	117	18	–		135	
Sharp, S		120		18		–	138	117	18	–		135	
Spencer, E				18		–	138	117	18	–		135	
Walcott, C		120		18		–	138	117	18	–		135	
Wong, T		120		18		–	138	117	18	–		135	
Wyness, J		120		18		–	138	117	18	–		135	
Sutherland, W		–		–		–	–	–	–		17	17	
	\$	1,669	\$	249	\$	14	\$ 1,932	\$ 1,638	\$ 252	\$ 17	\$	1,907	
Chief Administrative Officer	\$	406	\$	54	\$	–	\$ 460	\$ 346	\$ 53	\$ –	\$	399	
Designated Officers ⁽³⁾		1,931		318		–	2,249	1,710	312	–		2,031	
	\$	4,218	\$	630	\$	14	\$ 4,862	\$ 3,902	\$ 635	\$ 17	\$	4,554	

(1) Benefits include The City's share of all benefits and contributions including pension, medical and dental coverage, flexible spending account, life insurance, Active Living Pass and car allowance. Councillors are also provided a transit pass, a parking stall at the City Hall complex and a special parking permit that allows them to park as required.

(2) Elected officials receive a transition allowance, upon conclusion of their service, equal to two weeks pay for each year in office, up to a maximum of twenty-six years. These allowances may be taken over several years.

(3) The City's designated officers are the Chief Financial Officer, City Assessor, City Clerk, City Solicitor, City Treasurer, City Auditor and Deputy Director – Finance. In 2024, there was \$143 (2023 – \$13) in retirement, holiday and vacation paid out of the ordinary course of business and severance payouts for these designated officers.

33. Funds Held in Trust

The City administers the following funds held in trusts on behalf of third parties. As related trust assets are not owned by The City, the trusts have been excluded from the consolidated financial statements. The following table provides a summary of the transactions within these trusts during the year:

	December 31, 2023	Receipts	Investment Income	Disbursements	December 31, 2024
Joint Use Reserve Fund	\$ 59,603	\$ 1,601	\$ 1,939	\$ –	\$ 63,143
Major Road Standard Oversize	2,452	4,993	56	(5,518)	1,983
Community and District Parks	2,251	–	104	–	2,355
Utility Oversize	6,958	2,650	272	(4,930)	4,950
Developers' cash bonds	2,467	–	114	–	2,581
Acreage Assessment Fund	519	–	19	–	538
Candidate Campaign Surplus Fund	2	–	–	–	2
Other miscellaneous trusts	1,450	1,512	95	(340)	2,717
	\$ 75,702	\$ 10,756	\$ 2,599	\$ (10,788)	\$ 78,269

	December 31, 2022	Receipts	Investment Income	Disbursements	December 31, 2023
Joint Use Reserve Fund	\$ 54,160	\$ 3,442	\$ 2,001	\$ –	\$ 59,603
Major Road Standard Oversize	75	5,448	33	(3,104)	2,452
Community and District Parks	3,063	–	118	(930)	2,251
Utility Oversize	10,600	2,891	459	(6,992)	6,958
Developers' cash bonds	2,381	–	116	(30)	2,467
Acreage Assessment Fund	496	–	23	–	519
Candidate Campaign Surplus Fund	2	–	–	–	2
Other miscellaneous trusts	1,392	180	72	(194)	1,450
	\$ 72,169	\$ 11,961	\$ 2,822	\$ (11,250)	\$ 75,702

The Joint Use Reserve Fund consists of monies held in accordance with the Joint Use and Planning Agreement with the Calgary Board of Education, the Calgary Catholic Separate School Board and the Francophone Regional Authority (the School Boards). The fund is administered by the Joint Use Coordinating Committee, comprised of representatives from The City and the School Boards. Use of the fund is in accordance with the agreement with the School Boards.

The Developer Funded Infrastructure Stabilization Fund – Major Road Standard Oversize, Community and District Parks and Utility Oversize consist of amounts provided by developers of new subdivisions in accordance with oversize rates set out in the Standard Development Agreement (SDA) terms and conditions. The SDA sets out the terms and conditions under which development of the lands are to take place within the city including the responsibility to construct or pay for public infrastructure.

The Developers' cash bonds are monies held to secure performance by a developer under the terms of the SDA.

Acreage Assessment Fund for recreational facilities consists of monies received from developers prior to the year 2000 pursuant to a special clause in the SDA whereby each developed hectare is assessed a certain sum to be used for recreational facilities in the designated community. The funds held in trust will continue to hold the established trusts until the monies are completely disbursed.

The Candidate Campaign Surplus Fund is administered by The City on behalf of election candidates, the funds held in trust shall remit the funds and interest to the candidate for use in the next general election.

Other miscellaneous trusts are composed of multiple funds with minimal balances that are held for external organizations.

34. Comparative Figures

The prior year comparative figures have been reclassified to conform to the current year's presentation impacting certain balances between capital deposit categories in Note 12 and reserve categories in Note 20.

The impact of the change to Note 12 was to disclose off-site levies and centre city levies separately. The impact of the change to Note 20 was to reclassify the Calgary Parking reserve from capital reserves to sustainment reserves.

Climate-Related Financial Disclosure 2024



Flood mitigation along the
Bow River near Chinatown

Background and Introduction

Climate change poses numerous risks and opportunities to The City of Calgary (The City) and all Calgarians, including financial, economic, environmental and community safety and wellbeing impacts. To address these risks and opportunities, Calgary City Council (Council) prioritized climate resilience in its 2023-2026 Strategic Direction⁽¹⁾ and approved the Calgary Climate Strategy – Pathways to 2050⁽²⁾ (Climate Strategy). The 2023-2026 Climate Implementation Plan⁽³⁾ (Implementation Plan), part of The City's 2023-2026 Service Plans & Budgets, marked the first steps in integrating climate action into The City's four-year planning and budgeting cycle. These actions are focused on reducing climate-related risks through decreasing greenhouse gas (GHG) emissions and reducing Calgary's exposure and vulnerability to climate-related hazards such as flooding, drought, wildfire smoke and extreme weather.

To provide enhanced transparency about how climate change affects The City's finances, operations and services to Calgarians, a Climate-Related Financial Disclosure (CRFD) is included in the unaudited portion of the Annual Financial Report, for the fourth consecutive year. This year's disclosure aims to align with the International Sustainability Standards Board (ISSB) International Financial Reporting Standards (IFRS) S2 – Climate-related Disclosures (see *Highlight 1*). It showcases The City's commitment to responsible governance and long-term resilience.

Highlight 1: Evolution of The Climate-Related Disclosure Landscape

The ISSB introduced the IFRS S2 Climate-related Disclosures standard in June 2023, effective from January 1, 2024. The International Public Sector Accounting Standards Board (IPSASB) released an exposure draft for public sector climate-related disclosures in September 2024, with final guidelines expected by the end of 2025. The City's financial accounting and statements align with the Canadian Public Sector Accounting Board (CPSAB). While this year's CRFD report aims to align with the IFRS S2, future reports will look to align with the IPSASB or CPSAB once public sector focused climate-related disclosure standards become available and effective.

(1) The City of Calgary. 'Resilient Calgary: Council's Strategic Direction 2023-2026'. The City of Calgary [website], 11 December 2023. <https://publicaccess.calgary.ca/lldm01/exccpa?func=ccpa.general&msgID=RTeygKcqTTO&msgAction=Download>

(2) The City of Calgary. 'Calgary Climate Strategy – Pathways to 2050'. The City of Calgary [website], 11 December 2023. <https://www.calgary.ca/environment/climate.html>

(3) The City of Calgary. 'Climate Implementation Plan 2023-2026'. The City of Calgary [website], 05 February 2024. <https://www.calgary.ca/environment/climate/implementation-plan.html>

Governance

The City ensures accountability, effectiveness and transparency in climate action through a comprehensive governance system. Climate-related risks are identified at multiple organizational levels, including alignment to Council's priorities, Executive Leadership Team's (ELT) corporate priorities and strategic direction, and commitments and performance set by City services. The governance section of this report details the supporting processes and controls.

1.1. Governance Roles and Responsibilities

Corporate Strategy

Council is responsible for setting the strategic priorities for The City, with climate resilience being a key foundation of these priorities. Council receives semi-annual reports on climate-related risks through the Audit Committee and provides direction and approvals for The City's strategies, plans, policies, bylaws and budgets. The Climate Advisory Committee of Council (CAC), comprised of third-party experts, offers Council advice on The City's long-term strategic approach to addressing climate change and environmental sustainability and short-term implementation of actions. In 2024, The CAC evolved their seven subcommittees, enabling the Committee to better understand The City's climate planning, action and reporting, building a stronger relationship with City Administration.

Executive Leadership

The Chief Administrative Officer (CAO) sets the vision for realizing Council's priorities. The Chief Operating Officer (COO) supports achieving this vision, by providing oversight to advance implementation of corporate priorities, of which climate is one. ELT ensures The City delivers on these priorities across corporate teams. The Climate Guiding Coalition, comprising the COO and CFO, provides strategic direction for integrating climate action into City business. They make cross-corporate decisions, especially where outcomes may conflict or diverge.

Service Level Implementation

Service committees and business units implement programs and projects based on ELT direction, aligned with Council and Corporate Priorities. They provide ELT with information, recommendations and risk assessments, including climate-related risks. The Climate & Environmental Management Service Committee and Climate & Environment business unit oversee cross-corporate climate-related risk management with Enterprise Risk Management (ERM). The Emergency Management & Community Safety business unit oversees the Calgary Emergency Management Agency, which assesses local disaster risks, including those related to climate events, and coordinates proactive risk management strategy, emergency planning, disaster mitigation, community preparedness, business continuity, response and recovery activities on behalf of the local authority. Other key internal groups involved include Business Planning and Performance, Capital Priorities and Investment, Risk Management and Claims and operational services managing environmental and climate-related risks.

1.2. Governance Assessment and Improvement

In 2023, an evaluation of The City's evolving corporate climate governance system was undertaken. A 2023 assessment score and target were set for each of the five assessed governance categories and reported within the 2023 Climate-Related Financial Disclosure. The governance score across all categories averaged a 6 (identified as progressing), reflecting The City's significant and ongoing efforts in improving its governance related to climate action. The next second-party evaluation of The City's corporate climate governance system will be completed in late 2025.

In 2024, The City took proactive steps to implement additional measures to advance climate governance across the organization, including:

- The new Governance and Reporting Division in Climate & Environment was established to enhance cross-corporate connections and accountability on climate action and develop tools to integrate climate into decision-making.
- The City's new Capital Investment Prioritization Framework will assess new investments based on their impact on climate and environmental outcomes, including climate risk, adaptation, GHG emissions, natural infrastructure, resource consumption and pollution prevention.

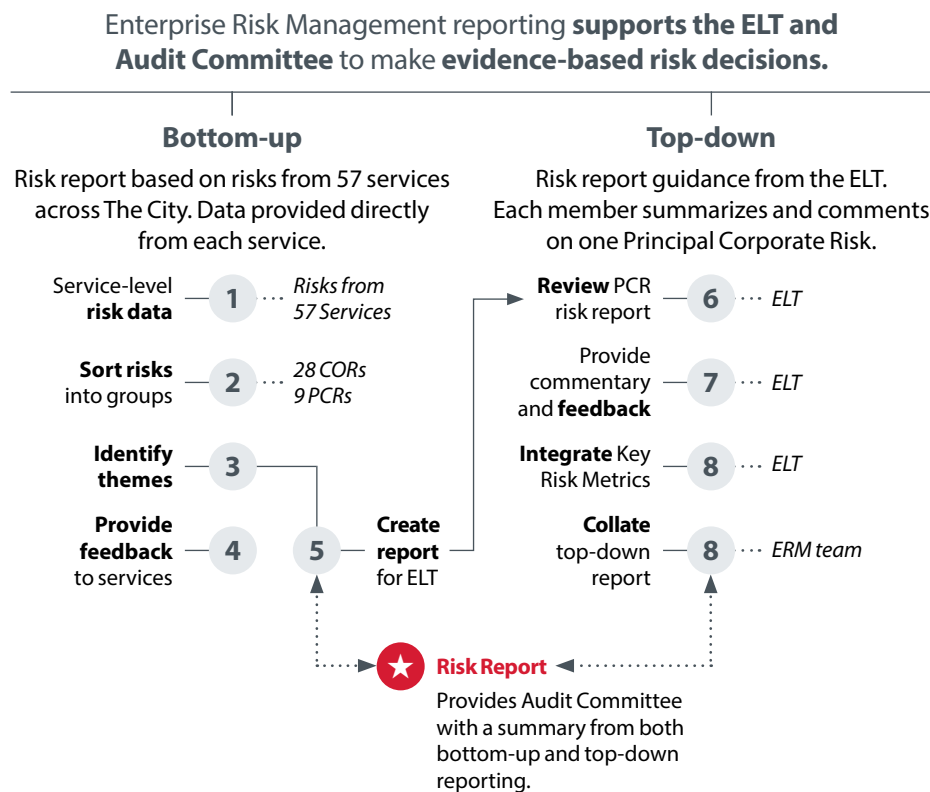
Risk Management and Strategy

The City has developed tools and processes to identify, assess, prioritize and monitor climate-related risks and opportunities. These risks are integrated into The City's overall risk management framework and serve as key input to its overall strategy.

2.1. Corporate Risk Review Process

The City's corporate risk review process is a systematic approach to collecting, analyzing and reporting information on risks that could impact the achievements of its desired results. The output of this process is a corporate risk profile.

Figure 1: The City's Corporate Risk Review Process



2.1.1 The City's Corporate Risk Profile

The Corporate Enterprise Risk Management team updates The City's risk profile semi-annually (see *Highlight 2*) based on information received for the nine Principle Corporate Risks (PCR), including the Sustainable City PCR, which addresses physical climate risk and GHG risk as Corporate Operating Risks (CORs).

Highlight 2: 2024 Year-End Risk Profile

In the 2024 Year-End Risk Profile, the Sustainable City PCR was rated as "High" with a "Stable" trend. The City's risk response is in progress and the risk will continue to be closely monitored and assessed.

PCRs are evaluated based on likelihood and impact and rated as Slight, Low, Medium, High or Extensive. The risk profile includes additional information for each PCR, such as: progress of risk response, trend and an assessment of risk appetite and tolerance.

The City's PCRs are assessed using both a bottom-up and a top-down approach (see *Highlight 3*) and consider internal and external pressures which may result in changes to the risk rating, trend or risk response strategies. Climate change is evaluated as an external pressure on The City's PCRs and overall risk profile, specifically regarding the impact of extreme weather events on The City, its assets, infrastructure, workforce and Calgarians.

ELT monitors and discusses risks, addressing both internal and external threats to The City's strategic objectives. Their goal is to mitigate negative impacts on The City's assets and services and capitalize on opportunities.

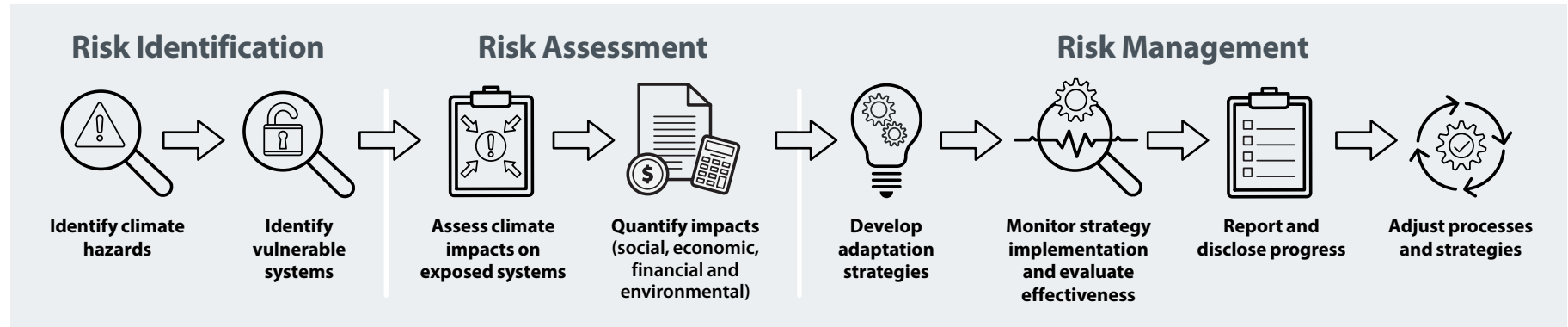
Highlight 3: Climate & Environment Assessment

Subject Matter Experts from the Climate & Environment business unit are engaged throughout the PCR assessment process to provide information and update the risks, ratings and risk response within the Climate & Environmental Management Service Risk Register.

2.2. Climate-Related Physical Risks and Opportunities

Climate-related physical risks and opportunities refers to the direct impacts of climate change on the environment, human and built infrastructure systems.

Figure 2: The City's Climate-Related Physical Risk Assessment Process



2.2.1 Physical Risk Identification

The City uses climate projections to describe how Calgary is likely to experience climate change based on current emission trends and scenario analysis best practices. This information is detailed in The City's 2022 Climate Projections Report⁽⁴⁾ (See *Highlight 4*) and uses historical (1981-2010), medium-term, 2050s (2041-2070) and long-term, 2080s (2071-2100) time horizons. Using these projections, The City assesses Calgary's specific physical climate risks through various approaches and scenario analyses.

Highlight 4: 2024 Climate Projections Update

In 2024, The City's subject matter experts updated the 2022 Climate Projections Report for Calgary to include more information on the confidence of the projections and, where applicable, updated climate projections data to account for historical adjusted time periods.

(4) The City of Calgary. 'Climate Projections for Calgary'. The City of Calgary [website], 10 January 2025. <https://www.calgary.ca/content/dam/www/uep/esm/documents/climate-projections-calgary-2024.pdf>

2.2.2 Physical Risk Assessment

The City uses two primary tools to assess and manage climate-related physical risks: the Community Climate Risk Index (CCRI) for community-level analysis and the Climate Risk and Resilience Assessment (CRRA) processes for corporate assets and service delivery. These tools use climate projections and combine qualitative and quantitative data with structured protocols to identify vulnerabilities, evaluate exposure and inform risk reduction measures. The table below details these tools and their applications in identifying and assessing physical risks:

Table 1: Physical Risk Assessment Tools

Assessment Tool	Tool Type	Tool Description	Tool Use
Community Climate Risk Index (CCRI)	Spatial Analysis Model	The CCRI is an internal tool that assesses climate hazard exposure and vulnerability indicators for each of Calgary's geographic communities. The CCRI informs Climate Risk Profiles for each of Calgary's communities to provide evidence-based information for place-based planning and adaptation strategies.	The detailed projections are available internally and externally to inform climate risk assessments, infrastructure design and operational planning.
Climate Risk and Resilience Assessment Processes (CRRA)	Risk Assessment Processes	<p>The CRRA is a collaborative in-depth process that assesses climate risk on City-owned infrastructure and facilities and informs site and project specific adaptation measures within the design to reduce physical risk to the asset and its provision of services.</p> <p>The Climate Risk Screening Assessment is a simplified CRRA process that applies a screening model on public infrastructure projects that are typically at a later stage in design to streamline the identification of opportunities to reduce physical climate risk.</p>	These processes serve to identify hazards and associated risk, inform project teams and influence design decisions to build more climate-resilient City assets.

The City has conducted economic analyses to quantify climate change impacts, supporting evidence-based risk reduction and highlighting the societal costs of inaction and the benefits of proactive adaptation for City-owned facilities. These insights guide strategic capital planning, budget allocation, and long-term fiscal sustainability in climate risk management (See *Highlight 5*). Table 2 below details the analyses and their applications.

Highlight 5: Calgary Transit Analysis

In 2024, a CRRA and an economic analysis for the whole of Calgary Transit kicked off to better understand climate risk to Transit service delivery, staff and assets. An economic analysis will be completed to explore adaptation measures and investment strategies to reduce risk to Transit's assets in 2025 and beyond.

Table 2: Climate-related Economic Analysis Tools

Assessment Tool	Tool Type	Tool Description	Tool Use
Costs of Inaction: Economic Analysis of Calgary's Climate Risks⁽⁵⁾	Report	An analysis of future climate risks for Calgary indicates that without significant GHG emissions mitigation and local adaptation, the expected annual costs to Calgary could reach \$2.6B by the 2050s and \$7.8B by the 2080s (in 2020 dollars).	This demonstrates the order of magnitude of the potential future costs of climate change on major civic and public systems to inform the business case for climate adaptation in a Calgary context.
Economic Analysis of Climate Risks and Adaptation – City Buildings⁽⁶⁾	Model	Assesses the increasing costs due to climate change on The City's buildings portfolio and recommends cost-efficient strategies to reduce climate risk to building components. The estimated added lifecycle costs for The City buildings portfolio, due to climate hazards increasing, is \$1.6B (2021 dollars) from 2025-2095.	This can be used to calculate the lifetime savings of proactive vs reactive investments by highlighting opportunities to reduce future costs from climate change.
Valuation of Natural Assets	Spatial Analysis Model	The natural asset valuation approach builds on the intrinsic value of nature to assess the ecosystem service values and the replacement cost of natural assets. Natural assets in Calgary provide an annual service value of approximately \$2.5B.	This approach recognizes the capacity of natural assets to reduce climate risk and can inform decisions by which to better protect, restore and manage natural assets.

2.2.3 Climate-Related Physical Risks

Calgary's unique geographical location exposes the city to a range of climate-related physical risks, including acute events like floods and severe storms and chronic hazards such as temperature shifts, wildfire smoke and prolonged droughts (see *Table 3* below). These risks challenge City infrastructure, operations and community well-being⁽⁷⁾ (see *Highlight 6*), but also offer opportunities for modernization, emergency preparedness and adaptation investments. Managing these risks and opportunities is crucial for The City's financial planning, service delivery, long-term resilience and affordability outcomes for Calgarians.

Highlight 6: 2024 Hail Impact

In August 2024, Calgary experienced the costliest hailstorm in Canadian history with approximately \$3.25B in insured losses for Calgary property owners and businesses. City assets also sustained a moderate amount of damage, including facilities, fleet vehicles, and waste and recycling infrastructure, as well as Civic Partner assets.

(5) Calgary Financial impacts are derived from: Boyd, R. and Prescott, S. Costs of Inaction: Economic Impacts of Climate Change on Calgary. Prepared by All One Sky Foundation for The City of Calgary. Calgary: All One Sky, 2022.

(6) Boyd, R.1, Kwan, C.1, Iffrig, A.2, Kowalczyk, T.2 and Zukiwsky, J.1, 2023: Financial Analysis of the Climate Resilience Funding Gap for City Facilities: Adapting City Buildings for Climate Change. Technical Report prepared by All One Sky Foundation and Associated Engineering for The City of Calgary.

(7) Catastrophe Indices and Quantification Inc. CatIQ Discloses Updated Industry Loss for the Calgary Hailstorm of August 5, 2024. CatIQ [website], 12 February 2025. <https://public.catiq.com/2025/02/10/cad-3-253-b-catiq-discloses-updated-industry-loss-for-the-calgary-hailstorm-of-august-5-2024/>

Table 3 Climate-related Physical Risks, Implications, and Responses

Climate-related Physical Risks	Description of Risk	Community Implications	Municipal Implications	Description of Response
Shifting Seasons Risk Type: Chronic Time Horizon: Mid to long-term (2041 – 2100) Likelihood: Very High	<p>Changes in seasonal patterns affect multiple aspects of Calgary's built and environmental systems.</p> <ul style="list-style-type: none"> • Earlier spring freshet shifts annual water availability and demand patterns. • Changes in freeze-thaw cycles can damage infrastructure. • Vegetation impacts, invasive species spread and changing disease susceptibility in parks and private gardens. 	Community Safety & Wellbeing <ul style="list-style-type: none"> • Change to seasonal recreational activities, diminishing outdoor ice and snow, longer season and increasing demand for spring and summer sports. 	Operations <ul style="list-style-type: none"> • Increasing annual cost to maintain parks and natural assets stressed by seasonal changes and acute climate hazards (e.g. pest management and urban forest maintenance). • Increasing need for road repairs and shifting road maintenance seasons. • Shifting municipal water demand and seasonal source water supply. Natural Environment <ul style="list-style-type: none"> • Shifting seasonal patterns disrupts biological timing of tree and vegetation causing damage and loss of critical ecosystem services provided by natural assets. • Invasive species (e.g. Emerald Ash Borer, Dutch Elm Disease) could cause complete destruction of whole species of trees, resulting in an estimated cost of \$80M over 10 years to remove and replace the impacted assets. 	<ul style="list-style-type: none"> • Federal funding has been secured to increase tree planting in the city. • Implementation of the Drought Resilience Plan (2023). • Water Security Roadmap (2026). • Hydrologic forecasting and coordinated water reservoir and dam operations.
Severe Storms (heavy rain, hail, snow/ice) Risk Type: Acute Time Horizon: Short-midterm (present – 2070) Likelihood: High	<p>Intense storms can overwhelm city drainage infrastructure, leading to localized flooding. Severe hail, high winds and intense rainfall can damage built and natural assets and create dangerous conditions.</p> <ul style="list-style-type: none"> • Hailstorms have damaged billions of dollars' worth of private and public assets (built and natural) in Calgary over the past few years (e.g. the 2020 and 2024 hailstorms resulted in a combined \$4.41B⁽⁸⁾). • Significant damage and loss of urban tree canopy due to severe storms in 2014, 2020 and 2024. • Public and private infrastructure (built and natural) can be damaged, and essential services and transportation networks may be temporarily unavailable. 	Community Safety & Wellbeing <ul style="list-style-type: none"> • Increased insurance costs from significant and recurring storm events in the region. • Impacts on major economic entities such as the Calgary International Airport (significant service disruption and movement of people and goods). • Decreased insurance coverage. • Significant cost, time and psychological stress to repair and replace damaged and destroyed private property. 	Built Infrastructure <ul style="list-style-type: none"> • Increased closures of public facilities and inability to access services. • Increased life cycle and replacement costs to municipal assets (e.g. stormwater infrastructure, facilities, fleet, etc.). Operations <ul style="list-style-type: none"> • Increasing emergency response, clean-up costs and staff redeployment (e.g. spring thaw and flood event in March 2023 led to nearly 35,000 service requests and a cost of approx. \$500,000). Natural Environment <ul style="list-style-type: none"> • Severe storms significantly increase damage to trees and other natural infrastructure, resulting in ecosystem service loss, costs for response/clean-up and decreased public safety (tree failures). Losses are absorbed by The City without any assistance from other orders of Government support. 	<ul style="list-style-type: none"> • Implementation of the Stormwater Management Strategy (2023). • Emergency response and clean-up to repair public and private property and restore essential services. • The Community Drainage Improvement program reduces local flood risk. • The Alberta Climate Ready Homes project is supporting climate resilience in the residential home sector.

(8) L. Twidle, Managing Director, CatIQ, personal communication, February 14, 2025.

Table 3 Continued

Climate-related Physical Risks	Description of Risk	Community Implications	Municipal Implications	Description of Response
Drought Risk Type: Chronic & Acute Time Horizon: Short to Long-term (present – 2100) Likelihood: High	<p>Natural and seasonal variabilities in the water system will be exacerbated by climate change, with increased risk of drought.</p> <ul style="list-style-type: none"> Municipal, agricultural and industrial water supply impacts. Ecological, social and economic consequences from disruptions in water availability and change in quality. 	Community Safety & Wellbeing <ul style="list-style-type: none"> Reduced servicing for outdoor activities (e.g. sports fields, pools, splash pads). Business interruptions due to water shortages may reduce business revenue and increase consumer prices. Impact to agricultural and industrial water users which could contribute to higher food prices. 	Natural Environment <ul style="list-style-type: none"> Increasing annual cost to maintain parks and natural assets stressed by seasonal drought (e.g. pest management, habitat restoration and urban forest maintenance). Loss of ecosystem services provided by natural assets. Operations <ul style="list-style-type: none"> Irrigated sports fields public pools, splash parks and landscaping may be disrupted. Increased operational cost including staffing, infrastructure, communications, bylaw enforcement, water and wastewater treatment. Increased costs to maintain regulatory compliance for wastewater discharge. Increased variability in water utility revenue projections and pressure on financial reserves. 	<ul style="list-style-type: none"> Implementation of the Drought Resilience Plan (2023) including Voluntary Water Sharing Agreements and operational business units' Drought Response Plans. Effective water use reduction (e.g. 2023 drought response and 2024 infrastructure repairs). Active participation in Bow River Reservoir Options analyses and continued support for water management approaches and infrastructure which adapt to shifting demand and supply seasonality.
Extreme Temperatures Risk Type: Chronic & Acute Time Horizon: Short to Long-term (present-2100) Likelihood: High	<p>Calgary is increasingly vulnerable to high temperatures and heat waves, as many buildings lack cooling due to historically moderate summers.</p> <p>The urban heat island effect amplifies temperatures in developed areas.</p>	Community Safety & Wellbeing <ul style="list-style-type: none"> Decreased future worker productivity. Excess hospitalizations and increased morbidity and mortality especially amongst vulnerable populations (e.g. seniors, infants, those with pre-existing health conditions and low-income residents). 	Built Infrastructure <ul style="list-style-type: none"> Increase in annual building energy costs for cooling. Increased cost to provide public cooling amenities (e.g. water fountains and features). Increasing summer energy demand due to cooling. Operations <ul style="list-style-type: none"> Decreased worker productivity and adjustment to project schedules. Increased staff exposure to health impacts from extreme temperatures. 	<ul style="list-style-type: none"> Enhanced public communications leading up to and during heat waves. Urban heat mapping tool that identifies "hot spots" for planning heat mitigation efforts. Enhanced planting, care and protection of trees to reduce urban heat effects. Additional public water stations during the summer months.

Table 3 Continued

Climate-related Physical Risks	Description of Risk	Community Implications	Municipal Implications	Description of Response
Wildfire Smoke Risk Type: Chronic & Acute Time Horizon: Short to mid-term (present-2070) Likelihood: High	Wildfire smoke can impact Calgary's air quality with high particulate matter. Smoke can cause irritation to eyes, nose, throat, respiratory challenges and trouble breathing especially for vulnerable populations.	Community Safety & Wellbeing <ul style="list-style-type: none"> Decreased future worker productivity. Increase in mortality and morbidity. Increase in acute respiratory symptom days, asthma symptom days and emergency room visits. Impacts to outdoor and recreational activities. 	Built Infrastructure <ul style="list-style-type: none"> Increasing costs to upgrade building HVAC systems for higher temperatures and poor air quality. Operations <ul style="list-style-type: none"> Decreased labour productivity and adjustment to outdoor work schedules. Cancellations in outdoor events and programming and the need to provide suitable back-up indoor use spaces. 	<ul style="list-style-type: none"> HVAC system upgrades in municipal buildings to improve indoor air quality. Operational adjustments to protect staff health and wellbeing.
River Flooding Risk Type: Acute Time Horizon: Short to Long-term (present – 2100) Likelihood: Medium	The Bow and Elbow Rivers have the potential to result in severe flooding during spring mountain snowmelt combined with heavy rainfall events (e.g. the 2013 flood caused approx. \$5B in damages ⁽⁹⁾).	Community Safety & Wellbeing <ul style="list-style-type: none"> Loss of personal belongings and cultural assets, impacting wellbeing. Displacement costs for affected residents. Damage to buildings and business interruption. Insurance cost increases. Increased stress from recovery. Exposure to contaminated flood waters or potential injuries. Disruption to essential services. 	Built Infrastructure <ul style="list-style-type: none"> Damage and repair costs to municipal infrastructure and maintenance of infrastructure flood protection. Increase in building life-cycle costs. Operations <ul style="list-style-type: none"> Emergency response, evacuation and clean-up costs. Disruption to City services and associated revenue losses. 	<ul style="list-style-type: none"> Permanent Flood Resilience Program. Developed and approved Stormwater Management Strategy in 2023. Over \$1B invested in local and upstream flood mitigation infrastructure since 2013. Updated flood hazard mapping. Updating regulatory framework for flood-resilient development and property-level flood risk reduction.

According to The City's 2022 Climate Projections Report, it is likely that climate-related events will increase in severity and frequency. These changes will occur in the context of increasing property and infrastructure value, and increased exposure to climate-related risks as the city grows, potentially leading to increased costs and damages for The City and Calgarians long-term.

Climate-related physical risks can disproportionately affect vulnerable populations, including the elderly, low-income and racialized communities. The City acknowledges that climate-related physical risks cannot be entirely mitigated and risk management strategies must continuously evolve.

Highlight 7: Impact of The City's Flood Resilience Action

The City's insurers have cited climate-related events as a reason for increased global and local insurance rates. However, The City's robust climate risk assessment processes and risk mitigation measures, such as the downtown flood barrier, have reduced the direct risk to City assets, resulting in a decrease for flood related insurance premiums.

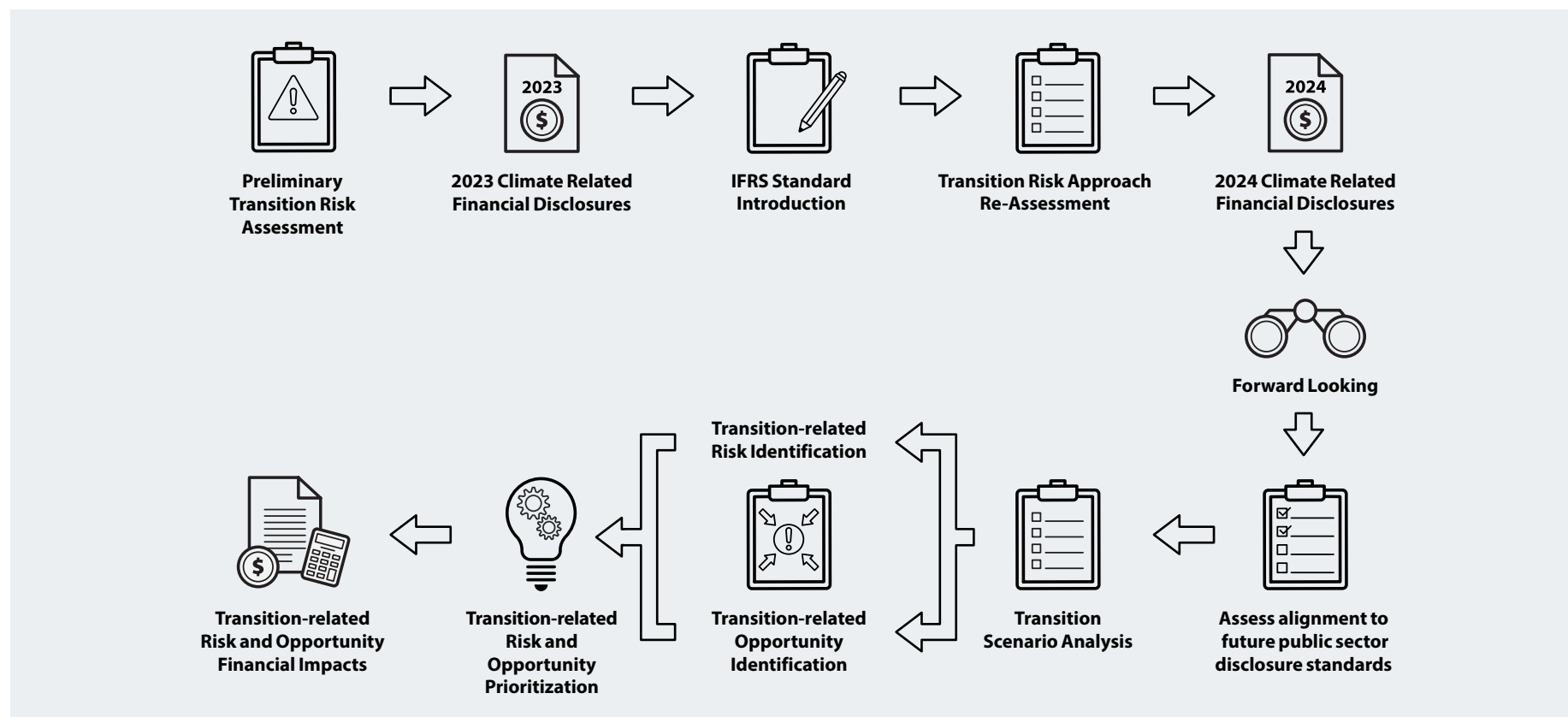
(9) The City of Calgary. Flooding in Calgary - Flood of 2013. City of Calgary [website], 18 February 2025. <https://www.calgary.ca/water/flooding/history-calgary.html>

2.3. Climate-Related Transition Risk and Opportunities

Climate-related transition risks and opportunities arise from efforts to transition to a low-carbon economy. As the transition progresses globally, the impacts will be most noticeable at the local level, where municipalities operate.

The City is developing a methodology to identify and assess climate-related transition risks and opportunities. Initial assessments follow the Task Force on Climate-Related Financial Disclosures and IFRS S2 standards, covering Policy and Legal, Technology, Market and Reputation. Future work will refine this framework and align with IFRS S2 and future IPSASB standards. Future assessments will use scenario analysis to identify and prioritize risks and opportunities across City operations and services, and guiding data acquisition and model development to assess financial impacts.

Figure 3: The City's Related-Risk Transition Risk Assessment Evolution Map



2.3.1 Climate-Related Transition Risks and Opportunities

In 2023, a high-level qualitative assessment identified potential transition-related risks and opportunities for The City, based on the current state of the low-carbon economy. Although no scenario analysis was conducted, future assessments will include scenario analysis, risk identification, prioritization and evaluation of impacts on The City's operations and value chain. *Table 4* below highlights examples of how The City is addressing immediate climate-related transition risks and opportunities.

Table 4: Examples of Current Transition Risk and Opportunity being reviewed

Transition Risk or Opportunity	Description of Risk or Opportunity	Description of Response
Regulatory changes regarding communication about climate and environment action Risk Type: Policy/Legal Time Horizon: Short-term Magnitude of Impact: +\$100Ms Primary Potential Financial Impact: Monetary penalties that could impact cash flow Likelihood: Low	In June 2024, Bill C-59 amended the Competition Act to target deceptive marketing practices targeting misleading environmental claims ("greenwashing"). The City believes the broad definition of "business interests" could include some of its climate and environmental initiatives, potentially exposing it to investigations triggered by as few as six people, with the burden of proof on The City.	The City is implementing risk mitigation efforts, including a website content audit and review of documents to ensure clarity under this new legislation. Continued implementation of processes ensures accurate and transparent reporting, robust data verification and documentation. The City aims to use recognized methodologies like the GHG Protocol for emissions reporting and seeks best practices to mitigate risks related to Bill C-59. Additional actions may follow future guidance from the Competition Bureau.
Carbon credit and offsets market Opportunity Type: Market/Policy Time Horizon: Short-term Magnitude of Impact: Unknown Primary Potential Financial Impact: Increased revenues from generation of carbon offset credits Likelihood: Very High	Carbon offsets offer an opportunity for generating revenues while also advancing climate objectives. Credits generated through carbon registries can be sold to interested entities through the carbon marketplace.	The City is developing a Corporate Carbon Credit Management Policy and exploring how revenues generated from the sale of carbon credits and offsets can be redirected into existing or future projects that can generate carbon credit or offset revenue.



2.4. Strategic Approach to Managing Climate-Related Risk and Opportunities

To manage its climate-related risks and opportunities, The City has developed various strategies, plans and policies, outlining its climate-related vision, goals, targets and actions. The City is developing tools and processes to integrate climate considerations into funding, financing decisions and the broader planning and policy framework, enhancing resilience and progressing towards net-zero emissions.

2.4.1 Climate-Related Strategies, Plans and Policies

The following table outlines various strategies, plans and policies that are used to help guide climate and environmental action across The City.

Table 5: Climate-related strategies, plans and policies

Document Name	Description	Document Name	Description
Calgary Climate Strategy: Pathways to 2050	The Calgary Climate Strategy: Pathways to 2050, approved in 2022, outlines the long-term strategic vision, principles, goals and targets for guiding Calgary's climate action through 2050. It includes a Mitigation Plan aimed at progressing towards net-zero emissions by 2050 and an Adaptation Plan to reduce physical climate risks and enhance community resilience.	Flood Resilience Plan	The Flood Resilience Plan outlines our journey to flood resiliency since the 2013 flood. It summarizes how Calgary's flood mitigation program was developed with community engagement, the actions taken to date to reduce Calgary's flood risk and the roadmap as we continue to build Calgary's flood resilience.
Climate Implementation Plan	The Climate Implementation Plan (2023-2026) was approved as part of the 2023-2026 Service Plans and Budgets. The Plan outlines the first four years of climate action implementation aligned to the outcomes of the Calgary Climate Strategy.	Stormwater Management Strategy	The Stormwater Management Strategy emphasizes building stormwater systems that can withstand the impacts of climate change, such as increased frequency and intensity of storms.
The Calgary Plan (Note: not yet approved)	The Calgary Plan, drafted in 2024 as Calgary's municipal development and transportation plan, provides policy direction for decisions on land use and transportation planning. This draft includes policy direction towards climate mitigation and adaptation outcomes. To date, it is not yet statutory and is scheduled to be presented to Council in 2026.	Environmental Policy	The Environmental Policy is a Council Policy that outlines The City's commitment to environmental sustainability, climate resilience, and GHG emissions reductions and is applicable across all council functions, activities and decision-making.
Sustainable Building Policy	The Sustainable Building Policy and its supporting Guidance Document adopt a performance-based approach to all City-owned and City-financed facilities considering social, economic and environmental impacts and addressing the health and well-being of occupants. It provides guidance on planning, design, construction, management, renovation, operating and demolishing and requires the establishment of sustainability objectives during the predesign stage of a project.	Corporate Carbon Credit Management Policy (Note: not yet approved)	In 2024, The City continued to develop its Corporate Carbon Credit Management Policy. This policy outlines how The City intends to use its environmental commodities and implement standards which provide a formal governance structure for managing environmental commodities (currently specific to only carbon assets). The City generates and procures environmental commodities including Renewable Energy Certificates (RECs), Technology Innovation and Emissions Reduction (TIER) offsets and Clean Fuel Regulations (CFR) Compliance Credits. Historically, RECs have been obtained via The City's electricity contract. TIER offsets are also generated through the Alberta Emission Offset System from City assets. Additionally, The City is registered to create Compliance Credits in alignment with CFR and Clean Fuel Standard (CFS).
Green Fleet Strategy	The Green Fleet Strategy outlines actions to support GHG emissions reductions in The City's fleet, aligned with four guiding principles: modernize, educate, procure and innovate.		
Drought Resilience Plan	The Drought Resilience Plan sets out the long-term direction for drought management at The City and emphasizes coordinated action from citizens, industry and government and purposeful relationships with neighboring municipalities and license holders in the Bow River Basin to adapt to increasing risk.		

2.4.2 Climate Accounting – Integration into Financial Planning and Service Delivery

The City is building out its climate accounting framework, a system for integrating and tracking climate considerations into investments and business planning. When fully evolved it will support measuring, reporting, forecasting and verifying the impact of decisions and investments on climate-related risks, helping The City achieve its long-term goals and targets.

i. Climate Budget

The climate budget, an output of The City's climate accounting process, summarizes the climate-related investments across City services within the 2023-2026 Service Plans and Budgets. These investments support the actions identified in the Climate Implementation Plan. The City is currently tracking Primary Climate Investments (PCIs) for the 2023-2026 business cycle and developing a process to track Secondary Climate Investments (SCIs) for the 2027-2030 cycle (see *Highlight 8*). *Table 6*, below, reports the cross-corporate 2023-2026 Climate Budget as of December 31, 2024. Identifying these investments helps interested parties understand The City's current financial commitments to climate action.

Highlight 8: Defining PCIs and SCIs

Primary Climate Investments are investments specifically made to accelerate climate action. They materially reduce GHG emissions and/or improve adaptation or resilience to climate impacts.

Secondary Climate Investments are investments made for alternate service needs and are considered business as usual, however provide climate benefit.

Table 6: Cross-Corporate 2023-2026 Climate Budget

Primary Climate Investments	Base Operating (\$000s)	One Time Operating (\$000s)	Capital (\$000s)	Total (\$000s)
2023-2026 Service Plans & Budgets	3,518	45,503	218,708	267,729
2023 November Adjustments to the 2023-2026 Service Plans & Budgets			165,000	165,000
Mid-Cycle Adjustments to the 2023-2026 Service Plans & Budgets			(3,104)	(3,104)
Total	3,518	45,503	380,604	429,625

Note: Investment totals include the primary climate investment from 2022 November budget deliberations (2023-2026 Service Plans & Budgets), financial reconciliation, and refinement of approved 2023-2026 budgets, additional primary climate investments approved during the 2023 November Adjustments (\$165 million in capital approved for electric bus program), and reductions in primary climate investments approved during the Mid-Cycle Adjustments (\$2.7 million from Green Fleet Strategy and \$404 thousand from Centralized Climate Fund).

ii. Carbon Budget

The City is developing a corporate carbon budget process as part of the climate accounting framework. The intent of this carbon budget is to identify the cumulative amount of GHG emissions that can be emitted to align with The City's climate targets.

The City anticipates finalizing its corporate carbon budget and associated accounting process in 2025. This work will involve a staggered approach to communicate the breakdown of GHG emissions by source and business unit to help different areas in The City better understand how their service delivery contributes towards The City's corporate carbon budget. Future phases of this work, including the potential to inform plans, investments and decision making, will be determined following the communication and awareness phase.

2.5. Resilience of Strategy

The City's Climate Strategy aims to integrate climate considerations into decision-making and services, maintaining goals of progressing towards net-zero. The approach will evolve with climate integration maturity and changing contexts. Metrics track progress, and regular risk assessments inform necessary adjustments. Future efforts include scenario analysis to identify risks and opportunities, enhancing the strategy's resilience.



People enjoying Tompkins Park

Metrics and Targets

The City has established metrics and targets to measure and track performance in managing climate-related risks and opportunities, demonstrating progress.

3.1. Climate Goals & Targets

The City has set key GHG emissions reduction targets to progress towards, along with specific climate mitigation and adaptation goals and actions. These initiatives align with international standards, Government of Canada targets and best practices of other major Canadian cities.



Goals

- Improve energy use and reduce greenhouse gas emissions
- Reduce climate risk resulting from climate hazards



Targets

- 65 per cent reduction of GHG emissions below 2019 levels by 2030
- Net-zero GHG emissions by 2050

3.2. Climate Metrics

The following metrics track and highlight The City's performance in progressing towards its goals and targets.

Highlight 9: Revised GHG Emissions Baseline

The City has selected 2019 as the new base year for calculating the corporate and community GHG emissions metrics, replacing 2005 in this and future reports. The 2005 data is included in this report for transparency. This change aligns with the Science Based Targets initiative's⁽¹⁰⁾ recommendations and ensures the data is verifiable and representative of typical business activity (i.e., pre-pandemic levels).

3.2.1 Calgary Community-wide GHG Emissions

The Community-wide GHG emissions metric measures Calgary's total GHG emissions generated across all sectors, including non-residential buildings, residential buildings, transportation and waste management. It covers scope 1, scope 2 and some elements of scope 3 (i.e. inbound and outbound transportation). This metric is important for tracking The City's progress towards reducing its community-wide GHG emissions goals.

The baseline year for this metric was revised from 2005 to 2019 (see *Highlight 9*). The short-term interim target has been updated to reflect this change in base year to a 65 per cent reduction in community-wide GHG emissions below 2019 levels by 2030 and net-zero by 2050. This change maintains consistency with the old target while updating to a base year with more reliable data and alignment to international best practices. *Table 7* below highlights that in 2023, Community-wide GHG emissions decreased by 1.1 per cent from 2005, 13.5 per cent from 2019 and 3.9 per cent from 2022.

3.2.2 Calgary Community-wide GHG Emissions per Capita

As of 2023, Calgary's population has increased by 45 per cent from the 2005 base year and increased by 10 per cent from the updated base year of 2019. The Community-wide GHG emissions per capita is a complementary assessment of Calgary's progress on GHG emission reductions relative to growth indicated by population changes. Achieving a reduction in per capita community-wide GHG emissions from the base year indicates positive progress on this metric. *Table 7* below highlights that in 2023, Community-wide GHG emissions per capita have decreased 31.9 per cent from 2005, 19.9 per cent from 2019 and 6.7 per cent from 2022.

(10) The Science Based Targets initiatives – How it works. Science Based Targets [website], 18 February 2025. <https://sciencebasedtargets.org/how-it-works>

3.2.3 Corporate GHG Emissions

The Corporate GHG Emissions metric measures the total GHG emissions generated by City-owned projects, buildings, assets and activities. The metric is important for tracking progress towards The City's goals, including reducing corporate market-based GHG emissions by 35% in 2030 and net-zero by 2050 relative to 2019 baseline emissions (see *Highlight 9*). The City has an electricity supply agreement through which it purchases Renewable Energy Certificates (RECs) to support the reduction of electricity-related GHG emissions. This is in addition to the measures implemented to reduce emissions from electricity, natural gas and transportation fuels. Achieving a reduction in Corporate GHG emissions from 2019 baseline levels indicates positive progress on this metric. *Table 7* below highlights that in 2023, Corporate Market-based GHG emissions (see *Highlight 10*) decreased 42.2 per cent from 2005 and 5.2 per cent from 2019.

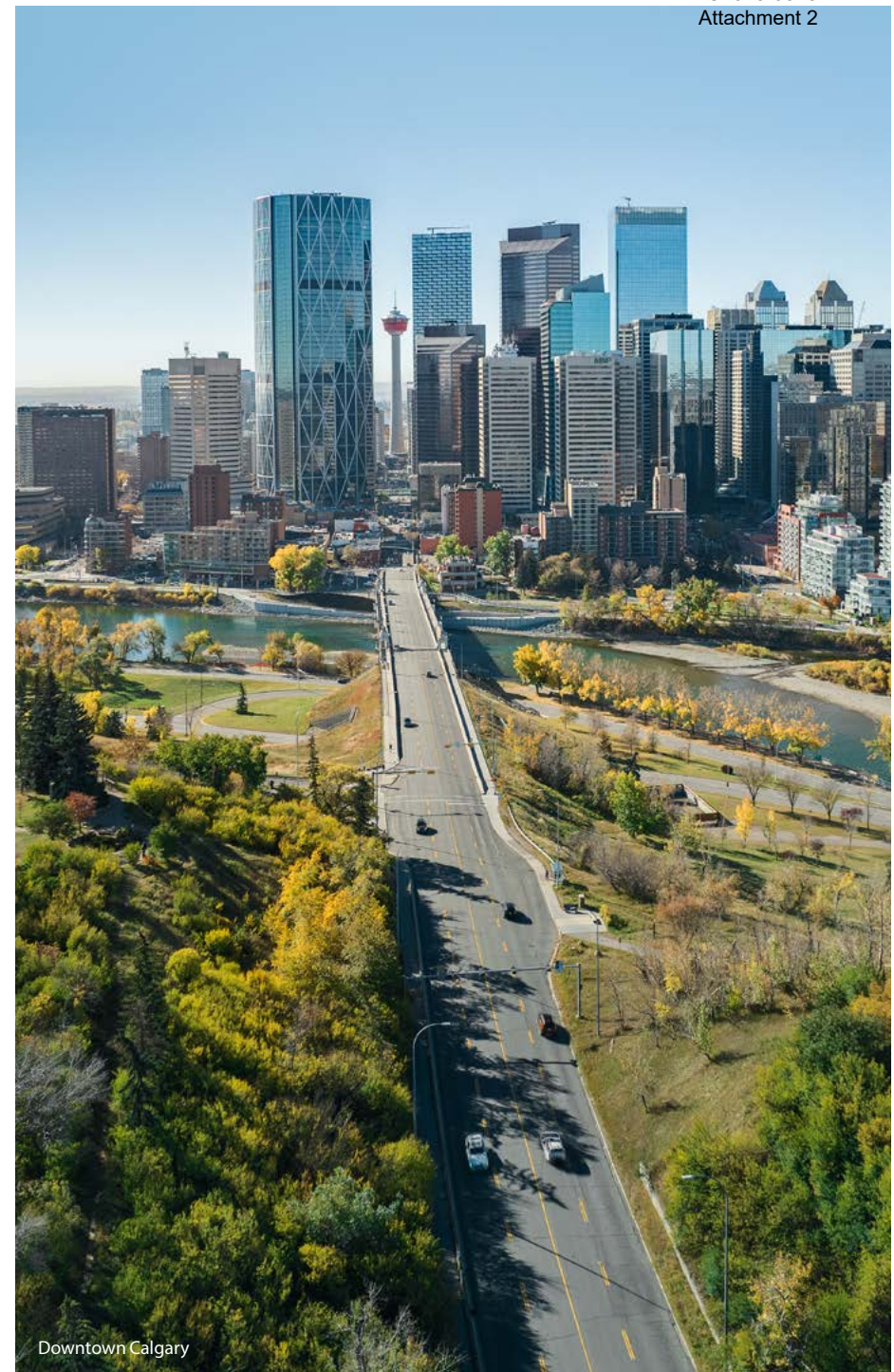
Highlight 10: **Defining Market-Based & Location-based GHG Emissions**

Market-based GHG Emissions

A methodology for calculating GHG emissions that recognizes the impacts of procurement choices, such as The City's decision to procure renewable electricity.

Location-Based GHG Emissions

A methodology for calculating GHG emissions based on the average emissions intensity of the local electricity grid where the energy is consumed.



Downtown Calgary

Table 7: Two Year Community-wide and Corporate GHG Emissions Relative to 2005 and 2019 Baseline Years

GHG Emissions	2005 (Historic Baseline Year)	2019 (Revised Baseline Year) ⁽³⁾	2022	2023
Community-wide GHG Emissions				
GHG Emissions (MtCO ₂ e)	15.9	18.2	16.4	15.8
Emissions relative to 2005 baseline		▲ 14.3%	▲ 2.9%	▼ 1.1%
Emissions relative to 2019 baseline			▼ 10.0%	▼ 13.5%
Community-wide GHG Emissions per capita				
GHG Emissions per capita (tCO ₂ e/person)	16.7	14.2	12.2	11.3
Emissions per capita relative to 2005 baseline		▼ 15.0%	▼ 27.0%	▼ 31.9%
Emissions per capita relative to 2019 baseline			▼ 14.2%	▼ 19.9%
Corporate Market-based GHG Emissions				
Scope 1 and 2 Market-based Emissions (ktCO ₂ e)	700.0	426.8	404.6	404.6
Scope 1 emissions		424.4	402.2	402.4
Scope 2 emissions		2.4	2.4	2.2
Market-based Emissions relative to 2005 baseline		▼ 39.0%	▼ 42.2%	▼ 42.2%
Market-based Emissions relative to 2019 baseline			▼ 5.2%	▼ 5.2%
Corporate Location-based GHG Emissions				
Scope 1 and 2 Location-based Emissions (ktCO ₂ e)	730.3	709.1	630.0*	627.0*
Scope 1 emissions		424.4	402.2	402.4
Scope 2 emissions		284.7	227.8	224.6
Location-based Emissions relative to a 2005 baseline		▼ 2.9%	▼ 13.7%	▼ 14.1%
Location-based Emissions relative to a 2019 baseline			▼ 11.2%	▼ 11.6%

* Figures may not be exact due to rounding

Highlight 11: GHG Emissions Inventory Methodology Review

In 2023, the Corporate GHG emissions inventory was updated to account for new calculation methods, prompting a third-party review for accuracy and alignment to best practices. Completed in 2024, the review led to changes in both Corporate and Community-wide inventories. The 2023 inventory now includes location-based and market-based calculations, additional emission sources and improved vehicle emissions estimates. Historical data was also updated. This approach will be used for the 2024 inventory finalization in 2025.

3.2.4 Tracking Adaptation Measuring Development (TAMD) Score

The TAMD framework is a self-assessment tool to evaluate progress across eight indicators of institutional adaptation readiness including: Climate change integration into planning; Institutional coordination for integration; Budgeting and finance; Institutional knowledge/capacity; Use of climate information; Adaptation planning under uncertainty; and participation and awareness among partners. **The 2024 TAMD Score of 70 per cent (56/80) is trending positively, with a slight increase over 2023 (68.8 per cent).**

3.2.5 Community Climate Risk Index (CCRI)

The CCRI provides an average climate risk score for each community based on physical, social and economic factors (*Figure 4*). It assesses the degree of climate risk and highlights the drivers of vulnerability within each Calgary community. The CCRI will be updated in 2025 with refreshed Statistics Canada census data.

3.2.6 Flood Risk Assessment

The City actively monitors and manages water resources to mitigate climate change impacts, particularly flood risks. *Table 8* illustrates Calgary's property flood exposure risk and potential annual damages during various flood events. With extreme flood events expected to increase, flood protection infrastructure such as reservoirs and flood barriers, along with land use and building regulations, help reduce potential damages. In 2024, construction continued on the Government of Alberta Springbank Offstream Reservoir and the Sunnyside flood barrier, expected to be complete in 2025 and 2026, respectively. Public engagement and updated draft policy and land use regulations for Calgary's flood hazard areas were prepared in 2024 for finalization in 2025 and 2026.

Figure 4: Projected Climate Risk for Calgary Communities

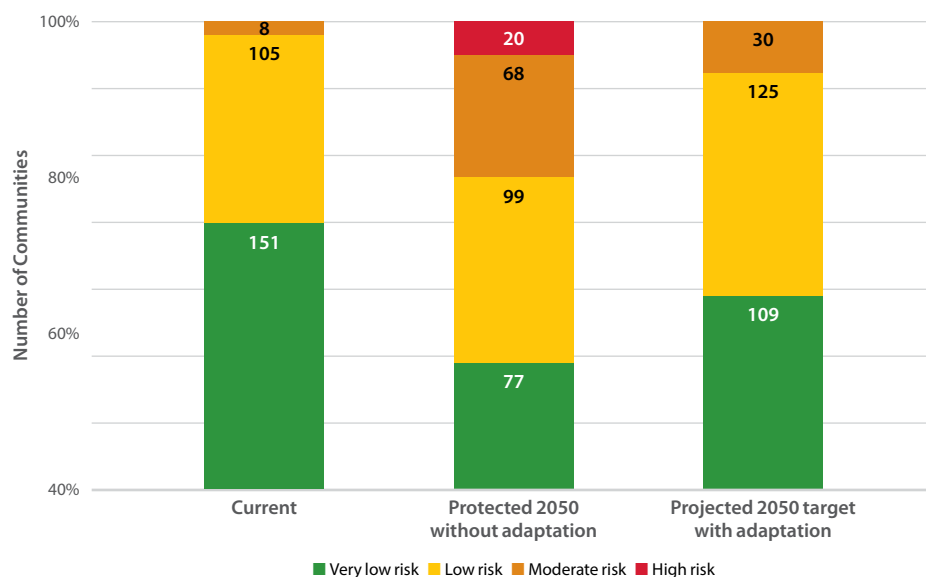


Table 8: Two Year Calgary Flood Risk Assessment Relative to Baseline

Flood Risk	2019 (Baseline Year)	2023	2024
Calgary's River Flood Risk			
Number of properties within 1:100 River Flood Extent – Flood Exposure Risk	5,450	3,396	3,360
Risk relative to 2019 Baseline		▼ 37.7%	▼ 38.3%
Calgary's Average Annual Damages River Flood Risk			
Potential flood damages (\$)	168 M	75M	75M
Damages relative to 2013 baseline		▼ 55%	▼ 55%

3.2.7 Water Management

The City assesses water supply and demand, emphasizing responsible water use, downstream water users and basin-wide water stewardship to minimize environmental risks. Key drought preparedness actions implemented in 2024 included the first-ever water sharing agreements with other Bow River Basin licensees, a public communications campaign, the creation of Drought and Water Shortage Principles for decision-making and enhanced cross-corporate drought preparedness. Furthermore, The City continues to advocate for a Bow River Reservoir upstream of Calgary. These measures support planning for reliable water supply amid population growth and climate variability. *Table 9* highlights key metrics reflecting current water supply, demand and effluent return conditions in Calgary that influence water management decisions.

Table 9: Two Year Calgary Water Use Relative to 2003 Baseline

Water Use	2003 (Baseline Year)	2023	2024
Water Average Day Demand			
Calgary daily water demand, averaged per person: litres per capita per day (LPCD ⁽¹⁾)	518	356	327⁽²⁾
Demand relative to 2003 Baseline		▼ 31.3%	▼ 36.9%
Water Usage and Conservation			
Annual River Withdrawals (ML/Year)	212,471	200,252	194,436
Annual Withdrawals relative to Baseline		▼ 5.8%	▼ 8.5%
Annual Water (effluent) Returns (ML/Year)		154,115	167,738
Number of days in water conservation measures	–	78	106⁽³⁾

(1) LPCD shows water used by residents, businesses and institutions as well as water lost through leaks, unaccounted for or not billed. This total is then divided by the number of people living in Calgary.

(2) In 2024, around 9500 ML of water was saved through significant conservation measures implemented through various stages of water restrictions due to infrastructure issues, not drought conditions. 2024 LPCD is calculated based on forecasted population from corporate economics. An updated version of 2024 LPCD will be calculated once final population number is estimated for 2024.

(3) In 2024, strict water conservation measures were implemented due to infrastructure issues, while 2023 was for drought-related water management purposes.

The City observed a significant decrease in per capita water demand for 2024 compared to previous years. The 2024 per capita water demand was 327 LPCD compared to the previous year demand of 356 LPCD. This notable decrease can be attributed to the water restrictions implemented in the late spring/summer of 2024 to respond to the Bearspaw South Feedermain break and urgent repairs. The City continues to return approximately 87 per cent of water used as treated effluent to the Bow River system.

3.2.8 Natural Environment

Conserving and restoring Calgary's natural environment is vital for thriving ecosystems. Conserved natural areas help reduce climate risk through the provision of ecosystem services such as managing stormwater, providing cooling, storing carbon and supporting Calgarians health and wellbeing. *Table 10* highlights key metrics that support the preservation, conservation and restoration of the natural environment in the city.

Table 10: Year Calgary Natural Areas Conservation and Restoration Relative to 2025 target

Conserving and Restoring Natural Areas	Target	2023	2024
Habitat Restoration			
Area of natural habitat restored (ha)	832	353	447
Restoration relative to 2025 target		▲ 42.4%	▲ 53.7%
Environmentally Significant Area (ESA) protected and conserved			
ESA protected or conserved calculated at land use amendment/outline plan approval) (%)	60	81	63
Protection and conserved relative to 2026 target		▲ 135%	▲ 110%

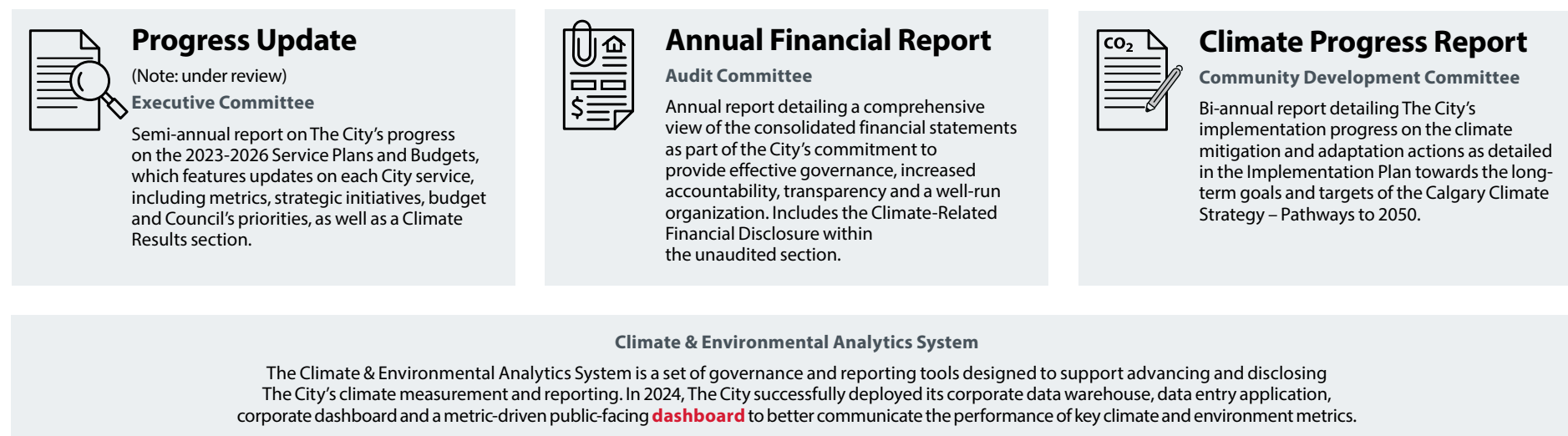
In 2024, the total area of natural habitat restored was 447 ha, up from 353 ha in 2023. The percentage of ESA retained or added was 63 per cent. This is slightly above target. Average performance from 2019-2024 was 57 per cent, slightly below target.

3.3. Reporting and Disclosing our Metrics

The City reports on incremental progress towards Calgary's climate targets, goals and outcomes for transparency and accountability to Council, Calgarians, other orders of Government and external investors.

3.3.1 Corporate Climate Reporting Framework

The Climate Reporting Framework consolidates climate progress and performance information into three reporting documents: the semi-annual Corporate Progress Updates, the Annual Financial Report and the Climate Progress Report (Figure 5).

Figure 5: The City's Climate Reporting Framework

Summary and Next Steps

3.3.2 Carbon Disclosure Project (CDP)

The CDP is a leading global disclosure system for investors, companies, cities, states and regions to manage their environmental and climate impacts. Since 2016, The City, as a member of the CDP, has disclosed its climate mitigation and adaptation actions and performance annually. The City achieved an "A" score in 2023 and has done so for the past 5 reporting years, demonstrating that The City meets best practice disclosure for climate strategy and action. The 2024 CDP assessment and score will be released in April of 2025.

In 2024, The City made meaningful strides towards its climate goals and objectives. Key achievements included the completion of the Climate and Environment Dashboard, which provides comprehensive insights into climate and environmental metrics and a review of the GHG accounting methodology to ensure accuracy and consistency. Key metrics and assessments, including community-wide and corporate GHG emissions, as well as the TAMD, indicate progress towards The City's targets and goals. The Climate Advisory Committee (CAC) conducted a gap analysis of existing climate initiatives, resulting in 18 actionable recommendations. Additionally, the Climate & Environmental Management Service Committee updated its terms of reference to enhance cross-corporate representation and collaborated with the Capital Investment Planning team to enhance the integration of climate-related risk considerations into the capital investment assessment process.

Looking ahead, The City plans to advance its transition risk assessment and further embed climate considerations into decision-making processes, including the evolution of a corporate carbon budget to better inform business unit progress, targets and the next phase of actions. Efforts will also focus on advancing the climate accounting framework to improve accountability for climate-related expenditures and developing a return-on-investment methodology to quantify the benefits of climate-related investments. Data and reporting tools introduced in 2024, will be refined and expanded, with new solutions added to support future disclosure reporting. Continued alignment with applicable standards, updating the Climate Implementation Plan for the 2027-2030 budget cycle and advancing the Corporate Carbon Credit Management Policy are also planned.

Financial and Statistical Schedules Unaudited

(2020 – 2024)

AC2025-0323
Attachment 2



Passengers riding Calgary Transit bus

Revenue by Source Unaudited

2020 – 2024 (in thousands)

	2024 Operating	2024 Capital	2024 Total	2023 Operating	2023 Capital	2023 Total
Property taxes	\$ 3,190,867	\$ –	\$ 3,190,867	\$ 2,945,083	\$ –	\$ 2,945,083
Community Revitalization Levy	41,409	–	41,409	39,790	–	39,790
Business Improvement Area Relief	–	–	–	–	–	–
Revenue in lieu of taxes	266,124	–	266,124	403,535	–	403,535
Local improvement levies and special taxes	12,423	–	12,423	8,588	–	8,588
	\$ 3,510,823	–	\$ 3,510,823	\$ 3,396,996	–	\$ 3,396,996
Less: Provincial property taxes	(883,348)	–	(883,348)	(789,392)	–	(789,392)
Net taxes available for municipal purposes	\$ 2,627,475	\$ –	\$ 2,627,475	\$ 2,607,604	\$ –	\$ 2,607,604
Sales of goods and services	1,341,457		1,341,457	1,359,983		1,359,983
Government transfers						
Federal						
Debenture interest rebates	–	–	–	–	–	–
Revenue and cost sharing agreements and grants agreements	8,857	221,456	230,313	9,793	162,747	172,540
Provincial						
Debenture interest rebates	–	–	–	–	–	–
Grants, entitlements, revenue and cost sharing agreements	169,756	463,392	633,148	169,513	299,569	469,082
	\$ 178,613	\$ 684,848	\$ 863,461	\$ 179,306	\$ 462,316	\$ 641,622
Other revenue						
Dividends from ENMAX Corporation	\$ 95,000	\$ –	\$ 95,000	\$ 82,000	\$ –	\$ 82,000
Other equity (loss) earnings in ENMAX Corporation	86,248	–	86,248	(97,608)	–	(97,608)
Developer contributions	–	145,368	145,368	–	188,830	188,830
Developer contributions–in–kind related to capital	–	345,075	345,075	–	288,695	288,695
Investment income	312,073	–	312,073	219,934	–	219,934
Fines and penalties	75,731	–	75,731	77,650	–	77,650
Licences, permits and fees	153,977	–	153,977	134,083	–	134,083
Miscellaneous revenue	44,453	–	44,453	43,243	–	43,243
	\$ 767,482	\$ 490,443	1,257,925	\$ 459,302	\$ 477,525	\$ 936,827
Total revenue	\$ 4,915,027	\$ 1,175,291	\$ 6,090,318	\$ 4,606,195	\$ 939,841	\$ 5,546,036

Revenue by Source Unaudited

AC2025-0323
Attachment 2

2020 – 2024 (in thousands)

2022 Operating	2022 Capital	2022 Total	2021 Operating	2021 Capital (Restated) ⁽¹⁾	2021 Total	2020 Operating	2020 Capital	2020 Total
\$ 2,804,643	\$ –	\$ 2,804,643	\$ 2,685,513	\$ –	\$ 2,685,513	\$ 2,651,631	\$ –	\$ 2,651,631
36,034	–	36,034	38,100	–	38,100	37,099	–	37,099
(64)	–	(64)	(4,295)	–	(4,295)	–	–	–
338,972	–	338,972	251,571	–	251,571	207,728	–	207,728
7,699	–	7,699	9,235	–	9,235	6,092	–	6,092
\$ 3,187,284	\$ –	\$ 3,187,284	\$ 2,980,124	\$ –	\$ 2,980,124	\$ 2,902,550	\$ –	\$ 2,902,550
(780,928)	–	(780,928)	(771,111)	–	(771,111)	(779,079)	–	(779,079)
\$ 2,406,356	\$ –	\$ 2,406,356	\$ 2,209,013	\$ –	\$ 2,209,013	\$ 2,123,471	\$ –	\$ 2,123,471
1,384,471	–	1,384,471	1,235,238	–	1,235,238	1,131,088	–	1,131,088
–	–	–	–	14	14	–	205	205
5,749	162,083	167,832	4,229	167,859	172,088	2,252	114,115	116,367
–	–	–	–	–	–	14	–	14
222,081	197,560	419,641	150,551	248,520	399,071	333,984	168,436	502,420
\$ 227,830	\$ 359,643	\$ 587,473	\$ 154,780	\$ 416,393	\$ 571,173	\$ 336,250	\$ 282,756	\$ 619,006
\$ 62,000	\$ –	\$ 62,000	\$ 58,000	\$ –	\$ 58,000	\$ 54,000	\$ –	\$ 54,000
233,628	–	233,628	237,777	–	237,777	234,114	–	234,114
–	242,498	242,498	–	158,763	158,763	–	166,008	166,008
–	240,901	240,901	–	212,169	212,169	–	168,674	168,674
141,530	–	141,530	131,393	–	131,393	102,795	–	102,795
74,089	–	74,089	64,421	–	64,421	69,080	–	69,080
118,511	–	118,511	106,405	–	106,405	96,372	–	96,372
56,291	–	56,291	51,798	–	51,798	33,660	–	33,660
\$ 686,049	\$ 483,399	\$ 1,169,448	\$ 649,794	\$ 370,932	\$ 1,020,726	\$ 590,021	\$ 334,682	\$ 924,703
\$ 4,704,706	\$ 843,042	\$ 5,547,748	\$ 4,248,825	\$ 787,325	\$ 5,036,150	\$ 4,180,830	\$ 617,438	\$ 4,798,268

(1) Figures for 2021 have been restated for the correction of certain tangible capital asset related adjustments identified in 2022. Years prior to 2021 have not been restated for these adjustments.

Expenses by Function Unaudited

2021 – 2024 (in thousands)

	2024	2023	2022 (Restated) ⁽³⁾	2021 (Restated) ⁽¹⁾⁽²⁾
Planning and development services	\$ 236,089	\$ 200,982	\$ 169,090	\$ 139,037
Infrastructure services	225,733	377,687	394,227	305,924
Community services	1,628,113	1,565,365	1,389,104	1,321,442
Operational services	2,352,755	2,146,059	2,015,534	1,841,594
General government	542,517	367,654	375,669	372,172
Total expenses	\$ 4,985,207	\$ 4,657,747	\$ 4,343,624	\$ 3,980,169

Expenses by Object Unaudited

2020 – 2024 (in thousands)

	2024	2023	2022 (Restated) ⁽³⁾	2021 (Restated) ⁽¹⁾⁽²⁾	2020
Salaries, wages and benefits	\$ 2,523,359	\$ 2,237,853	\$ 2,056,226	\$ 1,973,073	\$ 1,971,506
Contracted and general services	684,507	597,112	628,315	495,941	438,914
Materials, equipment and supplies	539,526	592,803	499,660	373,623	387,207
Interest charges					
Tax supported	45,026	42,124	27,575	21,848	30,099
Self supported	80,828	74,761	76,000	78,347	81,277
Accretion	9,203	7,675	7,454	–	–
Utilities	118,952	125,774	123,681	106,309	99,265
Transfers	243,861	238,615	195,123	188,045	138,779
Amortization	731,361	724,479	718,196	707,113	692,962
Loss on disposal of tangible capital assets	8,584	16,551	11,394	35,870	8,793
Total expenses	\$ 4,985,207	\$ 4,657,747	\$ 4,343,624	\$ 3,980,169	\$ 3,848,802

(1) The City underwent an organizational re-alignment in 2022, with 2021 comparative figures. Comparative figures for 2020 are not able to be provided in the same format due to the extent of changes that occurred in 2022. The total expenses for 2020 was \$3,848,802.

(2) Figures for 2021 have been restated for the correction of certain tangible capital asset related adjustments identified in 2022. Years prior to 2021 have not been restated for these adjustments.

(3) Figures for 2022 have been restated for the adoption of PS 3280 Asset Retirement Obligations.

Financial Position and Annual Surplus Unaudited

2020 – 2024 (in thousands)

	2024	2023	2022 (Restated) ⁽²⁾	2021 (Restated) ⁽¹⁾	2020
Financial assets	\$ 11,587,308	\$ 10,621,576	\$ 10,401,718	\$ 9,423,987	\$ 8,226,621
Financial liabilities	6,690,176	6,098,275	6,118,793	5,874,125	5,436,376
Net financial assets	\$ 4,897,132	\$ 4,523,301	\$ 4,282,925	\$ 3,549,862	\$ 2,790,245
Non-financial assets	21,615,810	20,441,970	19,857,891	19,418,040	19,027,286
Net assets	\$ 26,512,942	\$ 24,965,271	\$ 24,140,816	\$ 22,967,902	\$ 21,817,531
Annual surplus	1,105,111	888,289	1,328,494	1,116,194	792,125

Acquisition of Tangible Capital Assets Unaudited

2020 – 2024 (in thousands)

	2024	2023	2022	2021	2020
Capital additions	\$ 1,546,040	\$ 1,064,908	\$ 875,668	\$ 900,000	\$ 994,025

Net Assets Unaudited

2020 – 2024 (in thousands)

	2024	2023	2022 (Restated) ⁽²⁾	2021 (Restated) ⁽¹⁾	2020 ⁽³⁾
Operating fund	\$ 276,278	\$ 236,408	\$ 258,732	\$ 143,422	\$ 164,156
Capital fund	406,791	234,414	170,440	141,009	258,012
Local improvements to be funded in future years	55,522	52,780	54,415	56,411	66,119
Obligation to be funded in future years ⁽⁴⁾	(227,264)	(225,106)	(225,165)	(19,383)	(16,888)
Reserves	3,898,434	4,003,003	3,635,785	3,281,056	2,743,827
Equity in ENMAX Corporation	3,066,363	2,980,115	3,072,460	2,714,462	2,416,472
Equity in non-financial assets	18,663,355	17,752,754	17,174,149	16,650,925	16,185,833
Accumulated surplus	\$ 26,139,479	\$ 25,034,368	\$ 24,140,816	\$ 22,967,902	\$ 21,817,531
Accumulated remeasurement gains (losses)	373,463	(69,097)	–	–	–
	\$ 26,512,942	\$ 24,965,271	\$ 24,140,816	\$ 22,967,902	\$ 21,817,531

(1) Figures for 2021 have been restated for the correction of certain tangible capital asset related adjustments identified in 2022. Years prior to 2021 have not been restated for these adjustments.

(2) Figures for 2022 have been restated for the adoption of PS 3280 Asset Retirement Obligations.

(3) Figures for 2020 have been reclassified to conform to the 2021 year end reporting.

(4) Obligation to be funded in future years consists of unfunded liabilities of \$227,264 (2023 – \$225,106) for the asset retirement obligations provision.

Consolidated Investments Unaudited

2020 – 2024 (in thousands)

	2024 ⁽¹⁾	2023 ⁽¹⁾
Fair Value		
Canadian fixed income	\$ 2,318,716	\$ 2,344,688
Foreign Fixed Income	615,692	416,013
Pooled Fixed Income	1,137,367	1,154,266
Mortgages	634,247	615,637
Canadian Equities	–	56
Global Equities	138,679	115,269
Pooled Equities	791,452	713,787
Infrastructure	483,073	399,987
Real Estate	289,645	–
	\$ 6,408,871	\$ 5,759,703
Cost		
Canadian fixed income	2,310,255	\$ 2,371,423
Foreign Fixed Income	605,790	423,308
Pooled Fixed Income	1,158,688	1,194,758
Mortgages	648,620	636,877
Canadian Equities	–	56
Global Equities	113,113	103,801
Pooled Equities	656,923	670,415
Infrastructure	403,423	399,987
Real Estate	277,169	–
	\$ 6,173,981	\$ 5,800,625

(1) Comparative figures for 2022-2020 are not able to be provided in the same format due to the adoption of PS 3450 Financial Instruments in 2023. The total consolidated investments for those periods are as follows:

- 2022 – Fair Value: \$4,922,284, Cost: \$5,206,794
- 2021 – Fair Value: \$4,923,251, Cost: \$4,804,797
- 2020 – Fair Value: \$4,607,594, Cost: \$4,423,320

ISC: Unrestricted

Continuity of Long-term Debt Unaudited

2020 – 2024 (in thousands unless otherwise stated)

	2024	2023	2022	2021 (Restated) ⁽¹⁾	2020
Tax supported					
Opening	\$ 299,179	\$ 331,601	\$ 367,268	\$ 401,122	\$ 441,464
New Issues	798	–	–	1,256	1,775
Repaid	(27,730)	(32,422)	(35,667)	(35,110)	(42,117)
Ending	\$ 272,247	\$ 299,179	\$ 331,601	\$ 367,268	\$ 401,122
Tax supported (% of total)	9.19%	11.08%	12.30%	13.30%	14.10%
Per capita (tax supported)	182	215	247	278	307
Self supported					
Opening	\$ 2,123,443	\$ 2,116,149	\$ 2,183,523	\$ 2,229,754	\$ 2,231,661
New Issues	443,308	186,973	131,422	148,819	192,148
Repaid	(186,131)	(179,679)	(198,796)	(195,050)	(194,055)
Ending	\$ 2,380,620	\$ 2,123,443	\$ 2,116,149	\$ 2,183,523	\$ 2,229,754
Self supported (% of total)	80.34%	78.64%	78.52%	78.80%	78.40%
Per capita (self supported)	1,596	1,529	1,575	1,649	1,706
Self sufficient tax supported					
Opening	\$ 277,715	\$ 247,343	\$ 219,799	\$ 214,268	\$ 210,322
New Issues	49,000	46,500	44,500	22,500	29,000
Repaid	(16,241)	(16,128)	(16,956)	(16,969)	(25,054)
Ending	\$ 310,474	\$ 277,715	\$ 247,343	\$ 219,799	\$ 214,268
Self sufficient tax supported (% of total)	10.48%	10.28%	9.18%	7.90%	7.50%
Per capita (self sufficient tax supported)	208	200	184	166	164
Total City Debt	\$ 2,963,341	\$ 2,700,337	\$ 2,695,093	\$ 2,770,590	\$ 2,845,144
ENMAX Corporation Debt	1,467,222	1,722,502	1,606,493	1,455,813	1,371,972
Closing balance	\$ 4,430,563	\$ 4,422,839	\$ 4,301,586	\$ 4,226,403	\$ 4,217,116
Debt servicing as a per cent of operating expenditures (net of recoveries) (tax supported)	0.85%	1.00%	1.03%	1.40%	1.50%
Percentage of debt limit as per City Policy CP2020-05 (Note 15 f.)	40.15%	39.96%	41.03%	47.80%	47.20%
Per capita, Total City Debt	\$ 1,986	1,944	2,006	2,093	2,177

(1) Figures for 2021 have been restated for the correction of certain tangible capital asset related adjustments identified in 2022. Years prior to 2021 have not been restated for these adjustments.

Financial Capacity

2020 – 2024 (in millions)

	2024	2023	2022	2021	2020
Cash and cash equivalents	\$ 769	\$ 1,106	\$ 1,311	\$ 1,149	\$ 633
Investments	6,409	5,760	5,207	4,805	4,423
Receivables	481	467	486	403	380
Financial Assets	\$ 7,659	\$ 7,333	\$ 7,004	\$ 6,357	\$ 5,436
Bank indebtedness and short-term borrowing	\$ (511)	\$ (348)	\$ (348)	\$ (355)	\$ (224)
Accounts payable and accrued liabilities	(1,029)	(930)	(965)	(828)	(800)
Deferred revenue	(130)	(107)	(107)	(99)	(110)
Capital deposits	(1,214)	(1,188)	(1,186)	(1,203)	(839)
Employee benefit obligations	(512)	(498)	(511)	(516)	(514)
Financial Liabilities	\$ (3,396)	\$ (3,071)	\$ (3,117)	\$ (3,001)	\$ (2,487)
Reserves	\$ (3,898)	\$ (4,003)	\$ (3,636)	\$ (3,281)	\$ (2,744)
Financial Capacity	\$ 365	\$ 259	\$ 251	\$ 75	\$ 205
Add: Remaining capacity on short-term borrowing bylaw ⁽¹⁾	\$ 600	\$ 600	\$ 600	\$ 600	\$ 600
Available financial capacity	\$ 965	\$ 859	\$ 851	\$ 675	\$ 805

(1) The City has a \$400 million limit on commercial paper and a \$60 million limit on its line of credit, leaving \$340 million unutilized under the short-term borrowing Bylaw.

Short-Term Liquidity

2020 – 2024 (in millions)

	2024		2023		2022		2021		2020
Cash									
Cash and cash equivalents	\$	769	\$	1,106	\$	1,311	\$	1,149	\$ 633
Less: Bank indebtedness		(101)		(49)		(48)		(48)	(70)
	\$	668	\$	1,057	\$	1,263	\$	1,101	\$ 563
Assets Readily Available for Sale⁽¹⁾									
Short-term fixed income	\$	1,331	\$	1,255	\$	1,214	\$	1,200	\$ 1,210
Long-term liquid assets ⁽²⁾		578		534		359		438	291
	\$	1,909	\$	1,789	\$	1,573	\$	1,638	\$ 1,501
Liquid Borrowing									
Capacity of short-term borrowing Bylaw	\$	600	\$	600	\$	600	\$	600	\$ 600
Less: Commercial paper issued (\$400 million limit) ⁽³⁾		(400)		(300)		(300)		(300)	(300)
Less: Line of credit utilized (\$60 million limit)		–		–		–		–	–
	\$	200	\$	300	\$	300	\$	300	\$ 300
Total	\$	2,777	\$	3,146	\$	3,136	\$	3,039	\$ 2,364

(1) Fair value of Investments that can be sold with minimal impact to its current price.

(2) Highly liquid Government of Canada and provincial bonds.

(3) In 2024, The City has increased the limit on commercial paper to \$400 million.

Other Financial and Statistical Schedules

Consolidated Reserves Unaudited

2020 – 2024 (in thousands)

	2024	2023	2022	2021 ⁽¹⁾	2020 ⁽¹⁾
Calgary Housing	\$ 57,805	\$ 45,451	\$ 38,306	\$ 30,419	\$ 29,770
ENMAX dividend stabilization	–	–	18,000	18,000	18,000
Fiscal stability reserve	937,853	876,390	853,510	731,952	608,595
Other operating	54,261	63,751	75,399	74,357	56,223
Total operating reserves	\$ 1,049,919	\$ 985,592	\$ 985,215	\$ 854,728	\$ 712,588
Community investment	\$ 156,814	\$ 147,820	\$ 130,265	\$ 107,497	\$ 81,101
Debt servicing	–	52,570	52,570	52,570	52,570
Established area investments	32,391	36,007	44,899	51,200	52,326
Green Line fund	182,753	172,799	183,539	152,310	153,591
Legacy parks	64,555	61,625	34,039	19,695	10,719
Major capital projects	430,281	412,687	282,189	380,991	384,634
Calgary Police Service	25,218	30,194	37,985	41,195	44,062
Reserve for future capital and lifecycle maintenance and upgrade merged	962,386	977,167	792,182	633,449	547,296
Other capital	87,738	87,438	83,108	89,537	85,178
Total capital reserves	\$ 1,942,136	\$ 1,978,307	\$ 1,640,776	\$ 1,528,444	\$ 1,411,477
Calgary Parking ⁽²⁾	\$ 158,416	\$ 169,955	\$ 159,374	\$ 159,374	\$ –
Cash in lieu lifecycle sustainment	–	37,376	36,220	37,435	44,028
Corporate housing reserve	44,999	42,076	43,054	43,442	36,573
General hospital legacy reserve	17,660	17,733	17,184	18,298	17,777
Planning and development services sustainment	96,913	105,144	103,545	97,120	84,199
Opportunity Calgary investment	60,619	71,247	82,179	91,102	95,839
Perpetual care	26,860	27,205	28,030	24,901	23,269
Real estate services	184,305	215,072	218,798	131,027	65,321
Utility sustainment	215,183	245,719	202,589	164,201	133,107
Waste and recycling sustainment	31,675	53,340	69,148	83,565	73,878
Other sustainment	69,749	54,237	49,673	47,419	45,771
Total sustainment reserves	\$ 906,379	\$ 1,039,104	\$ 1,009,794	\$ 897,884	\$ 619,762
Total reserves	\$ 3,898,434	\$ 4,003,003	\$ 3,635,785	\$ 3,281,056	\$ 2,743,827

(1) In 2021, the Fiscal stability reserve and the Budget savings account merged. In addition, the Reserve for future capital and the Lifecycle maintenance upgrade merged with the Green Line fund portion of the Lifecycle maintenance upgrade being segregated. General hospital legacy reserve was segregated from Real estate services and made its own reserve. Years prior to 2021 have been reclassified to conform to current presentation.

(2) In 2024, the Calgary Parking reserve was reclassified from capital reserves to sustainment reserves. Years prior to 2024 have been reclassified to conform to current presentation.

Green Line Financial Position Unaudited

2020 – 2024 (in thousands)

	2024	2023	2022	2021	2020
Financial assets	\$ 139	\$ 59	\$ –	\$ –	\$ –
Financial liabilities	90,910	35,582	19,211	10,282	16,181
Net financial assets	(90,771)	(35,523)	(19,211)	(10,282)	(16,181)
Non-financial assets	(1,274,239)	961,228	726,134	633,226	555,469
Net assets	\$ (1,365,010)	\$ 925,705	\$ 706,923	\$ 622,944	\$ 539,288

Green Line Reserve Unaudited

2020 – 2024 (in thousands)

	2024	2023	2022	2021	2020
Green Line Reserve	\$ 182,753	\$ 172,799	\$ 183,539	\$ 152,310	\$ 153,591

Green Line Acquisition of Tangible Capital Assets Unaudited

2020 – 2024 (in thousands)

	2024	2023	2022	2021	2020
Capital Additons	\$ 313,011	\$ 235,094	\$ 92,908	\$ 77,757	\$ 123,011
Capital Balance	\$ 841,781	\$ 528,770	\$ 293,676	\$ 200,768	\$ 123,011

Green Line Budget Unaudited

2020 – 2024 (in thousands)

	2024	2023	2022	2021	2020
Total Budget	\$ 6,248,000	\$ 5,543,000	\$ 5,543,000	\$ 5,543,000	\$ 5,543,000
Total Cost to Date	1,377,462	1,058,244	808,871	707,541	617,510
Remaining Budget	\$ 4,870,538	\$ 4,484,756	\$ 4,734,129	\$ 4,835,459	\$ 4,925,490

Taxation and Assessments Unaudited

2020 – 2024 (in thousands unless otherwise stated)

	2024	2023	2022	2021	2020
Tax Rates					
Residential					
Municipal and Library (Mills)	4.20	4.33	4.70	4.83	4.78
Provincial property (Mills)	2.28	2.24	2.46	2.58	2.74
Non-Residential					
Municipal and Library (Mills)	18.36	18.43	17.88	16.51	15.83
Provincial property (Mills)	3.63	3.64	4.05	4.10	3.58
Assessed Values					
Residential	\$ 290,656,794	\$ 258,699,495	\$ 225,913,559	\$ 208,942,946	\$ 210,505,364
Percentage of total	82.97%	82.00%	80.43%	78.60%	77.90%
Commercial (industrial and farm)	\$ 59,674,630	\$ 56,883,120	\$ 54,962,713	\$ 57,012,414	\$ 59,729,311
Percentage of total	17.03%	18.02%	19.60%	21.44%	22.10%
Total assessment	\$ 350,331,424	\$ 315,582,615	\$ 280,876,272	\$ 265,955,360	\$ 270,234,675
Tax Levies					
Municipal property taxes					
Residential	\$ 1,224,830	\$ 1,119,868	\$ 1,054,942	\$ 996,465	\$ 968,850
Non-residential	1,092,484	1,043,015	976,462	925,535	910,370
Community Revitalization Levy	41,409	39,790	36,034	38,100	37,099
Business Improvement Area Relief	–	–	(64)	(4,295)	–
Revenue in lieu of taxes	256,329	396,343	331,283	243,973	201,060
Local improvement levies and special levies	12,423	8,588	7,699	9,235	6,092
	\$ 2,627,475	\$ 2,607,604	\$ 2,406,356	\$ 2,209,013	\$ 2,123,471
Provincial property taxes					
Residential	\$ 656,501	\$ 576,031	\$ 547,974	\$ 535,364	\$ 565,733
Non-residential	217,052	206,168	225,265	228,149	206,678
Revenue in lieu of taxes	9,795	7,193	7,689	7,598	6,668
	\$ 883,348	\$ 789,392	\$ 780,928	\$ 771,111	\$ 779,079
Total taxes levied	\$ 3,510,823	\$ 3,396,996	\$ 3,187,284	\$ 2,980,124	\$ 2,902,550
Percentage of Total Levies					
Property tax					
Residential property	53.59%	49.93%	50.29%	51.40%	52.87%
Non-residential property	37.30%	36.77%	37.70%	38.71%	38.49%
Local improvement levies	0.35%	0.25%	0.24%	0.31%	0.21%
Community Revitalization Levy	1.18%	1.17%	1.13%	1.28%	1.28%
Business Improvement Area Relief	0.00%	0.00%	0.00%	(0.14)%	0.00%
Revenue in lieu of taxes	7.58%	11.88%	10.64%	8.44%	7.15%

Taxation and Assessments Unaudited

AC2025-0323
Attachment 2

2020 – 2024 (in thousands unless otherwise stated)

	2024	2023	2022	2021	2020
Property Tax – Continuity					
Taxes receivable (January 1)	\$ 67,281	\$ 66,856	\$ 74,655	\$ 72,131	\$ 53,149
Current levies					
Property taxes	3,253,386	3,002,173	2,856,684	2,745,711	2,753,858
Non-tax items for collection	749	1,239	760	822	3,486
Penalties	16,969	15,770	14,506	8,081	6,642
Cancellation of tax arrears	(523)	(662)	(4,726)	(1,671)	(647)
Write-off of taxes	(29)	(320)	(384)	(510)	(670)
Total to be collected	\$ 3,337,833	\$ 3,085,056	\$ 2,941,495	\$ 2,824,564	\$ 2,815,818
Collections during the year					
Current levies	(3,207,445)	(2,959,463)	(2,812,396)	(2,690,158)	(2,699,088)
Arrears	(56,196)	(58,312)	(62,243)	(59,751)	(44,599)
Subtotal	\$ 74,192	\$ 67,281	\$ 66,856	\$ 74,655	\$ 72,131
Allowance for doubtful accounts	–	–	(2,621)	(2,621)	(2,621)
Taxes receivable (December 31)	\$ 74,192	\$ 67,281	\$ 64,235	\$ 72,034	\$ 69,510
Percentage of current taxes collected	96.09%	95.93%	95.61%	95.24%	95.85%
Taxes outstanding as a percentage of the current year levy	2.28%	2.24%	2.34%	2.72%	2.62%
Other Major Tax Levies					
Revenue in lieu of taxes					
Municipal consent and access fee	\$ 182,175	\$ 308,499	\$ 225,804	\$ 165,339	\$ 132,378
Franchise fees	58,865	72,742	91,228	65,394	54,155
Other franchise fees	13,730	11,168	11,380	10,691	7,610
Governments					
Provincial	8,382	7,541	7,105	6,858	9,885
Federal	2,972	3,585	3,454	3,289	3,700
	\$ 266,124	\$ 403,535	\$ 338,972	\$ 251,571	\$ 207,728
Net Taxes Available For Municipal Purposes					
Property taxes	\$ 3,190,867	\$ 2,945,083	\$ 2,804,643	\$ 2,685,513	\$ 2,651,631
Community Revitalization Levy	41,409	39,790	36,034	38,100	37,099
(Business Improvement Area Relief) Business taxes	–	–	(64)	(4,295)	–
Revenue in lieu of taxes	266,124	403,535	338,972	251,571	207,728
Local improvement levies and special taxes	12,423	8,588	7,699	9,235	6,092
	\$ 3,510,823	\$ 3,396,996	\$ 3,187,284	\$ 2,980,124	\$ 2,902,550
Less: Provincial property taxes					
Current year levy	\$ (881,550)	\$ (785,920)	\$ (781,729)	\$ (767,498)	\$ (771,295)
Prior year adjustment (levy)	(1,798)	(3,472)	801	(3,613)	(7,784)
Net taxes available for municipal use	\$ 2,627,475	\$ 2,607,604	\$ 2,406,356	\$ 2,209,013	\$ 2,123,471

Demographic and Other Information Unaudited

2020 – 2024

	2024	2023	2022	2021	2020
Population⁽¹⁾	1,491,900	1,389,200	1,343,500	1,323,700	1,306,700
Change due to natural increase	8,100	33,100	8,600	8,700	8,700
Change due to net migration	61,100	7,500	13,600	8,600	12,300
Housing Activity					
Annual applications for residential units					
Total residential	21,298	17,751	15,733	16,426	15,154
Change	19.98%	12.83%	(4.22)%	8.39%	23.89%
Single family Housing Starts	5,343	4,552	4,133	4,140	2,716
Change	17.38%	10.14%	(0.17)%	52.43%	1.15%
MLS average selling price (\$) ⁽²⁾	606,052	536,805	516,878	\$ 490,027	\$ 457,997
New housing price inflation ⁽³⁾	0.10%	(0.90)%	7.70%	8.00%	1.80%
Building Permits, applied for					
Number of applications	25,081	20,594	18,566	21,113	17,476
Change	21.79%	10.92%	(12.06)%	20.81%	9.54%
Value, in thousands	\$ 9,333,956	\$ 5,978,800	\$ 5,740,316	\$ 5,687,998	\$ 3,439,660
Change	56.12%	4.15%	0.92%	65.37%	(33.42)%
Inflation, CPI annual increases⁽³⁾					
Calgary	3.37%	3.80%	7.20%	3.18%	1.10%
Alberta	2.93%	3.30%	6.40%	3.18%	1.10%
Canada	2.42%	3.90%	6.80%	3.36%	0.70%
Unemployment Rate⁽³⁾					
Calgary	7.40%	6.00%	6.10%	9.10%	11.70%
Alberta	7.00%	5.90%	5.80%	8.70%	11.40%
Canada	6.40%	5.40%	5.30%	7.50%	9.50%

Top ten industries in Calgary (by the number of residents employed)⁽³⁾

- | | |
|--|---|
| 1. Forestry, fishing, mining, quarrying, oil and gas | 6. Transportation and warehousing |
| 2. Professional, scientific, and technical services | 7. Finance, insurance, real estate, rental, and leasing |
| 3. Wholesale and retail trade | 8. Educational services |
| 4. Agriculture | 9. Accommodation and food services |
| 5. Health care and social assistance | 10. Construction |

(1) Figures were obtained from the Fall Calgary and Region Economic Outlook.

(2) Calgary Real Estate Board

(3) Statistics Canada

Demographic and Other Information Unaudited

2020 – 2024

	2024	2023	2022	2021 (Restated) ⁽¹⁾	2020
Revenue sources – City general⁽²⁾	\$ 3,626,538	\$ 3,352,290	\$ 3,143,764	\$ 2,710,848	\$ 2,654,278
As a % of revenue					
Taxes and revenue in lieu of taxes	63.63%	64.23%	64.37%	70.62%	70.55%
General	30.66%	30.14%	28.53%	27.21%	27.41%
Government transfers	3.09%	3.19%	5.13%	0.03%	0.01%
Dividends from ENMAX	2.62%	2.44%	1.97%	2.14%	2.03%
Interest charges – City general					
As a % of operating expenses					
Before subsidy	3.30%	4.03%	3.20%	3.37%	3.74%
After subsidy	3.30%	4.03%	3.20%	3.37%	3.74%
Interest charges – consolidated					
Before subsidy (000s)	\$ 125,854	\$ 116,885	\$ 103,575	\$ 100,542	\$ 111,766
Share of operating expenses	3.39%	3.00%	3.20%	3.10%	3.50%
After subsidy (000s)	\$ 125,854	\$ 116,885	\$ 103,575	\$ 100,528	\$ 111,547
Share of operating expenses (net of subsidy)	3.39%	3.00%	3.20%	3.10%	3.50%
Debt service limit (principal + interest)					
Total debt service limit (000s)	\$ 1,366,161	\$ 1,346,977	\$ 1,302,441	\$ 1,151,307	\$ 1,136,443
Total debt service (000s)	738,974	617,440	625,510	650,614	499,457
Percentage used	54.09%	45.80%	48.00%	56.50%	44.00%
Debt limit					
Total debt limit (000s)	\$ 7,806,635	\$ 7,697,013	\$ 7,442,520	\$ 6,578,898	\$ 6,493,957
Total debt (000s)	3,134,275	3,075,366	3,053,548	3,141,306	3,063,919
Percentage used	40.15%	40.00%	41.00%	47.80%	47.20%
Municipal full-time equivalents (excluding ENMAX)					
Total full-time equivalents – City	17,645	17,256	16,373	15,894	15,796
Total full-time equivalents – Related authorities	1,079	1,071	1,191	1,197	1,172
Full-time equivalents per 1,000 population – City	11.83	12.42	12.19	12.01	12.09
Full-time equivalents per 1,000 population – Related authorities	0.72	0.77	0.89	0.90	0.90
Area, square kilometres	852	852	848	848	848
Km of roads (lane km)	22,161	21,952	21,732	21,440	21,244
Km of roads (centreline km)	8,639	8,555	8,475	8,371	8,301
Transit passenger trips, annual (000s)	101,150	89,966	56,910	41,175	50,948
Km of wastewater mains	5,346	5,208	5,160	5,107	5,066
Km of water mains	5,485	5,359	5,360	5,338	5,312
Km of storm drainage mains	4,862	4,753	5,493	5,465	5,437

(1) Figures for 2021 have been restated for the correction of certain tangible capital asset related adjustments identified in 2022. Years prior to 2021 have not been restated for these adjustments.

(2) Figures are in thousands and before consolidating eliminations.



The City of Calgary 2024 Annual Financial Report

AC2025-0323

2025 April 17

Recommendations

That the Audit Committee:

1. Consider this report in conjunction with Report AC2025-0351 “External Auditor 2024 Year-End Report”,
2. Recommends Council approval of The City of Calgary 2024 Annual Financial Report, and
3. Forward this report to the 2025 April 29 Regular Meeting of Council.

Highlights

- Strong statement of financial position and liquidity;
- Managing the 2023-2026 Service Plans and Budgets;
- Continued focus on existing infrastructure, downtown revitalization and supporting city growth, transit and public safety;
- Major investments in the Culture + Entertainment District and Arts Commons & Olympic Plaza Transformation;
- Bearspaw South Feeder Main break response and repair;
- Continuing investment in Green Line infrastructure;
- Preparing our city and infrastructure for a changing climate; and
- Adoption of new accounting standards and guideline.

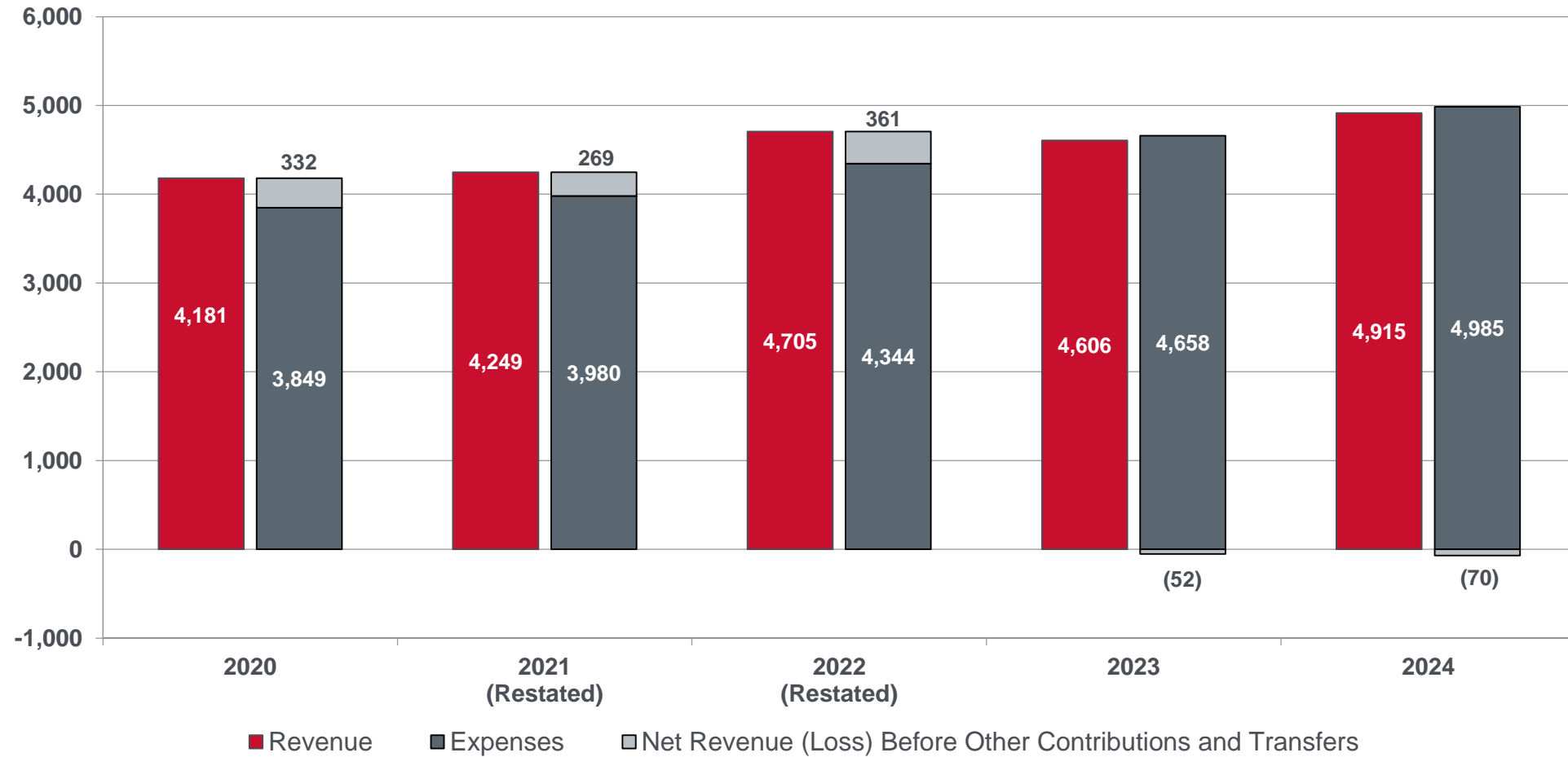
Adoption of New Accounting Standards and Guideline

- **Revenue:**
 - Prospective Adoption, effective January 1, 2024
 - No significant impact

- **Public Private Partnerships:**
 - Prospective Adoption, effective January 1, 2024
 - Some additional disclosure required

- **Purchased Intangibles:**
 - Prospective Adoption, effective January 1, 2024
 - No current year impact

Revenues, Expenses, and Net Revenue (Loss) Before Capital Transfers (\$ millions)



Revenues for the Year Ended December 31

(\$ millions)

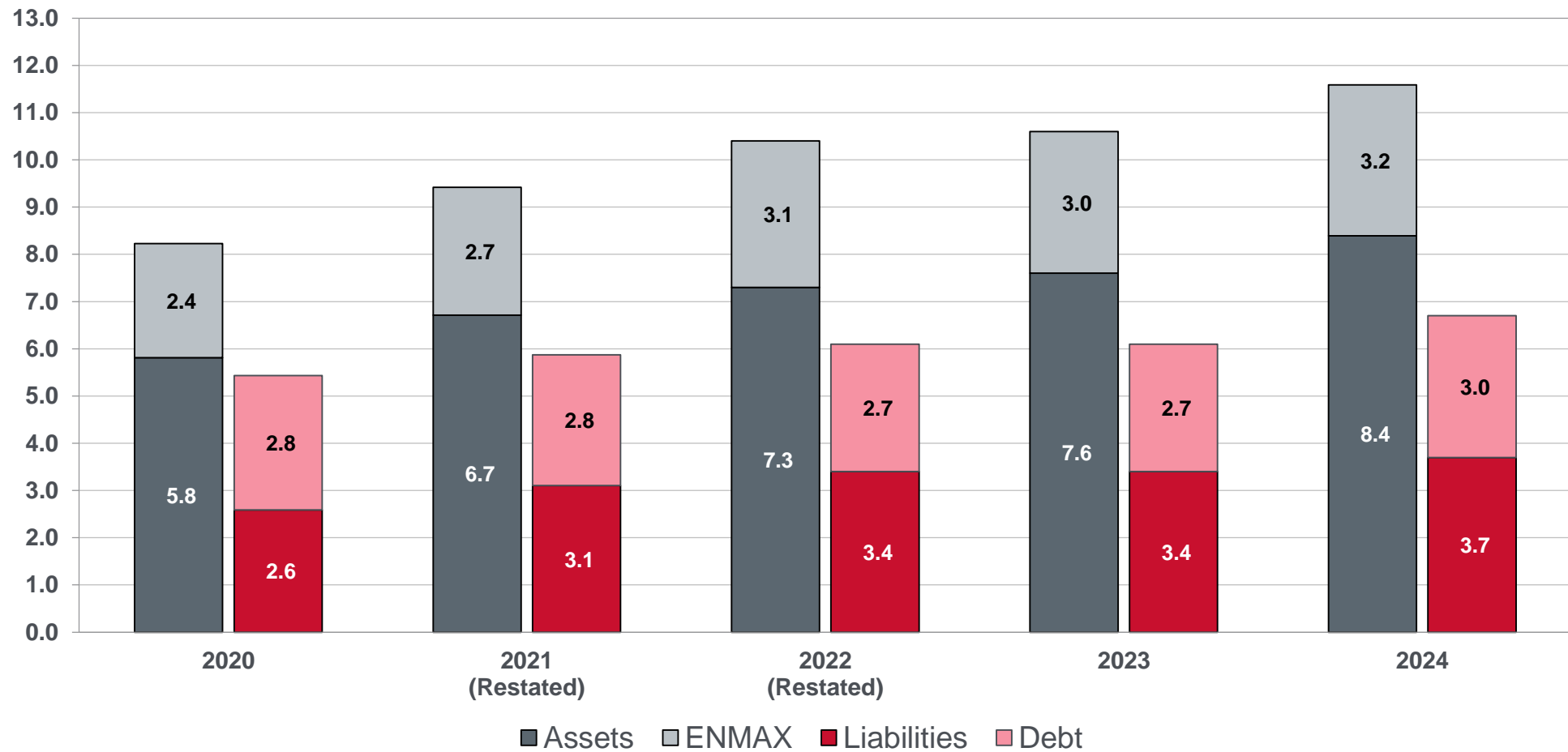
	Actual 2024	Actual 2023	Increase/ (Decrease)	Per cent Change
Net taxes available for municipal purposes	2,628	2,608	20	1%
Sales of goods and services	1,341	1,360	(19)	(1%)
Government transfers related to operating	179	179	-	(0%)
Investment income	312	220	92	42%
Fines and penalties	76	78	(2)	(3%)
Licences, permits and fees	154	134	20	15%
Miscellaneous revenue	44	43	1	2%
Equity in earnings of ENMAX	181	(16)	197	1,231%
Total revenues (before external transfers for infrastructure)	4,915	4,606	309	7%
Developer contributions	145	189	(44)	(23%)
Government transfers related to capital	685	462	223	48%
Developer contributions-in-kind related to capital	345	289	56	19%
Total external transfers for infrastructure	1,175	940	235	25%
Total Revenue	6,090	5,546	544	10%

Expenses for the Year Ended December 31

(\$ millions)

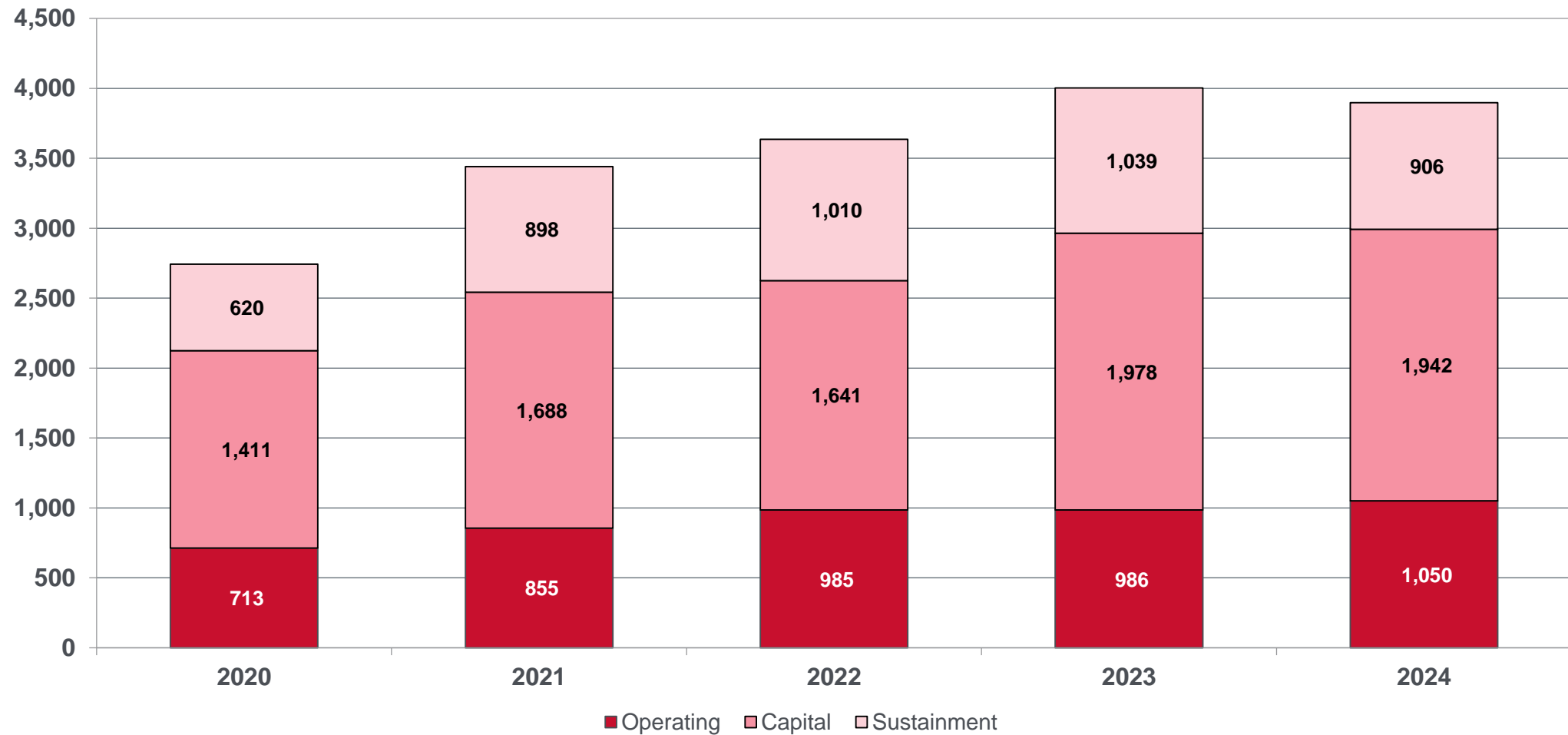
	Actual 2024	Actual 2023	Increase/ (Decrease)	Per cent Change
EXPENSES				
Planning and development services	236	201	35	17%
Infrastructure services	243	378	(135)	(36%)
Community services	1,627	1,565	62	4%
Operational services	2,353	2,146	207	10%
General government	526	368	158	43%
	4,985	4,658	327	7%

Financial Assets and Liabilities (\$ billions)



Reserves as at December 31

(\$ millions)



Key Messages

- The Annual Financial Report is part of The City's commitment to provide effective governance, increased accountability, transparency, and a well-run city.
- Provides a comprehensive view of the consolidated financial statements in accordance with Canadian generally accepted accounting principles for local governments.

Recommendations

That the Audit Committee:

1. Consider this report in conjunction with Report AC2025-0351 “External Auditor’s 2024 Year-End Report”;
2. Recommends Council approval of The City of Calgary 2024 Annual Financial Report, and
3. Forward this report to the 2025 April 29 Regular Meeting of Council.



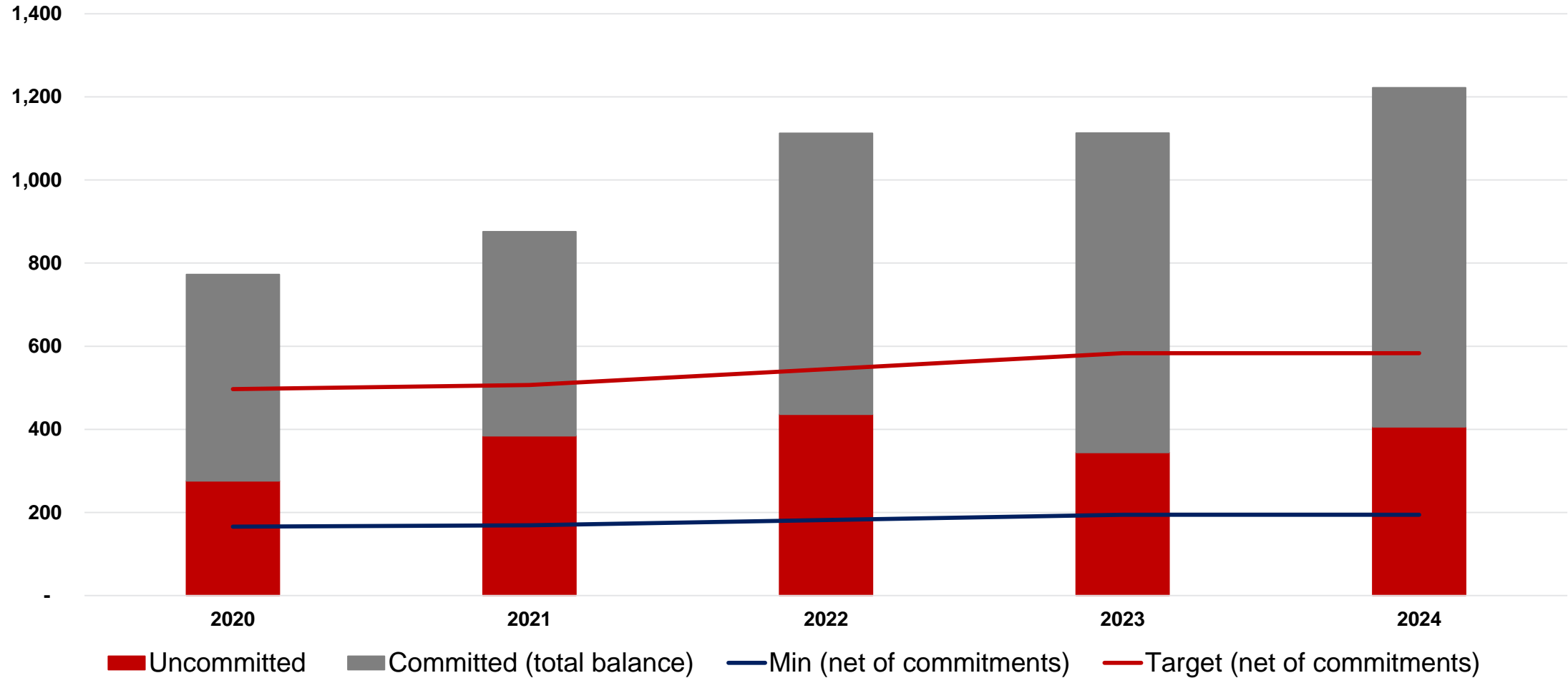
Supplementary Information Follows

Capital Deposits as at December 31

(\$ Thousands)

	December 31, 2023	Contributions Received	Revenue Recognized	December 31, 2024
Developers contributions	\$ 143,812	\$ 24,433	\$ (12,907)	\$ 155,338
Off-site	413,611	147,429	(37,806)	523,234
Centre city levies	9,473	1,980	(152)	11,301
Other private contributions	2,615	(550)	(637)	1,428
Provincial government grants	334,625	459,930	(467,688)	326,867
Federal government grants	284,002	132,718	(220,740)	195,980
	\$ 1,188,138	\$ 765,940	\$ (739,930)	\$ 1,214,148

Fiscal Stability Reserve (\$ Millions)



Upcoming Accounting Standards

2027 Implementation

Conceptual Framework— defines the nature, function and scope of financial accounting and reporting in the public sector. It serves as the foundation for developing Public Sector Accounting Standards (PSAS) and applying professional judgment. This framework will replace the conceptual components of PS 1000 - Financial Statement concepts and PS 1100 - Financial Statement Objectives.

PS 1202 – Financial Statement Presentation – Establishes the general and specific requirements for presenting information in government consolidated financial statements. Its principles are based on the concepts outlined in the Conceptual Framework, ensuring consistency and transparency in financial reporting.

**Audit Resource Management Report to
Audit Committee
2025 April 17**

**ISC: UNRESTRICTED
AC2025-0351**

External Auditor 2024 Year-End Report

PURPOSE

In accordance with the approved External Auditor's 2024 Audit Service Plan, Report AC2024-0787, presented at the 2024 July 25 meeting of Audit Committee, Deloitte LLP has completed their independent audit of the consolidated financial statements of The City of Calgary for the year ended 2024 December 31.

PREVIOUS COUNCIL DIRECTION

The Audit Committee Bylaw 33M2020, as amended, states in Schedule B, Section 1 that Audit Committee:

- “(b) in conjunction with Administration's presentation of the annual financial statements, receives and reviews the External Auditor's year end audit results report. This report is to be forwarded to Council for information;
- (c) requires the External auditor to express an opinion on The City's finance statements, in accordance with professional standards;”

RECOMMENDATIONS:

That Audit Committee:

1. Conduct a Closed Meeting discussion with the External Auditor and keep that discussion confidential pursuant to Sections 24 (Advice from officials) and 25 (Disclosure harmful to economic interests) of the *Freedom of Information and Protection of Privacy Act*;
2. Receive this Report and Attachments for the Corporate Record and consider them in conjunction with Report AC2025-0323, The City of Calgary 2024 Annual Financial Report;
3. Recommend that Council receives Report AC2025-0351, External Auditor 2024 Year-End Report, and the Attachments, for information and the Corporate Record; and
4. Recommend that Attachments 2, 3 and the Closed Meeting discussions remain confidential pursuant to Sections 24 (Advice from officials) and 25 (Disclosure harmful to economic interests) of the *Freedom of Information and Protection of Privacy Act*, to be reviewed by 2030 April 17.

HIGHLIGHTS

The Audit Committee is responsible to ensure the integrity of The City's annual financial statements and the External Auditor provides independent assurance that the financial statements are free from material misstatement, whether due to fraud or error.

The external audit of The City's financial statements provides Calgarians with assurance that the financial statements present fairly, in all material respects, the financial position of The City as at 2024 December 31 and the results of its operations, cash flows and changes in net financial assets for the year then ended in accordance with Canadian public sector accounting standards.

**Audit Resource Management Report to
Audit Committee
2025 April 17**

**ISC: UNRESTRICTED
AC2025-0351**

External Auditor 2024 Year-End Report

The external auditor will return to Audit Committee at the 2025 June 5 meeting with their management letter which reflects their observations during the 2024 audit.

Attachments 1, 2 (Confidential) and 3 (Confidential) to this report have been provided by the External Auditor and contain their 2024 Year-End Report to the Audit Committee.

ATTACHMENTS

1. The City of Calgary, Report on the 2024 Audit
2. Confidential Attach 2-Appendix A of Appendix 4 of Deloitte Year End Report
3. Confidential Attachment 3-Deloitte Year End Report Appendix 5

Department Circulation

Councillor E. Spencer	Chair of Audit Committee	Approve
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Author: C. Smillie, EA to Audit Committee



The City of Calgary Report on the 2024 Audit

Presented to the Audit Committee April 17, 2025



Harman Gill
*Lead Client
Service and Audit
Partner*



Sanjeev Rajani
Director

Dear Audit Committee members:

We are pleased to submit this report on the status of our audit of The City of Calgary (“The City”) for the 2024 fiscal year. This report summarizes the scope of our audit, our findings to date and reviews certain other matters that we believe to be of interest to you. We are continuing to work with Administration on the outstanding matters summarized in the Executive Summary.

As agreed in our Engagement Letter (“EL”) dated July 25, 2024, we have performed an audit of the consolidated financial statements of The City as at and for the year ended December 31, 2024, in accordance with Canadian generally accepted auditing standards (“Canadian GAAS”) and expect to issue our audit report thereon dated April 29, 2025.

Our audit has been conducted in accordance with the audit plan that was presented to the Audit Committee at the meeting on July 25, 2024.

This report is intended solely for the information and use of the Audit Committee, Administration and others within The City and is not intended to be, and should not be, used by anyone other than these specified parties.

We look forward to discussing this report summarizing the outcome of our audit with you and answering any questions you may have.

Yours truly,

Deloitte LLP

Chartered Professional Accountants

Table of contents



Executive Summary



Significant Audit Risks, Areas of Focus and 2024 Matters of Interest

Significant risks - Administration override of controls

Significant risks – Revenue recognition of capital deposits

Significant risks – Tangible capital assets



Internal Control Matters



Significant Accounting Policies, Judgements and Estimates



Appendices

Appendix 1 – Communication requirements and other reportable matters

Appendix 2 – Group audit

Appendix 3 – Draft version of our auditor's report

Appendix 4 – Draft Administration representation letter

Appendix 5 – Draft independence letter

Appendix 6 – Audit Committee terms of reference

Appendix 7 – Related authorities

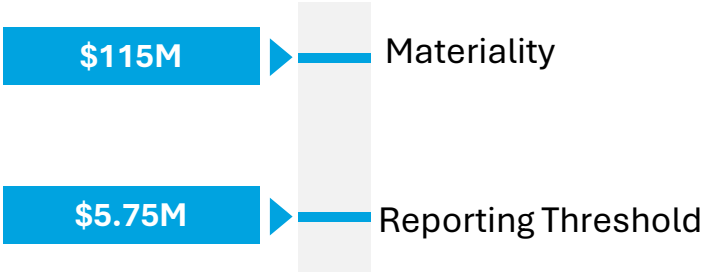
Executive Summary

Audit Scope and Terms of Engagement

We have been asked to perform an audit of The City’s consolidated financial statements prepared in accordance with Canadian public sector accounting standards (“PSAS”) as at and for the year ending December 31, 2024. Our audit was conducted in accordance with Canadian generally accepted auditing standards (“Canadian GAAS”).

We have developed appropriate safeguards and procedures to eliminate the threats to our independence or to reduce them to an acceptable level.




Group Materiality



Materiality levels are determined on the basis of total operating expenditures. Our materiality for the year ended December 31, 2024 was \$115M (2023, \$91M).

Significant Risks

Status

1 Administration override of controls	
2 Revenue recognition of capital deposits	
3 Tangible Capital Assets	

 Continued from prior Year

Outstanding Matters & Next Steps

Receipt of signed Administration representation letter and legal department’s confirmation letter.	Completion of our subsequent events review and Engagement Quality Control review.
Approval of the consolidated financial statements by City Council at the recommendation of the Audit Committee.	Review of final version of the consolidated financial statements and Financial Statement Discussion and Analysis for changes, if any.

Executive Summary (cont'd)



Going Concern

Administration has completed its assessment of the ability of The City to continue as a going concern and in making its assessment did not identify any material uncertainties related to events or conditions that may cast significant doubt upon The City's ability to continue as a going concern. We agree with Administration's assessment.




Results


No restrictions have been placed on the scope of our audit. We intend to issue an unmodified audit report on the consolidated financial statements of The City for the year ended December 31, 2024, once the outstanding items referred to above are completed satisfactorily and the consolidated financial statements are approved by the Audit Committee and City Council.

Significant Audit Risks and Areas of Focus

Risk	Audit response consistent with plan	Status and findings	Control testing planned	Analysis of Risk	Audit Response and Results
Administration override of controls			D+I	<ul style="list-style-type: none">Canadian auditing standards include the presumption of a significant risk of fraud which can be committed through Administration override of controls.Administration is in a unique position to perpetrate fraud because of its ability to directly or indirectly manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be designed and implemented effectively.	<ul style="list-style-type: none">We reviewed accounting estimates for biases and evaluated whether the circumstances demonstrate bias, if any, or represent a risk of material misstatement due to fraud.We tested, using data interrogation techniques, journal entries recorded that exhibit characteristics of possible Administration override of controls for the month of December 2024 and material manual consolidation entries at the end of the reporting period.We engaged in periodic fraud discussions with certain members of Administration and others, including City Auditor, Chief Administrative Officer, and the Audit Committee Chair.We evaluated The City's fraud risk assessment and considered entity-level internal controls and internal controls over the closing and reporting process.Obtained an understanding of the business rationale for significant transactions that are outside the normal course of business or that appear unusual given our understanding of The City and its environment.We obtained sufficient audit evidence to conclude that there were no material misstatements.

Legend

 Significant level of Administration judgement involved


 Minimal/No Administration judgement involved


D+I: Planned testing of the design and implementation of key controls

Significant Audit Risks and Areas of Focus

Risk	Audit response consistent with plan	Status and findings	Control testing planned	Analysis of Risk	Audit Response and Results
Revenue recognition of capital deposits			D+I	<ul style="list-style-type: none">Capital deposit revenue relating to government funding and private contributions is not recognized in the correct period.	<ul style="list-style-type: none">We assessed the design and implementation of relevant controls.We applied audit procedures to the revenue recognition of capital deposits relating to both government funding and private contributions. Our testing included, on a sample basis, reviewing amounts included in the current year transactions to ensure revenue is recognized only when the PSAS revenue recognition criteria is met.We obtained capital deposit contracts to ensure that the revenue recorded aligns with the stipulations in the contract.We applied audit procedures to test the completeness of revenue by reviewing the carry-forward forms for financing deficits as at December 31 to determine if grant funding has been applied in the appropriate period.We applied audit procedures to off-site levies, on a sample basis, on the following areas:<ul style="list-style-type: none">Signed agreements in the year;Debt acquired for off-site levy projects;Amounts recognized into revenue in the year;Deferred revenue recognized into revenue in the year.We obtained sufficient audit evidence to conclude that there were no material misstatements.



Legend

 Significant level of Administration judgement involved


 Minimal/No Administration judgement involved


D+I: Planned testing of the design and implementation of key controls

Significant Audit Risks and Areas of Focus

Risk	Audit response consistent with plan	Status and findings	Control Testing Planned	Analysis of Risk	Audit Response and Results
Tangible Capital Assets			D+I	<ul style="list-style-type: none">Completeness, existence and valuation of Tangible Capital Assets (“TCA”), work in progress (“WIP”) and capital (Fund 40) expenditures.	<ul style="list-style-type: none">We assessed the design and implementation of relevant controls.On a sampling basis, we tested TCA WIP additions to ensure these WIP additions were appropriately capitalized and accounted for as WIP.On a sampling basis, we tested TCA WIP transfers to ensure these WIP projects were appropriately transferred out of WIP and into the correct asset class at project completion.On a sampling basis, we tested the year end WIP balance to ensure amounts included in WIP are appropriate.On a sampling basis, we tested capital (Fund 40) expenditures to ensure these costs were appropriately expensed or capitalized to TCA.We obtained sufficient audit evidence to conclude that there were no material misstatements.

Legend

 Significant level of Administration judgement involved

 Minimal/No Administration judgement involved

D+I: Planned testing of the design and implementation of key controls

Significant Audit Risks and Areas of Focus (cont'd)

Areas of focus



Related Parties (authorities/subsidiaries/civic partners)

- We reviewed The City's accounting policies, and any changes therein related to its related parties.
- We verified that the related parties have been accounted for and disclosed in accordance with The City's accounting policies and PSAS.
- We audited all material balances relating to the related parties.
- We applied audit procedures to any entities identified by Administration in 2024 as meeting the criteria for consolidation under PSAS guidance, if any. No new entities identified in 2024.
- We obtained sufficient audit evidence to conclude that there were no material misstatements.



Litigation Accruals and Contingencies

- We enquired with The City's legal department and The City Solicitor to determine the status of outstanding legal matters.
- We reviewed legal correspondence from The City Solicitor and external legal counsel (if applicable) and discussed the status of outstanding legal matters with Administration and others, as necessary.
- We assessed the appropriateness of any contingent liabilities and financial statement disclosures.
- We obtained sufficient audit evidence to conclude that there were no material misstatements.



Government Grants and Transfers

- We tested a sample of funding agreements to determine if the contract required financial statement disclosure.
- We tested a sample of federal and provincial transfer payments received during the year to fund specific projects.
- We reviewed the related funding agreements to ensure funds were used for their intended purpose and that revenue was recognized in the appropriate period, including the deferred revenue.
- We reviewed deferred revenue for compliance with the applicable PSAS guidance.
- We tested expenditures and ensure that the corresponding revenue has been recognized.
- We obtained sufficient audit evidence to conclude that there were no material misstatements.



Property Tax Revenue

- We performed reasonability tests on property tax revenue balances.
- We reviewed and tested the property tax revenue business cycle process controls.
- We completed data analytics testing on the property tax revenues for the year ending December 31, 2024.
- We obtained sufficient audit evidence to conclude that there were no material misstatements.



Reserves

- We tested expenditures charged to each reserve and agreed a sample of expenditures to invoices to verify that the transaction was within the terms and conditions approved by City Council.
- We also tested a sample of transfers between reserves, if any, to verify that the transfer was approved by City Council.
- We reviewed the completeness and accuracy of the financial statement disclosures relating to reserves.
- We obtained sufficient audit evidence to conclude that there were no material misstatements.



Commitments and Contractual Obligations

- We reviewed the completeness and accuracy of the financial statement disclosures relating to The City's commitments and contractual obligations.
- We ensured that these disclosures are in accordance with PSAS guidance.
- We obtained sufficient audit evidence to conclude that there were no material misstatements.



Valuation of registered defined benefit pension plans

- We reviewed the various inputs and assumptions used in the calculation of the pension obligation and assessed their reasonableness.
- We reviewed and tested the pension asset and obligation business cycle process controls to ensure the controls surrounding the review of the inputs and assumptions are designed and implemented properly.
- We sent and received confirmations from the external actuary.
- We obtained sufficient audit evidence to conclude that there were no material misstatements.



Adoption of New Accounting Standards

- We reviewed the adoption and accounting analysis memos prepared by Administration for the adoption of PS 3400, PS 3160 and PSG 8 and also audited any assumptions utilized by Administration in their approach.
- We tested the completeness and accuracy of the adoption methodology, including testing performed at the business units ("BU") which were impacted by the new accounting standards.
- We evaluated the financial statement disclosures for completeness and accuracy as required under PSAS.
- The impact of the adoption of the new standards is described in note 1ab of the consolidated financial statements.
- We obtained sufficient audit evidence to conclude there were no material misstatements.



Event Centre Accounting Analysis

- We reviewed 11 (including 5 appendices) Event Centre accounting analysis memos prepared by Administration.
- We reviewed 30 agreements related to the Event Centre project. In conjunction with the accounting analysis memos, tested the assumptions and accounting impact on the financial statements to ensure the transactions are recorded in accordance with the proposed accounting treatment, in compliance with PSAS and in compliance with the terms and conditions of the underlying agreements.
- We held discussions with relevant BUs as part of our testing.
- We assessed the appropriateness of capital commitments and financial statement disclosures to ensure these are consistent with PSAS.
- We obtained sufficient audit evidence to conclude there were no material misstatements.



Green Line Work in Progress ("WIP") assessment

- We reviewed Administration's impairment analysis of the Green Line WIP.
- We held discussion with BU personnel to obtain an understanding of the project status as at December 31, 2024.
- We tested on a sample basis the WIP costs and assessed Administration's assumptions relating to the WIP costs to ensure the costs continue to have value as WIP and are accounted for in accordance with PSAS guidance.
- We held discussion with internal subject matter experts as part of our audit procedures.
- We assessed the financial statement disclosure compliance with the applicable PSAS guidance.
- We obtained sufficient audit evidence to conclude there were no material misstatements.



Debt Treatment (Bond Issuance)

- The City issued \$180M in bonds in March 2024.
- We reviewed Administration's accounting analysis of the bond issuance, including related transactions (e.g. interest expense and working capital loan impact) and ensured transactions were recorded in compliance with the applicable accounting standard (financial instruments).
- We reviewed the bond issuance agreement and Council by-laws.
- We sent external confirmations to audit the year end balance.
- We obtained sufficient audit evidence to conclude there were no material misstatements.



Water Pipes: Asset Impairment and Useful Life Analysis

- We reviewed Administration's analysis of the impairment of the failed section of the Bearspaw feeder main and useful lives of water pipes.
- We applied audit procedures through our TCA impairment and useful lives testing.
- We held discussions with BU operational personnel.
- We obtained sufficient audit evidence to conclude there were no material misstatements.

Internal Control Matters



Considerations

As part of our consolidated financial statement audit, we are required to consider many components of internal controls, which assist us in determining the risks of material misstatement and the identification of internal controls that will be relevant for our audit. Not all controls are relevant to every audit. For example, some internal controls may exist to address operational risks. For those controls deemed relevant to our 2024 audit, we evaluated the design of these controls and determined whether they were implemented appropriately.



Assessments

In our audit of The City's consolidated financial statements, we assessed the design and implementation of controls to aid in our risk assessment procedures. Canadian GAAS require us to report to the Audit Committee any significant deficiencies that have come to our attention.

To the extent that we have identified matters to be communicated with those charged with governance, consistent with previous years, we will communicate those in our Administration recommendation letter to be presented by Deloitte at the June 5, 2025, meeting.



Design

Our audit was not designed to provide a high degree of assurance that significant deficiencies, if any, would be detected.

Significant Accounting Policies, Judgements and Estimates



Accounting policies

The accounting policies described in Note 1 of the consolidated financial statements are those that are most important and representative of The City's financial condition and financial performance.

In the course of our audit of the consolidated financial statements, we considered the qualitative aspects of the financial reporting process, including items that have a significant impact on the relevance, reliability, comparability and understandability of the information included in the consolidated financial statements.



Judgement

In our judgement, the significant accounting practices and policies, selected and applied by Administration are, in all material respects, acceptable under PSAS and are appropriate to the particular circumstances of The City.



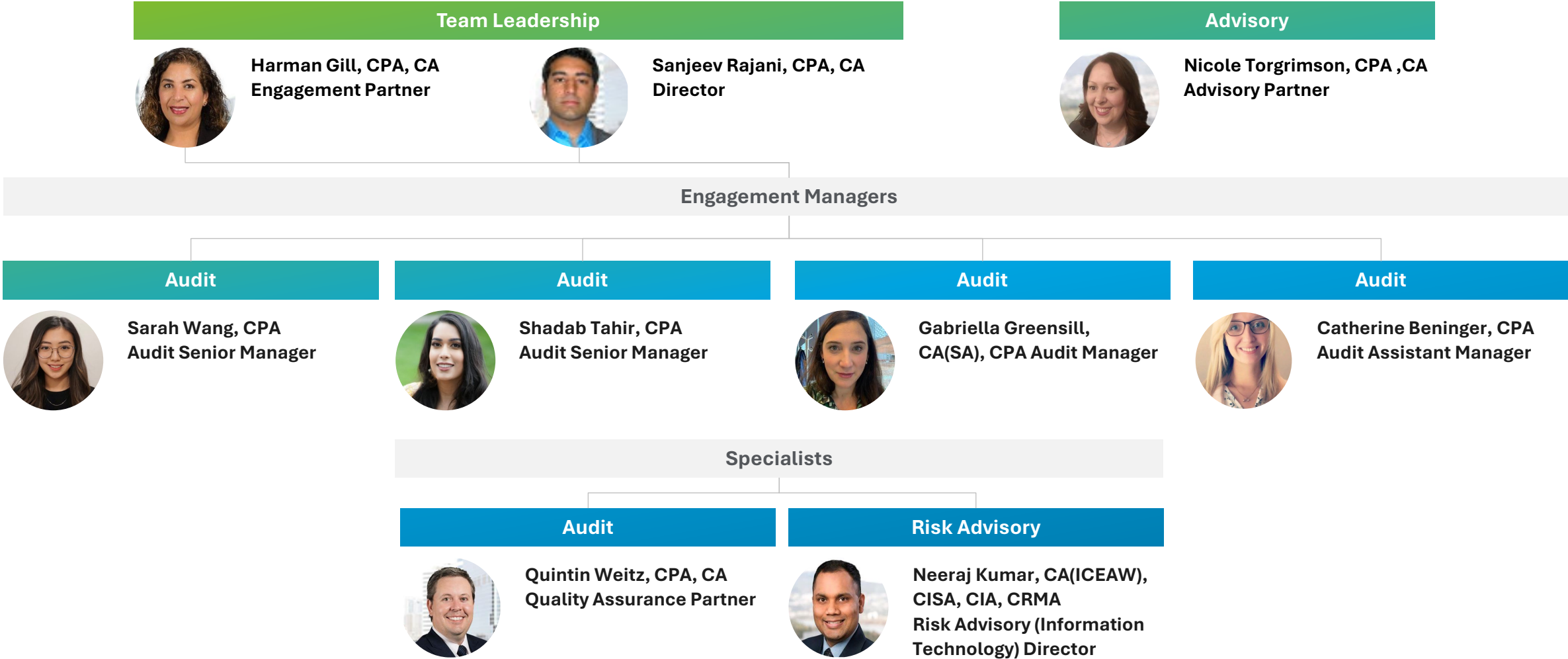
Accounting estimates

Accounting estimates are an integral part of the consolidated financial statements prepared by Administration and are based on Administration's current judgements. These judgements are normally based on knowledge and experience about past and current events, assumptions about future events and interpretations of the financial reporting standards.

During the year ended December 31, 2024, Administration advised us that there were no significant changes in accounting estimates or in judgements relating to the application of the accounting policies.

In our judgment, the significant accounting estimates made by Administration are, in all material respects, free of possible Administration bias and of material misstatement. The disclosure in the financial statements around estimation uncertainty is in accordance with PSAS and is appropriate to the particular circumstances of The City.

Senior members of the engagement team



Appendices



Appendix 1 – Required communications with Those Charged with Governance

Canadian GAAS standards require that we communicate to Those Charged with Governance (TCWG) on the following matters:

Required communication	Refer to this report or document described below
1. Our responsibilities under Canadian GAAS, including forming and expressing an opinion on the financial statements	Engagement Letter (“EL”) dated July 25, 2024.
2. An overview of the overall audit strategy, addressing: <ul style="list-style-type: none"> a. Timing of the audit b. Significant risks, including fraud risks c. Nature and extent of specialized skill or knowledge needed to perform the planned audit procedures related to significant risk 	Audit plan communicated on July 25, 2024.
3. Significant transactions outside of the normal course of business, including related party transactions	Related party transactions are disclosed in Note 27 to the consolidated financial statements. Refer to Significant audit risks and areas of focus section for further details on significant transactions outside the normal course of business.
4. How those charged with governance exercise oversight over management’s process for identifying and responding to the risk of fraud and the internal control that management has established to mitigate these risks	We believe adequate internal controls exist to sufficiently mitigate the risk of management override of controls. Those charged with governance exercise oversight over Administration’s process for identification and response to the risk of fraud by establishing and enforcing a code of conduct, establishing committees to govern various aspects of operations and engaging frequently with key Administration personnel.
5. Whether The City is in compliance with laws and regulations	Administration is responsible for ensuring that The City’s operations are conducted in accordance with the laws and regulations applicable to The City in the jurisdictions in which it operates. The responsibility for preventing and detecting non-compliance rests with Administration. The auditor is not and cannot be held responsible for preventing noncompliance with laws and regulations. Our limited procedures did not identify any areas of material non-compliance with laws and regulations by The City.

Appendix 1 – Required communications with Those Charged with Governance (cont'd)

Canadian GAAS standards require that we communicate to Those Charged with Governance (TCWG) on the following matters:

Required communication	Refer to this report or document described below
6. Fraud or possible fraud identified through the audit process	We are not aware of any actual or suspected fraudulent events which are material to The City’s consolidated financial statements.
7. Significant accounting policies, practices, unusual transactions, and our related conclusions	Significant accounting policies, judgements and estimates section of this report.
8. Alternative treatments for accounting policies and practices that have been discussed with management during the current audit period	Significant accounting policies, judgements and estimates section of this report.
9. Matters related to going concern	Executive summary section of this report.
10. Use of the work of specialists and experts	As planned, Deloitte and external specialists and experts assisted in the audit to the extent we considered necessary:
	<div> IT specialists: (Deloitte) Assisted in the assessment of the adequacy and effectiveness of internal controls related to information systems. </div>
	<div> Actuarial experts: (External) AON Solutions Canada Inc. assisted in the assessment of the valuation of The City’s pension liability. </div>
11. Consultation with other accountants	Administration has informed us that The City has not consulted other accountants about auditing or accounting matters.
12. Administration judgments and accounting estimates	Significant accounting policies, judgements and estimates section of this report.

Appendix 1 – Required communications with Those Charged with Governance (cont'd)

Canadian GAAS standards require that we communicate to Those Charged with Governance (TCWG) on the following matters:

Required communication	Refer to this report or document described below
13. Significant difficulties, if any, encountered during the audit	During the course of our audit, we did not encounter any significant difficulties in dealing with Administration related to the performance of the audit.
14. Material written communications between Administration and us, including Administration representation letters	Draft Administration representation letter - Appendix 4.
15. Circumstances that affect the form and the content of the auditor's report	Draft auditor's report - Appendix 3.
16. Other matters that are significant to the oversight of the financial reporting process	No other matters to report.
17. Modifications to our opinion(s)	Executive summary section of this report.
18. Other significant matters discussed with Administration	Significant audit risks and areas of focus section of this report.
19. Matters involving noncompliance with laws and regulations that come to our attention, unless prohibited by law or regulation, including illegal or possibly illegal acts that come to our attention	We are not aware of any matters involving noncompliance with laws and regulations or illegal acts.
20. Litigation	No litigation matters to report.
21. Significant deficiencies in internal control, if any, identified by us in the conduct of the audit of the financial statements	No significant deficiencies to report.
22. Uncorrected misstatements and disclosure items	In accordance with Canadian GAAS, we request that all misstatements be corrected. Uncorrected misstatements and uncorrected disclosure misstatements are described in Draft Administration representation letter - Appendix 4.
23. Changes to the audit plan	The audit was conducted in accordance with our audit plan, which was communicated to the Audit Committee on July 25, 2024. We confirm that there have been no amendments to the audit scope and approach communicated in the audit plan.
24. Concerns regarding Administration competence and integrity	We do not have any concerns regarding Administration's competency and integrity.
25. Disagreements with Administration	During the current audit, we did not have any disagreements with Administration.
26. Post-balance sheet events	At the date of finalizing this report, we are not aware of any significant post-balance sheet events.

Appendix 2 – Group Audit

The audit of The City is considered to be a group audit and therefore, we are also required to determine the scope of work required for each component audit (related authority/subsidiary) in relation to The City's consolidated audit and group materiality.

We are auditors of all components (related authorities/subsidiaries) and issue an audit opinion on the standalone financial statements of each entity based on the component (standalone) materiality.

No restrictions have been placed on the scope of our audits of the related authorities. In performing the audits, we were given full and complete access to the accounting records, supporting documentation and other information requested.



Appendix 3 – Draft version of our auditor’s report

We intend to issue an unmodified audit report on the consolidated financial statements of The City for the year ended December 31, 2024 as outlined below once the outstanding items referred to in the executive summary are completed satisfactorily and the consolidated financial statements are approved by the Audit Committee and City Council.

Independent Auditor’s Report

To Mayor Jyoti Gondek and Members of City Council
The City of Calgary

Opinion

We have audited the consolidated financial statements of The City of Calgary (“The City”) which comprise the consolidated statement of financial position as at December 31, 2024 and the consolidated statements of operations and accumulated surplus, remeasurement gains and losses, cash flows and changes in net financial assets for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the “financial statements”).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of The City as at December 31, 2024 and the results of its operations, remeasurement gains and losses, cash flows and changes in net financial assets for the year then ended in accordance with Canadian public sector accounting standards (“PSAS”).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards (“Canadian GAAS”). 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 City 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.

Other Information

City Administration is responsible for the other information. The other information comprises the information, other than the financial statements and our auditor’s report thereon, in the Financial Statement Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained the Financial Statement Discussion and Analysis prior to the date of this auditor’s report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor’s report. We have nothing to report in this regard.

Responsibilities of City Administration and Those Charged with Governance for the Consolidated Financial Statements

City Administration is responsible for the preparation and fair presentation of the financial statements in accordance with PSAS and for such internal control as City Administration 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, City Administration is responsible for assessing The City’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 City Administration either intends to liquidate The City or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing The City’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Consolidated 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 GAAS 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 GAAS, 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 City’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by City Administration.
- Conclude on the appropriateness of City Administration’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 City’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 City 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.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within The City as a basis for forming an opinion on the financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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.

Chartered Professional Accountants
April 29, 2025

Appendix 4 – Draft administration representation letter

[The City of Calgary letterhead]

April 29, 2025

Deloitte LLP
700, 850 – 2 Street SW
Calgary AB T2P 0R8

To Whom It May Concern

Subject: Consolidated financial statements of The City of Calgary for the year ended December 31, 2024

This representation letter is provided in connection with the audit by Deloitte LLP (“Deloitte” or “you”) of the consolidated financial statements of The City of Calgary (“The City” or “we” or “us”) for the year ended December 31, 2024, and a summary of significant accounting policies and other explanatory information (the “Financial Statements”) for the purpose of expressing an opinion as to whether the Financial Statements present fairly, in all material respects, the financial position, results of operations, its remeasurement gains and losses, cash flows and changes in net financial assets of The City in accordance with Public Sector Accounting Standards (“PSAS”).

Certain representations in this letter are described as being limited to matters that are material. Items are considered to be material if they, individually or in the aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Statements.

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

Financial statements

1. We have fulfilled our responsibilities as set out in the terms of the engagement letter between The City and Deloitte dated July 25, 2024, for the preparation of the Financial Statements in accordance with PSAS. In particular, the Financial Statements are fairly presented, in all material respects, and present the financial position of The City as at December 31, 2024, and the results of its operations, remeasurement gains and losses, cash flows and changes in net financial assets for the year then ended in accordance with PSAS.
2. Significant assumptions used in making estimates, including those measured at fair value, are reasonable.

In preparing the Financial Statements in accordance with PSAS, Administration makes judgments and assumptions about the future and uses estimates. The completeness and appropriateness of the disclosures related to estimates are in accordance with PSAS. The City has appropriately disclosed in the Financial Statements the nature of measurement uncertainties that are material, including all estimates where it is reasonably possible that the estimate will change in the near term and the effect of the change could be material to the Financial Statements.

The measurement methods, including the related assumptions and models, used in determining the estimates, including fair value, were appropriate, reasonable and consistently applied in accordance with PSAS and appropriately reflect Administration’s intent and ability to carry out specific courses of action on behalf of The City. No events have occurred subsequent to December 31, 2024, that require adjustment to the estimates and disclosures included in the Financial Statements.

There are no changes in management’s method of determining significant estimates in the current year.

The City has identified all related parties in accordance with Section PS 2200, *Related Party Disclosures* (“PS 2200”). Administration has determined that such disclosure is not necessary because the transactions have not occurred at a value different from that which would have been arrived at if the parties were unrelated and do not or could not have a material effect on the financial statements. This assessment is based on all relevant factors, including those listed in paragraph 16 of PS 2200.

3. We have determined that the Financial Statements are complete as of the date of this letter as this is the date when there are no changes to the Financial Statements (including disclosures) planned or expected and City Council approval is obtained. The Financial Statements have been internally reviewed and approved in accordance with our year end close process to finalize financial statements.
4. We have completed our review of events after December 31, 2024, and up to the date of this letter. All events subsequent to the date of the Financial Statements and for which PSAS requires adjustment or disclosure have been adjusted or disclosed. Accounting estimates and disclosures included in the Financial Statements that are impacted by subsequent events have been appropriately adjusted.
5. The Financial Statements are free of material errors and omissions.

We believe that the effects of any uncorrected Financial Statement misstatements pertaining to the current and comparative prior period presented, are immaterial, both individually and in the aggregate, to the Financial Statements taken as a whole. A list of the uncorrected misstatements aggregated by you is attached in Appendix A.

Internal controls

6. We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud and error.
7. We have disclosed to you all known deficiencies in the design or operation of internal control over financial reporting identified as part of our evaluation, including separately disclosing to you all such deficiencies that we believe to be significant deficiencies in internal control over financial reporting.

Information provided

8. We have provided you with:
 - a. Access to all information of which we are aware that is relevant to the preparation of the Financial Statements, such as records, documentation and other matters;
 - b. All relevant information as well as additional information that you have requested from us for the purpose of the audit; and
 - c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
9. Except as listed in Appendix A, all transactions have been properly recorded in the accounting records and are reflected in the Financial Statements.
10. We have disclosed to you the results of our assessment of the risk that the Financial Statements may be materially misstated as a result of fraud.

11. We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the entity and involves:
 - a. Administration;
 - b. Employees who have significant roles in internal control; or
 - c. Others where the fraud could have a material effect on the Financial Statements.
12. We have disclosed to you all information in relation to allegations of actual, suspected or alleged fraud, or illegal or suspected illegal acts affecting The City.
13. We have disclosed to you all communications from regulatory agencies concerning noncompliance with or deficiencies in financial reporting practices and all known instances of noncompliance or suspected noncompliance with laws and regulations whose effects should be considered when preparing the Financial Statements.
14. We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware, including guarantees, non-monetary transactions and transactions for no consideration and participation in a defined benefit plan that shares risks between group entities.
15. We have disclosed to you all known, actual or possible litigation and claims, whether or not they have been discussed with our lawyers, whose effects should be considered when preparing the Financial Statements. As appropriate, these items have been disclosed and accounted for in the Financial Statements in accordance with PSAS.

Independence matters

For the purposes of the following paragraphs, "Deloitte" shall mean Deloitte LLP and Deloitte Touche Tohmatsu Limited, including related member firms and affiliates.

16. Prior to The City having any substantive employment conversations with a former or current Deloitte engagement team member, The City has held discussions with Deloitte and obtained approval from the Audit Committee.
17. We have ensured that all non-audit services provided to The City have been pre-approved by the Audit Committee. Further, we have adhered to all regulatory requirements regarding the provision of non-audit services by Deloitte to The City in accordance with applicable laws, regulations and rules that apply to The City, including the Audit Committee approval requirements.
18. We have ensured that all services performed by Deloitte with respect to this engagement have been pre-approved by the Audit Committee in accordance with its established approval policies and procedures.

Other matters

19. The City has satisfactory title to and control over all assets, and there are no liens or encumbrances on such assets. We have disclosed to you and in the Financial Statements all assets that have been pledged as collateral.
20. We have disclosed to you all liabilities, provisions, contingent liabilities and contingent assets, including those associated with guarantees, whether written or oral, and they are appropriately reflected in the Financial Statements.
21. We have disclosed to you, and The City has complied with all aspects of contractual agreements that could have a material effect on the Financial Statements in the event of noncompliance, including all covenants, conditions or other requirements of all outstanding debt.

22. We have disclosed to you all the documents that we expect to issue that may comprise other information, in the context of CAS 720, The Auditor's Responsibilities Relating to Other Information in Documents Containing Audited Financial Statements.

23. We have provided you with final versions of the following other information:

- a. Financial Statement Discussion and Analysis

We believe the Financial Statements and the other information are consistent with one another, and that the other information does not contain any material misstatements.

Selection of accounting policies and recording of transactions

24. The accounting policies selected, and the application of those policies are appropriate.

25. The City's accounting policies and their method of application have been applied on a basis consistent with that of the audited Financial Statements as of and for the year ended December 31, 2023, other than new accounting standards adopted in the current year.

Administration's responsibilities

26. All transactions and events have been carried out in accordance with law, regulation or other authority.

Employee future obligations

27. We agree with the work of our experts in evaluating the Employee Benefit Obligation and have adequately considered the competence and capabilities of the experts in determining amounts and disclosures used in the Financial Statements and underlying accounting records. We did not give any, nor cause any, instructions to be given to our experts with respect to values or amounts derived in an attempt to bias their work, and we are not aware of any matters that have impacted the independence or objectivity of the experts.

28. Employee future benefit costs, assets and obligations, as applicable, have been properly recorded and adequately disclosed in the Financial Statements including those arising under defined benefit and defined contribution plans as well as termination arrangements. We believe that the actuarial assumptions and methods used to measure defined benefit plan assets, obligations and costs for financial statement purposes are appropriate in the circumstances. Actuarial gains and the related expenses are amortized in a systematic and rational manner over the expected average remaining service life of the related employee group.

29. We have disclosed to you any intentions of terminating any of our pension plans or withdrawing from the multi-employer plan that could result in an effective termination or reportable event for any of the plans. We have disclosed to you any occurrences that could result in the termination of any of our pension or multi-employer plans to which we contribute.

30. We have correctly accounted for the multi-employer defined benefit plans (Local Authorities Pension Plan and Special Forces Pension Plan) in which The City is a participating member. As information is not available to determine the City's share of the plans' obligations and assets of these defined benefit plans, they are appropriately reported utilizing the defined contribution method of accounting.

Plans or intentions affecting carrying value/classification of assets and liabilities

31. We have disclosed to you all plans or intentions that may materially affect the carrying value or classification of assets and liabilities reflected in the Financial Statements.

32. We have performed assessments on our known contaminated sites, including those described in Paragraph 34. Based on our Section PS 3260, *Liability for Contaminated Sites* (“PS 3260”) evaluation, we have identified two sites as contaminated sites. We have recorded a liability because the contamination of the site exceeds the environmental standard. The City is responsible or has accepted responsibility for the remediation and we believe it is expected that remediation will be required. We believe that the estimate of the liability is reasonable and is our best estimate of the amount required to remediate the sites.
33. We have identified several other sites that exceed the environmental standard for which The City is not responsible for remediation, or it is unclear if the remediation is the responsibility of The City. One of the sites relates to the known contamination of the West Village site. We do not accept responsibility for the remediation of these sites (or it is unclear who has responsibility for the remediation of these sites) and as such we have not recorded a liability with respect to remediation.

Furthermore, The City of Calgary has signed a release agreement effective November 15, 1997 (the “Effective Date”) between Her Majesty the Queen in Right of the Province of Alberta and The City of Calgary, which indicates the following in paragraph 2.01 of this agreement:

“The Province acknowledges and agrees that the Contamination existing as of the Effective Date was not caused or contributed to by the City. The Province agrees that from and after the Effective Date it shall not initiate any Recovery Action against the City, its Council, officers, agents, employees, contractors, persons in lawful use and occupation of the Lands, or those for whom they are in law responsible for, save and except with respect to any act or omission whether inadvertent, willful, or negligent by the City, its Council, officers, agents, employees, contractors, persons in lawful use and occupation of the Lands or those for whom they are in law responsible for, which in the opinion of the Province has an adverse effect on the Contamination. Subject to any such act or omission whether inadvertent, willful or negligent, the Province releases and forever discharges the City from all Recovery Actions.”.

34. Administration’s risk assessment process for the identification of potential contaminated sites identified a number of higher potential risk sites. In respect to PS 3260, of these sites, 36 higher risk sites have been identified. The City confirms that the liability recorded in the Financial Statements is adequate and not materially misstated.
35. Administration’s policy for the treatment and application of the liability of contaminated sites was finalized as at December 31, 2016, and there were no changes to the policy for the year ended December 31, 2024.

Environmental liabilities/contingencies

36. We have considered the effect of environmental matters on The City and have disclosed to you all liabilities, provisions or contingencies arising from environmental matters. All liabilities, provisions, contingencies and commitments arising from environmental matters, and the effect of environmental matters on the carrying values of the relevant assets are recognized, measured and disclosed, as appropriate, in the Financial Statements.

Work of Administration’s experts

37. We agree with the work of Administration’s experts in evaluating the environmental liability, liability for contaminated sites, and asset retirement costs and liability and have adequately considered the competence and capabilities of the experts in determining amounts and disclosures used in the Financial Statements and underlying accounting records. We did not give any, nor cause any, instructions to be given to Administration’s experts with respect to values or amounts derived in an attempt to bias their work, and we are not aware of any matters that have impacted the independence or objectivity of the experts.

Revenue from exchange transactions

38. We have fully disclosed to you all sales terms, including all rights of return or price adjustments.

39. All documentation related to sales transactions is contained in files which are used for accounting purposes. We also confirm that:

- a. We have disclosed to you any “side agreements” with any companies that are inconsistent with the applicable sales agreement, the customer’s purchase order, sales invoice or any other documentation contained in the files which are used for accounting purposes. For the purposes of this letter, a “side agreement” is any agreement, understanding, promise or commitment whether written (e.g., in the form of a letter or formal agreement or in the form of any exchange of physical or electronic communications) or oral by or on behalf of The City (or any subsidiary, director, employee or agent of The City) with a customer from whom revenue has been recognized that is not contained in the written purchase order from the customer or sales order confirmation and sales invoice of The City delivered to or generated by The City Corporate Finance or Supply Departments. The definition of a side agreement is not limited by any particular subject matter. For purposes of example only, any agreement not contained in the written purchase order from the customer or sales order and sales invoice of The City that relates to return rights, acceptance rights, future pricing, payment terms, free consulting, free maintenance or exchange rights would be a side agreement; and
- b. We have disclosed to you any commitments or concessions to a customer regarding pricing or payment terms outside of the terms documented in the files which are used for accounting purposes.

Tax revenues

40. We have appropriately recorded tax assets and revenues when they meet the definition of an asset in accordance with Section PS 1000, *Financial Statement Concepts* (“PS 1000”), when they are authorized and when the taxable event occurs. These amounts have been appropriately measured in accordance with Section PS 3510, *Tax Revenue*, and have not been grossed up for any amount of tax concessions.

Various matters

41. We have reviewed and approved the year-end adjusting entries, including all related supporting schedules and the financial statements, and acknowledge our responsibility for their accuracy. While discharging our responsibility we may have requested your assistance or input in certain areas such as:

- a. Recording of transactions for which we have determined or approved the appropriate account classification; and
- b. Preparing financial statements.

We acknowledge our responsibility for the above listed items and confirm that we have authorized, reviewed and approved all of the above items.

42. We have not entered into transactions with members of Council, senior officials, members of their immediate families or enterprises in which such parties have significant interest, which would require disclosure in the Financial Statements.

43. We have disclosed to you all communications from regulatory agencies concerning noncompliance with or potential deficiencies in, financial reporting requirements.

44. The following have been properly recorded and, when appropriate, adequately disclosed and presented in the Financial Statements:

- a. Losses arising from sale and purchase commitments;
- b. Agreements to buy back assets previously sold;
- c. Provisions for future removal and site restoration costs;

- d. Financial instruments with significant individual or group concentration of credit risk, and related maximum credit risk exposure;
- e. Arrangements with financial institutions involving compensating balances or other arrangements involving restriction on cash balances and line-of-credit or similar arrangements;
- f. All impaired loans receivable; and
- g. Loans that have been restructured to provide a reduction or deferral of interest or principal payments because of borrower financial difficulties.

Investments

- 45. The City does not hold any investments in Master Asset Vehicle notes (which replaced third party non-bank asset-backed commercial paper).
- 46. All investments have been appropriately classified as either temporary investments or portfolio investments.
- 47. The City has used the appropriate valuation allowances to reflect the temporary investments at their net recoverable amount or other appropriate value.
- 48. The City believes that it has properly identified all derivative financial instruments and hedging relationships, if any.
- 49. Investments made during the year and held at the balance sheet date have been made in accordance and compliance with the Municipal Government Act.
- 50. All City of Calgary government organizations have been appropriately classified as government component, government business organizations, government business-type enterprises, government not-for-profit organizations and other government organizations and have been appropriately recorded based on this classification.
- 51. Administration has performed an assessment of other organizations (Civic Partners and City Partners) with which The City has fiscal relationships and has determined that these organizations are not required to be consolidated with The City.
- 52. With regard to The City's investment in ENMAX Corporation, we have disclosed to you any events that have occurred and facts that have been discovered with respect to such investment that would affect the investment's value as reported in the Financial Statements.
- 53. With regard to the fair value measurements and disclosures of certain assets and liabilities, such as investments, we believe that:
 - a. The completeness and adequacy of the disclosures related to fair value are in accordance with PSAS;
 - b. No events have occurred subsequent to December 31, 2024 that require adjustment to the fair value measurements and disclosures included in the Financial Statements; and
 - c. They appropriately reflect Administration's intent and ability to carry out specific courses of action on behalf of The City when relevant to the use of fair value measurements or disclosures.

Deficiencies in internal control

- 54. We have communicated to you all deficiencies in internal control of which we are aware. We have disclosed to you any change in The City's internal control over financial reporting that occurred during the current year that has materially affected, or is reasonably likely to materially affect, The City's internal control over financial reporting.

Communicating a threshold amount

55. We understand that the threshold used for accumulating misstatements identified during the year was \$5,750,000 for purposes of Appendix A. Misstatements below this amount have been considered clearly trivial.

Segment Disclosures

56. With regard to segment disclosures, we believe the activities grouped as segments, as disclosed, are appropriate to meet the objectives of Section PS 2700, *Segment Disclosures*.

57. In identifying segments, we have considered the definition of a segment and other factors, including:

- a. The objectives of disclosing financial information by segment;
- b. The expectations of members of the community and their elected or appointed representatives regarding the key activities and accountabilities of the government;
- c. The qualitative characteristics of financial reporting as set out in PS 1000 and Section PS 1700, *General Objectives of Financial Statements; Local Governments*;
- d. The homogenous nature of the activities, service delivery or recipients of the services;
- e. Whether the activities relate to the achievement of common outcomes or services as reflected in government performance reports and plans;
- f. Whether discrete financial information is reported or available; and
- g. The nature of the relationship between the government and The City (within the reporting entity).

Government transfers

58. We have disclosed to you all correspondence relating to government transfers that The City has had with the funding body.

59. We have assessed the eligibility criteria and determined that The City is an eligible recipient for the government transfers received.

60. We have assessed the stipulations attached with the funding and have recognized the revenue in accordance with meeting the stipulations required.

61. All government transfers that have been recorded as capital deposits give rise to an obligation that meets the definition of a liability. Those liabilities have been properly recorded and presented in the Financial Statements.

62. All authorized transfers that have been expensed have been transferred to recipients who have met the eligibility criteria.

Tangible Capital Assets (“TCA”)

63. TCA have been recorded properly and consistently according to the standards in Section PS 3150, *Tangible Capital Assets*.

64. Contributed TCA have been appropriately recorded at fair value, unless fair value is not reasonably determinable, and in such case, have been recorded at an appropriate nominal value. All contributed TCA have been appropriately disclosed.

65. We have assessed the useful lives of TCA and have determined all TCA contribute to The City’s ability to provide goods and services and therefore do not require a write-down. If applicable, we have identified that there are various TCA which no longer contribute to The City’s ability to provide goods and services or have future economic benefits that are below the net book value of the tangible capital asset and have therefore written down this asset to its residual amount and expensed the charge in the statement of operations.
66. We assessed the impairment and useful life of Water Pipes, and based on our analysis we have determined no changes are required to the useful lives and the net book value of this particular TCA class.

TCA work in progress costs

67. We have assessed TCA Work in Progress (“WIP”) costs in accordance with internal policy and PSAS section 3150 to determine if any costs are required to be written off. If applicable, WIP costs have been written off if they do not continue to meet the requirements of capitalization.
68. We have assessed the WIP specifically related to the Green Line LRT project (“Green Line”). Based on our analysis and taking into consideration all facts and circumstances through to April 29, 2025, The City and the Government of Alberta are continuing to collaborate on a future design of the Green Line, which is expected to be completed by Q42026. We believe that all costs related to the Green Line WIP balance at December 31, 2024, are not impaired until the future design of the Green Line is approved by The City. We believe that these costs are valid for any current or future iteration of the Green Line design, and no circumstances have come to the attention of Administration up to April 29, 2025, that would meet the requirements for any write down of these costs.

Notes, loans and receivables

69. The City is responsible for determining the appropriate carrying amount of loans and accounts receivable, as well as estimates used to determine such amounts. Administration believes that the carrying amounts recorded and disclosed are appropriate.
70. We have identified to you all forgivable loans and have appropriately reflected these amounts including any required allowances in the financial statements. These loans are secured by The City’s encumbrance on the title of the related property.

Accumulated Surplus

71. Reserves and surplus accounts are correctly recorded, and all transactions comply with the purposes approved according to relevant legislation and City Council authorizations.
72. In accordance with established policy, for all self-supported business units, any levies received in the year are recorded as revenue in the Statement of Operations and are transferred to the Utility Sustainment Reserve at the end of the year. These funds are utilized from the reserve in the future years to pay for debt servicing costs specific to the levy projects.

Revenues and deferred revenues

73. Revenues and deferred revenues are recorded accurately. Specifically:
- a. Revenues are not overstated and deferred revenues are not understated. These inaccuracies result if financial statements record externally restricted transfers/contributions as revenue before the transferor’s/contributor’s stipulations are met; and

- b. Revenues are not understated and deferred revenues are not overstated. These inaccuracies result if financial statements record externally restricted transfers/contributions as deferred revenue, not as revenue, after the transferor's/contributor's stipulations are met.

Related entities

74. The City has completed a review of all related entities and confirms that all entities that should be consolidated into The City's Financial Statements for the year ended December 31, 2024, have been included, with the exception of the entity identified in Appendix A.

Capital deposits

75. All capital deposits give rise to an obligation that meets the definition of a liability. Those liabilities have been properly recorded and presented in the Financial Statements. Specifically, in certain circumstances, The City may receive funds from developers which are not necessarily allocated for a specific project but can be utilized by The City on broader basis for development, but if not spent, are refundable to the developer. Those funds are properly recorded as capital deposits until such time as they are spent or refunded.
76. The funding sources for all current year expenditures have been analyzed to ensure that they have been accurately applied depending on the restrictions of the specific sources. All financing surpluses/deficits and funding shortfalls have been investigated to ensure they are allowable or have been appropriately replenished with available funding sources and financing has been applied.

Assets

77. The City has recognized all assets, which do not fall within the scope of other standards, only when the requirements in Section PS 3210, *Assets* ("PS 3210") have been met. For those assets which do not meet the recognition criteria in PS 3210, the City has appropriately disclosed details of such unrecognized assets in accordance with PS 3210 in Note 26 of the Financial Statements.

Contingent assets

78. The City has identified all contingent assets in accordance with Section PS 3320, *Contingent Assets* and, when the occurrence of the confirming future event is considered likely, appropriately disclosed these items in the financial statements.

Contractual rights

79. The City has identified and disclosed all contractual rights that will result in both an asset and revenue in the future, once the terms of the contract or agreement are met, in accordance with Section PS 3380, *Contractual Rights*.

Inter-entity transactions

80. The City has recognized all transactions involving the transfer of assets or liabilities between public sector entities in accordance with Section PS 3420, *Inter-entity transactions* ("PS 3420").
81. The City has recorded all inter-entity transactions properly at exchange or carrying amount in accordance with the criteria in PS 3420.14-.22.

82. The City has disclosed all inter-entity transactions in the notes to the Financial Statements whether or not such transactions are recognized in the Financial Statements, in accordance with PS 2200.
83. The City has not recognized any amount in the Financial Statements in respect of shared services received for which no costs are allocated by the provider.

Restructuring transactions

84. The City has identified all potential restructuring transactions, as defined in Section PS 3430, *Restructuring transactions* (“PS 3430”). The City has determined that PS 3430 has no impact on the Financial Statements based on Administration’s assessment.

Financial instruments - general including derivatives

85. The City has properly identified all financial contracts that meet the definition of a derivative in Section PS 3450. The City has also properly identified all embedded derivatives included in other non-derivative contracts and determined whether these embedded derivatives need to be separately accounted for as described in Section PS 3450.

The fair values of all derivatives have been determined based on quoted prices in an active market or by using financial models that we believe are the most appropriate models for valuing such instruments and that incorporate market data and other assumptions that we have determined to be reasonable and appropriate at December 31, 2024.

86. For all derivatives and any other financial instruments measured at fair value at December 31, 2024, fair value has been estimated using quoted market prices if the instrument trades in an active market, as set out in Section PS 3450.

Where the instrument is not traded in an active market, the City has used valuation techniques that it believes are most appropriate for valuing such instruments. We believe our valuation techniques make maximum use of observable inputs.

The City has identified and disclosed in the notes to the Financial Statements all significant assumptions used in determining fair value and have included the appropriate disclosures relating to the fair value level of all financial instruments carried at fair value.

87. The following have been properly recorded and, when appropriate, adequately disclosed and presented in the Financial Statements:
- a. the other than temporary impairment of financial assets;
 - b. provisions for loans receivable.
88. Changes in fair value of financial instruments in the fair value category have been properly recorded in the statement of remeasurement gains and losses as a remeasurement gain or loss until the financial instrument is derecognized.
89. The City has offset a financial asset and a financial liability with the net amount being reported in the statement of financial position. The City is able to offset these instruments as it has met the following criteria in accordance with Section PS 3450:
- a. currently has a legally enforceable right to set off the recognized amounts; and
 - b. intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

90. The City has identified and disclosed all details of any defaults of principal, interest sinking fund or redemption terms related to loans payable, including the carrying amount of such loans and whether the default was remedied or renegotiated before the date the financial statements were completed.

Asset retirement obligations

91. We have identified and disclosed to you all liabilities that the City has a legal obligation to incur retirement costs in relation to a tangible capital asset.
92. With respect to the City's tangible capital assets, we have recognized and recorded the best estimate of the amount required to retire a tangible capital asset (or component thereof) at the Financial Statement date based on the information available at that date.
93. We have reviewed our estimates of the carrying amount of a liability for an asset retirement obligation at the Financial Statement date and have reflected any changes in these estimates to the timing and amount of the original estimate of undiscounted cash flows or the discount rate, as part of the cost of the related tangible capital asset or due to the passage of time as an accretion expense.
94. We have disclosed any uncertainties affecting the measurement of a liability for an asset retirement obligation in accordance with Section PS 2130, *Measurement Uncertainty*.

Adoption of new or amended accounting standards

95. The City has adopted CPA Canada Public Sector Accounting Handbook Sections PS 3400 Revenues, PS 3160 Public Private Partnership, PSG 8 Purchased Intangibles, as of January 1, 2024. As a result, the City has assessed the impact of the adoption of each of these standards individually and appropriately disclosed as noted in Note 1ab of the Financial Statements.

Revenues

96. The City has adopted Section 3400, *Revenue*, as of January 1, 2024, on a prospective basis and has recorded any transitional adjustments, as appropriate.
97. We have appropriately identified all transactions with performance obligations and transactions without performance obligations in accordance with Section 3400, *Revenue*.
98. For each performance obligation identified, we have appropriately determined whether the goods or services are considered to be distinct that would require separate accounting by assessing whether the good or service is capable of being distinct and whether the promise to transfer the good or service is distinct in the context of the transaction. For those performance obligations that are considered distinct, we have appropriately determined whether revenue should be recognized over time or at a point in time by assessing when control of the benefits associated with the goods or services passes to the payor.
99. For transactions with no performance obligations, the City has appropriately recognized revenue when it has the authority to claim or retain an inflow of economic resources and identifies a past transaction or event that gives rise to an asset. The City has appropriately measured revenue on transactions with no performance obligation at its net realizable value.
100. For consideration received from a payor that the City expects to refund some or all of that consideration to the payor, the City has appropriately determined the likelihood of having to provide a refund and has recognized a refund liability based on its best estimate taking into account all circumstances known as at December 31, 2024.
101. For transactions with significant concessionary terms, the City has appropriately applied a measurement technique that results in its best estimate of the transaction price as at December 31, 2024.
102. The City has appropriately calculated the transaction price for non-cash consideration based on the fair value of the goods or services received adjusted by the amount of any cash or cash equivalents transferred.

103. We have disclosed to you and in the Financial Statements information about significant judgments and assumptions we have made (and changes to those judgments and assumptions) in determining:

- a. uncertainties affecting the measurement of revenue recognized;
- b. the identification of multiple components in hybrid transactions;
- c. the identification of performance obligations;
- d. the timing of satisfaction of performance obligations;
- e. the transaction price and the amounts allocated to performance obligations;
- f. obligations for refunds and other similar obligations;
- g. arrangement with a payor who receives advantageous terms and conditions that another payor would not receive for a similar transaction.

Public Private Partnership

104. The City has adopted Section 3160, Public Private Partnerships, as of fiscal year beginning January 1, 2024, on a prospective basis. There was no impact to the City's Financial Statements as a result of this adoption, except for additional financial statement disclosures.

Purchased Intangibles

105. The City has adopted Guidance PSG-8, Purchased Intangibles, as of fiscal year beginning January 1, 2024, on a prospective basis. There was no impact to The City's Financial Statements as a result of this adoption.

The City of Calgary | Appendix 4 – Draft administration representation letter

Yours truly,

The City of Calgary

David Duckworth, Chief Administrative Officer

Les Tochor, General Manager/ Chief Financial Officer

Aaron Brown, Acting City Treasurer/Deputy Chief Financial Officer

Todd Rathie, Finance Manager, Corporate Financial Reporting

Appendix A Summary of uncorrected financial statement misstatements

The City of Calgary
Year ended December 31, 2024

Uncorrected misstatements impacting December 31, 2024

(000's)	Assets DR (CR)	Liabilities DR (CR)	Accumulated Remeasurement (Gains)/Losses DR (CR)	Accumulated Surplus DR (CR)	(Income) Expense DR (CR)
Uncorrected misstatements identified in 2024:					
Unrecorded accounts payable and accrued liabilities	-	(8,309)	-	-	8,309
Non -consolidation of Opportunity Calgary Investments Fund Ltd. (OCIF) assets and liabilities	7,010	(7,010)	-	-	-
Prior year misstatements corrected in 2024:					
Overstatement of accounts payable and accrued liabilities	-	-	-	(18,803)	18,803
Understatement of 2023 Investments (unrealized gain)	-	-	18,337	(18,337)	-
Total Factual	7,010	(15,319)	18,337	(37,140)	27,112

Uncorrected misstatements impacting December 31, 2023

(000's)	Assets DR (CR)	Liabilities DR (CR)	Accumulated Remeasurement (Gains)/Losses DR (CR)	Accumulated Surplus DR (CR)	(Income) Expense DR (CR)
Prior year misstatements in 2024:					
Overstatement of accounts payable and accrued liabilities	-	18,803	-	-	(18,803)
Understatement of 2023 Investments(unrealized gain)	18,337	-	(18,337)	-	-
Total Factual	18,337	18,803	(18,337)	-	(18,803)

Part of Appendix A presented in closed meeting.

Appendix B

Summary of uncorrected disclosure misstatements

The City of Calgary
Year ended December 31, 2024

None identified.

Appendix 5 – Draft independence and fees

April 29, 2025

The Audit Committee and City Council
The City of Calgary

Dear Audit Committee and City Council members:

We have been engaged to audit the consolidated financial statements of The City of Calgary (“The City”) for the year ended December 31, 2024.

You have requested that we communicate in writing with you regarding our compliance with relevant ethical requirements regarding independence as well as all relationships and other matters between The City, our Firm and network firms that, in our professional judgment, may reasonably be thought to bear on our independence. You have also requested us to communicate the related safeguards that have been applied to eliminate identified threats to independence or reduce them to an acceptable level.

In determining which relationships to report, we have considered relevant rules and related interpretations prescribed by the appropriate provincial regulator/ordre and applicable legislation, covering such matters as:

- (a) Holding a financial interest, either directly or indirectly, in a client.
- (b) Holding a position, either directly or indirectly, that gives the right or responsibility to exert significant influence over the financial or accounting policies of a client.
- (c) Personal or business relationships of immediate family, close relatives, partners or retired partners, either directly or indirectly, with a client.
- (d) Economic dependence on a client.
- (e) Provision of services in addition to the audit engagement.

We confirm to you that the engagement team and others in the firm as appropriate, the firm and, when applicable, network firms have complied with relevant ethical requirements regarding independence.

We have prepared the following comments to facilitate our discussion with you regarding independence matters arising since April 30, 2024, the date of our last letter.

We are not aware of any relationships between the Member Firms of Deloitte Touche Tohmatsu Limited and their respective affiliates (collectively, the “Deloitte Entities”) and The City and its affiliates, or persons in financial reporting oversight roles at The City and its affiliates, that, in our professional judgment, may reasonably be thought to bear on independence, that have occurred from May 1, 2024 to April 29, 2025.

The total fees charged to The City during the period covered by the consolidated financial statements were as follows:

Audit services	\$2,654,243 (2023, \$2,561,247)
Other audit services	\$20,242 (2023, \$36,399)
Non-recurring, non-audit services	\$652,517 (2023, \$242,246)

We hereby confirm that we are independent with respect to The City in accordance with the Rules of Professional Conduct of the applicable Chartered Professional Accountants of Alberta as of April 29, 2025.

This letter is intended solely for the information and use of the Audit Committee, City Council, Administration and others within The City and is not intended to be and should not be used for any other purposes.

Yours truly,

Chartered Professional Accountants

Appendix 6 – Audit Committee terms of reference

As the external auditors of The City, we have the privilege of assisting in the fulfillment of your responsibility to follow the Terms of Reference for The City of Calgary’s Audit Committee contained in the Audit Committee Bylaw 33M2020. The following table outlines our involvement in the fulfillment of specific terms of reference and any reports that we have issued that assist in this process.

Bylaw 33M2020	Description	Related Deloitte Involvement
5(f)	Pre-approve all audit and non-audit services performed by the External Auditor and further provide that: (A) the Chair can pre-approve additional audit or non-audit services performed by the External Auditor, up to \$75,000 total annually and must report those approvals to the Audit Committee; and (B) on an annual basis, total fees for non-audit services performed by the External Auditor shall not exceed 60% of the total audit fees approved for The City of Calgary consolidated audit, including all subsidiary and related entity audits.	All audit and non-audit services are presented to the Audit Committee for pre-approval prior to the commencement of such work. Fee information included in the 2024 Audit Service Plan presented by Deloitte on July 25, 2024. The Independence letter included as Appendix 5 of the Year-end Report, to be presented by Deloitte to the Audit Committee at the April 17, 2025 meeting, summarizes the fees of all services performed.
Schedule A, 2(a)	Reviews and oversees the integrity of the Annual Financial Statements and recommends their approval to Council.	Report of the Independent Auditor on the consolidated financial statements and the Year-end Report to be presented by Deloitte to the Audit Committee at the April 17, 2025 meeting.
Schedule A, 2(b)	Reviews and discusses the City’s compliance with financial reporting procedures with Administration and the External Auditor.	Report of the Independent Auditor on the consolidated financial statements and the Year-end Report to be presented by Deloitte to the Audit Committee at the April 17, 2025 meeting. Letter of recommendations (if applicable) to be presented by Deloitte at the June 5, 2025 meeting.
Schedule A, 2(c)	Engages Administration and the External Auditor in candid discussions regarding issues that may alter judgment or affect the quality of the reporting process and search for insight into the results.	Participation and attendance by Deloitte at Audit Committee meetings throughout the year.
Schedule A, 2(d)	In consultation with the Chief Financial Officer and External Auditor, review and discuss significant new accounting standards and financial reporting developments to understand any material impact on financial results. A detailed analysis, prepared by Administration, on the implications of any changes, as well as the progress made in the adoption of new accounting standards, may be requested.	Appendix 7 of 2024 Audit Service Plan presented by Deloitte on July 25, 2024. Update on adoption of new accounting standards presented throughout the year, if applicable.
Schedule A, 2(e)	Maintains open lines of communication with the External Auditor and Administration.	Participation and attendance by Deloitte at Audit Committee meetings throughout the year.
Schedule B, 1(c)	Requires the External Auditor to express an opinion on The City’s consolidated financial statements, in accordance with professional standards.	Communicated in the Year-end Report to be presented by Deloitte to the Audit Committee at the April 17, 2025 meeting.

Bylaw 33M2020	Description	Related Deloitte Involvement
Schedule B, 1(a)	Prior to the commencement of the annual external financial audit, reviews the audit plan and estimated audit fees with the External Auditor and discusses the timing and extent of audit procedures, materiality, significant audit risks and areas of audit focus and overall audit strategy. This report is to be forwarded to Council for information.	2024 Audit Service Plan presented by Deloitte on July 25, 2024.
Schedule B, 1(b)	In conjunction with Administration’s presentation of the annual financial statements, receives and reviews the External Auditor’s annual audit report. This report is to be forwarded to Council for information.	Report of the Independent Auditor on the consolidated financial statements and the Year-end Report to be presented by Deloitte to the Audit Committee at the April 17, 2025 meeting.
Schedule B, 1(d)	Receives and reviews the External Auditor’s Management Letter(s), and reviews Administration responses, and forwards, either in full or in summary, to Council for information. Through query, confirm that any recommendations made by the External Auditor are addressed by Administration in a timely manner.	Administration recommendation letter to be presented by Deloitte at the June 5, 2025 meeting.
Schedule B, 1(e)	Must meet with the External Auditor, in the absence of Administration, at least quarterly.	Closed meetings held with Deloitte at Audit Committee meetings throughout 2024 and 2025.
Schedule B, 1(h)	Receives and reviews the External Auditor’s annual independence letter. Through query, confirm the process by which the External Auditor maintains their independence and objectivity.	Communicated in the Year-end Report to be presented by Deloitte to the Audit Committee at the April 17, 2025 meeting.

Appendix 7 – Related authorities

For the purposes of The City’s consolidated audit, we have completed our audit procedures on the following related authorities or other significant assurance engagements. Below is a summary of the status of each engagement.

Entity	Reporting Entity Relationship	Entity Audit Committee Meeting Date
ENMAX Corporation*	ENMAX Audit Committee	March 6, 2025
Calgary Municipal Land Corporation*	Calgary Municipal Land Corporation Audit Committee	April 15, 2025**
Calgary Convention Centre Authority*	Calgary Convention Centre Authority Audit and Finance Committee	May 7, 2025**
Calgary Police Service (Business unit of The City. An audit opinion on the carve out of the financial statements is issued.)	Calgary Police Commission and Finance and Audit Committee	May 13, 2025**
Calhome Properties Ltd.*	Calhome Properties Ltd. Audit and Risk Management Committee	March 13, 2025
Calgary Public Library*	Calgary Public Library Audit and Finance Committee	March 12, 2025
Attainable Homes Calgary Corporation*	Attainable Homes Audit and Accountability Committee	March 20, 2025
Calgary Economic Development Ltd.*	Calgary Economic Development Ltd. Audit Committee	March 5, 2025
Opportunity Calgary Investment Fund Ltd.*	Opportunity Calgary Investment Fund Ltd. Audit Committee	March 6, 2025
Calgary Arts Development Authority Ltd.*	Calgary Arts Development Authority Finance and Audit Committee	March 4, 2025

Elected Officials Pension Plan	Pension Governance Committee	June 18, 2025
Supplementary Pension Plan	Pension Governance Committee	June 18, 2025
Municipal Employees Benefits Association of Calgary	Municipal Employees Benefits Association of Calgary - Finance and Investment Committee	May 21, 2025

*Audit opinion issued on the standalone financial statements. Entity is consolidated with The City.
**2024 audit opinion not issued for these entities as of the date of this report. Audit fieldwork has been completed prior to issuance of The City’s consolidated financial statements.

Related Authority	Materiality	Areas of audit risk and audit results for 2024
ENMAX Corporation	Materiality levels were determined on the basis of consolidated earnings before interest and financing fees, income tax, depreciation and amortization. 2024 materiality: \$37M	Significant audit risks: <ul style="list-style-type: none">• Revenue recognition – unbilled electricity, transmission & distribution and natural gas.• Management override of controls Audit fieldwork has been completed and the financial statements have been approved by the Board of Directors. We issued an unmodified opinion dated March 6, 2025.
Calgary Municipal Land Corporation	Materiality levels were determined on the basis of total assets. 2024 materiality: \$17.5M	Significant audit risk: <ul style="list-style-type: none">• Management override of controls Audit fieldwork has been completed. Based on audit work performed, we expect to issue an unmodified opinion dated April 23, 2025.
Calgary Convention Centre Authority	Materiality levels were determined on the basis of total expenses. 2024 materiality: \$1.2M	Significant audit risk: <ul style="list-style-type: none">• Management override of controls Audit fieldwork has been completed. Based on audit work performed, we expect to issue an unmodified opinion dated May 14, 2025.
Calgary Police Service	Materiality levels were determined on the basis of total operating expenses. 2024 materiality: \$9M	Significant audit risks: <ul style="list-style-type: none">• Revenue recognition• Management override of controls Audit fieldwork has been completed. Based on audit work performed, we expect to issue an unmodified opinion dated May 28, 2025.
Calhome Properties Ltd.	Materiality levels were determined on the basis of total actual operating expenditures. 2024 materiality: \$4.39M	Significant audit risks: <ul style="list-style-type: none">• Revenue recognition• Management override of controls Audit fieldwork has been completed and the financial statements have been approved by the Board of Directors. We issued an unmodified opinion dated March 14, 2025.
Calgary Public Library	Materiality levels were determined on the basis of total expenses. 2024 materiality: \$2.9M	Significant audit risk: <ul style="list-style-type: none">• Management override of controls Audit fieldwork has been completed and the financial statements have been approved by the Board of Directors. We issued an unmodified opinion dated March 13, 2025.
Attainable Homes Calgary Corporation Ltd.	Materiality levels were determined on the basis of net assets. 2024 materiality: \$276K	Significant audit risks: <ul style="list-style-type: none">• Management override of controls• Valuation of equity receivables Audit fieldwork has been completed and the financial statements have been approved by the Board of Directors. We issued an unmodified opinion dated April 3, 2025.

Calgary Economic Development Ltd.	Materiality levels were determined on the basis of total expenses. 2024 materiality: \$970K	Significant audit risk: <ul style="list-style-type: none">• Management override of controls Audit fieldwork has been completed and the financial statements have been approved by the Board of Directors. We issued an unmodified opinion dated March 19, 2025.
Opportunity Calgary Investment Fund Ltd.	Materiality levels were determined on the basis of total expenses. 2024 materiality: \$120K	Significant audit risk: <ul style="list-style-type: none">• Management override of controls Audit fieldwork has been completed and the financial statements have been approved by the Board of Directors. We issued an unmodified opinion dated March 20, 2025.
Calgary Arts Development Authority Ltd.	Materiality levels were determined on the basis of total expenses. 2024 materiality: \$700K	Significant audit risks: <ul style="list-style-type: none">• Revenue recognition of restricted funding• Management override of controls Audit fieldwork has been completed and the financial statements have been approved by the Board of Directors. We issued an unmodified opinion dated March 13, 2025.

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Utilities Delivery – Deer Run Lift Station Project Management Audit

PURPOSE

The purpose of this report is to communicate the outcome of the Utilities Delivery – Deer Run Lift Station Project Management Audit, including Administration's response and corrective actions.

PREVIOUS COUNCIL DIRECTION

Bylaw 30M2004 (as amended) established the position of City Auditor and the powers, duties, and functions of the position. In accordance with Bylaw 30M2004 (as amended), the City Auditor reports the outcome of all audits to the Audit Committee (including Administration's response and corrective actions to be taken in regard to specific recommendations). The City Auditor is accountable to Council and subject to the oversight of Audit Committee under Bylaw 33M2020.

RECOMMENDATIONS

That the Audit Committee:

1. Receive this report for the Corporate Record; and
2. Recommend that Council receive this report for the Corporate Record.

HIGHLIGHTS

- What does this mean to Calgarians? The City Auditor's Office provides independent and objective audit assurance services to add value to The City of Calgary and enhance public trust.
- Why does it matter? The City of Calgary manages a total of 67 lift stations, including 39 wastewater lift stations and 28 stormwater lift stations located across neighborhoods and commercial areas. Lift stations are considered essential components of The City's wastewater and stormwater management systems. Several lift stations are approaching the end of their expected service life and will require upgrades to meet modern standards and current lift station guidelines.

An effective project management framework is crucial for ensuring these infrastructure projects are delivered efficiently, on time, and within budget, while maintaining the long-term reliability of wastewater and stormwater systems.

RISK

Recommendations in this audit report support Administration in their on-going mitigation activities related to the Capital Infrastructure Principal Corporate Risk.

ATTACHMENTS

1. Utilities Delivery – Deer Run Lift Station Project Management Audit

Utilities Delivery – Deer Run Lift Station Project Management Audit

DEPARTMENT CIRCULATION

Name	Title, Department or Business Unit	Approve/Consult/Inform
Liz Ormsby	City Auditor	Approve
David Duckworth	Chief Administrative Officer	Inform
Stuart Dalglish	Chief Operating Officer	Inform
Les Tochor	Chief Financial Officer	Inform
Michael Thompson	General Manager, Infrastructure Services	Inform
Graham Duckworth	Director, Utilities Delivery	Inform
Tanner Fellingner	Manager, Process Infrastructure Delivery	Inform

Author: Jasdeep Sekhon, Senior Auditor, City Auditor's Office



Calgary

City Auditor's Office

Utilities Delivery – Deer Run Lift Station Project Management Audit

April 3, 2025



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Audit Objective

The objective of this audit was to assess the effectiveness of the capital project management processes of the Deer Run Lift Station Upgrade project.

Why it Matters

The City of Calgary (The City) manages a total of 67 lift stations, including 39 wastewater lift stations and 28 stormwater lift stations located across neighborhoods and commercial areas. Lift stations are considered essential components of The City's wastewater and stormwater management systems. Several lift stations are approaching the end of their expected service life and will require upgrades to meet modern standards and current lift station guidelines.

A strong project management framework is critical to ensuring these infrastructure projects are delivered efficiently on time and within budget, while maintaining the long-term reliability of the wastewater and stormwater systems.

What We Concluded

The Deer Run Lift Station Upgrade project, classified as a Level 2 project, adhered to the Corporate Project Management Framework (CPMF) standards for this classification. No instances of non-compliance were identified. In some cases, the project exceeded expectations by incorporating guidance typically associated with Level 3 projects. This proactive approach not only ensured compliance with project management practices, but also contributed to the effective delivery of the project within budget and schedule.

Utilities Delivery adheres to CPMF-aligned structures and processes for delivery of capital projects. The Project Charter and Project Management Plan included the required standards, such as defined roles and responsibilities, deliverables, and success criteria.

Project risk management involved developing and updating a risk register with monthly reporting on identified risks. Progress was monitored monthly, covering project status, schedule, financials, and risks/issues. A formal change order process managed changes in scope, quality, schedule, and budget.

Project Quality Management documentation outlined success criteria and metrics. Inspections were conducted, including engineering assessments, sediment and erosion reports, occupational health and safety evaluations, and project site inspections.

We identified three opportunities to further enhance Utilities Delivery's preparedness for future lift station projects. Recommendations include establishing a lessons learned repository, documenting risk assessment criteria, and defining an escalation process. Additionally, formalizing quality management guidelines, specifying inspection frequencies and reporting requirements will help new Project Managers by providing clear guidance, ensuring consistency and supporting successful project delivery.

Utilities Delivery has agreed with our recommendations and plans to implement them by September 30, 2025.

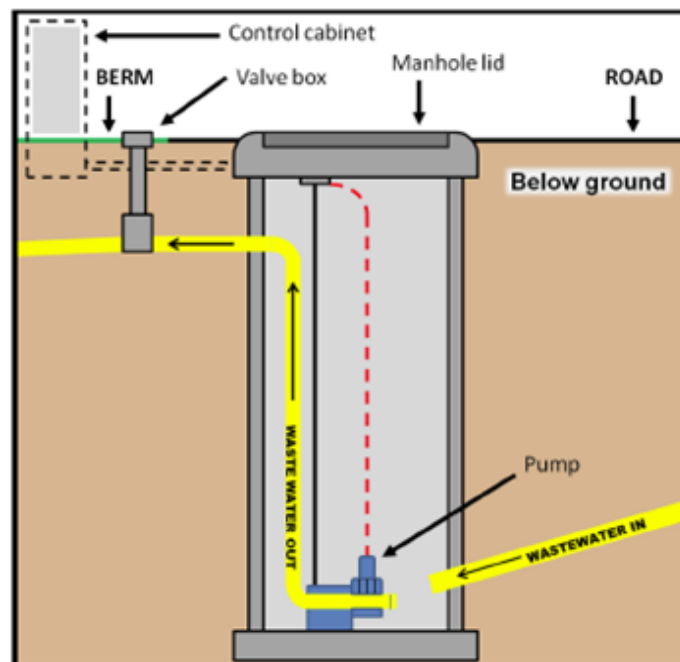
Background

The City manages 67 lift stations located across neighborhoods and commercial areas. These stations move wastewater from lower to higher elevations, using gravity to transport it to one of Calgary's wastewater treatment plants, or move stormwater from lower to higher elevations, using gravity to transport it to our rivers. Lift stations are essential to the City's wastewater and stormwater management systems. Several lift stations are approaching the end of their service life and will require upgrades to meet modern standards and current lift station guidelines. The City plans to upgrade one to two lift stations annually as part of the Lift Station Electrical and Controls Upgrades program, focusing on electrical, instrumentation, and controls upgrades.

Deer Run Sanitary Lift Station

The Deer Run Sanitary Lift Station, built in 1976 and designed to meet the standards of that time, needs a new, larger backup generator to ensure sufficient power during utility outages. A second building is being added to house the new generator and electrical equipment, segregated from the wet well. This upgrade meets current safety and operational guidelines, ensuring continued high-level sanitary service for Calgarians¹. The Project Charter estimated a budget of \$3.9M (Class 4 Estimate). The following diagram shows the key components and functions of a sanitary lift station, illustrating its role in the wastewater management system.

Figure 1 – Sanitary Lift Station



Source: Dublin San Ramon Services District

¹ <https://www.calgary.ca/planning/water/deer-run-sanitary-lift-station-upgrade.html>

Scope & Approach

The scope of the audit is the project management of the Deer Run Lift Station upgrade project from May 5, 2020, to October 31, 2024.

We evaluated the design and operating effectiveness of key processes and controls utilized in project management, including schedule, cost, quality, change control, reporting and governance, and their alignment with recommended CPMF guidance.

We selected this project to be audited as Utilities Delivery will be conducting multiple similar future Level 2 lift station upgrade projects. The focus of the audit was to identify effective practices from this specific project, and provide recommendations to support the success of future lift station upgrade projects.

We did not assess the technical quality of the project (e.g., quality of materials used) or the Lift Station Electrical and Controls Upgrades, including the prioritization and scheduling of individual projects.

Results

To evaluate the effectiveness of the capital project management processes, we reviewed compliance with the Corporate Project Management Framework (CPMF) standards, additionally using the Project Management Institute (PMI) guidelines as benchmarks for best practices. Below, we detail the key CPMF standards evaluated and summarize our audit findings for each standard.

Project Charter & Project Management Plan

The Deer Run Lift Station Upgrade project used a Project Charter and Project Management Plan that followed CPMF standards. These documents outlined the scope, deliverables, milestone schedule, project governance, and high-level risks. The Project Management Plan also included strategic alignment, performance quality metrics, and identification of key stakeholders.

Estimation, Contingency & Schedule

The project used a Baseline Schedule that listed all activities with their start, finish, and total float dates. Key milestone dates were also included, and activities were organized by work breakdown tasks. Monthly progress reports provided updates on the status of milestone and schedule adjustments.

Cost estimates followed CPMF standards, using a five-class system. Reviewing the design estimates, we noted that the 90% design estimate was based on a class 1 estimate, while the 60% design estimate used a class 3 estimate. The project cost and timelines were monitored throughout the project, and the project was delivered within budget and schedule.

Project Risk Management

The project follows a structured risk management process, identifying risks during planning, maintaining a risk register, and conducting monthly risk reporting. The CPMF recommends a Risk Management Plan that outlines risk identification and assessment. To enhance this process, we recommended (Recommendation 1) the development of a risk management framework that defines risk assessment criteria and establishes a clear escalation process. This framework can help with the consistent identification, assessment, and management of risks, improving the project's ability to address potential issues proactively. Additionally, while lessons learned exercises are conducted at project closures, Utilities Delivery does not maintain a centralized repository to document and review lessons. A centralized repository can help capture valuable insights from completed projects, allowing future projects to benefit from past experiences (Recommendation 2).

Project Change Control

The CPMF Project Change Control Standard recommends a standardized and consistent method for managing project changes. This approach helps identify, evaluate, approve, and track changes, ensuring that only thoroughly reviewed and authorized modifications are implemented.

For the Deer Run Lift Station Upgrade project, a change order control process was used. A change order log documented all changes, both accepted and declined. A review of two change orders confirmed that the changes were approved by the appropriate authority levels as outlined in the Project Management Plan.

Quality Management

Project Quality Management documentation outlined success criteria and metrics for measuring outcomes. Various inspections were conducted, including engineering assessments, sediment and erosion reports, occupational health and safety evaluations, and project site inspections.

To position future lift station projects for success, we recommend formalizing quality management guidelines, specifying inspection frequencies, and outlining reporting requirements (Recommendation 3). These steps will provide clear guidance for new Project Managers, ensuring consistency and supporting successful project delivery.

Progress Reporting

The CPMF Progress Reporting Standard requires projects to submit a monthly progress report, covering an overview of the project, current status, schedule, financials, risks and issues, and environmental and safety information.

Our review confirmed that progress reports were submitted monthly, included all required sections outlined in the CPMF standards, and were in alignment with CPMF requirements for Level 2 projects.

Observations & Recommendations

#1: Risk Management	
OBSERVATION	RECOMMENDATION
<p>The project has an established risk management process that involves identifying risks during the planning phase, maintaining a risk register, and monthly risk reporting. However, the process lacks clear guidelines for assessing risks, such as detailed criteria for evaluating the impact and likelihood of risks, defining thresholds for risk significance, and outlining escalation procedures. The CPMF recommends a Risk Management Plan which defines the risk identification and assessment. The absence of these guidelines means that the evaluation and prioritization of risks may be inconsistent, and it does not provide enough guidance for new project managers during onboarding.</p> <p>Establishing a risk management framework for lift station projects, including defining methodologies for assessing risks, establishing criteria for assessing risk impact and likelihood, setting thresholds for risk significance, and outlining clear escalation processes, would provide clear guidance for future lift station project managers.</p>	<p>The Leader, Electrical, Instrumentation and Controls to develop a risk management framework for future lift station projects, including risk assessment criteria and outlining a defined escalation process.</p> <p>MANAGEMENT RESPONSE Agreed.</p> <p>Utilities Delivery acknowledges that this audit pertains specifically to the Deer Run Lift Station Electrical Upgrades project, as well as the broader lift station electrical upgrades program. The risk management recommendations arising from this audit may have broader applicability beyond the scope of the lift station electrical upgrades program. In response, Utilities Delivery will engage with our enabling partners to evaluate whether adjustments to the Corporate Project Management Framework (CPMF) are warranted to enhance future lift station upgrades, as well as other related projects and programs.</p> <p>LEAD Utilities Delivery Project Management Specialist</p> <p>SUPPORT Leader, Electrical, Instrumentation and Controls</p> <p>COMMITMENT DATE September 30, 2025</p>
#2: Lessons Learned Repository	
OBSERVATION	RECOMMENDATION
<p>Currently, lessons learned exercises are conducted at the end of project closures, but Utilities Delivery does not maintain a centralized repository to document and review lessons learned from completed projects. The absence of a centralized repository for documenting and reviewing lessons learned means that valuable insights may be</p>	<p>The Leader, Electrical, Instrumentation and Controls to develop a centralized lessons learned repository for documenting and sharing lessons learned from similar projects and</p>

<p>lost, leading to inefficiencies, recurring issues, and missed opportunities for improving future projects.</p> <p>The Project Management Institute (PMI) emphasizes the importance of organizational knowledge sharing to promote continuous improvement across projects. Maintaining a lessons learned repository allows Project Managers to easily access insights from similar projects when planning for future projects and ensures lesson learned are not lost when team members leave or transition to other projects.</p>	<p>integrating these insights into future projects.</p> <p>MANAGEMENT RESPONSE Agreed.</p> <p>Utilities Delivery recognizes the value of incorporating lessons learned from previous projects as a means of continually improving project execution. At present, project managers have access to and are aware of the lessons learned from prior projects. The process for capturing and documenting lessons learned is outlined in the Project Closeout section of the Corporate Project Management Framework (CPMF), and a repository for lessons learned is maintained through the Water Information Management Standard utilized by Utilities Delivery. The establishment of a centralized repository for lessons learned may enhance accessibility and streamline the process for future projects. Utilities Delivery is committed to pursuing this recommendation in collaboration with our enabling partner, Water Information Management, to assess the need for a centralized repository and to determine the most effective implementation strategy.</p> <p>LEAD Utilities Delivery IM Coordinator</p> <p>SUPPORT Leader, Electrical, Instrumentation and Controls</p> <p>COMMITMENT DATE September 30, 2025</p>
<p>#3: Quality Management</p>	
<p>OBSERVATION</p>	<p>RECOMMENDATION</p>
<p>The Project Management Plan included a quality section covering key success metrics and types of inspections (e.g., site inspections, architectural/engineering inspections). However, it lacked clarity regarding the frequency of inspections and the required format or timeline for inspection reports.</p>	<p>The Leader, Electrical, Instrumentation and Controls to develop quality instructions to support future lift station projects that include:</p>

<p>Current project managers rely on their expertise to implement these aspects informally, but this information is not formally documented. Although focused on Level 3 projects, the CPMF recommends a comprehensive quality management plan, which should include detailed inspection schedules and reporting protocols. Without a clearly established schedule for inspections and a structured reporting framework, there's a potential for inconsistent quality management, especially when transitioning to a new project manager. This could result in overlooked inspections and delays in addressing necessary corrections. Documented quality instructions would mitigate this risk and benefit future project managers when planning upcoming lift station upgrade projects.</p>	<ol style="list-style-type: none"> 1. Inspection Frequency: Define how often each type of inspection (e.g., site inspections, architectural reviews) should occur. 2. Reporting Requirements: Standardize the format, timelines, and responsible parties for submitting inspection reports. <p>MANAGEMENT RESPONSE Agreed.</p> <p>Similar to Recommendation #1, Utilities Delivery acknowledges that this audit is focused on the lift station electrical upgrade program. The quality management recommendations identified in this audit may extend beyond the scope of the lift station electrical upgrades program. In response, Utilities Delivery will engage with our enabling partners to evaluate whether adjustments to the Corporate Project Management Framework (CPMF) are necessary to support future lift station upgrades, as well as other projects and programs.</p> <p>LEAD Utilities Delivery Project Management Specialist</p> <p>SUPPORT Leader, Electrical, Instrumentation and Controls</p> <p>COMMITMENT DATE September 30, 2025</p>
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Acknowledgements

The City Auditor's Office conducts projects, including this audit, in conformance with the International Standards for the Professional Practice of Internal Auditing.

The City Auditor's Office would like to thank staff from Utilities Delivery for their cooperation and support during this audit.

**City Auditor's Report to
Audit Committee
2025 April 17**

**ISC: UNRESTRICTED
AC2025-0438**

City Auditor's Office 1st Quarter 2025 Report

PURPOSE

The purpose of this report is to communicate the activities of the City Auditor's Office as set out in Bylaw 30M2004 (as amended).

PREVIOUS COUNCIL DIRECTION

Bylaw 30M2004 (as amended) established the position of City Auditor and the powers, duties, and functions of the position. Schedule A of Bylaw 30M2004 (as amended) requires the City Auditor to provide a quarterly report to Audit Committee that includes:

- Trending and achievement of City Auditor's performance measures as established to reflect effective delivery of the City Auditor's mandate;
- Status of Administration action on the current recommended action plan commitments agreed upon in previous audit reports; and
- Status of deliverables against the approved annual audit plan.

The City Auditor is accountable to Council and subject to the oversight of Audit Committee under Bylaw 33M2020.

RECOMMENDATIONS:

That the Audit Committee:

1. Receive this report for the Corporate Record; and
2. Recommend that Council receive this report for the Corporate Record.

HIGHLIGHTS

- What does it mean to Calgarians? The City Auditor's Office provides effective independent and objective assurance, advisory and investigative services to add value to The City of Calgary and enhance public trust.
- Why does it matter? The City Auditor provides open and transparent reporting on key activities on a quarterly basis.

RISK

The activities of the City Auditor's Office support Administration in their on-going mitigation activities related to Principal Corporate Risks.

ATTACHMENTS

1. City Auditor's Office 1st Quarter 2025 Report

City Auditor's Report to
Audit Committee
2025 April 17

ISC: UNRESTRICTED
AC2025-0438

City Auditor's Office 1st Quarter 2025 Report

DEPARTMENT CIRCULATION

Name	Title, Department or Business Unit	Approve/Consult/Inform
Liz Ormsby	City Auditor	Approve

Author: Jon Bateman, Executive Advisor, City Auditor's Office



Calgary

City Auditor's Office

1st Quarter 2025 Report January 1, 2025 – March 31, 2025

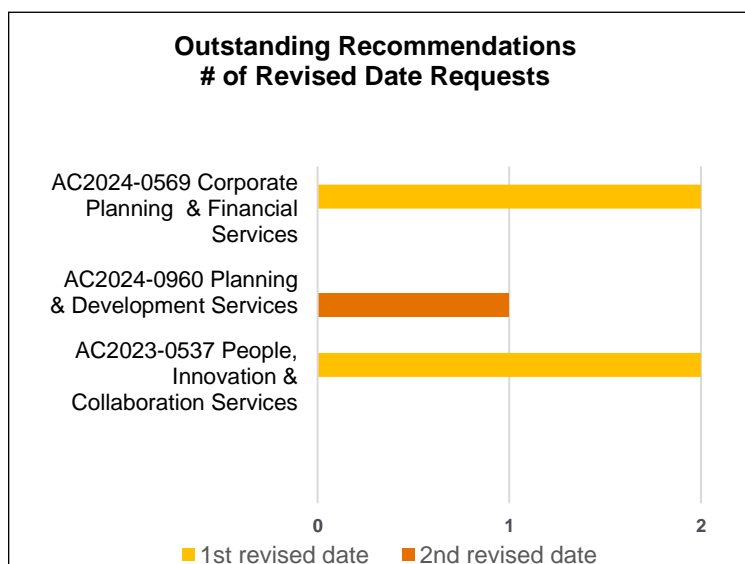
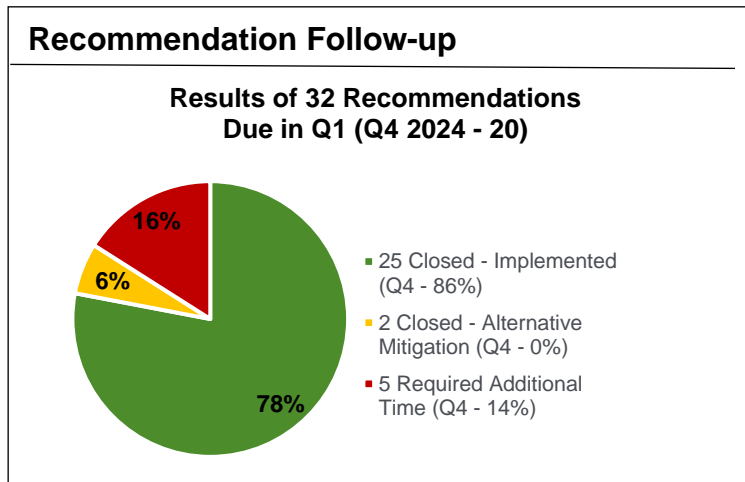
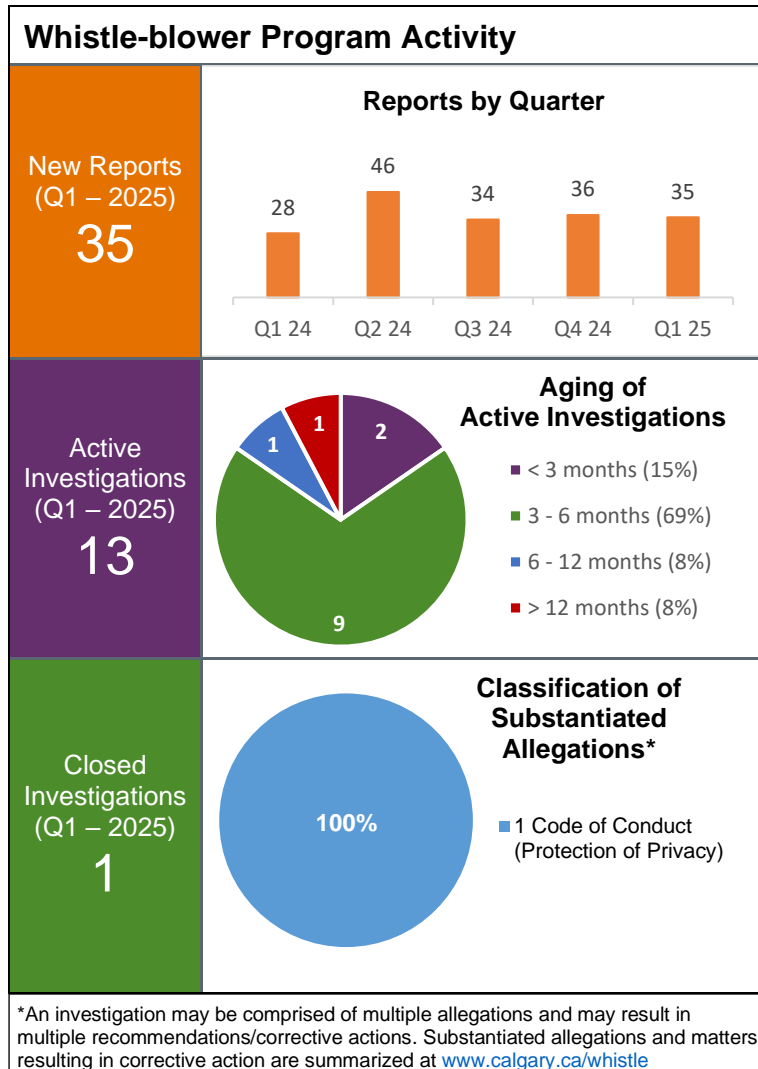
April 17, 2025

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1. Status Update

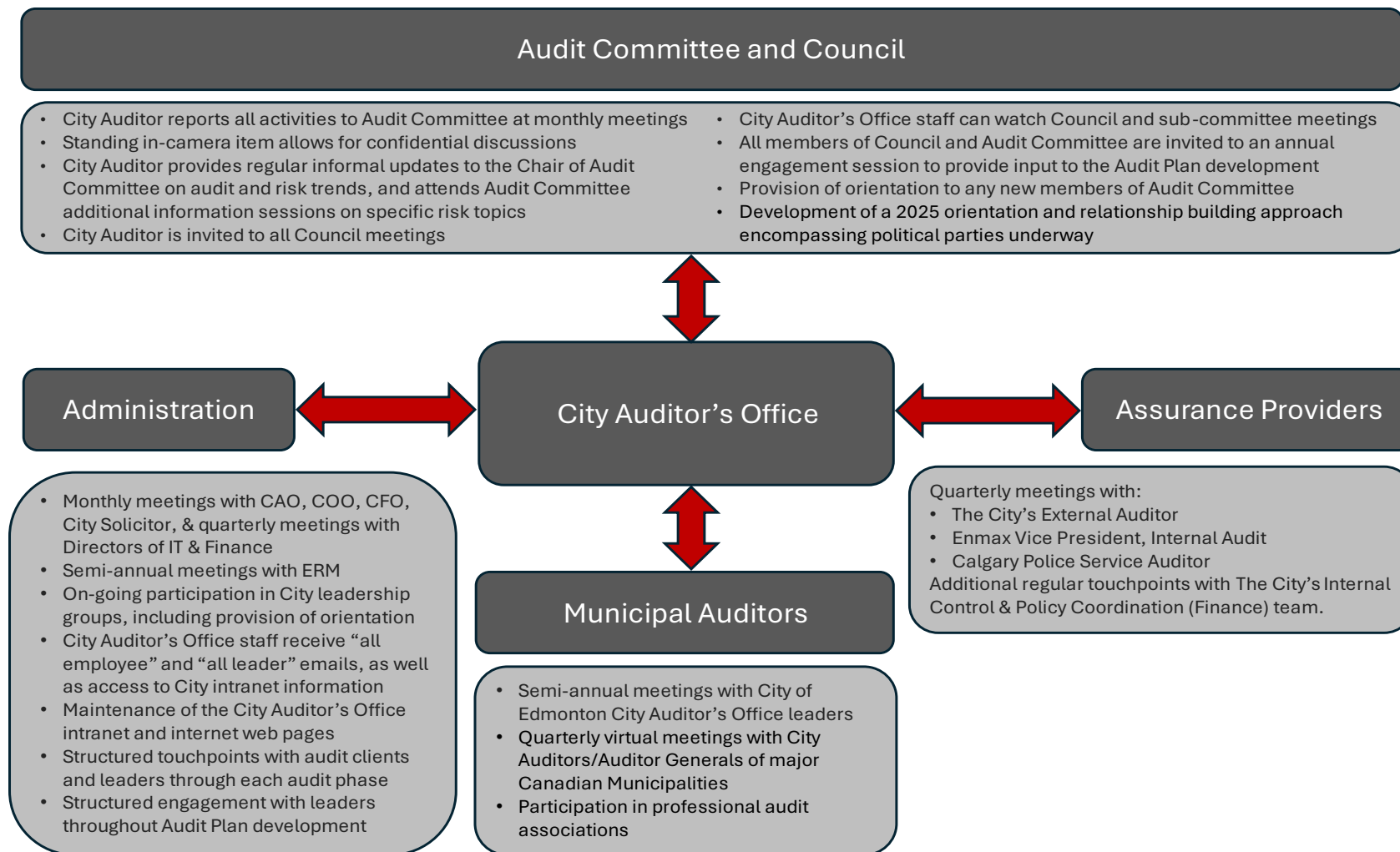
Key Performance Indicators				
Measure Area	Performance Indicator	Target	Q4 2024	Q1 2025
Efficiency	On Track to Annual Plan	Q1-29% Q2-69% Q3-86% Q4-95%	94%	26%
Effectiveness	Timely Implementation of Audit Rec.	65%	67%	65%
Quality	Client Satisfaction	85%	99%	99%
Staff	Training Plan Achieved	90%	95%	100%

Budget (\$'000's)				
Category	2025 Annual Budget	Q1 Cumulative Budget	Actual to Date	Variance
Salary	3,441	800	790	10
Tools & Technology	160	22	34	(12)
Training	66	18	18	-
Professional Memberships	18	5	2	3
Contracted Services	300	25	28	(3)
Employee Recognition	3	1	0	1
Operating Costs	48	9	6	3
Total	4,036	880	878	2



2. Initiative Briefing – Key Assurance Partner Engagement Plan

This plan aims to foster collaboration and mutual understanding about the role of the City Auditor's Office with City Administration leaders, members of Council, and members of the Audit Committee. In alignment with Standard 11.1 (Building Relationships and Trust) of the 2024 Global Internal Audit Standards, we are committed to developing an approach to build relationships and trust with key assurance partners. This includes maintaining communication with other providers of assurance and engaging with partners to promote mutual understanding of organizational interests, risk management approaches, and significant processes. These engagements ensure better alignment of assurance activities with essential City priorities and objectives and enhance audit effectiveness.



2025 Audit Plan – Status as at March 31, 2025

2025 Audit Plan				
#	Title	Description	Report Target	Status
2024 Audit Plan Carry Forward				
1	Community Association Support	An operational audit of the Neighbourhood Partnership Coordinator Team's Community Association support. <i>Principal Corporate Risk: Service Delivery</i>	Q1	Complete/ Reported 2/20/2025
2	Corporate Security – Cyber Security	An IT audit to assess the effectiveness of activities to detect the occurrence of cyber security events within The City's IT environment. <i>Principal Corporate Risk: Technological Disruption</i>	Q2	Reporting
3	Community Planning -Local Area Plan Process	An operational audit to assess the effectiveness of engagement in the Local Area Plan Process. <i>Principal Corporate Risk: Reputation</i>	Q2	Reporting
4	Utilities Delivery - Project Management	An operational audit assessing the effectiveness of the project management of the Deer Run Sanitary Lift Station. <i>Principal Corporate Risk: Capital Infrastructure</i>	Q2	Reporting
5	Supply Management - Corporate Supply Chain Resilience Strategy	An operational audit of Supply Management's processes that support the Corporate Supply Chain Resilience Strategy. <i>Principal Corporate Risk: Capital Infrastructure</i>	Q2	Complete/ Audit replaced by an advisory project on the same topic. 3/13/2025
2025 Audit Plan				

2025 Audit Plan				
#	Title	Description	Report Target	Status
1	Pension Compliance	A compliance audit as required by Alberta Pension Services providing independent triennial assurance over three City pension plans (LAPP, LAPP Fire and SFPP). <i>Principal Corporate Risk: Employee Experience</i>	Q2 ¹	Fieldwork
2	Transit Safety	An operational audit to assess the effectiveness of the implementation of The City of Calgary's Public Transit Safety Strategy. <i>Principal Corporate Risk: Social Wellbeing</i>	Q2	Reporting
3	2025 Municipal Election	An operational audit assessing readiness to deliver the 2025 Municipal Election. <i>Principal Corporate Risk: Reputation</i>	Q3	Planning
4	Asset Maintenance - Bridges	An operational audit of The City's maintenance of bridges. <i>Principal Corporate Risk: Capital Infrastructure</i>	Q3	Fieldwork
5	Home is Here	An operational audit of The City's implementation of Objective 1a of Home is Here, The City of Calgary's Housing Strategy 2024-2030: making more City-owned real property assets available for housing in all communities. <i>Principal Corporate Risk: Social Wellbeing</i>	Q4	Fieldwork
6	Equity, Diversity, Inclusion and Belonging (EDIB) Work Plans	An operational audit of the development and implementation of EDIB Work Plans supporting The City of Calgary's EDIB Framework and Strategy. <i>Principal Corporate Risk: Employee Experience</i>	Q4	Planning

¹ Report to Alberta Pensions Services on June 30, 2025

2025 Audit Plan				
#	Title	Description	Report Target	Status
7	Business Licenses	An operational audit of The City's business license process. <i>Principal Corporate Risk: Service Delivery</i>	Q4	Not Started
8	Climate Retrofitting	An operational audit of The City of Calgary's Facilities Climate Retrofitting initiative. <i>Principal Corporate Risk: Sustainable City</i>	Q1 2026	Not Started
9	Data Governance	An operational audit to assess the effectiveness of The City of Calgary's data governance focused on data management policies and practices. <i>Principal Corporate Risks: Service Delivery, Technological Disruption</i>	Q1 2026	Not Started
10	Cyber Security Governance	An IT audit to assess The City's cyber security governance against key outcomes in the NIST Cybersecurity framework. <i>Principal Corporate Risk: Technological Disruption</i>	Q1 2026	Not Started
11	Follow-up: Bearspaw South Feeder Main Recommendations	A follow-up audit assessing the implementation of recommendations arising from the independent review of the Bearspaw South Feeder Main break. <i>Principal Corporate Risk: Capital Infrastructure</i>	TBD dependent on recommendations arising from the independent review	Not Started

Q1 2025 Recommendation Follow-up– In-Progress Action Plans

Report # & Title	# of Revisions	Revised Date	Recommendation ¹
AC2023-0537 Code of Conduct Program Audit	1	June 30, 2025	Develop a defined terminology, nomenclature, and categorization approach that can be used across all Code of Conduct data capture systems to determine consistent data points are captured and to aid in analysis of data across all systems going forward.
AC2023-0537 Code of Conduct Program Audit	1	June 30, 2025	Implement a process for tracking and reviewing unresolved cases and bringing them to the attention of Senior Management. Review existing outstanding or “open” cases across Respectful Workplace Office, Human Resources, and Safety systems and update status to reflect those that have been “closed” or require further actions. Consider expediting those with an “open” status of greater than 6 months.
AC2024-0569 Financial Reserves	1	September 30, 2025	The Chief Financial Officer update the Reserves and Financial Reserves Policies and supporting procedures to include: <ul style="list-style-type: none"> • Using a risk-based approach to determine target reserve ranges with minimum and maximum targets where required; • Documenting rationale if a reserve does not require a minimum and maximum target; and • Clarifying calculation of over and underfunding based on uncommitted balances.
AC2024-0569 Financial Reserves	1	September 30, 2025	The Chief Financial Officer update the Reserves and Financial Reserves Policies to define the reserve types.
AC2024-0960 Clean Energy Improvement Program Audit	2	May 31, 2025	The Leader, Community Energy Program, enhance CEIP management by: <ul style="list-style-type: none"> a) Implementing a structured risk assessment process; and b) Monitoring all KPI and establishing and monitoring KPI targets.