

Calgary



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2022

City of Calgary

Annual Financial Report

Calgary, Alberta, Canada
For the year ended December 31, 2022

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CALGARY AT A GLANCE

1,343,500*

POPULATION

1,106 km

CITY PATHWAYS

1.5%

POPULATION GROWTH

183

CITY-SUPPORTED EVENTS

38

MEDIAN AGE

\$516,878

MLS AVERAGE SELLING PRICE

6.1%

UNEMPLOYMENT RATE

4,133

SINGLE FAMILY HOUSING STARTS

848 km²

CITY AREA

\$5.7 billion

VALUE OF BUILDING PERMITS ISSUED

*Corporate Economics estimate

In 2022, Calgary ranked third 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

The City of Calgary, Alberta | ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED DECEMBER 31, 2022
Produced by the Corporate Planning and Financial Services Department of The City of Calgary, in cooperation with all civic departments, offices and agencies.

FEEDBACK AND PERFORMANCE

The City conducts an annual Survey of Calgarians to gather views about living in Calgary, perception of quality of life, attitudes towards City Administration and Council, and perspectives of City programs and services. Findings from this annual survey provide a performance-based report for Council and Administration and serve as an important tool for understanding the needs and perceptions of Calgarians and identifying areas for improvement on an ongoing basis. This survey was formerly referred to as the Citizen Satisfaction Survey. Complete survey results are available on calgary.ca/citsat

ADMIN + COUNCIL

71%

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

PERCEPTIONS OF TRANSPARENCY AND CALGARIANS INPUT

66%

of Calgarians agree that The City of Calgary practices open and accessible government

62%

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

66%

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

58%

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

CITY SERVICES



66%

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



66%

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



81%

agree The City of Calgary meets customer service expectations

QUALITY OF LIFE IN CALGARY

80%

OF CALGARIANS SAY THE QUALITY OF LIFE IN CALGARY TODAY IS GOOD

70%

AGREE THE CITY OF CALGARY MUNICIPAL GOVERNMENT FOSTERS A CITY THAT IS INCLUSIVE AND ACCEPTING OF ALL

79%

AGREE CALGARY IS A GREAT PLACE TO MAKE A LIFE

51%

AGREE CALGARY IS SAFE FOR ALL RESIDENTS AND VISITORS, REGARDLESS OF THINGS LIKE ETHNICITY, RACE, RELIGION, INCOME, OR SEXUAL IDENTITY

74%

AGREE CALGARY IS A GREAT PLACE TO MAKE A LIVING

52%

AGREE THE CITY OF CALGARY DELIVERS PROGRAMS AND SERVICES THAT REMOVE BARRIERS TO PARTICIPATION FOR CALGARIANS WHO NEED IT THE MOST

76%

AGREE CALGARY IS ON THE RIGHT TRACK TO BE A BETTER CITY 10 YEARS FROM NOW



Calgary Folk Music Festival
Photo provided by: Tourism Calgary | Roth and Ramberg

Calgary Municipal Building



CORPORATE GOVERNANCE AND ACCOUNTABILITY

Council is comprised 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 oversight and stewardship responsibilities. Audit Committee gains reasonable assurance in relation to financial and governance matters, risk management and compliance, internal controls, integrity of The City's annual financial statements and Whistle-blower Program.

The Audit Committee is comprised of seven independent 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 that support the quality of life that is so much a part of Calgary's appeal.

THE ROLE OF THE CITY MANAGER

The City Manager leads the Executive Leadership Team (ELT) and works closely with Council. The City Manager implements the decisions of Council, provides advice and manages City Administration. He 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 co-ordinating 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

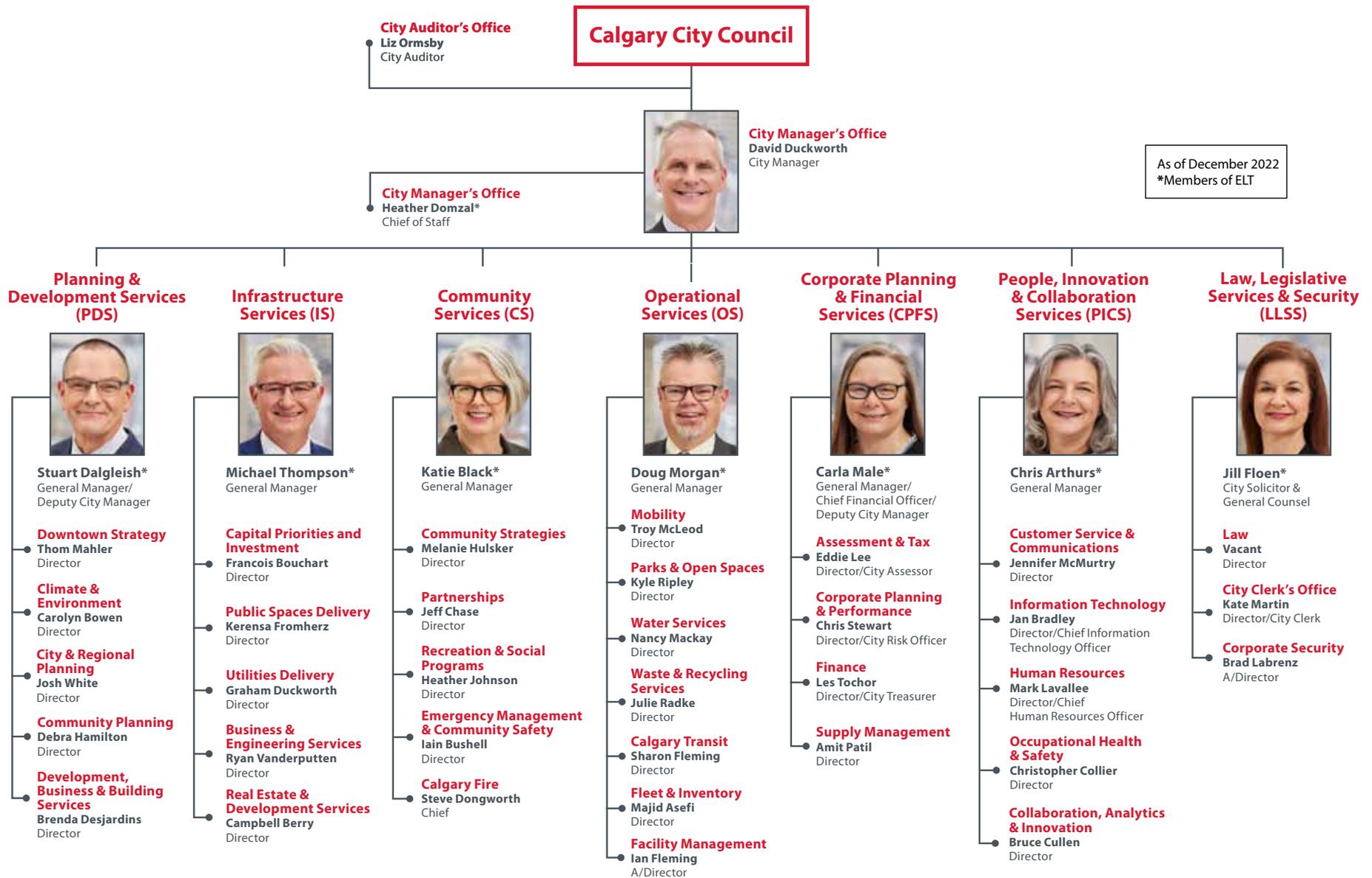


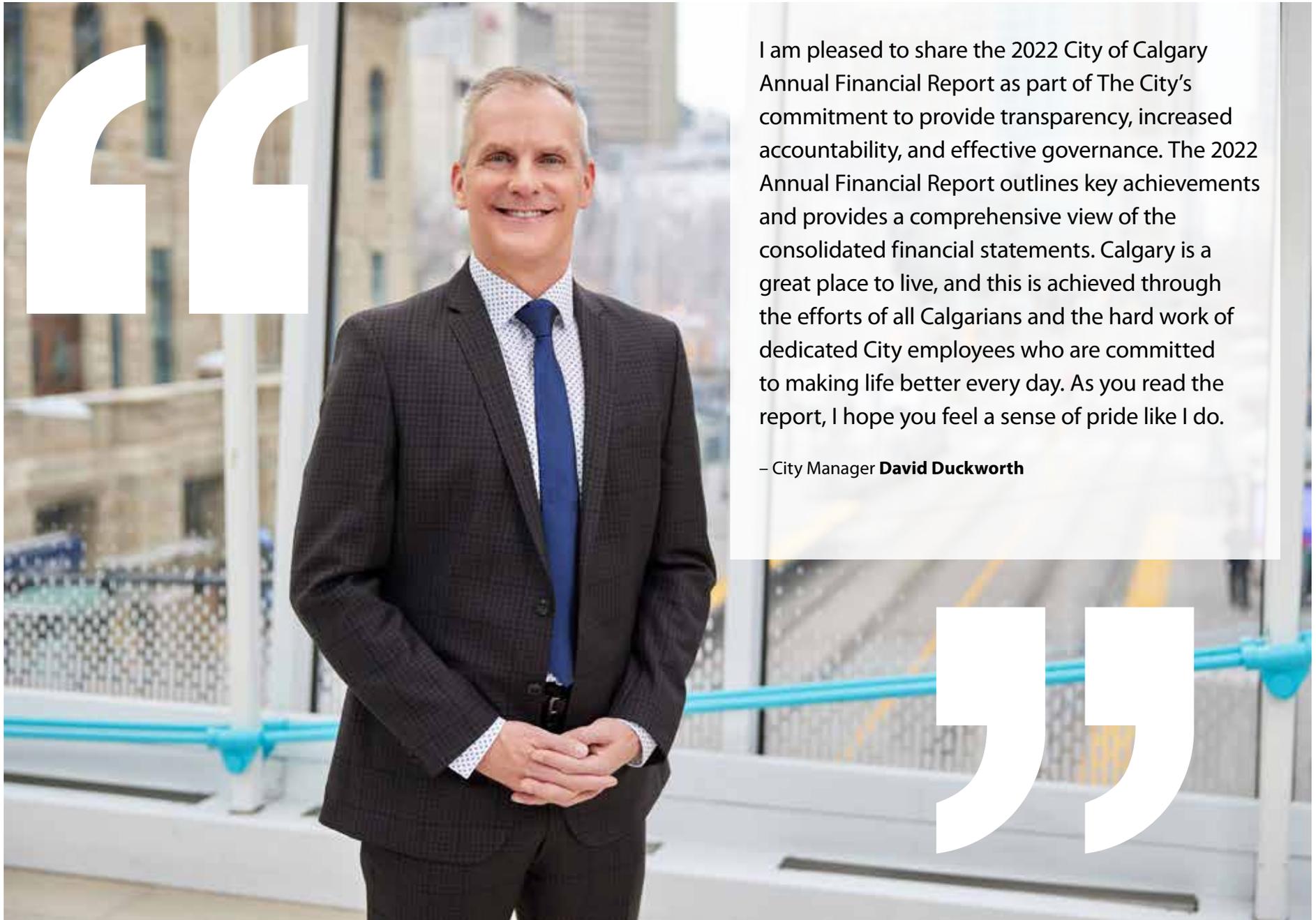
Fourth row:	Ward 13 Councillor DAN MCLEAN calgary.ca/ward13	Ward 9 Councillor GIAN-CARLO CARRA calgary.ca/ward9	Ward 14 Councillor PETER DEMONG calgary.ca/ward14	Ward 4 Councillor SEAN CHU calgary.ca/ward4	Ward 11 Councillor KOURTNEY PENNER calgary.ca/ward11
Third row:	Ward 3 Councillor JASMINE MIAN 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 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.

“In 2022, Calgary City Council continued to make strides in building a city that offers opportunity and access for all Calgarians. We managed to provide quality services to the people we serve while respecting the pressures of inflation and population growth. While we continue to face the same wicked problems as cities around the country, we are approaching these challenges from a place of collaboration with local partner organizations, neighbouring municipalities, and other orders of government. Council understands that we are all stronger when we work together and remain focused on key priorities along the road to recovery, including downtown revitalization, public safety and affordable housing. To create a future-proofed city, Council remains committed to economic resilience balanced with social and environmental stewardship.”

– Mayor **Jyoti Gondek** on behalf of Council





I am pleased to share the 2022 City of Calgary Annual Financial Report as part of The City's commitment to provide transparency, increased accountability, and effective governance. The 2022 Annual Financial Report outlines key achievements and provides a comprehensive view of the consolidated financial statements. 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. As you read the report, I hope you feel a sense of pride like I do.

– City Manager **David Duckworth**

FINANCIAL INFORMATION



Photo provided by: Tourism Calgary | Roth and Ramberg

2022 Financial Statement Discussion and Analysis

INTRODUCTION

The financial statement discussion and analysis (FSD&A) 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 FSD&A also identifies trends, risks and anticipated events that could have financial implications.

In 2022, The City continued to strive to enhance financial sustainability, drive innovation, and modernize service delivery.

This was the fourth year in the four-year business plan and budget cycle (2019 – 2022), also known as One Calgary Service Plans and Budgets (One Calgary). The City was able to make progress on strategies and performance measures to continue delivering the services that matter to Calgarians and businesses. The Solutions for Achieving Value and Excellence (SAVE) program - designed to enhance The City's financial sustainability, drive innovation and modernize service delivery - has continued with its implementation phase, achieving 2022 base savings of \$53.2 million, including \$1 million in revenues, which translates into a total tax rate impact equivalent of 3.1 per cent. SAVE also achieved \$2.8 million in one-time savings, as well as transfer of \$5.4 million from restricted reserves into the Fiscal stability and operating budget savings account merged reserve. In November 2021, Council approved critical investments in our community, advancements of the Climate Strategy and Action Plans; improved access to programs, improved maintenance, and healthier green spaces in parks; funding for affordable housing; improved snow and ice control and other initiatives resulting in an overall adjusted tax rate increase of 3.9 per cent for the 2022 year.

On November 25, 2022, Council approved the 2023 – 2026 Service Plans and Budgets. The budget reflects and addresses the ongoing economic challenges The City is facing while continuing to advance the Council priorities laid out in the roadmap for advancing *Resilient Calgary: Council's Strategic Direction 2023-2026*, keeping the ongoing expenses in line with inflation and population growth. As a result, Administration approved an average annual increase of 3.7 per cent over the next four years in the total amount of tax collected from existing properties. Demand for The City's services remain high, the population continues to grow, and inflation remains a concern for households and businesses alike. The City continues to manage these factors while working hard to support Calgarians and businesses in a fiscally sustainable manner.

The City's 2022 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*.

The consolidated financial statements consist of:

- Consolidated statement of financial position (summary of financial assets and liabilities, net financial assets, non-financial assets and accumulated surplus) 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 capital assets (amortization), plus the change in the net value of the government business enterprise, ENMAX Corporation (ENMAX)),
- 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 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 and the spending to acquire new capital assets in the year. 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.



Carla Male
Chief Financial Officer

City Administration is responsible for preparing the following FSD&A and the consolidated financial statements. The FSD&A 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.

In 2022, as a result of continued usage and refinement of capital asset accounting and management systems, prior years tangible capital asset balances were identified that required correction and the consolidated financial statements have been retrospectively adjusted. The tangible capital asset balance previously reported in the 2021 consolidated financial statements as \$19,283 million has been restated to \$19,322, resulting in an increase of \$39 million. The change represents 0.2 per cent of tangible capital assets. The adjustment also resulted in a prior year increase of \$6 million to developer contributions-in-kind related to capital, an increase of \$1 million to depreciation expense and an increase of \$34 million to opening accumulated surplus.

The restated amounts have no effect on The City's cash balances, property tax revenues or any other balances influencing The City's grants received, property tax assessments or any other related balances.

Economic Environment

The economic environment in the Calgary Economic Region continued to improve in 2022 as the economic effect of the COVID-19 pandemic subsided and energy prices remained strong. Total employment increased by 66,100 persons in the region, from 861,800 in 2021 to 927,900 in 2022. The unemployment rate fell by 3.0 per cent over the year, from 9.1 per cent in 2021 to 6.1 per cent in 2022. Those living in the Calgary census metropolitan area saw increases in their cost of living accelerate, with the inflation rate reaching 7.2 per cent in 2022 compared to 3.2 per cent in 2021. Building permit value in The City was relatively consistent in 2022 with 2021 at \$5.7 billion. The number of issued building permits decreased by 2,547 from 21,113 in 2021 to 18,566 in 2022.

	2022	2021	Change
Calgary			
Population (persons)*	1,343,500	1,323,700	1.5%
Building permit (numbers)**	18,566	21,113	(2,547)
Building permit value (\$ billions)	5.7	5.7	-
Calgary Census Metro Area			
CPI inflation rate (%)	7.2	3.2	4.0
Calgary Economic Region			
Employment (persons)	927,900	861,800	66,100
Unemployment rate (%)	6.1	9.1	(3.0)

Sources: All data is from Statistics Canada, except:

*The population figures are estimates from Corporate Economics (Fall 2022 estimate) using alternative demographic data from Statistics Canada and the Alberta government.

**Building permit numbers are the number of issued permits.

For Calgary, population growth from April 2021 to March 2022 was estimated to be 22,200 (1.7 per cent) compared to 17,000 (1.3 per cent) the previous year. Total natural growth (births minus deaths) in Calgary for the next four years should be faster than the national average because of the younger than Canadian average population in Calgary at a median age of 38. Natural growth is expected to be lower in future years than in the past as Calgary's population ages slowly. However, thanks to Alberta's economy, better labour market conditions in Calgary are expected to draw interprovincial migrations into Calgary for the next four years. In addition, more international immigrants are expected to choose Calgary as their first home as the Canadian government has set higher new immigrant targets for the next few years. Combined, all these factors are forecasted to contribute to higher population growth in Calgary in 2023-2026 than in 2019-2022.

Realignment

City Administration undertook an organizational realignment to modernize the 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. The seven departments as detailed on page five in the organizational structure chart have been represented in the consolidated financial statements as five department segments: Planning and development services, Infrastructure services, Community services, Operational services and General government.

The organizational realignment supports the Rethink to Thrive corporate strategy and groups similar functions together to deliver services more efficiently. Preparation for the organizational realignment started in 2020 and the changes were system implemented on August 1, 2022 with an effective date of January 1, 2022. Prior year segment expenses have been disclosed on a comparative basis under the new structure. A well-planned strategy supported the transition ensuring a smooth implementation where service disruptions and financial impacts were mitigated.

FINANCIAL HIGHLIGHTS

Revenues and Expenses

The City had consolidated revenues of \$4,704 million in 2022 (2021 – \$4,249 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 totaling \$843 million (2021 – \$787 million).

The City had consolidated expenses of \$4,337 million (2021 – \$3,980 million). Included in expenses is amortization in the amount of \$717 million (2021 – \$707 million) as the estimated annual cost of owning and using The City's tangible capital assets.

The City had excess revenues before other of \$367 million (2021 – \$269 million) and net revenues of \$1,211 million (2021 – \$1,056 million). Inclusive of the net ENMAX unrealized gain of \$124 million (2021 – \$60 million), The City's annual surplus totaled \$1,335 million (2021 – \$1,116 million).

Consolidated Financial Position

As at December 31 (in millions)

	2022	2021
		(Restated)
A. Financial Assets	\$ 10,402	\$ 9,424
B. Financial Liabilities	\$ 5,915	\$ 5,874
C. Net Financial Assets (A minus B)	\$ 4,487	\$ 3,550
D. Non-Financial Assets	\$ 19,816	\$ 19,418
E. Accumulated Surplus (C plus D)	\$ 24,303	\$ 22,968

The City's net financial assets increased by \$937 million (2021 – \$759 million) mainly due to increases in cash, investments, receivables, investment in ENMAX and a decrease in long-term debt. The increase in net financial assets was partially offset by increases in accounts payable and accrued liabilities. 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 accumulated surplus increased by \$1,335 million (6 per cent) in 2022, primarily from the increase in cash of \$162 million, investments of \$402 million, net increase in tangible capital assets (purchased and donated) of \$381 million, investment in ENMAX of \$358 million, decrease in long-term debt of \$75 million, partially offset by an increase in accounts payable and accrued liabilities of \$137 million and a decrease in land inventory of \$46 million. In 2021, the City's accumulated surplus increased by \$1,116 million (5 per cent), primarily from the increase in cash of \$517 million, investments of \$381 million, net increase in tangible capital assets (purchased and donated) of \$353 million, investment in ENMAX of \$298 million, decrease in long-term debt of \$75 million, partially offset by increase in bank indebtedness of \$131 million, and capital deposits of \$365 million.

The City's long-term debt ratings were affirmed at AA+ by Standard and Poor's and AA (high) by Dominion Bond Rating Service (DBRS) in 2022.

Cash Flow

The City's cash increased by \$162 million to \$1,311 million and investments increased by \$402 million to \$5,207 million. The increase in cash is primarily due to cash generated from operating activities and dividends received from ENMAX. This was partially offset by long-term debt repayments during the year and expenditures on tangible capital assets.

Cash provided by operating activities

In 2022, cash provided by operating activities was \$1,434 million, compared to \$1,650 million in 2021, and includes:

- Annual surplus of \$1,335 million (2021 – \$1,116 million); and
- Items not affecting cash \$99 million (2021 – \$534 million).

Cash used in capital activities

Cash used in capital activities was \$850 million, compared to \$866 million in 2021, and includes:

- Additions to capital assets of \$876 million (2021 – \$900 million); and
- Proceeds on the sale of tangible capital assets of \$26 million (2021 – \$34 million).

Cash used in investing activities

Cash used in investing activities was \$340 million, compared to \$323 million used in 2021, and includes:

- Net purchases of investments of \$402 million (2021 – \$381 million); and
- Dividends from ENMAX of \$62 million (2021 – \$58 million).

Cash used by financing activities

Cash used by financing activities was \$83 million, compared to cash provided by \$56 million in 2021, and includes:

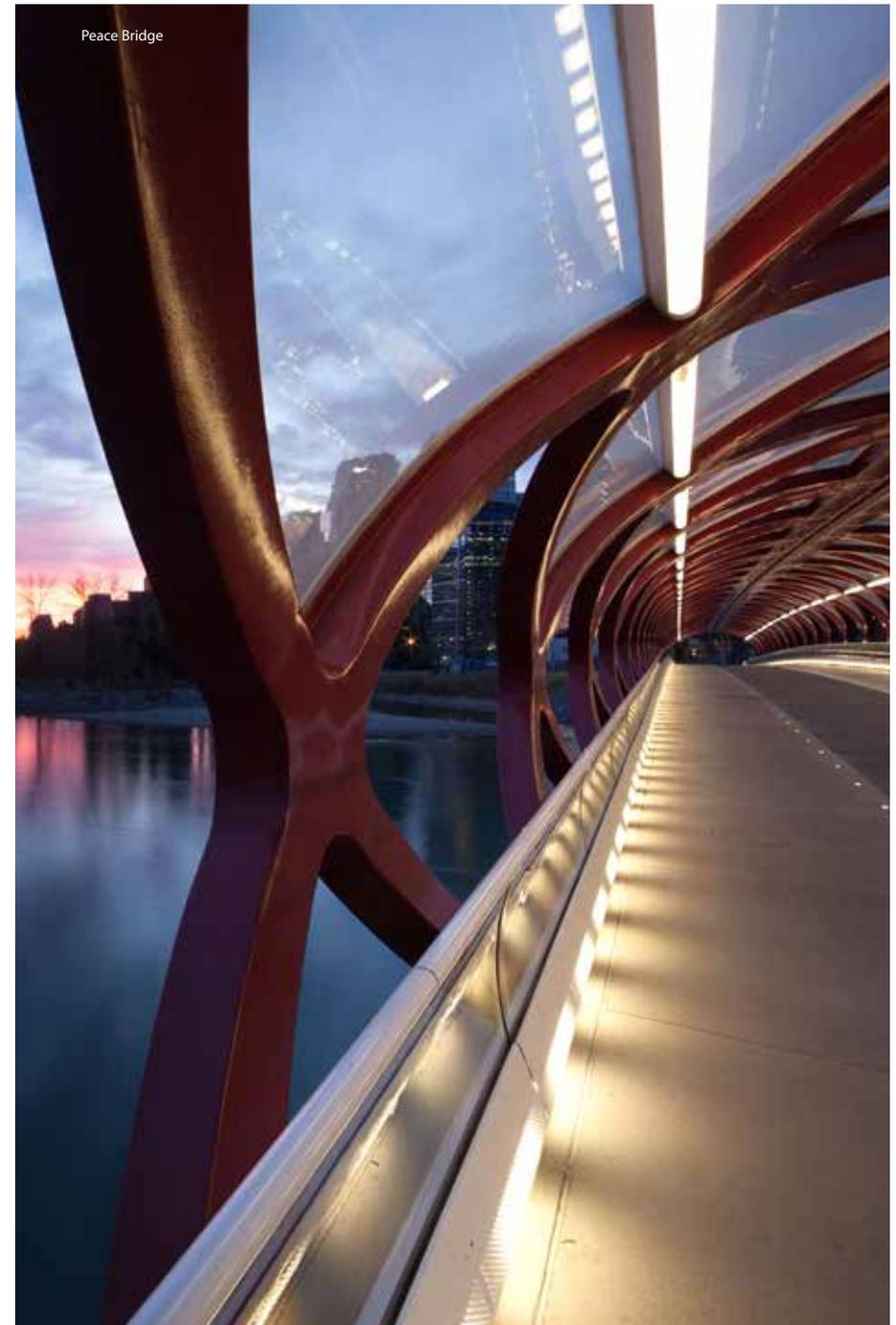
- Proceeds from long-term debt issued of \$176 million (2021 – \$173 million);
- Long-term debt repayments of \$251 million (2021 – \$247 million); and
- Net decrease in bank indebtedness of \$8 million (2021 – increase of \$131 million).

ENMAX (The City's Wholly-Owned Subsidiary)

ENMAX is a private Alberta corporation owned by The City. The City's investment in ENMAX comprises 30 per cent (2021 – 29 per cent) of The City's financial assets on the consolidated statement of financial position.

In 2019, The City, as ENMAX's shareholder, reviewed and confirmed the company's strategic direction and annual operating plans. Approvals for ENMAX's annual budget and major capital projects in excess of \$75 million are sought from the shareholder, and ENMAX provides The City with annual dividends. ENMAX's 2022 consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). Summary financial information for ENMAX is included in Note 7 to the consolidated financial statements.

On March 14, 2022, ENMAX received a first-time Long-Term Issuer Default Rating from Fitch of BBB with a stable outlook. On July 7, 2022, DBRS confirmed ENMAX's long-term rating at BBB (high) with a stable outlook. On July 12, 2022, S&P confirmed ENMAX's outlook of BBB- with a negative outlook.



Revenues – Comparison to Prior Year

For the years ended December 31 (in thousands)

	Actual 2022	Actual 2021 (Restated)	Increase/ (Decrease)	Per cent Change
Net taxes available for municipal purposes	\$ 2,406,356	\$ 2,209,013	\$ 197,343	9%
Sales of goods and services	1,384,471	1,235,238	149,233	12%
Government transfers related to operating	227,830	154,780	73,050	47%
Investment income	141,530	131,393	10,137	8%
Fines and penalties	74,089	64,421	9,668	15%
Licences, permits and fees	118,511	106,405	12,106	11%
Miscellaneous revenue	56,291	51,798	4,493	9%
Equity in earnings of ENMAX Corporation	295,628	295,777	(149)	(0.1%)
Total revenues (before external transfers for infrastructure)	\$ 4,704,706	\$ 4,248,825	\$ 455,881	11%
Developer contributions	\$ 242,498	\$ 158,763	\$ 83,735	53%
Government transfers related to capital	359,643	416,393	(56,750)	(14%)
Developer contributions-in-kind related to capital	240,901	212,169	28,732	14%
Total external transfers for infrastructure	\$ 843,042	\$ 787,325	\$ 55,717	7%

Net taxes available for municipal purposes increased by 9 per cent due to physical growth in the property tax base and a municipal tax rate increase of 3.9 per cent. The City also received additional revenue in-lieu of taxes from ENMAX due to strong electricity prices and higher franchise fees due to the rising price of natural gas.

Sales of goods and services increased by 12 per cent primarily due to an increase in transit ridership and an increase in delivery and demand for The City's recreational programs as compared to the 2021 revenues which were suppressed as a result of the COVID-19 pandemic. Further, in 2022, The City experienced an increase in land sales due to favourable industrial land market conditions and an increase in Water Services revenue from higher consumption during the year. This was partially offset by lower sales of carbon offset credits and renewable energy certificates during the year.

Government transfers related to operating increased by 47 per cent primarily due to \$82 million of Alberta Relief for Shortfalls for Transit Operators (RESTOR) funding that was recognized by The City in 2022. This amount is partially offset as The City did not receive any Municipal Operating Support Transfer (MOST) grant revenue in 2022 compared to \$15 million in 2021. This funding was provided by the Federal and Provincial governments to support municipalities with the financial impacts experienced due to the COVID-19 pandemic.

Investment income was 8 per cent higher due to higher returns on The City's infrastructure investments and cash balances. This was partially offset as The City exited a portion of its bond portfolio during 2022 to secure higher interest income in future years which resulted in realizing losses in The City's bond portfolio.

Fines and penalties were 15 per cent higher primarily due to an increase in property tax penalty revenues. In 2021, The City reduced the penalty to 3.5 per cent for the July penalty period and waived the penalty for the October penalty period to assist Calgarians during the COVID-19 pandemic.

Licences, permits and fees were 11 per cent higher due to an increase in community aggregate payment levy received as a result of an increase in road rehabilitation work during 2022 and an increase in permit volume and value due an increase in housing demand and construction value compared to the prior year. The increased revenues is also due to The City receiving an increase in livery transportation revenue during 2022 as a result of the COVID-19 relief for fees ending in March 2022.

Miscellaneous revenue was 9 per cent higher primarily due to a warranty payout received during 2022 and an increase in gains from the sale of tangible capital assets during the current year.

Developer contributions were 53 per cent higher primarily due to an increase in off-site levy revenue recognized, driven by increased off-site levy capital spending. Additionally in 2022, The City had an increase in the number of acquisitions from the Joint Use Coordinating Committee (JUCC) related to land for future school sites.

Government transfers related to capital were 14 per cent lower primarily due to fewer project expenditures in 2022 as compared to 2021 that were eligible for Municipal Sustainability Initiative (MSI) provincial grant funding, Canada Community Building Funding, and other federal and provincial funding. This was due to lower capital spending caused by supply chain delays. The decrease in federal and provincial funding above was partially offset by an increase in Green Line LRT Project funding due to an increase in Public Transit Infrastructure Fund (PTIF) claims for expenses incurred and Calgary Transit federal and provincial funding due to a higher spend rate of 49 per cent of capital budget in 2022 as compared to 21 per cent in 2021.

Developer contributions-in-kind related to capital were 14 per cent higher than 2021 due to the timing of completion of developer donated assets which are variable from year to year.

Expenses – Comparison to Prior Year

For the years ended December 31 (in thousands)

	Actual 2022	Actual 2021 (Restated)	Increase	Per cent Change
Planning and development services	\$ 169,090	\$ 139,037	\$ 30,053	22%
Infrastructure services	394,116	305,924	88,192	29%
Community services	1,388,328	1,321,442	66,886	5%
Operational services	2,010,020	1,841,594	168,426	9%
General government	375,669	372,172	3,497	1%
	\$ 4,337,223	\$ 3,980,169	\$ 357,054	9%

Planning and development services expenses increased by 22 per cent primarily due to increased spending associated with the Established Area Growth and Change Strategy, which is now in its second year of operations and increased spending associated with Downtown Strategy as several projects started the concept study and conceptual design phase during the year. Additionally, there was higher salary, wage and benefit expense during 2022 in Development, Business & Building Services and Community Planning as additional positions were filled to keep up with the increased volume of permit and development applications and to increase The City's service levels.

Infrastructure services expenses increased by 29 per cent primarily due to an increase in costs incurred during the year associated with the BMO Centre and an increase in industrial land sales during the year. In 2019, The City through Calgary Municipal Land Corporation (CMLC) entered into a contribution agreement with Calgary Exhibition and Stampede Limited (CESL) to expand the BMO Convention Centre which is owned and operated by CESL. Annual costs incurred by The City are recognized as a donation expense. This was partially offset by a decrease in repairs and maintenance necessary in 2022 along with a reduction of capital spending that did not meet The City's accounting policy to be capitalized to tangible capital assets. These costs include expenses associated with closing and monitoring The City's landfill, and structural rehabilitation for Water Services infrastructure.

Community services expenses increased by 5 per cent primarily due to inflation and as a result of higher operating expenses associated with The City's recreation facilities in 2022 due to the lifting of the provincial health orders. In 2022, The City had an increase in costs associated with the Calgary Police Service due to more overtime expense as a result of operational demands, protests during the year and staffing shortages. The City also experienced higher operating costs associated with the Calgary Fire Department as a result of an increase in the number of employees during the year to meet operational demands. Additionally, during 2022, The City had an increase in transfer payments to Civic Partner Organizations including Opportunity Calgary Investment Fund (OCIF).

Operational services expenses increased by 9 per cent primarily due to an increase in expenses associated with Water Services projects including the Bonnybrook administration building and the Glenmore and Bearspaw water plant improvements and an increase in winter operating activities as Calgary experienced significantly higher snowfall in 2022 as compared to 2021. The City also experienced higher costs associated with increased road rehabilitation, higher fuel and utility costs and an increase in Calgary Transit's operations as ridership increased in 2022 over the previous year.



Family walks by playground

Revenues – Budget to Actual Comparison

For the years ended December 31 (in thousands)

	Budget 2022	Actual 2022	Favourable/ (Unfavourable)	Per cent Change
Net taxes available for municipal purposes	\$ 2,261,703	\$ 2,406,356	\$ 144,653	6%
Sales of goods and services	1,424,028	1,384,471	(39,557)	(3%)
Government transfers related to operating	140,991	227,830	86,839	62%
Investment income	93,712	141,530	47,818	51%
Fines and penalties	85,749	74,089	(11,660)	(14%)
Licences, permits and fees	109,167	118,511	9,344	9%
Miscellaneous revenue	34,837	56,291	21,454	62%
Equity in earnings of ENMAX Corporation	203,000	295,628	92,628	46%
Total revenues (before external transfers for infrastructure)	\$ 4,353,187	\$ 4,704,706	\$ 351,519	8%
Developer contributions	\$ 355,236	\$ 242,498	\$ (112,738)	(32%)
Government transfers related to capital	853,319	359,643	(493,676)	(58%)
Developer contributions-in-kind related to capital	-	240,901	240,901	100%
Total external transfers for infrastructure	\$ 1,208,555	\$ 843,042	\$ (365,513)	(30%)

Total City consolidated revenues (before external transfers for infrastructure) were 8 per cent higher than the total budgeted amount for 2022, mainly as a result of higher-than-expected net taxes available for municipal purposes, equity in earnings of ENMAX, government transfers related to operating and investment income which were partially offset by a decline in sales of goods and services revenue and fines and penalties revenue.

Net taxes for municipal purposes were 6 per cent higher than budgeted primarily due to increased revenue in-lieu of taxes from ENMAX from strong electricity prices and higher than budgeted franchise fees as a result of higher weighted average natural gas prices than expected.

Sales of goods and services were 3 per cent lower than budgeted primarily due to the unfavourable impacts of the pandemic on various service lines. Calgary Transit had a decrease in fare revenue as the annual transit ridership dropped by approximately 38 per cent. This decline is offset in the "Government transfers related to operating" financial statement line item with the proceeds The City received from the Alberta Relief for Shortfalls for Transit Operators (RESTOR) grant which offsets the impact of the decline in transit revenues. Calgary Parking has also suffered a major decline in revenue due to lower parking demands as a result of the pandemic and work from home policies. Recreation & Social Programs experienced lower than budgeted goods and service revenues due to continued service recovery following the pandemic driven facility closures. Recreation & Social Programs have increased their program and service offerings since the lifting of the COVID-19 restrictions, however, labor shortages have slowed down the recovery. This was partially offset by higher than budgeted industrial land sales due to favourable industrial land market conditions and proceeds from the sale of renewable energy credits.

Government transfers related to operating were 62 per cent higher than budgeted primarily due to the unbudgeted receipt of the RESTOR grant The City received from the provincial government. This was offset by lower than budgeted eligible 911 expenditures funded by the Alberta 911 wireless grant as a result of an unanticipated timing difference of the government grant.

Investment income was 51 per cent higher than budgeted primarily due to more favourable returns on The City's investments in infrastructure funds and higher than budgeted interest income received on The City's cash balances. This was partially offset as The City exited a portion of its bond portfolio to secure higher interest income in future years which resulted in realizing losses in The City's bond portfolio during 2022.

Fines and penalties were 14 per cent lower than budgeted primarily due to Calgary Police Service having lower revenue due to a decrease in the number of summonses issued and Calgary Parking issuing lower than expected parking tickets due to the pandemic. This amount was partially offset by higher than budgeted property tax penalties from higher account balances.

Licenses, permits and fees were 9 per cent higher than budgeted primarily due to an increased demand in new housing.

Miscellaneous revenue was 62 per cent higher than budgeted largely due to higher than budgeted proceeds from the sale of tangible capital assets and warranty settlements.

Equity in earnings of ENMAX were 46 per cent higher than budgeted largely due to higher electricity and natural gas prices. High electricity costs were driven by strong demand combined with supply-side challenges such as low wind, import restrictions and generation outages. Natural gas prices continued to be supported by supply and demand balance uncertainty as global energy concerns linger.

Developer contributions were 32 per cent lower than budgeted due to a timing difference in the contributions used during the year as a result of reduced expenditures from construction delays. Public Service Delivery had a spend rate of approximately 54 per cent of the capital budget and was one of the primary contributors for this variance. The lower than budgeted developer contributions were partially offset due to acquisitions from the Joint Use Coordinating Committee (JUCC) related to land for future school sites and higher than budgeted hectares in development agreements signed during the year.

Government transfers related to capital were 58 per cent lower than budgeted primarily due to unanticipated changes in the receipt and usage of government grants and lower than budgeted capital expenditure timing. Due to project scope modifications and delays in construction, Calgary Transit and Public Spaces Delivery spent 49 per cent and 54 per cent of their capital budgets respectively. Calgary Housing also experienced lower than budgeted revenue as projects have been delayed due to lack of secured funding. Green Line, Calgary Fire Department and Utilities Delivery, experienced unanticipated changes in timing of government grants received from both Provincial and Federal governments.

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

Expenses – Budget to Actual Comparison

For the years ended December 31 (in thousands)

	2022 Budget (excluding Amortization)	2022 Actual (excluding Amortization)	Favourable/ (Unfavourable)	Per cent Change	2022 Budget Amortization Expense	2022 Actual Amortization Expense
Planning and development services	\$ 171,381	\$ 165,109	\$ 6,272	4%	\$ 508	\$ 3,981
Infrastructure services	260,848	384,746	(123,898)	(47%)	4,850	9,370
Community services	1,350,289	1,331,112	19,177	1%	9,463	57,216
Operational services	1,446,114	1,387,528	58,586	4%	138,208	622,492
General government	517,243	352,045	165,198	32%	-	23,624
	\$ 3,745,875	\$ 3,620,540	\$ 125,335	3%	\$ 153,029	\$ 716,683

Due to ambiguity in the *Municipal Government Act (MGA)* regarding balanced operating budgets and associated contents, The City only budgets for amortization charges for self-supported business activities. Further, amortization inclusion in the budget is under review to study and determine the impact that this change would have relative to the MGA requirements.

During 2022, The City continued to find efficiencies and savings in expenditures which allowed The City to keep taxes and fees as low as possible while still responding to the economic changes, and priorities and needs of Calgarians.

The following variance explanations exclude the impact of amortization expense:

Planning and development services expenses were 4 per cent lower than budgeted primarily due to lower salary, wages and benefits due to vacancies by intentionally managing the workforce in City & Regional Planning and Community Planning.

Infrastructure services expenses were 47 per cent higher than budgeted primarily due to higher than budgeted cost of land associated with The City's industrial land sales during the year and the associated costs incurred in Real Estate & Development Services and costs incurred to expand the BMO Convention Centre. Annual costs incurred by The City to expand the BMO Convention Centre are recognized as a donation expense. This amount was partially offset by lower than budgeted salary, wages and benefit expenses by vacancies to intentionally manage the workforce and lower than budgeted materials, equipment and supplies expenses in Attainable Homes Calgary Corporation (AHCC) as fewer than budgeted homes were sold during the year.

Community services expenses were 1 per cent lower than budgeted and include the costs of Recreation & Social Programs, Emergency Management & Community Safety, Community Strategies, Calgary Housing, Civic Partners, Partnerships, Calgary Police Service, Calgary Fire, Calgary Public Library, Calgary Housing Company, Calgary Arts Development Authority Ltd., and Calgary TELUS Convention Centre. The decrease in expenses is primarily due to lower than budgeted costs in Recreation & Social Programs due to temporary facility closures and staff shortages that have impacted operations with less programming and services. This was partially offset due to higher than budgeted transfer payments to community agencies and Civic Partner Organizations.

Operational services expenses were 4 per cent lower than budgeted primarily due to the impact of the pandemic on Calgary Transit ridership. Ridership levels are returning, however, service levels remain below the 2019 service levels resulting in savings in salary, wages and benefits. Additionally, the reduction in trips and fuel consumption necessary for the lower service levels reduced the contract services, materials, and supplies expenses. Operational services also experienced a positive variance from budget due to unfilled vacant positions, a reduction in the use of contract work and lower Calgary Parking towing fees associated with the pandemic. The favourable variance was partially offset by inflationary pressure on fuel and electricity costs, higher than budgeted janitorial expenses as a result of COVID-19 cleaning expenses and an increase in maintenance expense incurred by the Waste & Recycling as a result of its aging fleet. Operational services continues to look for savings with the intentional management of operational spending to help offset the higher janitorial, utility and fuel costs.

General government expenses include the costs of Council, City Manager, Finance, Supply Management, Mayor, City Auditor, City Clerk's Office, Law, Assessment & Tax, Corporate Planning & Performance, Corporate Security, Customer Service & Communications, Human Resources, Information Technology, Collaboration Analytics & Innovation and Occupational Health & Safety. Expenses were 32 per cent lower than budgeted primarily due to intentional management of corporate contingency estimates, employee benefit obligation curtailment gain recognized during the period and lower pension expense due to lower than budgeted gross salaries and lower than budgeted Local Authorities Pension Plan (LAPP) rates.

Tangible Capital Assets

For the years ended December 31 (in thousands)

	2022 Net book value	2021 Net book value (Restated)	Increase/ (Decrease)
Land	\$ 2,738,755	\$ 2,695,764	\$ 42,991
Land improvements	608,248	576,594	31,654
Engineered structures	11,715,410	11,453,659	261,751
Buildings	2,274,743	2,313,255	(38,512)
Machinery and equipment	208,660	228,005	(19,345)
Vehicles	796,853	830,500	(33,647)
	\$ 18,342,669	\$ 18,097,777	\$ 244,892
Work in progress			
Land	\$ 13,722	\$ 13,646	\$ 76
Construction	1,346,422	1,210,117	136,305
Tangible capital assets	\$ 19,702,813	\$ 19,321,540	\$ 381,273

During 2022, the net book value of tangible capital assets increased by \$381 million (2021 – \$353 million). Spending on capital projects was primarily for roads and utility infrastructure projects, the Green Line LRT Project and CMLC's construction initiatives.

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.

During 2022, amortization expense of \$717 million was recorded (2021 – \$707 million). In total there was \$241 million (2021 – \$212 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 \$32 million were made in 2022 (2021 – \$112 million) which consisted of land, land improvements, engineered structures, buildings, machinery and equipment, and vehicles.

SIGNIFICANT TRENDS

Consolidated Statement of Operations

For the years ended December 31 (in thousands)

	Actual 2022	Actual 2021 (Restated)	Actual 2020	Actual 2019	Actual 2018
Revenues	\$ 4,704,706	\$ 4,248,825	\$ 4,180,830	\$ 4,171,634	\$ 3,872,574
Other Revenues	843,042	787,325	617,438	1,100,071	1,038,439
Expenses	(4,337,223)	(3,980,169)	(3,848,802)	(3,913,569)	(3,872,644)
Net Revenues	\$ 1,210,525	\$ 1,055,981	\$ 949,466	\$ 1,358,136	\$ 1,038,369

Net revenues for the year were \$1,211 million after accounting for developer contributions, government transfers related to capital, developer contributions-in-kind related to capital. Revenues increased 10 per cent from the prior year, with increases in revenue from net taxes available for municipal purposes, sales of goods and services, government transfers related to operating and licences, permits and fees during the year. 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 an increasing population. These infrastructure investments include the expansion of the BMO Convention Centre which are recognized by The City as a donation expense in the year they are incurred.

LIQUIDITY AND DEBT

Financial Position – Net Financial Assets

As at December 31 (in thousands)

	Actual 2022	Actual 2021	Actual 2020	Actual 2019	Actual 2018
FINANCIAL ASSETS					
Cash	\$ 1,311,375	\$ 1,149,220	\$ 632,626	\$ 263,209	\$ 246,116
Investments	5,206,794	4,804,797	4,423,320	4,230,756	4,038,562
Receivables	484,018	384,329	373,481	375,636	357,296
Land inventory	211,213	257,031	279,307	275,592	279,532
Other assets	115,858	114,148	101,415	94,701	106,386
Investment in ENMAX Corporation	3,072,460	2,714,462	2,416,472	2,339,699	2,261,350
	10,401,718	9,423,987	8,226,621	7,579,593	7,289,242
LIABILITIES					
Bank indebtedness	348,010	355,179	224,159	51,711	73,640
Accounts payable and accrued liabilities	965,218	828,217	800,092	811,799	947,274
Deferred revenue	106,619	98,768	109,765	103,629	96,249
Capital deposits	1,185,905	1,203,110	838,562	675,135	771,294
Provision for landfill rehabilitation	103,033	101,806	104,593	101,198	93,709
Employee benefit obligations	510,709	516,455	514,061	495,564	499,641
Long-term debt	2,695,093	2,770,590	2,845,144	2,883,447	2,888,831
	5,914,587	5,874,125	5,436,376	5,122,483	5,370,638
NET FINANCIAL ASSETS	\$ 4,487,131	\$ 3,549,862	\$ 2,790,245	\$ 2,457,110	\$ 1,918,604

There was an increase of \$937 million in net financial assets in 2022 relative to 2021 due to increases in cash, investments, receivables and The City's investment in ENMAX. This was offset by a decrease in land inventory and an increase in accounts payable and accrued liabilities. A trend of increasing cash, investments, receivables and The City's investment in ENMAX have been the primary factors of the net financial asset growth trend through the 2018 to 2022 years.

The downward trend in long-term debt levels since 2018 is due to higher principal repayments compared to borrowings for tax-supported and self-sufficient tax-supported (especially MSI) debt and the decrease in these debt categories is greater than increases in self-supported debt. In 2019, the decrease was due to the full repayment of MSI debt outstanding, offset by new borrowings for tax-supported debt. From 2020 to 2022, the downward trend continued due to repayments in tax-supported and self-supported debt.

Long-Term Debt

As at December 31 (in thousands)

	2022	2021	2020	2019	2018
Opening balance	\$ 2,770,590	\$ 2,845,144	\$ 2,883,447	\$ 2,888,831	\$ 3,066,263
Increase (Decrease)					
Tax-supported	(35,667)	(33,854)	(40,342)	75,973	(41,385)
Self-sufficient tax-supported	27,544	5,531	3,946	(78,021)	(60,196)
Self-supported	(67,374)	(46,231)	(1,907)	(3,336)	(75,851)
Net decrease during the year	(75,497)	(74,554)	(38,303)	(5,384)	(177,432)
Closing balance	2,695,093	2,770,590	2,845,144	2,883,447	2,888,831
Debt attributable to ENMAX Corporation	1,606,493	1,455,813	1,371,972	1,283,320	1,185,380
Total debt attributable to The City	\$ 4,301,586	\$ 4,226,403	\$ 4,217,116	\$ 4,166,767	\$ 4,074,211

In 2022, DBRS reaffirmed 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. In affirming the rating, DBRS stated that "the ratings are supported by The City's approach to fiscal management, its relatively low debt burden, and its robust liquidity." In addition, Standard & Poor's 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.

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.

Council's capital financing policy allows for increasing the tax-supported debt outstanding as long as annual debt servicing charges do not exceed 10 per cent of the tax-supported gross expenditure (net of recoveries) and it is approved by Council. The policy would allow The City to provide some additional growth-related capital infrastructure if desired.

In 2022, The City repaid \$36 million in tax-supported debt, resulting in a net reduction in tax-supported debt to \$332 million as at December 31, 2022.

The ratio of debt servicing charges to tax-supported gross expenditure (net of recoveries) was 1.0 per cent (including self-sufficient tax supported), which is within The City's 10 per cent policy limitation.

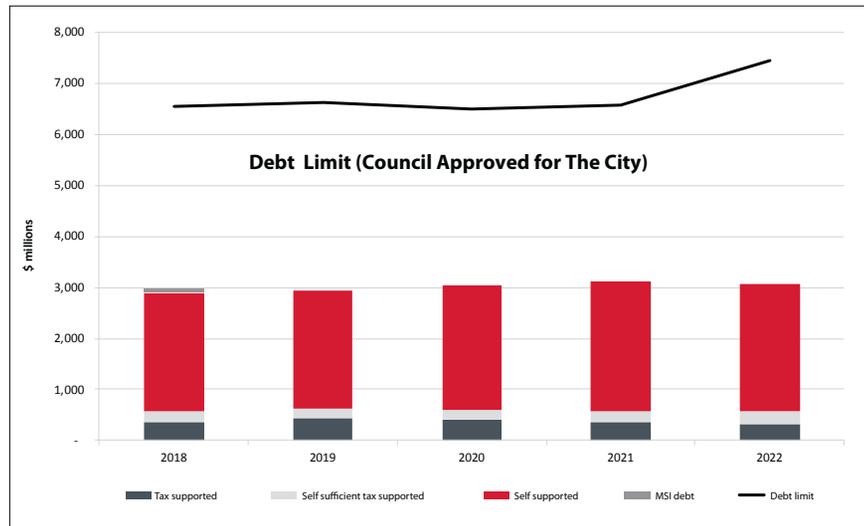
Self-sufficient tax-supported debt comprises debt for CMLC's programs and activities whose operating costs, including debt servicing, have historically been funded in whole or in part, directly or indirectly, by revenue from municipal property and business taxes. These costs are currently being partially funded by revenues resulting from their own operations. As at December 31, 2022, CMLC has \$247 million in outstanding debt. In 2009, Council approved a maximum debt of \$1 billion to provide bridge financing for MSI-funded projects. Additional bridge financing for MSI-funded projects was approved in 2011, bringing the total capacity to approximately \$1.6 billion. As at December 31, 2022, The City has no outstanding debt for these projects. Although no new borrowing is identified, with the extension of the MSI program to 2024 there remains the possibility of new MSI debt issue depending on provincial funding and capital cash flow demands.

Also in 2022, \$132 million in new self-supported debt (primarily related to Water Services) was obtained and \$199 million was repaid, resulting in a net reduction in self-supported debt of \$67 million to \$2,116 million (excluding \$1,606 million in debt attributable to ENMAX).

The City's New Debt Policy took effect as of January 2021 and overrides the MGA's Debt Limit used in prior years. Administration continues to monitor and report on an internal maximum level of 80 per cent, as well as the MGA mandated 100 per cent maximums of The City's Debt Limit through 2020, with only the Policy debt limit reported beginning in 2021. In 2011, the Provincial government enacted a regulation that exempted The City's MSI related debt issued after December 31, 2011 from the debt service limit calculation. As a result, debt servicing for MSI bridge financing originated in 2012 or beyond is not included in the debt limit charts. All MSI bridge financing has been repaid as of 2019.

**Chart A — The City Historic Debt Levels
Debt Limits Trend 2018–2022***

(in millions of dollars)



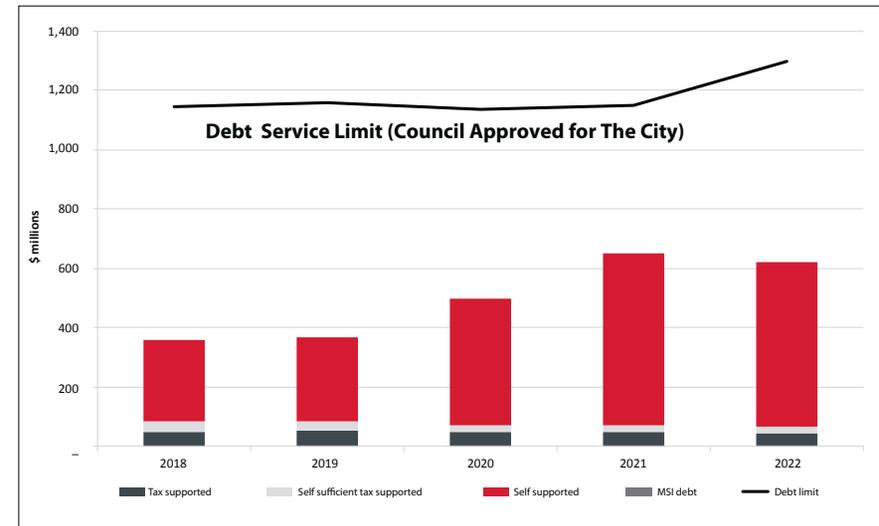
* For comparative purposes, The City has presented 2018 – 2020 debt limits in accordance with Council Policy CP2020-05 at 1.6 times revenues.

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 and “AA+” according to Standard & Poor’s Global Ratings) 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 that The City can have outstanding debt, including loan guarantees, and is calculated at 1.6 times revenue (MGA debt limit of two times the revenue used in prior years). Chart A reports The City’s total historical outstanding debt from 2018 to 2022. It indicates that as December 31, 2022 The City had used 41 per cent (2021 – 48 per cent) of its debt limit.

**Chart B —
Debt Service Limit Trend 2018–2022***

(in millions of dollars)



* For comparative purposes, The City has presented 2018 – 2020 debt service limits in accordance with Council Policy CP2020-05 at 0.28 times revenue.

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. The tax supported debt service limit is 10 per cent of tax supported gross expenditures net of recoveries. For MSI debt, the total principal and interest is recognized as debt servicing in the year the debt matures. Chart B reports The City’s total historical Debt Service Limit from 2018 to 2022. It indicates that as at December 31, 2022 The City had used 49 per cent (2021 – 57 per cent) of its debt service limit.



Reserves

As at December 31 (in thousands)

	2022	2021	2020	2019	2018
	\$ 3,635,785	\$ 3,281,056	\$ 2,743,827	\$ 2,493,588	\$ 2,299,998

The reserve balances totaled \$3,636 million at the end of 2022 (2021 - \$3,281 million). The net increase was primarily the result of:

- Increases in the Fiscal stability and operating budget savings account merged reserve,
- Increases in the Reserve for future capital and lifecycle maintenance upgrade merged reserve,
- Increases in the Community investment, Green Line fund, Real estate services and Utilities sustainment reserves, offset by a
- Decrease in the Major capital project 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 2022, City staff commenced a review of eighteen reserves totaling \$1.2 billion, representing approximately 33 per cent of all reserve balances as at December 31, 2021. Findings and recommendations of the review will be provided to Council for approval in June 2023.

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, 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. Surpluses from these activities are retained in these reserves to offset any future deficits.

In July 2021 (PFC2021-1002), Council approved the merger of the Fiscal stability reserve (FSR) with the Budget savings account (BSA) as well as the merger of the Reserve for future capital (RFC) with the Lifecycle maintenance and upgrade reserve (LMUR), while separating the Green Line portion into a stand-alone reserve, the Green Line fund. New terms for the merged reserves will be brought forward for Council approval in 2023. The balance of the FSR/BSA merged reserve is \$854 million at the end of 2022 before surplus, while the balance of the RFC/LMUR merged reserve is \$792 million.

During 2022, Public art reserve, Revolving fund reserve for general land purchases, and SAVE one-time savings contributed a total of \$8 million to FSR/BSA merged reserve per C2021-1436. Other contributions to FSR/BSA merged reserve included \$5 million of no longer required one-time funding from other business units, \$3 million unspent budget for 2023 one-time budget from Fire, and \$1 million from Calgary Transit of no longer required capital funding. The contribution of budget variances to BSA reserve was discontinued in 2021 as business unit and Corporate favourable variances now all flow to the FSR/BSA merged reserve. As the COFLEX program, which was announced in November 2020 to provide funding services to help Administration respond quickly to changing demands on The City's services was decommissioned in 2022, the remaining \$13 million unused COFLEX funds will be relinquished back to FSR/BSA. In November 2022 (C2022-1051), Council approved a one-time \$65 million draw from FSR/BSA using the anticipated 2022 operating surplus.

The Major capital project (MCP) reserve includes the BMO Centre expansion, Event Centre, Foothills Fieldhouse and Arts Commons transformation. The Foothills Fieldhouse and Arts Commons transformation (other than Phase 1) 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 2022 is \$282 million.



RISK MANAGEMENT

The City is committed to an enterprise approach to risk management, where it is an essential component of good management, sound business practices, decisions 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 of the system: performance measurement and accountability, service plans and budgets, service review and individual performance development to better serve Calgarians, businesses and the community. Through the ERM framework and process, risks are identified at all levels across The City.

Financial Sustainability Risk

The Financial Sustainability Principal Corporate Risk is defined as:

The City is unable to maintain strong financial capacity over time. It could manifest as a sudden financial constraint – 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, 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. These shifts would require thoughtful offsetting measures, including spending decisions to maintain financial capacity.

Risk Pressures in 2022

During 2022 The City faced three risk pressures that could affect its Financial Sustainability Risk, as well as other principal corporate risks.

- The first pressure is the organization's corporate capacity as risk related to hiring and retaining talent which may affect The City's service delivery.
- The second pressure is economic volatility as The City is exposed to pressures related to inflation, cost fluctuations, and the ability to procure materials in a timely fashion.
- The third pressure is financial uncertainties. The City has exposure due to our reliance on the provincial and federal government for funding and as a source of lending. If The City is unable to obtain this funding, financial risks could materialize which may impact The City's service delivery.

Despite the projected stable economic performance which is expected to be resilient in 2023, risks remain due to the economic uncertainty surrounding The City's ongoing financial recovery, therefore, Financial Sustainability Risk is a principal corporate risk that is being monitored by The City.

Key trends and measures related to this risk in 2022

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

The Financial Sustainability Risk remained relatively stable throughout 2022. Price inflation continues to be a concern and is affecting the costs for contracted work and supplies. If inflation continues to surpass forecasts, combined with tighter labour markets it may lead to increased labour costs. The City's property tax remains a stable source of revenue, however, user fee revenues have declined due to the continued effects of the COVID-19 pandemic.

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 for the major capital projects indicates that the debt will peak in 2029, however, The City's financing constraints could fluctuate significantly based on the timing of borrowing to fund the Green Line LRT Project.

We are continuing to monitor the ability of Calgarians to pay property taxes, which appears to be strong. We are also actively managing The City's debt financing, including longer term projections.

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 continuing to face a funding gap due to tight budgets and limited funding sources for capital infrastructure projects, inflation, interrupted access to goods and services through supply chain disruptions, and changes to contract values.
- The Sustainable City Risk is continuing to manage the ongoing tension between supporting new development and The City's capacity to deliver existing services. The Municipal Development Plan target is for The City to grow 33 per cent by 2039. The continued deviation due to growth of developed areas from the Municipal Development Plan target has cost, servicing, land consumption, climate, and lifestyle implications. Progress has been made on implementing the Climate Resilience Strategy, however, greenhouse gas emissions are not being reduced at a rate necessary to see meaningful change, which poses an increasing risk to our economy, environment, people, and City reputation. There are significant economic opportunities associated with developing and implementing greener technologies in Calgary.
- The Service Delivery Risk's exposure is tied to the sustained impact of the pandemic on certain services' revenue or demands which continue to magnify the impact of other service interruptions and delays. Integration between departments due to the realignment and supporting staff through transition will be critical.

Persistently high inflation compounded by Russia's military action in Ukraine led global central banks to increase policy rates significantly through 2022. Despite a strong fourth quarter, fixed income and equity markets posted negative returns for the year as investors began to anticipate weaker growth and a potential recession. The City's investment portfolios generated a negative market value return of 6.0 per cent net of fees in 2022, exceeding their respective benchmarks in aggregate. The City 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 The City's investment objectives.

Within The City's investment portfolio there are sources of funds including operations, capital deposits, operating and capital reserves as well as funded employee benefit obligations. Each of these funds has a different time horizon and risk profile. The majority of the funds have a horizon of five years or less which directs The City's asset mix, of which 83 per cent is cash and fixed income, 10 per cent equity and 7 per cent real assets. This is very conservative and designed to provide liquidity as needed.

Green Line LRT Infrastructure Investment

The Green Line LRT Project is the largest infrastructure investment in Calgary's history with \$5,544 million in unprecedented contributions from Canada, the Province and The City. Following Council approval of the business case for Stage 1 of the Green Line LRT Project, and as a condition of the Government of Alberta's approval and funding, the Green Line Board was established and was delegated the authority to govern, oversee and ensure the successful delivery of the project.

Established as a committee of Council, the Green Line Board reports quarterly to Executive Committee, is part of The City's annual audit process and publishes a monthly progress report on safety, environment, stakeholder relations, schedule, cost, key risks, and quality. Key risks identified throughout 2022 included: changes to the financial market, market attractiveness, land acquisition, and early works construction. The revised procurement strategy to include a Development Phase and expansion of the scope of early works projects were direct mitigations for these risks.

The Green Line Board, in addition to the City Manager, comprises of qualified professionals with governance, legal, financial and megaproject delivery expertise. The Board, through Budget and Risk, Planning, and HR and Governance Committees, works on behalf of Calgarians and all funding partners to deliver the Green Line LRT Project. Green Line's leadership continues to utilize a highly experienced team of professionals, as well as independent experts, to ensure efficiency and effectiveness of operations. Regular due diligence is conducted on all aspects of the program including risks and the appropriate mitigation measures.

Normal Operations Risk

As part of normal operating risks, 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 counter parties to which The City provides services may not be able to fulfill their obligations to The City. The City has numerous controls in place to mitigate these risks including having a vast diversity of taxpayers and customers.

The City has cash management policies which include all cash handling, banking, investing and borrowing activities to meet the needs of The City. All cash and investments are held with credible financial institutions.

The City is often required to pay for goods and services in currencies other than Canadian dollars. Transacting in foreign currencies exposes The City to risk of currency volatility and foreign exchange risk. As part of the risk management strategy, The City has hired an external investment manager to execute an active portfolio hedging strategy designed to efficiently reduce currency risk. The manager is authorized to purchase Canadian dollars against foreign currencies held in The City's portfolio.

The City has fully met its current year cash contributions for employee benefit obligations at December 31, 2022. The City sponsored registered and non-registered defined benefit pension plans currently have a total unamortized net actuarial gain of \$43 million (2021 – \$1 million loss).

In addition, there are certain employee benefit obligations with respect to multi-employer pension plans. Civic employees, with the exception of police officers, are members of the Local Authorities Pension Plan (LAPP). 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 are members of 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 (APS). 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.

Both LAPP and SFPP have a plan surplus, where the actuarial value of the assets are greater than the accrued benefit obligations.

ENMAX Risk

ENMAX as a rate regulated entity providing electricity and natural gas as part of its business, has earnings volatility that is captured on The City's consolidated statement of operations and accumulated surplus. 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 legal, health, safety and operational, market and liquidity, climate change and environmental, strategic, human resources, technological, credit, reporting and disclosure, and income tax risks. ENMAX has an integrated approach to risk management across all ENMAX companies and has implemented an Enterprise Risk Management framework. The Risk Management Committee and the Commodity Risk Management Committee, consisting of ENMAX senior management team members, oversee risk management and report risk exposures to the Board of Directors.

THE OUTLOOK

Council and City Administration Actions

2022 was the fourth year in the four-year budget cycle (2019 – 2022). One Calgary represents The City's four-year spending plan for meeting Council's priorities. It represents a significant change from previous plans and budgets as it was approved at the service level rather than at the business unit level. This was done to:

- Provide clarity on the value of The City services received by Calgarians for tax dollars paid
- Make it easier for Council to assess a service and make more informed investment decisions
- Provide improved information on a service's value to enable better strategic decision-making

2023 – 2026 Service Plans and Budgets

On November 25, 2022, Council approved the 2023 – 2026 Service Plans and Budgets, thus setting the stage for realizing Council's priorities in the next budget cycle while considering both the economic outlook as well as the need to continue investing in the provision of services Calgarians expect.

The focus of the 2023 – 2026 Service Plans and Budgets was guided by economic, social and climate resilience. It focuses on the following areas:

- Downtown revitalization
- Social equality
- Land use and local area planning process
- Transit
- Hosting and hospitality of major events
- Global positioning and reputation, and
- Modernizing government.

Council approved Administration's proposed operating investments to:

- Improve transit service levels and traffic safety,
- Improve emergency response performance across The City, and
- Continue to support the ongoing delivery of services Calgarians and businesses rely on.

Council also approved Administration's proposed capital budget that:

- Continues to make progress on city-defining infrastructure investments that we have already committed to including the Green Line, BMO Centre Expansion and Arts Commons Transformation,
- Maintains existing infrastructure, and
- Addresses critical needs including:
 - Safe, affordable housing redevelopment and new affordable housing units;
 - Effective and reliable emergency response and critical infrastructure upgrades; and
 - Climate sustainment to improve our environmental footprint and reduce greenhouse gas emissions.

In addition to Administration's proposed budget, Council approved additional funding within the 2023 – 2026 Service Plans and Budgets for:

- Improving public transit by maintaining transit fees at 2022 levels in 2023, having children 12 and under ride free, lowering the cost of the weekend family pass, and adding transit bus shelters and benches
- Continuing to support Calgary's Mental Health and Addiction Strategy to maintain community programming and activate new partnerships between the Calgary Police Service and community organizations
- Furthering the Downtown Strategy by continuing to convert unused office space into residential units and post-secondary institutions. This follows Council's approval of \$200 million for the initial investment to support the implementation of Calgary's Greater Downtown Plan in April 2021
- Building new amenities in The City's established communities and neighborhoods sooner, after a Local Area Plan is completed
- Accelerating The City's investment in community mobility improvements for the Always Available for All Ages and Abilities (5A) Network, a city-wide network consisting of off-street pathways and separated on-street bikeways
- Eliminating permit and licence fees for outdoor patios in 2023
- Enhancing The City's support for community and civic partners
- Providing additional funding to the Calgary Fire Department by increasing supports for firefighters and response performance
- Progressing affordable housing including the Rapid Housing Initiative and Housing Accelerator
- Committing additional funding to the Foothills Field House, supporting Council's November 2022 funding request to the Federal and Provincial Government for this transformational project
- Advancing Truth and Reconciliation within The City and furthering The City's relations with First Nations, Metis and Urban Indigenous Communities

These amendments add to the 2023-2026 operating and capital budget highlights. They do not affect taxes as they used anticipated savings in 2022 because of sound financial management and higher franchise fees received from electricity and natural gas utilities due to increased market prices.

The City collects only as much property tax revenue as needed to provide City services. As such, the approved budget results in an average annual increase of 3.7 per cent over the next four years in the total amount of tax collected from existing properties. The budgets and resulting tax increases will be reviewed each November as part of the adjustments process.

Financial Task Force Implementation

To support Calgary's economic recovery and financial resiliency, Council created a Financial Task Force (FTF) in 2019. The goal was to identify and assess innovative solutions to address the challenges of the current municipal property assessment and tax system and improve financial resiliency for The City through short-term economic mitigation, long-term recovery solutions and revenue options. The FTF was chaired by The City's Chief Financial Officer, joined by 12 external members with expertise in policy formulation, business strategy, property valuations and finance.

The FTF proposed 35 recommendations and identified eight success factors:

- Improving the understanding of municipal finance circumstances
- Bringing property taxation into the twenty-first century
- Improving tax efficiency for long-term fiscal sustainability
- Responding to Calgary's cyclical economy using existing tools
- Preparing for changes that would occur as the economy evolves
- Making Calgary more competitive, livable and attractive
- Supporting regional economic development
- Working better with partners in achieving progress

Council subsequently approved Administration's Action Items to deliver on the recommendations and support Calgary's success, with implementation beginning in 2021. There are broad implications across The City because of the focus on improving the assessment and taxation system, clearer communication of value, more diversity in revenue sources, more regional coordination, and a clear focus on economic development.

A few of the successes achieved in 2022 include:

- The updated 2021-2032 Long Range Financial Plan
- The implementation of several supports and programs targeted at the local business community and Calgary's downtown, which continue to be advanced through The City's Business and Local Economy team and the Downtown Strategy business unit
- Delivery of Administration's analysis and Council's options regarding non-residential assessment subclasses, assessment smoothing, and countercyclical fiscal policy
- Tax policy options for Council to equitably distribute property tax responsibility between residential and non-residential properties
- An earlier assessment timeline, providing Council more timely preliminary information on the 2023 property assessment roll in advance of budget deliberations
- Approval of the first four-year service plans and budgets since the recommendations of the Financial Task Force were delivered

CONCLUSION

Throughout 2022, 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 without interruptions, 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 2022 in the BMO Centre expansion project, Arts Commons transformation and the Green Line LRT Project, 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 Standard and Poor's 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 organization 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.

As we look forward to 2023, we will continue to focus on reducing The City's costs, modernizing service delivery, and supporting communities both now and in the long-term.



Carla Male, Chief Financial Officer
April 25, 2023



Government Finance Officers Association

Canadian Award for Financial Reporting

Presented to

City of Calgary

Alberta

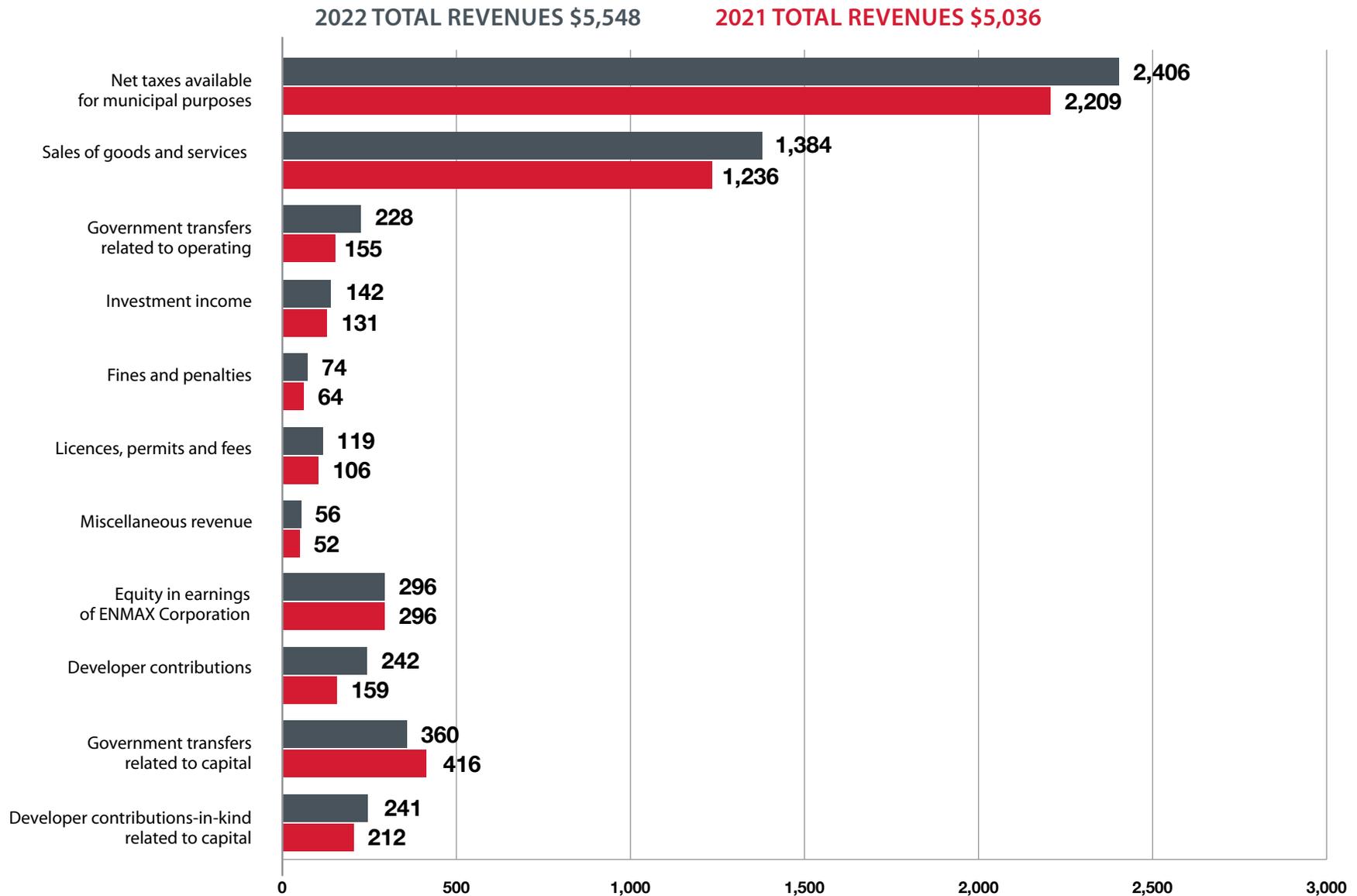
For its Annual
Financial Report
for the Year Ended

December 31, 2021

Executive Director/CEO

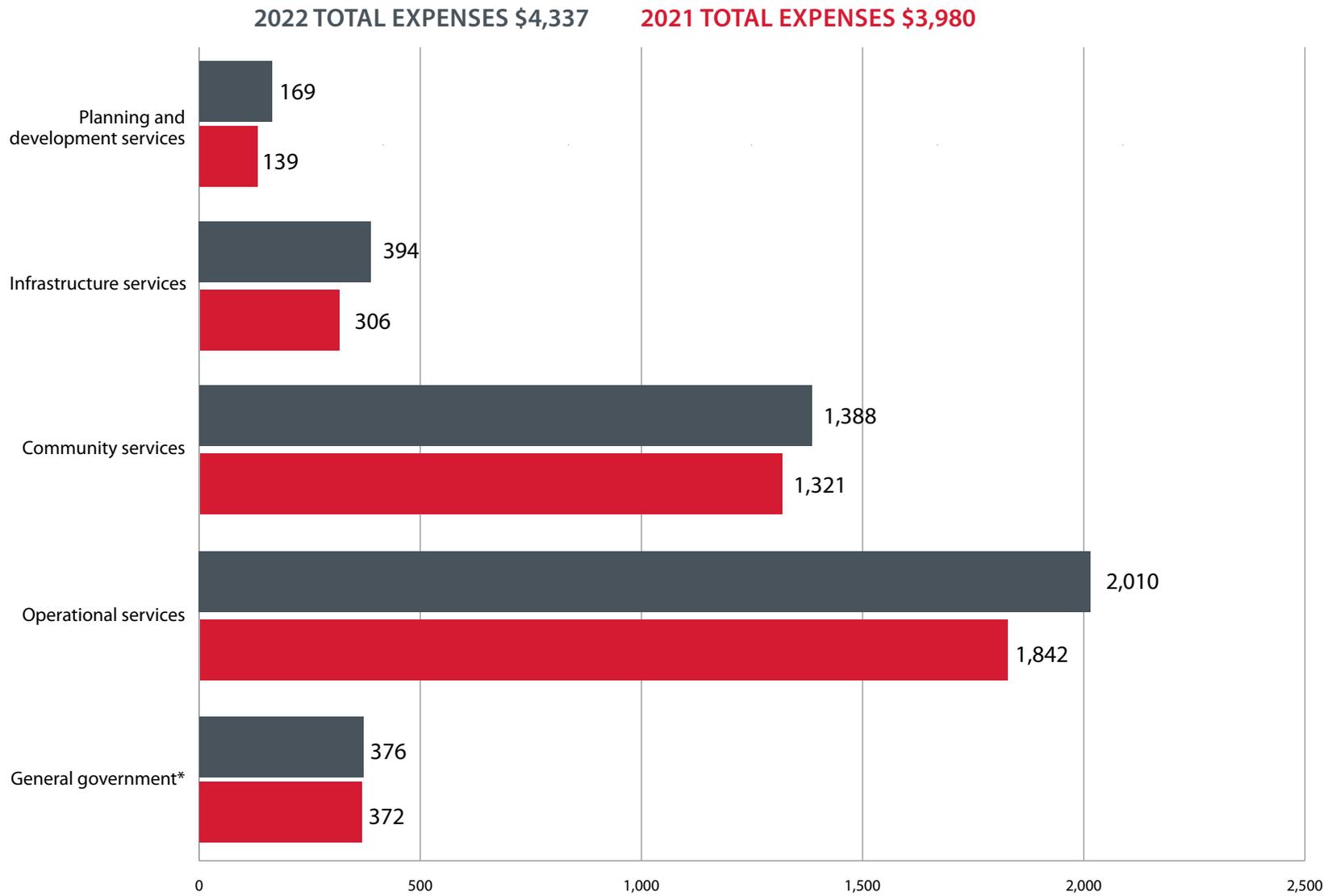
Financial Synopsis 2022 Sources of Revenue

For the Years Ended December 31 (in millions of dollars)



Financial Synopsis 2022 Expenses

For the Years Ended December 31 (in millions of dollars)



* Includes the costs of Council, City Manager, Finance, Supply Management, Mayor, City Auditor, City Clerk's Office, Law, Assessment & Tax, Corporate Planning & Performance, Corporate Security, Customer Service & Communications, Human Resources, Information Technology,

CONSOLIDATED FINANCIAL STATEMENTS



Interior Construction Administrator
Ryan Scoville and David Kynoch work on
indoor renovations, Municipal Building

Responsibility for Financial Reporting

MANAGEMENT'S REPORT

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

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

To assist in its responsibility, management 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 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 2022, 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 Committees, 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.



Calgary, Canada
April 25, 2023

Responsibility for Financial Reporting

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, 2022 and the consolidated statements of operations and accumulated surplus, cash flows and changes in net financial assets for the year then ended, and notes to the 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, 2022, 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 (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.

Emphasis of Matter

We draw attention to note 34 to the financial statements which describes that the financial statements for the comparative period have been restated. Our opinion is not modified in respect of this matter.

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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within The City to express an opinion on the financial statements. We are responsible for the direction, supervision and performance 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 25, 2023

Consolidated Statement of Financial Position

As at December 31 (in thousands)

	2022	2021
		(Restated Note 34)
FINANCIAL ASSETS		
Cash (Note 2)	\$ 1,311,375	\$ 1,149,220
Investments (Note 3)	5,206,794	4,804,797
Receivables (Notes 4 and 7 c)	484,018	384,329
Land inventory (Note 5)	211,213	257,031
Other assets (Note 6)	115,858	114,148
Investment in ENMAX Corporation (Note 7)	3,072,460	2,714,462
	10,401,718	9,423,987
FINANCIAL LIABILITIES		
Bank indebtedness (Note 8)	348,010	355,179
Accounts payable and accrued liabilities (Notes 7 c) and 9)	965,218	828,217
Deferred revenue (Notes 7 c) and 10)	106,619	98,768
Capital deposits (Note 11)	1,185,905	1,203,110
Provision for landfill rehabilitation (Note 12)	103,033	101,806
Employee benefit obligations (Note 13)	510,709	516,455
Long-term debt (Note 14)	2,695,093	2,770,590
	5,914,587	5,874,125
NET FINANCIAL ASSETS	4,487,131	3,549,862
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 15)	19,702,813	19,321,540
Inventory	77,379	65,462
Prepaid assets	35,474	31,038
	19,815,666	19,418,040
ACCUMULATED SURPLUS (Note 17)	\$ 24,302,797	\$ 22,967,902

Contingent assets, commitments, contingent liabilities and guarantees (Notes 28, 29 and 30)

See accompanying notes to the consolidated financial statements.

Approved on behalf of City Council:



Mayor Jyoti Gondek

Consolidated Statement of Operations and Accumulated Surplus

For the year ended December 31 (in thousands)

	Budget 2022 (Note 16)	Actual 2022	Actual 2021 (Restated Note 34)
REVENUES			
Net taxes available for municipal purposes (Note 20)	\$ 2,261,703	\$ 2,406,356	\$ 2,209,013
Sales of goods and services	1,424,028	1,384,471	1,235,238
Government transfers related to operating (Note 23)	140,991	227,830	154,780
Investment income	93,712	141,530	131,393
Fines and penalties	85,749	74,089	64,421
Licences, permits and fees	109,167	118,511	106,405
Miscellaneous revenue	34,837	56,291	51,798
Equity in earnings of ENMAX Corporation (Note 7)	203,000	295,628	295,777
	4,353,187	4,704,706	4,248,825
EXPENSES			
Planning and development services	171,889	169,090	139,037
Infrastructure services	265,698	394,116	305,924
Community services	1,359,752	1,388,328	1,321,442
Operational services	1,584,322	2,010,020	1,841,594
General government	517,243	375,669	372,172
	3,898,904	4,337,223	3,980,169
EXCESS REVENUES BEFORE OTHER	454,283	367,483	268,656
OTHER			
Developer contributions	355,236	242,498	158,763
Government transfers related to capital (Note 23)	853,319	359,643	416,393
Developer contributions-in-kind related to capital	-	240,901	212,169
	1,208,555	843,042	787,325
NET REVENUES	1,662,838	1,210,525	1,055,981
ENMAX Corporation – other comprehensive income (Note 7)	-	124,370	60,213
ANNUAL SURPLUS	1,662,838	1,334,895	1,116,194
ACCUMULATED SURPLUS, BEGINNING OF YEAR	22,967,902	22,967,902	21,851,708
ACCUMULATED SURPLUS, END OF YEAR	\$ 24,630,740	\$ 24,302,797	\$ 22,967,902

See accompanying notes to the consolidated financial statements.

Consolidated Statement of Cash Flows

For the year ended December 31 (in thousands)

	2022	2021
		(Restated Note 34)
NET INFLOW (OUTFLOW) OF CASH:		
OPERATING ACTIVITIES		
Annual Surplus	\$ 1,334,895	\$ 1,116,194
Items not affecting cash:		
Equity in earnings of ENMAX Corporation (Note 7)	(295,628)	(295,777)
ENMAX Corporation – other comprehensive (income) (Note 7)	(124,370)	(60,213)
Amortization of tangible capital assets	716,683	707,113
Net (loss) gain on disposal of tangible capital assets	(7,482)	18,384
Developer contributions-in-kind related to capital	(240,901)	(212,169)
Change in non-cash items:		
Receivables	(99,689)	(10,848)
Land inventory	45,818	22,276
Other assets	(1,710)	(12,733)
Inventory	(11,917)	(1,910)
Prepaid assets	(4,436)	(1,783)
Accounts payable and accrued liabilities	137,001	28,125
Deferred revenue	7,851	(10,997)
Capital deposits	(17,205)	364,548
Provision for landfill rehabilitation	1,227	(2,787)
Employee benefit obligations	(5,746)	2,394
	1,434,391	1,649,817
CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	(875,668)	(900,000)
Proceeds on sale of tangible capital assets	26,095	33,788
	(849,573)	(866,212)
INVESTING ACTIVITIES		
Dividends from ENMAX Corporation (Note 7)	62,000	58,000
Net purchases of investments	(401,997)	(381,477)
	(339,997)	(323,477)
FINANCING ACTIVITIES		
Proceeds from long-term debt issued	175,923	172,575
Long-term debt repaid	(251,420)	(247,129)
Net (decrease) increase in bank indebtedness	(7,169)	131,020
	(82,666)	56,466
INCREASE IN CASH	162,155	516,594
CASH, BEGINNING OF YEAR	1,149,220	632,626
CASH, END OF YEAR	\$ 1,311,375	\$ 1,149,220

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 2022 (Note 16)	Actual 2022	Actual 2021 (Restated Note 34)
ANNUAL SURPLUS	\$ 1,662,838	\$ 1,334,895	\$ 1,116,194
Amortization of tangible capital assets	153,029	716,683	707,113
Proceeds on sale of tangible capital assets	603	26,095	33,788
Tangible capital assets received as contributions	-	(240,901)	(212,169)
Net (loss) gain on disposal of tangible capital assets	-	(7,482)	18,384
Acquisition of tangible capital assets	(689,700)	(875,668)	(900,000)
Acquisition of supplies inventories	-	(156,313)	(162,846)
Use of supplies inventories	-	144,396	160,936
Acquisition of prepaid assets	-	(282,314)	(236,236)
Use of prepaid assets	-	277,878	234,453
INCREASE IN NET FINANCIAL ASSETS	1,126,770	937,269	759,617
NET FINANCIAL ASSETS, BEGINNING OF YEAR	3,549,862	3,549,862	2,790,245
NET FINANCIAL ASSETS, END OF YEAR	\$ 4,676,632	\$ 4,487,131	\$ 3,549,862

See accompanying notes to the consolidated financial statements.

Notes to the Consolidated Financial Statements

December 31, 2022 (in thousands)

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 management 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 7). 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 operations and accumulated surplus as an adjustment to accumulated surplus.

Related Authorities

The related authorities (Note 21) that are controlled by The City and included in the consolidated financial statements include:

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

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

On September 15, 2021 Council repealed Bylaw 28M2022, which resulted in Administration directly overseeing governance and operations of parking facilities, parking enforcement and the management of the municipal vehicle impound lot. As a result, Calgary Parking Authority (CPA) was operating as a division of The City and not a related authority and its financial results are included in The City operations as at and for the years ended December 31, 2022 and December 31, 2021.

City 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. Separate financial information may be sought directly from the City Partner organizations:

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

Civic Partners

The City has relationships with many organizations for which control lies outside of Council. Civic Partners are independent organizations that partner with The City to deliver programs and services; operate major City-owned facilities; steward land, artifacts or other assets, through the management or a nominal lease, operating or capital grant or through a foundation or trust. As Civic Partners are not controlled by The City, the financial results of these organizations are not included in the consolidated financial statements. Separate financial information may be sought directly from the Civic Partner organizations:

Aero Space Museum of Association Calgary (operating as the Hangar Flight Museum)
Arts Commons
Calgary Exhibition and Stampede Limited
Calgary Female Sport Development Association
(operating as Great Plains Recreation Facility)
Calgary Sport Council Society (operating as Sport Calgary)
Calgary Young Men's Christian Association (operating as YMCA)
Calgary Zoological Society (operating as Calgary Zoo)
Contemporary Calgary Arts Society (operating as Contemporary Calgary)
Fort Calgary Preservation Society
Glenbow Alberta-Institute
Heritage Calgary
Heritage Park Society

Lindsay Park Sports Society (operating as MNP Community and Sport Centre)
NE Centre of Community Society (operating as Genesis Centre)
Parks Foundation, Calgary
Platform Calgary
Silvera for Seniors
South Fish Creek Recreation Association (operating as Cardel Rec South)
Tourism Calgary – Calgary Convention & Visitors Bureau
Vecova Centre for Disability Services and Research
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. 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 k) and 13.

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 32, Funds Held in Trust.

b) Basis of Accounting

- Revenues are accounted for 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 accounted for as deferred revenue until used for the purpose specified.
- 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 of December 31, 2022.
- 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.
- Government transfers and grants are recognized in the consolidated financial statements 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.
- Expenses are recognized in the period the goods and services are acquired and a liability is incurred or transfers are due.
- 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.
- 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/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

Cash consists of cash on deposit.

d) Investments

Included in investments are internally managed portfolios consisting of investments in money market instruments and short-term bonds. The City also has externally managed investment portfolios consisting of short and long-term investments including money market securities, bonds, mortgages, equities and fixed-income securities. Investments

are recorded at the lower of amortized cost and market value on a portfolio basis. When there has been a loss in market value that is determined not to be a temporary decline, the respective investment is written down to recognize the loss.

e) 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.

f) Bank Indebtedness

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

g) 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.

h) 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 made.

i) Provision for Landfill Rehabilitation

The *Environmental Protection and Enhancement Act* (Alberta) sets out the regulatory requirements to properly close and maintain all landfill sites. Under environmental law, there is a requirement for closure and post-closure care of landfill sites. This requirement is being provided for over the estimated remaining life of the landfill sites based on usage, and is funded through tipping fees. The annual provision is reported as an operating fund expense in Waste and Recycling Services, and the accumulated provision is reported as a liability on the consolidated statement of financial position.

j) 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 is provided for non-productive 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. Non-productive sites include any site where the contamination is a result of past on-site activities not related to the current use of the site.

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 of 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 management'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.

k) 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 management'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.

Adjustments arising from actuarial gains and losses for active plans are amortized on a straight-line basis over the expected average remaining service period of the active employee group. Adjustments arising from: actuarial gains and losses for plans closed to new entrants, prior service costs related to plan amendments, and changes in the valuation allowance, are fully recognized in the year they arise. Long-term unamortized actuarial losses will be funded in future periods.

l) 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, is provided in the consolidated statement of changes in net financial assets for the year.

m) 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 25).

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
Machinery and equipment	
Computer equipment	5
Computer software	7
Other equipment and machinery	5 – 20

n) Inventories

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

o) 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.

p) Budget Figures

The 2022 budget is reflected on the consolidated statement of operations and accumulated surplus. The budget consists of the Council-approved amounts for the operating fund and the capital fund, modified for capital revenue adjustments, assets capitalized on the statement of financial position, and amortization expense for tax-supported assets. The budgets established for the capital fund 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.

q) 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.

r) Financial Instruments and Fair Values

The City is exposed to the risks of financial markets which may include but not be limited to, interest rate risk, currency risk, equity market risk, counterparty risk and liquidity risk.

The City may utilize derivative financial instruments to manage the impact of fluctuating interest rates and foreign currencies on its investment income, and to manage foreign exchange on expected future expenses in foreign currencies. Gains (losses) on these financial instruments are included as revenues (losses). The City's policy is not to utilize derivative financial instruments for trading or speculative purposes.

The settlements of financial instruments are recorded through The City's cash and investments.

Based on available market information, the carrying value of The City's derivative financial instruments approximates their fair value due to their short period to maturity, except with respect to investments as indicated in Note 3 and long-term debt, as indicated in Note 14 e).

s) **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.

t) **Use of Estimates**

The preparation of the consolidated financial statements requires management 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. Actual results could differ from estimates. The amounts recorded for valuation of tangible capital assets, the useful lives and related amortization of tangible capital assets, accrued liabilities, employee benefit obligations, provision for tax appeals, provision for landfill rehabilitation, contaminated sites and environmental assessments and contingent liabilities are areas where management makes significant estimates and assumptions in determining the amounts to be recorded in the consolidated financial statements.

u) **Loans Receivable**

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

v) **Public-Private Partnerships**

A public private partnership (P3s) is a contractual agreement between a public authority and a private entity for the provision of infrastructure and/or services.

In the event 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) arising from P3s, then all costs associated with the transaction are expensed in the period in which the costs are incurred.

w) **Future Accounting Pronouncements**

Standards effective for the fiscal year ending December 31, 2023

i) Financial Statement Presentation

Financial Statement Presentation (PS 1201) was amended to conform to Financial Instruments (PS 3450) and requires a new statement of re-measurement gains and losses separate from the statement of operations. Included in this new statement are the unrealized gains and losses arising from the re-measurement of financial instruments and items denominated in foreign currencies, as well as the government's proportionate share of other comprehensive income that arises when a government includes the results of government business enterprises and partnerships.

ii) Portfolio Investments

Portfolio Investments (PS 3041) has removed the distinction between temporary and portfolio investments. This section was amended to conform to Financial Instruments (PS 3450), and now includes pooled investments in its scope. Upon adoption of PS 3450 and PS 3041, Temporary Investments (PS 3030) will no longer apply.

iii) Foreign Currency Translation

Foreign Currency Translation (PS 2601) requires exchange rates to be adjusted to the rate in effect at the financial statement date for monetary assets and liabilities denominated in foreign currency and non-monetary items included in the fair value category. Unrealized gains and losses are to be presented in the statement of re-measurement gains and losses. Gains and losses on long-term monetary assets and liabilities are amortized over the remaining term of the item.

iv) Financial Instruments

Financial Instruments (PS 3450) establishes recognition, measurement, and disclosure requirements for derivative and non-derivative financial instruments. The standard requires fair value measurement of derivatives and equity instruments that are quoted in an active market; all other financial instruments can be measured at amortized cost or fair value at the election of the government. Unrealized gains and losses are presented in a new statement of re-measurement gains and losses. There is a requirement to disclose the nature and extent of risks arising from financial instruments and clarification is given for de-recognition of financial liabilities.

v) Asset Retirement Obligations

Asset Retirement Obligation (PS 3280) establishes standards on when to recognize, and how to account for and report a liability for asset retirement obligations associated with the tangible capital assets controlled by a public sector entity. This standard covers the entity's legal obligations established by agreement, contract or legislation including obligations created by a promissory estoppel for tangible assets controlled by a public sector entity that are in productive and that are no longer in productive use. This standard includes obligations for solid waste landfill sites and post-closure obligations. Once adopted the existing Solid Waste Landfill Closure and Post-Closure Liability (PS 3270) will be withdrawn.

The City continues to assess the impacts of the above standards. While the timing of standards adoption may vary, certain standards must be adopted concurrently. The requirements in Financial Statement Presentation (PS 1201), Financial Instruments (PS 3450), Foreign Currency Translation (PS 2601) and Portfolio Investments (PS 3041) must be implemented at the same time.

Standards effective for the fiscal year ending December 31, 2024

vi) Revenue

Revenue (PS 3400) establishes standards on how to account for and report on revenue. This standard covers the identification, recognition, measurement, and disclosure for revenues arising from transactions that include performance obligations and transactions that do not have performance obligations. Performance obligations are enforceable promises to provide specific goods or services to a specific payor.

vii) 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.

viii) 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 will assess the impact of this standard on The City's current treatment of public private partnerships as described in Note 1 v).

The City continues to assess the impact of these standards on the consolidated financial statements.

2. CASH

Cash as at December 31, 2022 and December 31, 2021 consists of cash on deposit. As at December 31, 2022 and December 31, 2021, The City does not hold any treasury bills or Guaranteed Investment Certificates (GICs) with original maturities of 90 days or less.

3. INVESTMENTS

All the investments managed by The City are held in fixed income securities and equity investments. The cost and market values of all investments as at December 31 are as follows:

	2022 Cost	2022 Market value	2021 Cost	2021 Market Value
Government of Canada ⁽¹⁾	\$ 670,139	\$ 651,318	\$ 529,238	\$ 528,682
Other Government	383,456	353,022	514,557	516,800
Corporate	1,836,800	1,725,359	1,796,700	1,784,361
Global fixed income investments	1,206,414	1,095,559	1,179,526	1,183,142
Equity investments ⁽¹⁾	1,109,985	1,097,026	784,776	910,266
	\$ 5,206,794	\$ 4,922,284	\$ 4,804,797	\$ 4,923,251

The average yield earned from investments during the year ended December 31, 2022 was 2.0 per cent (2021 – 2.9 per cent). Maturity dates on the investments range from 2023 to 2082. Investments include \$644,597 (2021 – \$590,440) in an internally managed portfolio comprised of short-term money market instruments and bonds.

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

(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 \$2,491 (2021 - \$2,461) are managed by the Parks Foundation Calgary, and include equity investments of \$1,636 (2021 - \$1,575).

4. RECEIVABLES

	2022	2021
Taxes	\$ 64,235	\$ 72,034
Federal and Provincial governments	35,451	36,056
General	384,332	276,239
	\$ 484,018	\$ 384,329

5. 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.

	2022	2021
Developed land	\$ 64,788	\$ 65,669
Under development	60,672	105,609
Long-term inventory	85,753	85,753
	\$ 211,213	\$ 257,031

6. OTHER ASSETS

	2022	2021
Long-term debt recoverable	\$ 42,076	\$ 29,907
Long-term receivables	66,272	60,032
Other receivables	2,103	18,700
Loans receivable	5,407	5,509
	\$ 115,858	\$ 114,148

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 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 St. Mary's University (Note 14 a) i).

Loans receivable consist of interest-free loans offered by AHCC 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 2022, an allowance for doubtful accounts of \$2,300 (2021–\$2,773) 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.

7. INVESTMENT IN ENMAX

- a) ENMAX is a wholly-owned subsidiary and a municipally controlled corporation of The City of Calgary. 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 International Financial Reporting Standards (IFRS). There were no new accounting standards effective during the year.

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

	2022	2021
Financial Position		
Current assets	\$ 1,772,317	\$ 1,209,518
Capital and intangible assets	6,473,062	6,235,836
Other assets	1,464,356	1,160,048
Total assets	9,709,735	8,605,402
Current liabilities		
(including current portion of long-term debt; 2022 - \$84,670; 2021 - \$480,041)	2,048,237	1,682,850
Non-current liabilities	1,432,671	1,356,318
Long-term debt	3,156,367	2,851,772
Total liabilities	6,637,275	5,890,940
Accumulated other comprehensive loss	(5,263)	(129,633)
Retained earnings	3,077,723	2,844,095
Investment in ENMAX Corporation	\$ 3,072,460	\$ 2,714,462

	2022	2021
Results of Operations		
Revenues	\$ 3,662,814	\$ 3,096,807
Expenses	3,367,186	2,801,030
Net income	\$ 295,628	\$ 295,777
Changes in Shareholder's Equity		
Net assets, beginning of year	\$ 2,714,462	\$ 2,416,472
Net income	295,628	295,777
Dividends paid	(62,000)	(58,000)
Other comprehensive income (loss)	124,370	60,213
Net assets, end of year	\$ 3,072,460	\$ 2,714,462

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

	2022	2021
Received by The City		
Dividends	\$ 62,000	\$ 58,000
Local access fee	225,804	165,339
Sales of services	21,648	47,596
Purchased by The City		
Power and other services	\$ 167,734	\$ 153,297
Capital expenditures paid or payable	\$ 7,874	\$ 12,089

The City's accounts payable and accrued liabilities and deferred revenue include \$17,836 (2021 – \$13,781) for amounts owed to ENMAX at December 31, 2022. The City's receivables include \$26,368 (2021 – \$17,533) for amounts owing to The City by ENMAX at December 31, 2022. 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 \$1,606,493 (2021 – \$1,455,813) and reported by ENMAX in long-term debt have been issued in the name of The City (Note 14 a)).

8. BANK INDEBTEDNESS

An unsecured short-term bank line of credit with a commercial bank is available to The City up to an amount of \$160,000 (2021 - \$160,000). As at December 31, 2022, The City had a total of \$47,802 (2021 - \$48,169) of bank indebtedness comprised of cheques issued in excess of deposits, included in this balance is \$29,812 (2021 - \$31,395) from one related authority (2021 - two related authorities).

The City has the approved authority to issue up to \$600,000 (2021 - \$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, 2022, The City had \$300,208 (2021 - \$307,010) of short-term borrowings, which consisted of promissory notes held by The City and demand loans held by Calgary Arts Development Authority Ltd. (2021 - Attainable Homes Calgary Corporation, and Calgary Arts Development Authority Ltd.). The City has 17 promissory notes valued at \$297,806 with maturity dates from January 4 to March 10, 2023 with interest rates ranging from 4.20 per cent to 4.57 per cent (2021 - 19 promissory notes valued at \$299,867 with maturity dates from January 5 to March 23, 2022, with interest rates ranging from 0.26 per cent to 0.30 per cent).

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2022	2021
Trade	\$ 917,395	\$ 770,183
Federal and Provincial governments	32,566	42,468
Accrued interest	15,257	15,566
	\$ 965,218	\$ 828,217

10. 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, 2021	Contributions Received	Revenue Recognized	December 31, 2022
Advance sales of goods and services	\$ 28,882	\$ 63,020	\$ (64,502)	\$ 27,400
Licences, permits and application fees	38,597	26,918	(22,546)	42,969
Government grants	19,093	149,027	(143,901)	24,219
Other contributions	12,196	7,315	(7,480)	12,031
	\$ 98,768	\$ 246,280	\$ (238,429)	\$ 106,619

	December 31, 2020	Contributions Received	Revenue Recognized	December 31, 2021
Advance sales of goods and services	\$ 25,349	\$ 51,794	\$ (48,261)	\$ 28,882
Licences, permits and application fees	31,460	28,503	(21,366)	38,597
Government grants	34,109	51,169	(66,185)	19,093
Other contributions	18,847	6,410	(13,061)	12,196
	\$ 109,765	\$ 137,876	\$ (148,873)	\$ 98,768

11. 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, 2021	Contributions Received	Revenue Recognized ⁽¹⁾	December 31, 2022
Developers contributions	\$ 144,892	\$ 19,847	\$ (22,434)	\$ 142,305
Off-site and Centre city levies	395,915	59,824	(81,353)	374,386
Deferred capital contribution – Event Centre	11,172	2,987	-	14,159
Other private contributions	4,075	30,554	(31,973)	2,656
Provincial government grants	427,845	202,426	(204,936)	425,335
Federal government grants	219,211	170,093	(162,240)	227,064
	\$ 1,203,110	\$ 485,731	\$ (502,936)	\$ 1,185,905

	December 31, 2020	Contributions Received	Revenue Recognized ⁽¹⁾	December 31, 2021
Developers contributions	\$ 138,731	\$ 14,483	\$ (8,322)	\$ 144,892
Off-site and Centre city levies	338,336	108,946	(51,367)	395,915
Deferred capital contribution – Event Centre	4,635	6,537	-	11,172
Other private contributions	9,922	3,241	(9,088)	4,075
Provincial government grants	176,029	501,248	(249,432)	427,845
Federal government grants	170,909	216,159	(167,857)	219,211
	\$ 838,562	\$ 850,614	\$ (486,066)	\$ 1,203,110

(1) Dependent on the Capital Deposits agreement or legislation, amounts may be recognized into either operating or capital revenues.

12. PROVISION FOR LANDFILL REHABILITATION

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 2021, The City reviewed the model supporting the provision of the landfill liability. The model was revised to ensure alignment with Alberta Environment and Parks' (AEP) requirements and to reflect the current economic conditions.

As at December 31, 2022, management estimates that the total liability for operating and closed landfill sites is \$163,189 (2021 – \$163,193). This is the sum of the discounted future cash flows for closure and post-closure activities for 25 years following the closure of operating sites, and the estimated requirements at currently closed sites. The duration of post-closure care is dependent on the overall activities that are required at each landfill site - a discount rate of 3.0 per cent (2021 – 3.0 per cent) was used for the active landfills and 2.9 per cent (2021 – 2.9 per cent) for the closed landfills.

The calculation of the reported liability of \$103,033 (2021 – \$101,806) is based on the cumulative capacity used at December 31, 2022 compared to the total estimated landfill capacity at that same date. The change in calculation resulted in \$6,799 (2021 – \$8,210) of unfunded liability being recognized in 2022. The unfunded liability will be funded through future contributions from the Waste and Recycling Sustainment Reserve. At December 31, 2022, the balance of the Waste and Recycling Sustainment Reserve is \$69,148 (2021 – \$83,565).

The estimated remaining capacity of the landfill sites is 53.2 (2021 – 54.3) million cubic metres, which is 49 per cent (2021 – 50 per cent) of the sites' total capacity. The City determined that the landfills' expected remaining life is 48 years (2021 – 48 years). Remaining life was based on factors including total landfill capacities, current capacity remaining, and projected annual rate of filling. Change in the available landfill capacity is reviewed every three years and the next review is due in 2024.

13. 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, 2022.

The City has fully met its current year cash contribution requirements for employee benefit obligations as at December 31, 2022. Employee benefit obligations recognized on The City's consolidated statement of financial position in respect to employee benefits is as follows:

	2022	2021
	Funded⁽¹⁾	Funded ⁽¹⁾
a) Registered defined-benefit pension plans	\$ 57,843	\$ 57,922
b) Non-registered defined-benefit pension plans	42,591	43,030
c) Post-retirement benefits	140,819	170,754
d) Vacation and overtime (undiscounted)	269,456	244,749
	\$ 510,709	\$ 516,455

(1) The concept of funding refers to amounts recorded as an expense in the consolidated financial statements with associated funding held for this purpose within The City's investments.

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 13 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 actuarial projected benefit 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:

	Dec 31, 2022	Dec 31, 2021
Year end obligation discount rate (%)	4.51	2.81
Inflation rate (%)	2.00	2.00
Expected rate of return on plan assets (%)		
The City of Calgary Supplementary Pension Plan (SPP)	5.50	5.50
Pension Plan for Elected Officials of The City of Calgary (EOPP)	5.50	5.50
Calgary Firefighters' Supplementary Pension Plan (FSPP)	6.00	6.00

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 13 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
FSPF	December 31, 2021
SPP	December 31, 2019
EOPP	December 31, 2021
PSPP	Not applicable

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:

	2022	2021
Fair value of plan assets – beginning of year	\$ 192,662	\$ 170,172
Contributions – employer	8,622	8,341
Contributions – member	142	132
Expected interest on plan assets	11,214	9,928
Less benefits paid	(10,088)	(9,038)
Actuarial (loss) gain	(30,495)	13,127
Fair value of plan assets – end of year	\$ 172,057	\$ 192,662
Accrued benefit obligation – beginning of year	\$ 240,540	\$ 243,925
Current period benefit cost	11,523	12,178
Interest on accrued benefit obligation	6,941	6,290
Less benefits paid	(10,088)	(9,038)
Actuarial gain	(68,441)	(12,815)
Accrued benefit obligation – end of year	\$ 180,475	\$ 240,540
Funded status – plan deficit	\$ 8,418	\$ 47,878
Unamortized net actuarial gain	49,425	10,044
Accrued benefit liability	\$ 57,843	\$ 57,922
Current period benefit cost	\$ 11,523	\$ 12,178
Amortization of actuarial losses	1,435	3,794
Less member contributions	(142)	(132)
Benefit expense	\$ 12,816	\$ 15,840
Interest on accrued benefit obligation	6,941	6,290
Less expected interest on plan assets	(11,214)	(9,928)
Benefit interest	(4,273)	(3,638)
Total expense	\$ 8,543	\$ 12,202

Unamortized net actuarial gains and losses are amortized over the expected average remaining service life (EARSL) of the active employee groups, except 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	2022	2021
FSPF	15.0	15.0
SPP	8.0	8.0
EOPP	14.8	9.1
PSPP	Not applicable	Not applicable

i) Calgary Firefighters' Supplementary Pension Plan

The FSPF 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 13 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, 2022, 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, 2021 as follows:

	2022 Employer	2022 Members	2021 Employer	2021 Members
Current service contributions	\$ 4,892	\$ 4,061	\$ 4,809	\$ 4,004

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 13 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, 2022, 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, 2019 as follows:

	2022 Employer	2022 Members	2021 Employer	2021 Members
Current service contributions	\$ 3,336	\$ 2,727	\$ 3,087	\$ 2,521

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, 2022, 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, 2021 as follows:

	2022 Employer	2022 Members	2021 Employer	2021 Members
Current service contributions	\$ 228	\$ 143	\$ 271	\$ 131

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 13 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 (PS 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, 2022.

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, 2022
The City of Calgary Police Chief and Deputy Overcap Pension Plan (PCDOPP)	December 31, 2022
The City of Calgary Fire Chief and Deputies Overcap Pension Plan (FCDOPP)	December 31, 2022
Supplementary Pension Plan for Elected Officials of The City of Calgary (EOSP)	December 31, 2022
Executive Pension Plan (EPP)	December 31, 2022
Contractual obligations	December 31, 2022

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

	2022	2021
Accrued benefit obligation – beginning of year	\$ 53,782	\$ 56,882
Current period benefit cost	504	693
Interest on accrued benefit obligation	1,471	1,401
Less benefits paid	(3,855)	(3,088)
Actuarial (gain)	(2,565)	(2,106)
Accrued benefit obligation – end of year	\$ 49,337	\$ 53,782
Funded status – plan deficit	\$ 49,337	\$ 53,782
Unamortized net actuarial loss	(6,746)	(10,752)
Accrued benefit liability ⁽¹⁾	\$ 42,591	\$ 43,030
Current period benefit cost	\$ 504	\$ 693
Amortization of actuarial losses	1,441	2,822
Interest on accrued benefit obligation	1,471	1,401
Total expense	\$ 3,416	\$ 4,916

(1) To satisfy the obligations under these plans, assets in the amount of \$42,591 (2021 - \$43,030) are held within The City's investments.

Unamortized net actuarial gains and losses of the OCPP and EOSP are amortized over the EARSL 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 EARSL for each plan is:

	2022	2021
OCPP	4.9	7.9
PCDOPP	6.9	8.6
FCDOPP (closed plan)	Not applicable	Not applicable
EOSP (closed plan)	Not applicable	0.0
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 13 e i)), and the SPP (Note 13 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 13 e ii)) and the FSPP (Note 13 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 13 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.

c) Post-retirement benefits

The post-retirement benefits programs of The City of Calgary include the Pensioners and Widows/Widowers Benefit Plan (PWB), the Retirement Allowance Program and the Supplementation of Compensation Plan.

Actuarial valuations for accounting purposes in respect of the post-retirement benefits programs were performed as follows:

	Latest Valuation Date
PWB	December 31, 2022
Retirement Allowance	December 31, 2022
Supplementation of Compensation	December 31, 2022

The following table sets out the results of, and significant assumptions utilized, in the December 31, 2022 valuations for accounting purposes for post-retirement benefits:

	2022	2021
Accrued benefit obligation – beginning of year	\$ 130,853	\$ 141,766
Current period benefit cost	8,152	9,023
Interest on accrued benefit obligation	3,776	3,659
Less benefits paid	(7,606)	(8,786)
Curtailment gain ⁽¹⁾	(27,411)	(8,360)
Actuarial gain	(17,130)	(6,449)
Accrued benefit obligation – end of year	\$ 90,634	\$ 130,853
Funded status – plan deficit	\$ 90,634	\$ 130,853
Plan assets ⁽²⁾	(2,614)	(2,355)
Unamortized net actuarial gain	52,799	42,256
Accrued benefit liability ⁽³⁾	\$ 140,819	\$ 170,754
Current period benefit cost	\$ 8,152	\$ 9,023
Amortization of actuarial losses	(5,789)	(6,170)
Curtailment gain ⁽¹⁾	(27,411)	(8,360)
Interest on accrued benefit obligation	3,776	3,659
Total expense	\$ (21,272)	\$ (1,848)
Annual increase in dental and extended health costs	4.9%	4.6%

(1) Beginning in 2021, the Retirement Allowance Program is being phased out as collective agreements are renewed. Over the past year, this phase out resulted in approximately 6,400 members ceasing membership in the Program, constituting a curtailment gain of \$27,411 (2021 – curtailment gain of \$8,360).

(2) Plan assets in the amount of \$2,614 (2021 – \$2,355) to satisfy future life claims are equal to fair market value.

(3) Assets in the amount of \$140,819 (2021 – \$170,754) to satisfy the obligations under these plans are held within The City's investment portfolio.

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. Supplemental Compensation), recognized in the year in which they arise.

The EARSL for each plan is:

	2022	2021
PWB	12.0	12.0
Retirement Allowance	11.4	11.8
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 and CPA 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, 2021, employees that are not under a collective agreement ceased to qualify for the retirement allowance and as of February 1, 2022, CPA employees ceased to qualify for the retirement allowance 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.

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 \$269,456 (2021 – \$244,749) 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, 2021, 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:

	2022 Employer	2022 Members	2021 Employer	2021 Members
Current service contributions	\$ 124,466	\$ 111,763	\$ 131,447	\$ 119,123

The LAPP reported a surplus (extrapolation results of the actuarial valuation) for the overall plan as at December 31, 2021 of \$11,922,000 (2020 – \$4,961,337). More recent information was not available at the time of preparing these consolidated financial statements.

LAPP consists of 164,831 active members. The City's active plan membership represents approximately 7.8 per cent (2020 – 7.8 per cent) of the total LAPP active membership as at December 31, 2021.

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 Income Tax Act (Canada). Under the Alberta *Public Sector Pension Plans Act*, The City and members of the SFPP made the following contributions:

	2022 Employer	2022 Members	2021 Employer	2021 Members
Current service contributions	\$ 36,315	\$ 33,587	\$ 36,456	\$ 33,614

The SFPP reported a surplus (extrapolation results of the actuarial valuation) for the overall plan as at December 31, 2021 of \$424,164 (2020 – surplus of \$9,741). More recent information was not available at the time of preparing these consolidated financial statements. The City's 2022 contribution rates did not change as a result of this surplus.

SFPP consists of 4,607 active members. The City active plan membership represents approximately 48.7 per cent (2020 – 48.5 per cent) of the total SFPP active membership as at December 31, 2021.

14. LONG-TERM DEBT

a) Debt payable by and issued in the name of The City includes the following amounts:

	2022				2021			
	Tax Supported	Self Sufficient Tax Supported	Self Supported	Total	Tax Supported	Self Sufficient Tax Supported	Self Supported	Total
i) Debentures	\$ 270,641	\$ 247,343	\$ 3,714,332	\$ 4,232,316	\$ 305,048	\$ 219,799	\$ 3,623,442	\$ 4,148,289
ii) Mortgages and other debt	60,960	-	8,310	69,270	62,220	-	15,894	78,114
	331,601	247,343	3,722,642	4,301,586	367,268	219,799	3,639,336	4,226,403
Less								
iii) Debt attributable to ENMAX Corporation	-	-	(1,606,493)	(1,606,493)	-	-	(1,455,813)	(1,455,813)
	\$ 331,601	\$ 247,343	\$ 2,116,149	\$ 2,695,093	\$ 367,268	\$ 219,799	\$ 2,183,523	\$ 2,770,590

- i) Debentures, which are predominantly held by the Province of Alberta, mature in annual amounts to the year 2049.

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.

Self-supported debt, which is primarily related to Water Services, includes debentures in the amount of \$55,521 (2021 – \$59,403) which has been issued to fund improvements and 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 the St. Mary's University College (SMUC) in the amount of \$3,252 (2021 – \$3,475). In accordance with the Credit Agreements between SMUC 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. SMUC 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, 2022, SMUC is in compliance with the Credit Agreement.

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 (2021 – \$nil). 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, 2022, Silvera for Seniors is in compliance with the Credit Agreement.

- ii) Mortgages and other debt, which are predominantly held by Canada Mortgage and Housing Corporation, mature in annual amounts to the year 2036. Capital assets with a carrying value of \$49,763 (2021 – \$49,886) are pledged as collateral against the mortgages. The City issued borrowings held by ENMAX and Plenary Infrastructure Calgary LP (Plenary) for The City's Stoney compressed natural gas bus storage and transit facility projects respectively. The amounts mature in 2047 with ENMAX and 2049 with Plenary Infrastructure Calgary LP.
- iii) Debenture debt attributable to ENMAX 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 \$229,867 in 2022 (2021 – \$160,304), through the disbursement of principal and interest payments. The City is liable for the outstanding ENMAX debenture debt to the debenture debt holders. ENMAX is required to reimburse The City for all principal and interest payments with respect to the debentures on the same day as The City disburses the payments to the debt holders. In addition, ENMAX is required to pay to The City a loan guarantee and administration fee of 0.25 per cent (2021 – 0.25 per cent) on the average monthly outstanding debenture balance held by The City on behalf of ENMAX.

b) Long-term debt is repayable as follows:

	Tax Supported	Self Sufficient Tax Supported	Self Supported	Less: Debt attributable to ENMAX Corporation	Total
2023	\$ 32,422	\$ 16,128	\$ 261,768	\$ (84,252)	\$ 226,066
2024	27,647	16,241	256,944	(84,395)	216,437
2025	25,644	15,662	250,999	(84,887)	207,418
2026	24,165	14,090	252,567	(85,775)	205,047
2027	22,954	11,475	252,615	(85,654)	201,390
Thereafter	198,769	173,747	2,447,749	(1,181,530)	1,638,735
	\$ 331,601	\$ 247,343	\$ 3,722,642	\$ (1,606,493)	\$ 2,695,093

c) Debenture interest is payable, before provincial subsidy, at rates ranging from 0.86 per cent to 8.25 per cent (2021 – 0.86 per cent to 8.25 per cent) per annum. Debenture debt held at year end has an average rate of interest of 3.41 per cent (2021– 3.39 per cent).

	Tax Supported	Self Sufficient Tax Supported	Self Supported	Average Interest
Average interest	3.64%	3.42%	2.85%	3.41%

d) Interest charges are as follows:

	2022				2021			
	Tax Supported	Self Sufficient Tax Supported	Self Supported	Total	Tax Supported	Self Sufficient Tax Supported	Self Supported	Total
Debenture interest	\$ 10,135	\$ 6,648	\$ 73,204	\$ 89,987	\$ 11,531	\$ 5,919	\$ 75,308	\$ 92,758
Other interest and charges	10,471	321	2,796	13,588	4,398	–	3,039	7,437
	\$ 20,606	\$ 6,969	\$ 76,000	\$ 103,575	\$ 15,929	\$ 5,919	\$ 78,347	\$ 100,195

e) The estimated fair value of The City's long-term debt is \$2,441,980 (2021 – \$3,474,756). Calculation of the estimated fair value of the debt is based on lending rates obtainable at December 31, 2022 for debentures with comparable maturities from The City's primary lender, the Province of Alberta.

f) Section 271 of the *Municipal Government Act* requires disclosure of debt, debt limits and the debt service limits, which include both interest and principal payments. 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.

	2022	2021
Total debt limit (1.6 times revenue)	\$ 7,442,520	\$ 6,578,898
Total debt (short and long-term)	3,053,548	3,141,306
Percentage of debt capacity used	41.03%	47.75%
Total debt service limit (0.28 times revenue)	\$ 1,302,441	\$ 1,151,307
Total debt service	625,510	650,614
Percentage of debt servicing capacity used	48.03%	56.51%

The City's related authorities are subject to certain financial and non-financial covenants over their credit facilities. As at December 31, 2022, all related authorities were in compliance with their covenants.

15. TANGIBLE CAPITAL ASSETS

Cost	December 31, 2021 (Restated Note 34)	Additions/ Transfers	Disposals	December 31, 2022
Land	\$ 2,695,764	\$ 48,218	\$ (5,227)	\$ 2,738,755
Land improvements	1,328,962	84,074	(2,355)	1,410,681
Engineered structures	17,932,273	669,557	(27,862)	18,573,968
Buildings	3,666,364	85,265	(12,730)	3,738,899
Machinery and equipment	723,643	34,872	(18,209)	740,306
Vehicles	1,629,774	59,950	(36,897)	1,652,827
	\$ 27,976,780	\$ 981,936	\$ (103,280)	\$ 28,855,436
Work in progress				
Land	13,646	80	(4)	13,722
Construction	1,210,117	147,747	(11,442)	1,346,422
	\$ 29,200,543	\$ 1,129,763	\$ (114,726)	\$ 30,215,580
Accumulated amortization	December 31, 2021 (Restated Note 34)	Additions	Disposals	December 31, 2022
Land improvements	\$ 752,368	\$ 50,779	\$ (714)	\$ 802,433
Engineered structures	6,478,614	404,137	(24,193)	6,858,558
Buildings	1,353,109	119,869	(8,822)	1,464,156
Machinery and equipment	495,638	53,946	(17,938)	531,646
Vehicles	799,274	87,952	(31,252)	855,974
	\$ 9,879,003	\$ 716,683	\$ (82,919)	\$ 10,512,767
Net book value	\$ 19,321,540	\$ 413,080	\$ (31,807)	\$ 19,702,813

Cost	December 31, 2020 (Restated Note 34)	Additions/ Transfers	Disposals	December 31, 2021 (Restated Note 34)
Land	\$ 2,563,504	\$ 142,606	\$ (10,346)	\$ 2,695,764
Land improvements	1,268,070	65,104	(4,212)	1,328,962
Engineered structures	17,188,154	787,728	(43,609)	17,932,273
Buildings	3,525,083	165,006	(23,725)	3,666,364
Machinery and equipment	720,756	39,816	(36,929)	723,643
Vehicles	1,657,926	59,334	(87,486)	1,629,774
	\$ 26,923,493	\$ 1,259,594	\$ (206,307)	\$ 27,976,780
Work in progress				
Land	13,434	347	(135)	13,646
Construction	1,357,891	(87,768)	(60,006)	1,210,117
	\$ 28,294,818	\$ 1,172,173	\$ (266,448)	\$ 29,200,543
Accumulated amortization	December 31, 2020 (Restated Note 34)	Additions	Disposals	December 31, 2021 (Restated Note 34)
Land improvements	\$ 708,024	\$ 47,557	\$ (3,213)	\$ 752,368
Engineered structures	6,111,917	387,988	(21,291)	6,478,614
Buildings	1,243,110	124,366	(14,367)	1,353,109
Machinery and equipment	472,465	58,997	(35,824)	495,638
Vehicles	790,646	88,205	(79,577)	799,274
	\$ 9,326,162	\$ 707,113	\$ (154,272)	\$ 9,879,003
Net book value	\$ 18,968,656	\$ 465,060	\$ (112,176)	\$ 19,321,540

In 2022, \$240,901 (2021 – \$212,169 (Restated Note 34)) 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 2022 and 2021 consist of certain buildings and land. In 2022 and 2021 the write-downs of tangible capital assets were \$nil.

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 25).

16. 2022 BUDGET

Budget data presented in these consolidated financial statements are based upon the 2022 operating and capital budgets as approved by Council. Council approved budgets are prepared in accordance with MGA legislation, 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 changes 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	\$ 4,397,896	\$ 4,496,026	\$ 98,130
Operating – Calgary Parking	87,066	57,048	–
Capital	–	846,095	846,095
Add			
Operating budget adjustments and revisions – Calgary Parking	5,929	4,675	–
Capital budget adjustments and revisions	–	1,700,310	1,700,310
Related authorities	159,979	326,319	152,047
Equity in earnings of ENMAX Corporation	156,000	–	–
Transfers between capital and operating	–	–	29,316
	\$ 4,806,870	\$ 7,430,473	\$ 2,825,898
Less			
Operating budget adjustments and revisions	(135,030)	(135,030)	–
Intercompany eliminations	(16,872)	(45,091)	(42,528)
Contributions from Water Services and Calgary Parking	(128,278)	(102,979)	–
Contributions from reserves and operations	(173,503)	(800,765)	–
Debt principal repayments	–	(59,476)	–
Tangible capital asset adjustments	–	(2,235,199)	–
Debt issued	–	–	(613,073)
Transfers from reserves	–	–	(961,742)
Amortization	–	(153,029)	–
BUDGET FOR FINANCIAL STATEMENT PURPOSES	\$ 4,353,187	\$ 3,898,904	\$ 1,208,555

17. ACCUMULATED SURPLUS

Accumulated Surplus consists of restricted and unrestricted amounts of equity in non-financial assets as follows:

	2022	2021
		(Restated Note 34)
Operating fund	\$ 258,732	\$ 143,422
Capital fund	170,440	141,009
Local improvements to be funded in future years	54,415	56,411
Obligation to be funded in future years ⁽¹⁾	(20,959)	(19,383)
Reserves (Note 19)	3,635,785	3,281,056
Equity in ENMAX Corporation (Note 7)	3,072,460	2,714,462
Equity in non-financial assets (Note 18)	17,131,924	16,650,925
	\$ 24,302,797	\$ 22,967,902

(1) Obligation to be funded in future years consists of unfunded liabilities of \$6,799 (2021 – \$8,210) for the landfill rehabilitation provision (Note 12).

18. EQUITY IN NON FINANCIAL ASSETS

	2022	2021
		(Restated Note 34)
Tangible capital assets (Note 15)	\$ 19,702,813	\$ 19,321,540
Long-term debt (Note 14)	(2,695,093)	(2,770,590)
Long-term debt recoverable – non capital (Note 14 a) i))	11,351	3,475
Inventory	77,379	65,462
Prepaid assets	35,474	31,038
	\$ 17,131,924	\$ 16,650,925

19. 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.

	2022	2021
Calgary Housing Company	\$ 38,306	\$ 30,419
ENMAX dividend stabilization	18,000	18,000
Fiscal stability and operating budget savings account merged	853,510	731,952
Other operating	75,399	74,357
Total operating reserves	\$ 985,215	\$ 854,728
Calgary Parking	\$ 159,374	\$ 159,374
Community investment	130,265	107,497
Debt servicing	52,570	52,570
Established area investments	44,899	51,200
Green Line fund	183,539	152,310
Legacy parks	34,039	19,695
Major capital project	282,189	380,991
Calgary Police Service	37,985	41,195
Reserve for future capital and lifecycle maintenance and upgrade merged	792,182	633,449
Other capital	83,108	89,537
Total capital reserves	\$ 1,800,150	\$ 1,687,818
Cash in lieu lifecycle sustainment	\$ 36,220	\$ 37,435
Corporate housing reserve	43,054	43,442
General hospital legacy reserve	17,184	18,298
Planning and development sustainment	103,545	97,120
Opportunity Calgary investment	82,179	91,102
Perpetual care	28,030	24,901
Real estate services	218,798	131,027
Utilities sustainment	202,589	164,201
Waste and recycling sustainment	69,148	83,565
Other sustainment	49,673	47,419
Total sustainment reserves	\$ 850,420	\$ 738,510
Total reserves	\$ 3,635,785	\$ 3,281,056

20. NET TAXES AVAILABLE FOR MUNICIPAL PURPOSES

	2022	2021
Property taxes	\$ 2,804,643	\$ 2,685,513
Community Revitalization Levy	36,034	38,100
Business Improvement Area relief	(64)	(4,295)
Revenue in lieu of taxes	338,972	251,571
Local improvement levies and special taxes	7,699	9,235
	\$ 3,187,284	\$ 2,980,124
Less: Provincial property taxes (see below)		
Current year levy	(781,729)	(767,498)
Prior year adjustment (levy)	801	(3,613)
Net taxes available for municipal use	\$ 2,406,356	\$ 2,209,013

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 \$3,472 (2021 – payable of \$801) has been recorded at December 31, 2022 within accounts receivable that will be funded through an increase in the subsequent year's provincial property tax rate.

Business Improvement Area relief of \$64 (2021 – \$4,295) reflects the tax relief from COVID-19 that was offered to businesses where the business improvement levy was rebated and funded through the COFLEX program.

21. 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. AHCC incurred a loss of \$27 for the year ended December 31, 2022 (2021 – loss of \$1,110). The City has guaranteed certain indebtedness of AHCC as disclosed in Note 30 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 Company

Calhome Properties Ltd. (operating as Calgary Housing Company) owns, develops and operates low and moderate-rent housing projects on a not-for-profit basis under agreements with the Province of Alberta and Canada Mortgage and Housing Corporation, which provide subsidies for certain projects.

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, 2022

	Calgary Economic Development Ltd.	Attainable Homes Calgary Corporation	Calgary Municipal Land Corporation	Calgary Arts Development Authority Ltd.
Department Segment	Planning and development services	Infrastructure services	Infrastructure services	Community services
Financial Position				
Physical assets	\$ 182	\$ -	\$ 246,758	\$ 24,531
Financial assets	6,694	13,052	357,109	7,676
	6,876	13,052	603,867	32,207
Long-term debt	-	-	247,343	-
Financial liabilities	5,026	5,128	322,310	8,719
	5,026	5,128	569,653	8,719
Net assets	\$ 1,850	\$ 7,924	\$ 34,214	\$ 23,488
Results of Operations				
Revenues				
Community Revitalization Levy	\$ -	\$ -	\$ 129,959	\$ -
Sales of goods and services	-	19,732	1,325	953
Government transfers, agreements and subsidies	3,936	-	-	42
Developers contributions	-	-	-	45
Investment income	97	4	1	37
Miscellaneous revenue	2,516	14	3,000	515
Loss on sale of tangible capital assets	-	-	-	-
Internal transfers and contributions	9,796	-	44,500	18,747
Total revenues	16,345	19,750	178,785	20,339
Expenses				
Salaries, wages, and benefits	7,272	1,080	5,537	3,125
Contracted and general services	8,376	330	13,876	16,830
Materials, equipment and supplies	-	18,301	100,849	85
Interest charges	-	51	10,479	68
Transfers	-	-	-	-
Utilities	431	15	97	112
Amortization	89	-	8,336	1,011
Debt principal repayments	-	-	-	-
Total expenses	16,168	19,777	139,174	21,231
Income (loss) before appropriations	177	(27)	39,611	(892)
Internal transfers	(177)	27	(39,611)	892
Change in fund balance	\$ -	\$ -	\$ -	\$ -

Calgary Housing Company	Calgary Public Library Board	Calgary TELUS Convention Centre	2022 Total
Community services	Community services	Community services	
\$ 93,967	\$ 41,054	\$ 1,180	\$ 407,672
55,089	14,965	6,374	460,959
149,056	56,019	7,554	868,631
5,254	-	-	252,597
43,068	5,028	6,606	395,885
48,322	5,028	6,606	648,482
\$ 100,734	\$ 50,991	\$ 948	\$ 220,149
\$ -	\$ -	\$ -	\$ 129,959
52,079	-	19,579	93,668
68,549	6,888	-	79,415
-	-	-	45
1,189	421	-	1,749
2,339	3,391	-	11,775
-	(175)	(3)	(178)
(170)	59,096	3,295	135,264
123,986	69,621	22,871	451,697
22,440	40,398	6,065	85,917
51,104	15,504	3,639	109,659
805	7,257	11,611	138,908
165	-	-	10,763
19,624	-	-	19,624
13,661	1,279	1,188	16,783
3,041	6,033	333	18,843
783	-	-	783
111,623	70,471	22,836	401,280
12,363	(850)	35	50,417
(12,363)	850	(35)	(50,417)
\$ -	\$ -	\$ -	\$ -

Related Authority's financial information for the year ended December 31, 2021	Calgary Economic Development Ltd.	Attainable Homes Calgary Corporation	Calgary Municipal Land Corporation	Calgary Arts Development Authority Ltd.
Department Segment	Planning and development services	Infrastructure services	Infrastructure services	Community services
Financial Position				
Physical assets	\$ 270	\$ -	\$ 212,511	\$ 25,289
Financial assets	5,338	17,586	213,998	5,558
	5,608	17,586	426,509	30,847
Long-term debt	-	-	219,799	674
Financial liabilities	3,936	9,641	167,608	5,879
	3,936	9,641	387,407	6,553
Net assets	\$ 1,672	\$ 7,945	\$ 39,102	\$ 24,294
Results of Operations				
Revenues				
Community Revitalization Levy	\$ -	\$ -	\$ 68,603	\$ -
Sales of goods and services	-	12,195	12,136	748
Government transfers, agreements and subsidies	515	-	-	26
Investment income	34	21	2	10
Miscellaneous revenue	4,735	2	3,645	848
Loss on sale of tangible capital assets	-	-	-	-
Internal transfers and contributions	9,753	-	22,500	15,749
Total revenues	15,037	12,218	106,886	17,381
Expenses				
Salaries, wages, and benefits	7,272	1,118	4,635	2,004
Contracted and general services	7,757	568	27,756	14,381
Materials, equipment and supplies	-	11,455	45,408	163
Interest charges	-	185	8,462	77
Transfers	-	-	-	-
Utilities	332	2	82	116
Amortization	25	-	8,381	1,016
Debt principal repayments	-	-	-	-
Total expenses	15,386	13,328	94,724	17,757
(Loss) income before appropriations	(349)	(1,110)	12,162	(376)
Internal transfers	349	1,110	(12,162)	376
Change in fund balance	\$ -	\$ -	\$ -	\$ -

Calgary Housing Company	Calgary Public Library Board	Calgary TELUS Convention Centre	2021 Total
Community services	Community services	Community services	
\$ 95,075	\$ 43,106	\$ 1,516	\$ 377,767
53,611	13,419	5,592	315,102
148,686	56,525	7,108	692,869
6,037	-	-	226,510
55,063	4,660	6,196	252,983
61,100	4,660	6,196	479,493
\$ 87,586	\$ 51,865	\$ 912	\$ 213,376
\$ -	\$ -	\$ -	\$ 68,603
51,045	-	10,096	86,220
55,409	6,865	-	62,815
771	113	-	951
995	2,422	-	12,647
(2,376)	(7)	-	(2,383)
(18,262)	55,816	8,949	94,505
87,582	65,209	19,045	323,358
\$ 20,087	\$ 37,326	\$ 6,524	\$ 78,966
43,975	13,953	3,772	112,162
1,171	7,449	4,938	70,584
227	-	-	8,951
15,612	-	-	15,612
12,713	1,081	1,025	15,351
2,897	6,128	345	18,792
1,454	-	-	1,454
98,136	65,937	16,604	321,872
(10,554)	(728)	2,441	1,486
10,554	728	(2,441)	(1,486)
-	\$ -	\$ -	\$ -

22. EXPENSES BY OBJECT

	2022	2021
		(Restated Note 34)
Salaries, wages and benefits	\$ 2,056,226	\$ 1,973,073
Contracted and general services	628,315	495,941
Materials, equipment and supplies	502,226	373,623
Utilities	123,681	106,309
Transfers	195,123	188,045
Interest charges (Note 14)	103,575	100,195
Amortization	716,683	707,113
Loss on disposal of tangible capital assets	11,394	35,870
	\$ 4,337,223	\$ 3,980,169

23. GOVERNMENT TRANSFERS

	2022	2021
Operating		
Province of Alberta	\$ 222,081	\$ 150,551
Government of Canada	5,749	4,229
	227,830	154,780
Capital		
Province of Alberta	197,560	248,520
Government of Canada	162,083	167,873
	359,643	416,393
	\$ 587,473	\$ 571,173

In accordance with PSAS, government transfers and developer contributions-in-kind 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.

24. SEGMENTED INFORMATION

The 2021 segments have been restated to conform with The City's 2022 realigned structure (See Note 34).

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 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 within 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 work and visit our municipal facilities and amenities.
- f) **ENMAX:** is a wholly owned subsidiary of The City, accounted for on a modified equity basis as a government business enterprise. Note 7 of these consolidated financial statements provides condensed financial information for ENMAX.

Schedule of Financial Activities by Segment

For the Year Ended December 31, 2022 (in thousands)

	Planning and development services	Infrastructure services	Community services	Operational services	General government
REVENUES					
Net taxes available for municipal purposes	\$ –	\$ –	\$ –	\$ 1,853	\$ 2,404,503
Sales of goods and services	2,570	166,879	124,681	1,077,913	12,428
Government transfers related to operating					
Provincial	47	–	135,161	86,873	–
Federal	3,928	157	1,093	565	6
Investment income	2,203	1,447	1,883	10,710	125,287
Fines and penalties	56	–	38,957	19,434	15,642
Licences, permits and fees	85,524	1,034	11,647	19,993	313
Miscellaneous revenue	3,623	2,199	12,589	12,328	6,676
Gain on sale	13	18,028	250	585	–
Dividend income from ENMAX Corporation	–	–	–	–	62,000
Equity in earnings from ENMAX Corporation	–	–	–	–	–
	97,964	189,744	326,261	1,230,254	2,626,855
EXPENSES					
Salaries, wages and benefits	115,043	81,090	891,912	688,589	279,592
Contracted and general services	33,145	160,672	149,771	267,885	16,842
Materials, equipment and supplies	6,869	122,704	92,849	236,842	42,962
Utilities	491	1,100	25,600	96,458	32
Transfers	7,846	3,983	169,012	6,804	7,478
Interest charges	1,715	11,835	1,282	83,615	5,128
Amortization	3,981	9,370	57,216	622,492	23,624
Loss on disposal of tangible capital assets	–	3,362	686	7,335	11
	169,090	394,116	1,388,328	2,010,020	375,669
(DEFICIT) EXCESS REVENUES BEFORE OTHER	(71,126)	(204,372)	(1,062,067)	(779,766)	2,251,186
OTHER					
Developer contributions	120	89,229	1,272	151,877	–
Government transfers related to capital	10,412	202,959	44,907	101,184	181
Developer contributions-in-kind related to capital	–	700	–	240,201	–
NET (DEFICIT) REVENUES	(60,594)	88,516	(1,015,888)	(286,504)	2,251,367
ENMAX Corporation – other comprehensive income	–	–	–	–	–
ANNUAL (DEFICIT) SURPLUS	\$ (60,594)	\$ 88,516	\$ (1,015,888)	\$ (286,504)	\$ 2,251,367

	ENMAX Corporation	Total Consolidated 2022
\$	-	\$ 2,406,356
	-	1,384,471
	-	222,081
	-	5,749
	-	141,530
	-	74,089
	-	118,511
	-	37,415
	-	18,876
	-	62,000
	233,628	233,628
	233,628	4,704,706
	-	2,056,226
	-	628,315
	-	502,226
	-	123,681
	-	195,123
	-	103,575
	-	716,683
	-	11,394
	-	4,337,223
	233,628	367,483
	-	242,498
	-	359,643
	-	240,901
	233,628	1,210,525
	124,370	124,370
\$	357,998	\$ 1,334,895

Schedule of Financial Activities by Segment

For the Year Ended December 31, 2021 (in thousands)

Schedule of Financial Activities by Segment For the Year Ended December 31, 2021 (in thousands) (Restated Note 34)

	Planning and development services	Infrastructure services	Community services	Operational services	General government
REVENUES					
Net taxes available for municipal purposes	\$ –	\$ –	\$ –	\$ 1,797	\$ 2,207,216
Sales of goods and services	10,857	115,611	94,557	1,003,549	10,664
Government transfers related to operating					
Provincial	–	–	128,725	4,119	17,707
Federal	534	–	1,860	1,299	536
Investment income	2,790	33	1,189	16,475	110,906
Fines and penalties	44	–	38,339	17,670	8,368
Licences, permits and fees	76,964	1,898	9,623	17,736	184
Miscellaneous revenue	8,544	1,901	7,712	6,612	9,543
Gain on sale	–	16,626	674	186	–
Dividend income from ENMAX Corporation	–	–	–	–	58,000
Equity in earnings from ENMAX Corporation	–	–	–	–	–
	99,733	136,069	282,679	1,069,443	2,423,124
EXPENSES					
Salaries, wages and benefits	103,607	80,114	859,184	644,561	285,607
Contracted and general services	18,079	157,718	102,076	203,868	14,200
Materials, equipment and supplies	7,097	50,373	99,424	176,938	39,791
Utilities	217	72	22,612	83,408	–
Transfers	4,442	1,974	168,446	5,874	7,309
Interest charges	1,436	5,342	6,637	87,593	(813)
Amortization	4,111	8,951	60,337	608,352	25,362
Loss on disposal of tangible capital assets	48	1,380	2,726	31,000	716
	139,037	305,924	1,321,442	1,841,594	372,172
DEFICIT) EXCESS REVENUES BEFORE OTHER	(39,304)	(169,855)	(1,038,763)	(772,151)	2,050,952
OTHER					
Developer contributions	321	51,293	8,438	98,711	–
Government transfers related to capital	7,057	236,962	58,298	108,158	5,918
Developer contributions-in-kind related to capital	4,232	148,475	–	59,462	–
NET (DEFICIT) REVENUES	(27,694)	266,875	(972,027)	(505,820)	2,056,870
ENMAX Corporation – other comprehensive income	–	–	–	–	–
ANNUAL (DEFICIT) SURPLUS	\$ (27,694)	\$ 266,875	\$ (972,027)	\$ (505,820)	\$ 2,056,870

	ENMAX Corporation	Total Consolidated 2021
\$	–	\$ 2,209,013
	–	1,235,238
	–	150,551
	–	4,229
	–	131,393
	–	64,421
	–	106,405
	–	34,312
	–	17,486
	–	58,000
	237,777	237,777
	237,777	4,248,825
	–	1,973,073
	–	495,941
	–	373,623
	–	106,309
	–	188,045
	–	100,195
	–	707,113
	–	35,870
	–	3,980,169
	237,777	268,656
	–	158,763
	–	416,393
	–	212,169
	237,777	1,055,981
	60,213	60,213
\$	297,990	\$ 1,116,194

25. UNRECOGNIZED ASSETS

The City has the following major categories of unrecognized assets:

- 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, 2022, the insured value of the various art collections is \$25,180 (2021 – \$25,180).
- Antique Airplanes – The City has ownership of antique airplanes, which are displayed in the Hangar Flight Museum of Calgary. As at December 31, 2022, the insured value of the antique airplanes is \$6,614 (2021 – \$6,614).
- 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.
- 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.

26. 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 as 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 of December 31, 2022, 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 as if the parties were unrelated. Refer to Note 7 c) for ENMAX related party disclosures.

27. 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
2023	\$ 1,960	\$ 12,448	\$ 14,408
2024	1,609	10,888	12,497
2025	1,302	3,864	5,166
2026	921	2,669	3,590
2027	731	2,065	2,796
Thereafter	1,121	6,776	7,897
	\$ 7,644	\$ 38,710	\$ 46,354

28. CONTINGENT ASSETS

In the ordinary course of business, various claims and lawsuits are brought by The City. It is the opinion of management 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.

29. COMMITMENTS AND CONTINGENT LIABILITIES

- Capital commitments of \$1,312,574 (2021 - \$1,509,033) are not reflected in the consolidated financial statements. This amount represents uncompleted portions of contracts, as at December 31, 2022, 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.
- Operating commitments of \$339,897 (2021 – \$251,260) are not reflected in the consolidated financial statements. This amount represents uncompleted portions of contracts and obligations, as at December 31, 2022, 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 \$76,615 (2021 – \$69,500) 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:

2023	\$ 20,976
2024	16,353
2025	13,010
2026	10,205
2027	6,054
Thereafter	10,017
	<u>\$ 76,615</u>

- 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 \$2,120 (2021 – \$2,223) for environmental liabilities based on management's estimate of these costs. Such estimates are subject to adjustment based on changes in laws and regulations and as additional information becomes available.
- f) As at December 31, 2022, 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 Revenue, Tax and Revenue Administration (Alberta Finance) 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 management 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 Corporation, 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 Corporation's district energy system was sold to Calgary District Heating Inc., a wholly owned subsidiary of Atlantica Sustainable Infrastructure plc, and it was agreed that all existing agreements with The City would be honoured. As at December 31, 2022, the estimated future obligation for this fixed charge is \$4,843 (2021 – \$5,001).
- 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 \$5,314 (2021 – \$5,119).
- 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 \$1,949 (2021 – \$2,413).
- l) The City is responsible for the remediation of contaminated sites that are no longer in productive use 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, 2022, the provision was \$391 (2021 – \$399) and is classified in accounts payable and accrued liabilities. This provision is based on \$466 (2021 – \$466) in expenditures expected to be incurred over the next 25 years discounted at 3.2 per cent (2021 – 2.9 per cent) based on The City's weighted average cost of capital.
- The liability for contaminated sites includes sites associated with former industrial operations. The nature of contamination includes polycyclic aromatic hydrocarbons, heavy metals and road salts. The sources of the contamination include, but are not limited to, activities related to historical operations and non-sanctioned activities on The City's land. Sites often have multiple sources of contamination.
- 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 Convention 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 project reserve. CMLC will repay The City through the Rivers District Community Revitalization Levy starting in 2028 through 2047. In 2022, The City incurred \$99,240 (2021 – \$35,871) of costs, which were expensed as a donation to CESL. The remaining commitment is \$142,203 (2021 – \$244,520) and has been included as a capital commitment in Note 29 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. Council authorized the allocation of \$83,400 towards the design and construction of the project to be funded from the Canada Community Building Fund, Fiscal stability and operating budget savings account merged reserve and the Major capital project reserve. In addition to the above funding, Council passed a Bylaw authorizing a loan of up to \$135,000 to CMLC with both principal and interest to be repaid with future community revitalization levy. In 2022, The City incurred \$5,405 (2021 – \$2,827) of costs which have been capitalized.

30. 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 fulfill 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 2024 and 2036. The interest rates on the credit facilities held by CESL range from 3.44 per cent to 6.55 per cent (2021 – 1.28 per cent to 6.07 per cent). As at December 31, 2022, CESL has drawn a total of \$57,374 (2021 – \$60,100) on the total maximum available facility of \$70,774 (2021 - \$73,500). The City, as an unconditional guarantor, holds as security a fixed debenture in the amount of \$77,491 (2021 – \$77,491) charging certain lands owned by CESL.
- ii) The City has guaranteed certain indebtedness of The Calgary Zoological Society (The Zoo). This third party debt agreement requires The City to make immediate payment of outstanding borrowings on behalf of The Zoo in the event The Zoo cannot fulfill its obligations to a Canadian chartered bank. The term of the guarantee is valid until December 18, 2024, and the related debt will mature December 18, 2024. The interest rate on the credit facility is 1.95 per cent (2021 – 1.95 per cent). As at December 31, 2022, the outstanding balance of the facility

was \$873 (2021 – \$1,297) on the total maximum available facility of \$873 (2021 – \$1,297). As collateral to this guarantee, The City could terminate its Lease and Operating Agreement with The Zoo and take possession and control of The Zoo's facilities, including any and all personal property owned by The Zoo at that time.

- 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 fulfill its obligations on a revolving credit facility to a Canadian financial institution. The City guarantee expires on June 30, 2023 and the related credit facility matures February 28, 2023. The interest on the credit facility is Prime minus 0.75 per cent per annum (2021 – Prime minus 0.75 per cent). As at December 31, 2022, the outstanding balance of the facility was \$nil (2021 – \$2,176) on the total maximum available facility of \$10,000 (2021 – \$10,000). The City, as an unconditional guarantor, holds as security a fixed and floating debenture in the amount of \$10,000 (2021 – \$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. Historically, The City has not made any payments under such indemnifications and any potential future claims would be claimed against the Civic Insurance Program, which comprises a combination of purchased insurance and a self-funded component.

31. 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 MGA. Executive salaries and benefits obligations have been fully funded by The City.

	Salaries	Benefits ⁽¹⁾	Transitional Allowance ⁽²⁾	2022	Salaries	Benefits ⁽¹⁾	Transitional Allowance ⁽²⁾	2021
Mayor								
Gondek, J	\$ 204	\$ 33	\$ –	\$ 237	\$ 38	\$ 7	\$ –	\$ 45
Nenshi, N	–	–	85	85	162	34	–	196
	204	33	85	322	200	41	–	241
Councillors:								
Carra, G	115	34	–	149	112	39	–	151
Chabot, A	115	17	–	132	22	4	–	26
Chu, S	115	34	–	149	112	39	–	151
Demong, P	115	34	–	149	112	39	–	151
Dhaliwal, R	115	34	–	149	22	9	–	31
McLean, D	115	32	–	147	22	8	–	30
Mian, J	115	34	–	149	22	9	–	31
Penner, K	115	34	–	149	22	9	–	31
Pootmans, R	115	17	–	132	22	4	–	26
Sharp, S	115	34	–	149	22	9	–	31
Spencer, E	115	34	–	149	22	9	–	31
Walcott, C	115	34	–	149	22	9	–	31
Wong, T	115	34	–	149	22	9	–	31
Wyness, J	115	34	–	149	22	9	–	31
Chahal, G	–	–	–	–	85	30	17	132
Colley-Urquhart, D	–	–	91	91	92	13	–	105
Davison, J	–	–	–	–	92	32	17	141
Farkas, J	–	–	–	–	92	13	–	105
Farrell, D	–	–	62	62	92	32	24	148
Gondek, J	–	–	–	–	92	32	–	124
Jones, R	–	–	–	–	–	–	56	56
Keating, S	–	–	48	48	92	32	–	124
Magliocca, J	–	–	–	–	92	32	35	159
Sutherland, W ⁽³⁾	–	–	17	17	92	32	–	124
Woolley, E	–	–	–	–	92	32	35	159
	1,610	440	218	2,268	1,491	485	184	2,160
City Manager	351	53	–	404	339	51	–	390
Designated Officers ⁽⁴⁾	1,141	220	–	1,361	1,170	253	–	1,423
	\$ 3,306	\$ 746	\$ 303	\$ 4,355	\$ 3,200	\$ 830	\$ 184	\$ 4,214

(1) Benefits include The City's share of all benefits and contributions including pension, medical and dental coverage, flexible spending account, life insurance 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. Transitional allowances have been added to the table for 2022, the 2021 comparative disclosure has been presented to conform with the current year's presentation.

(3) Transitional Allowance of \$17 to be paid in 2023 to W. Sutherland.

(4) The City's designated officers are the City Assessor, City Clerk, City Solicitor, City Treasurer and City Auditor. In 2022, there was \$63 (2021 – \$62) in retirement, holiday and vacation paid out of the ordinary course of business and severance payouts for these designated officers.

32. 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, 2021	Receipts	Investment Income	Disbursements	December 31, 2022
Joint Use Reserve Fund	\$ 78,285	\$ 1,282	\$ 1,665	\$ (27,072)	\$ 54,160
Major Road Standard Oversize	571	3,846	10	(4,352)	75
Community and District Parks	3,356	–	78	(371)	3,063
Utility Oversize	9,881	2,034	214	(1,529)	10,600
Developers' cash bonds	2,356	–	55	(30)	2,381
Acreage Assessment Fund	485	–	11	–	496
Candidate Campaign Surplus Fund	2	–	–	–	2
Other miscellaneous trusts	1,349	49	32	(38)	1,392
	\$ 96,285	\$ 7,211	\$ 2,065	\$ (33,392)	\$ 72,169

	December 31, 2020	Receipts	Investment Income	Disbursements	December 31, 2021
Joint Use Reserve Fund	\$ 77,708	\$ 955	\$ 1,631	\$ (2,009)	\$ 78,285
Major Road Standard Oversize	171	2,948	5	(2,553)	571
Community and District Parks	3,560	274	19	(497)	3,356
Utility Oversize	8,232	1,690	52	(93)	9,881
Developers' cash bonds	2,573	–	15	(232)	2,356
Acreage Assessment Fund	482	–	3	–	485
Candidate Campaign Surplus Fund	113	–	1	(112)	2
Other miscellaneous trusts	1,139	699	8	(497)	1,349
	\$ 93,978	\$ 6,566	\$ 1,734	\$ (5,993)	\$ 96,285

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.

33. FINANCIAL INSTRUMENTS

At December 31, 2022, The City had 15 (2021 – 19) USD and 1 EUR (2021 – nil) exchange fixed contracts in place. Delivery dates for these contracts range from January 2023 to December 2025. Total committed future foreign exchange purchases are \$24,450 USD (2021 – \$31,627 USD). Total committed future foreign merchandise purchases are \$80,218 USD (2021 – \$77,664 USD) and €20,403 (2021 – €2).

Under the terms of the contract arrangements, The City has fixed its exchange risk on foreign purchases for CAD trades against the USD with Canadian Schedule 1 banks at rates ranging from \$1.25 to \$1.37 CAD (2021 – \$1.22 to \$1.32). The City has fixed its exchange risk on foreign purchases for CAD trades against EUR with Canadian Schedule 1 banks at a rate of 1.38 (2021 – nil). The dollar value of these contracts at December 31, 2022 was \$36,973 (2021 – \$40,882) Canadian dollars.

The City utilizes an external manager to execute an active portfolio hedging strategy designed to efficiently reduce currency risk.

At December 31, 2022, the portfolio held 21 forward contracts with settlement dates varying from January 5, 2023 to March 10, 2023. The total market value of the forward contracts is negative \$6,443 CAD. The forward contracts have the following rates with the following currencies*:

- 3 AUD per USD (\$0.65, 0.67, 0.68)
- 6 CAD per USD (2 at \$1.36, and 4 at 1.37)
- 1 EUR per CAD (€ 1.45)
- 1 EUR per GBP (€ 0.86)
- 3 EUR per USD (€ 0.99, 1.06, 1.06)
- 3 GBP per USD (£ 1.15, 1.23, 1.23)
- 3 JPY per USD (¥ 136.14, 137.31, 143.06); and
- 1 USD per CAD (\$1.36).

* Currencies

AUD – Australian Dollar (\$)

CAD – Canadian Dollar (\$)

EUR – Euro (€)

GBP – British pound sterling (£)

JPY – Japanese Yen (¥)

USD – U.S. Dollar (\$)

34. PRIOR PERIOD ADJUSTMENTS

a) Organizational Realignment

Certain comparative figures have been restated to conform to the current year's presentation.

City Administration undertook an organizational realignment to modernize the 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. The seven departments, as detailed on page five in the organizational structure chart, have been represented in the consolidated financial statements as five department segments: Planning and development services, Infrastructure services, Community services, Operational services and General government.

The Consolidated Statement of Operations and Accumulated Surplus expense line items, and segment disclosure in Note 24 have been restated for the purpose of consistent presentation for the comparative period as a result of The City's realignment which occurred in the current year. There was no change to the prior year total expenses or net revenues as a result of the organizational realignment.

2021 expenses restated to conform with The City's 2022 department segment presentation in the Statement of Operations:

EXPENSES	
Planning and development services	\$ 139,037
Infrastructure services	305,924
Community services	1,321,442
Operational services	1,841,594
General government	372,172
	\$ 3,980,169

2021 expenses as represented in the Statement of Operations prior to the 2022 organizational realignment and restated for prior period capital asset adjustment (Note 34 b)):

EXPENSES	
Protection	
Police	\$ 520,784
Fire	298,326
	819,110
Transportation	
Public transit	539,274
Roads, traffic and parking	479,581
	1,018,855
Utilities and Environmental Services	
Water services and resources	551,503
Waste, recycling and environmental services	159,325
	710,828
Community and Cultural Services	
Community and social development	89,324
Social housing	132,024
Parks and recreation facilities	231,448
Societies and related authorities	120,428
Calgary Public Library Board	64,712
	637,936
General government	354,054
Public works	322,733
Real estate services	116,653
	\$ 3,980,169

b) Prior period adjustments

In 2022, as a result of continued usage and refinement of capital asset accounting and management systems, prior years tangible capital asset balances were identified that required correction and the consolidated financial statements have been retrospectively adjusted. The tangible capital asset balance previously reported in the 2021 consolidated financial statements as \$19,282,626 has been restated to \$19,321,540, resulting in an increase of \$38,914. The change represents 0.2 per cent of tangible capital assets.

The adjustment also resulted in a prior year increase of \$5,507 to developer contributions-in-kind related to capital, an increase of \$770 to depreciation expense and an increase of \$34,177 to opening accumulated surplus.

The restated amounts have no effect on The City's cash balances, property tax revenues or any other balances influencing The City's grants received, property tax assessments or any other related balances.

	December 31, 2021 (Previously reported)	Adjustments	December 31, 2021 (Restated)
Net financial assets	\$ 3,549,862	\$ -	\$ 3,549,862
Tangible capital assets	19,282,626	38,914	19,321,540
Other non-financial assets	96,500	-	96,500
Accumulated Surplus	\$ 22,928,988	\$ 38,914	\$ 22,967,902

	December 31, 2021 (Previously reported)	Adjustments	December 31, 2021 (Restated)
Revenues	\$ 4,248,825	\$ -	\$ 4,248,825
Expenses	3,979,399	770	3,980,169
Other	781,818	5,507	787,325
ENMAX Corporation - Other comprehensive income	60,213	-	60,213
Annual Surplus	\$ 1,111,457	\$ 4,737	\$ 1,116,194
Opening accumulated surplus	21,817,531	34,177	21,851,708
Ending accumulated surplus	\$ 22,928,988	\$ 38,914	\$ 22,967,902

Morning downtown reflections on the Bow River



CLIMATE-RELATED FINANCIAL DISCLOSURE UNAUDITED

OVERVIEW OF OUR PROGRESS

Introduction

Climate change poses a significant risk to The City of Calgary (The City) and all Calgarians. Through the declaration of a Climate Emergency and the prioritization of Climate Resilience as one-of-three foundations of Council's Strategic Direction for 2023-2026, The City is addressing climate change as a strategic priority. With global climate change, Calgary will experience more chronic, gradual changes, as well as an increase in acute, abrupt disruptive impacts. Through the 2021 Climate Emergency Declaration, and the approval of the 2022 *Calgary Climate Strategy – Pathways to 2050*, The City demonstrates the importance of developing strategies and implementing actions that will decrease greenhouse gas (GHG) emissions and reduce exposure and vulnerability to the hazards driven by a changing climate.

Climate-related risks can be divided into two categories, physical and transition risks. Physical risks result from the impact of climatic events (e.g., severe weather events, drought, extreme temperatures) on Calgary's natural environment, built environment, people, City operations and service delivery and associated socio-economic costs. Transition risk results from the driving of policy and action associated with transitioning a fossil fuel-based economy toward a low-carbon economy. Transition risk also includes legal and policy risk, technology change, market response, and reputational considerations.

The City is committed to the voluntary recommendations of the Task Force on Climate-related Financial Disclosures' (TCFD) reporting framework and is disclosing its 2022 climate-related work. This is in alignment with other Canadian municipalities that commit to climate-related planning, preparation, and reporting. This is The City's second year of including a climate-related financial disclosure (CRFD) section within the unaudited section of the Annual Financial Report.

As detailed in Table 1, the structure of this report follows the TCFD recommended framework, including disclosures related to Governance, Strategy, Risk Management, and Metrics and Targets.

The 2022 Canadian federal budget indicated that “the federal government is committed to moving towards mandatory reporting of climate-related financial risks across a broad spectrum of the Canadian economy, based on the TCFD framework.”¹ While not yet required, leading municipalities like Montreal, Toronto, Vancouver, Edmonton and Calgary have implemented TCFD reporting. This helps build both internal and public support for climate action, demonstrate good governance and transparency, and execute on municipal climate emergency declarations.

Sources: (1) Government of Canada. Budget 2022: A Plan to Grow Our Economy and Make Life More Affordable. Page 106. <https://www.budget.canada.ca/2022/home-accueil-en.html>

The City of Calgary's Climate Related Financial Disclosure (unaudited)

Table 1 – Summary of Disclosure

TCFD Required Disclosures	City of Calgary Disclosure (unaudited)
Governance: Disclose the organization's governance around climate-related risks and opportunities.	
1a. Describe Council's oversight of climate-related risks and opportunities.	<ul style="list-style-type: none"> • City Council: Sets the Strategic Direction for Service Plans and Budgets (with climate resilience as a core foundation), approves the Climate Strategy, and directs Administration to specific climate action through Notices of Motion. • Climate Reporting Framework: Three key City reporting documents are used to report on climate action and expenditure, to enhance accountability and transparency: the semi-annual Accountability Reports, Annual Financial Report, and the annual Climate Progress Report. • Climate Advisory Committee: A committee of Council that provides strategic advice and recommendations on issues that relate to climate change.
1b. Describe management's role in assessing and managing climate-related risks and opportunities.	<ul style="list-style-type: none"> • Executive Leadership Team: Directs Administration in assessing and managing climate-related risk and implementing climate action. • Climate & Environment business unit and Climate & Environmental Management service: Provides strategic direction, governance and management of corporate and city-wide climate and environmental initiatives. • Emergency Management: Assesses local disaster risk and coordinates emergency planning, community preparedness, business continuity and response and recovery activities. • Enterprise Risk Management: Identifies corporate climate-related risks and assesses them within the twice-yearly Cross Corporate Risk Review.
Strategy: Disclose the impacts of climate-related risks and opportunities on the organization.	
2a. Describe the climate-related risks and opportunities identified by The City, and the impact on the organization.	<ul style="list-style-type: none"> • Physical Risks: Table 2 summarizes key climate-related physical impacts in Calgary. • Transition Risks: Summarizes key transition risks, opportunities and associated potential financial impacts.
2b. Describe the resilience of the organization's strategy, considering different climate-related scenarios, including a 2 degree Celsius or lower scenario.	<ul style="list-style-type: none"> • Emissions scenarios: The City uses Representative Concentration Pathway (RCP) 4.5 and RCP 8.5 for the 2050s and 2080s to better understand future impacts of climate change. • Strategic Foresight: Emerging trends and possible future scenarios are developed that can inform long-term strategy development.

Risk Management: Disclose how the organization identifies, assesses, and manages climate-related risks.

- | | |
|---|---|
| <p>3a. Describe the organization's processes for identifying and assessing climate-related risks.</p> | <ul style="list-style-type: none"> • Calgary Climate Projections Report: Assists with the interpretation of climate projections for Calgary. • Community Climate Risk Index: Identifies relevant climate risks for each Calgary community. • Natural Asset Valuation: Describes the value of Calgary's natural assets and ecosystem services they provide. • Disaster Risk Assessment: Completed annually to understand local risks and develop strategies to manage the impact of future events. |
| <p>3b. Describe the organization's processes for managing climate-related risks.</p> | <ul style="list-style-type: none"> • Calgary Climate Strategy – Pathways to 2050: Sets The City's climate vision, guiding principles, goals and targets. • 2023-2026 Climate Implementation Plan: Describes the implementation of climate programs over the next four years. • Calgary Emergency Management Agency: Authorized to assess local disaster risks and coordinate emergency planning, business continuity, response, and recovery activities on behalf of the local authority. |
| <p>3c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.</p> | <ul style="list-style-type: none"> • Integrated Risk Management (IRM) Policy: Overarching systemic approach to proactively assessing and managing risks that impact The City's ability to achieve its results. • The Sustainable City Risk: A Principal Corporate Risk that includes climate-related risk. |

Metrics and Targets: Disclose the metrics and targets used to assess and manage climate-related risks and opportunities.

- | | |
|--|--|
| <p>4a. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.</p> | <ul style="list-style-type: none"> • Primary Climate Investment (budget and expenditure) • Community GHG emissions: Tracks the reduction of community emissions. • Corporate GHG emissions: Tracks the reduction of The City's emissions. • Community and Corporate Carbon Budgets: Defines the amount of GHGs available to be "spent" in the community and in The City's operations to remain below a certain global temperature threshold. • The Tracking Adaptation and Measuring Development (TAMD) Score: Tracks progress on integration of climate adaptation across The City. • Community Climate Risk Score: Measures climate risk and highlights drivers of vulnerability within each Calgary community. • Calgarians' Perspectives |
| <p>4b. Disclose Scope 1, 2, and, if appropriate, Scope 3 GHG emissions.</p> | <ul style="list-style-type: none"> • Community Emissions: GHG emissions attributable to the Calgary community. • Corporate Emissions: GHG emissions within The City's operational control. • Carbon Disclosure Project: A global reporting platform for measuring and disclosing climate change information. |
| <p>4c. Describe targets used to manage climate-related risks.</p> | <ul style="list-style-type: none"> • Emissions Reductions Target: The City's 2030 and 2050 GHG reduction targets. • Carbon Budget Framework: A decision-making tool identifying the amount of GHG emissions available to spend within the bounds of a given reduction target. |

Telus Spark solar park



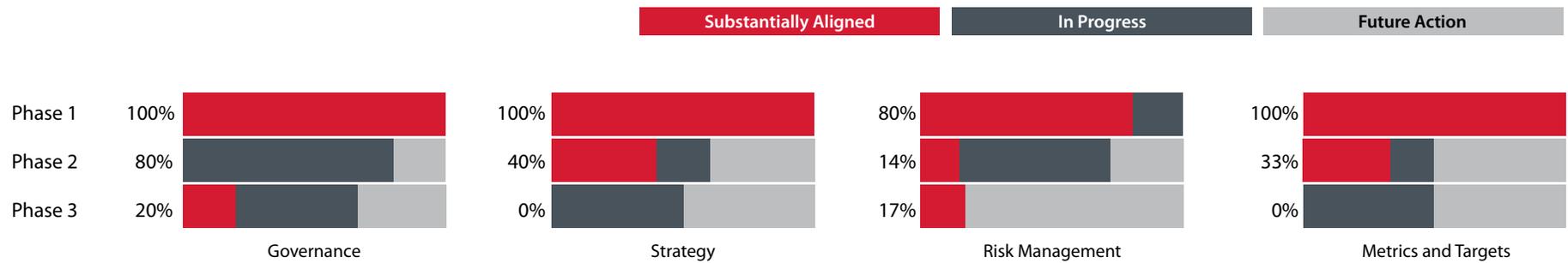
Maturity Assessment

In 2020, the Chartered Professional Accountants of Canada (CPA) published *Enhancing Climate-related Disclosure by Cities*, an overview of how cities can assess their progress on the governance, strategy, risk management, and metrics and targets disclosures for TCFD reporting. The City uses the CPA's Maturity Assessment Framework to self-assess progress towards integration of CRFD processes.

The City demonstrates characteristics of a Phase 1 reporting city, whereby a city has begun a TCFD reporting process. Through work outlined in the updated *Climate Strategy - Pathways to 2050* and the 2023-2026 Climate Implementation Plan, The City intends to progress towards Phase 2, where climate change is embedded into the organization's strategic planning and decision-making processes. Over time The City aspires to reach Phase 3, whereby The City routinely integrates climate change into decision-making processes and has high awareness and collaboration across departments.

2022 CRFD Maturity Assessment

Figure 1



CLIMATE GOVERNANCE

a) Council

In November 2021, Council declared a Climate Emergency, and set Resilient Calgary: Council's Strategic Direction for 2023-2026², which included strong direction for climate action in Calgary. Council's Strategic Direction 2023-2026 provides the foundations, guiding principles and focus areas needed for Administration to create service plans and budgets for the next four years. One of the three core Council foundations guiding the Strategic Direction is Climate Resilience, which refers to "a city that recognizes the climate emergency and does its part to limit global warming to 1.5 degrees Celsius. A more sustainable community that can manage the impacts of severe weather events, reduce emissions, build our green economy, and play an active role in climate innovation."

Shortly after the Climate Emergency Declaration, in December 2021, Council voted to build enhanced accountability into the Climate Emergency Declaration by passing a Notice of Motion³ (EC2021-1525: *Building Accountability into the Declaration of a Climate Emergency and Call to Action*). In response to the Notice of Motion, with the goal of enhancing

transparency, accessibility and alignment of reporting outcomes, Administration developed a new climate reporting framework which consolidates information into three central City reporting documents: the semi-annual Accountability Reports, Annual Financial Report, and the annual Climate Progress Report. These reports are provided to the Committees of The City and Council as outlined in Figure 2.

In alignment with the new targets and outcomes within the Climate Emergency Declaration and Council's Strategic Direction, Council approved an updated *Calgary Climate Strategy - Pathways to 2050*⁴ in July 2022. The new Climate Strategy strengthened GHG emission reduction targets and climate risk reduction objectives, with detailed Climate Mitigation and Adaptation Plans to inform our path forward. In November of 2022, Council approved the 2023-2026 Service Plans and Budgets which committed significant resources and funding for climate action over the next four years.

The City's Climate Reporting Framework

Figure 2



Sources: (2) The City of Calgary. 'Resilient Calgary: Council's Strategic Direction 2023-2026'. <https://www.calgary.ca/content/www/en/home/council/resilient-calgary.html>

(3) The City of Calgary. 'Notice of Motion to Build Accountability into the Declaration of a Climate Emergency and Call to Action (EC2021-1698)'. <https://www.calgary.ca/content/dam/www/uep/esm/documents/nom-c2021-1698-climate-emergency-and-call-to-action.pdf>

(4) The City of Calgary. 'Calgary Climate Strategy – Pathways to 2050'. <https://www.calgary.ca/environment/climate.html>

Climate Advisory Committee

The Climate Advisory Committee (CAC) was formed as a committee of Council in late 2022 with the mandate to provide Council and Administration with strategic advice and recommendations on policies and initiatives. CAC consists of 15 public members selected through a public application process and appointed by resolution of Council and holds monthly meetings to further climate action in Calgary. CAC will report annually to Council in the future.

b) Administration

In 2022, The City completed an organizational realignment to better integrate City services, become a more modern municipal government and better meet the changing needs of Calgary. The changes to The City's organizational structure brought together similar functions into seven new departments, enabling them to work better together and allowing for more effective service delivery. The Executive Leadership Team (ELT) is the most senior group of administrative officials in the organization and includes the City Manager and general managers of each new department. ELT exists to strategically make decisions about the initiatives that have broad corporate scope and influence, and to balance priorities in the best interests of The City and community as a whole. Moving the corporation forward effectively and consistently requires that ELT is aware of the risks, including climate-related risks, and develop a vision for the future based on that understanding.

Climate and Environment

The new Climate & Environment business unit was created within the Planning & Development Services department to provide strategic direction, governance and management of corporate and city-wide climate and environment initiatives. Strengthening the prominence of the Climate & Environment portfolio and development of a new Climate & Environmental Management service under a dedicated director is a critical step in building enhanced and aligned cross-corporate governance, implementation and accountability around climate action.

The Climate & Environmental Management service provides leadership, strategies, programs, and support to plan for and manage climate and environmental issues, risks, opportunities and trends associated with the delivery of public services. Climate action aims to reduce the impacts of severe climate events on infrastructure, people and nature, reduce GHG emissions, and improve energy management. Environmental sustainability aims to protect and reduce our impact on land, air and water resources to ensure quality of life, human and ecological health. We identify, assess and manage contamination risks of city owned land to protect human health and the natural environment.

Emergency Management

The Emergency Management & Community Safety business unit oversees the Calgary Emergency Management Agency (CEMA), which assesses local disaster risks and coordinates emergency planning, community preparedness, business continuity, response, and recovery activities on behalf of the local authority. CEMA is led and administered by staff across Emergency Management & Community Safety, which is comprised of over 60 member organizations. Agency members work collaboratively to implement proactive risk management strategies that increase societal resilience and reduce the risk of local hazards, including those related to climate events. CEMA is required to submit local emergency plans, including the Disaster Risk Assessment, to the Government of Alberta for review on an annual basis, and to report to Council annually on the state of emergency preparedness in Calgary.

Enterprise Risk Management

The Enterprise Risk Management (ERM) division is responsible for identifying and enhancing risk management practices, including climate-related risks, throughout The City. The City's Corporate ERM Framework and process tracks Principal Corporate Risks, which are assigned to individuals in the ELT. During semi-annual cross-corporate risk reviews, The City's service owners undertake a holistic review of all risks to their service line, including service planning, emergency management plans, climate change impacts and insurance risks. The City identifies the top, most strategic risks, risk patterns, and relevant trends (including climate-related) alongside risk response strategies and appetite levels and compiles them into The City's Risk Profile (which includes all eight Principal Corporate Risks). The results of The City's Risk Profile are presented to the Audit Committee and Council.

STRATEGY

a) Climate-Related Risks and Opportunities

As defined by the TCFD, physical climate risk includes the acute or chronic physical impacts of climate hazards on Calgary's natural, built, and human systems, City operations and service delivery, and their associated socio-economic costs. Transition risks are related to changes in government policy, legal requirements, technological advancements, and market shifts that occur to manage climate risks and transition to a low carbon economy. The City assesses physical and transition climate-related risks to the community as a whole, as well as to The City of Calgary, crossing public and private domains. A summary of key climate-related physical impacts for Calgary was developed as part of the planning for the *Calgary Climate Strategy: Pathways to 2050* (Table 2).

Table 2 – Key climate-related physical impacts in Calgary

Impacted Areas	Impacts	Timeframe	Impacted Assets/Services
Human Wellbeing	Increased mortality and morbidity due to extreme heat and poor air quality.	Short to medium-term	Public health; employee health; community and culture
	Health and wellbeing impacts and unsafe working conditions from wildfire smoke.	Short to medium-term	Public health; employee health; community and culture
	Injuries and fatalities from floods and severe storms are exacerbated by climate change.	Medium-term	Public health; employee health; community and culture
	Mental health impacts from climate change anxiety.	Short to medium-term	Public health; employee health; community and culture
	New medical risks in Calgary due to geographic spread of diseases.	Medium to long-term	Public and employee health
	Economic losses from infrastructure damage, service loss, and productivity loss.	Short to long-term	Economy; public and employee health and safety; emergency management
	Exacerbation of existing inequities through disproportionate distribution of impacts.	Short-term	Economy; public and employee health and safety; emergency management
	Food insecurity caused by drought and other climate hazards.	Short-term	Public health; employee health; community and culture
Natural Environment	Decrease in water availability posing a risk to natural infrastructure.	Short-term	Drinking water; biodiversity; urban forest; parks and open spaces
	Damage and destruction of vegetation from severe storms and strong winds.	Short-term	Biodiversity; urban forest; parks and open spaces
	Biodiversity loss and stress to flora and fauna from shifting seasons and climate hazards.	Short to medium-term	Biodiversity; parks and open spaces; food security
	Loss of ecosystem service provision from natural infrastructure.	Short to medium-term	Public and employee health and safety; water services
	Impacts to water treatment through algal/bacterial growth caused by drought.	Medium to long-term	Biodiversity; water services

Impacted Areas	Impacts	Timeframe	Impacted Assets/Services
Built Infrastructure	Impacts to building heating and cooling design, performance, and demand due to increasing temperatures.	Short-term	Residential, commercial and institutional sectors; public health; emergency management; transportation
	Impacts to water utility infrastructure, including physical damage to facilities and climate induced impacts to treatment processes.	Medium to long-term	Water, wastewater and stormwater assets; drinking water, wastewater and stormwater service impacts, residential, commercial and institutional sectors; public health; emergency management
	Impacts to air filtration system functionality from increased smoky days.	Short-term	Emergency management, residential, commercial and institutional sectors; public and private assets
	Backups and damage to infrastructure from reduced stormwater system capacity resulting from flooding.	Medium-term	Emergency management; residential, commercial and institutional sectors; transport
	Hail and wind damage to buildings and infrastructure as severe storms increase.	Short to medium-term	Emergency management; residential, commercial and institutional sectors; transport
	Degradation of pavements and transportation infrastructure, and instability in foundations, roadbeds and bridges from worsening climate hazards.	Medium to long-term	Public and private assets; water supply and sanitation; public health

Transition Risks

There are transition risks related to policy, legal, technological, market, and reputational changes that The City has identified. For example, enhanced emissions-reporting obligations and increased carbon pricing have impacted operational budgets and decision making. New and innovative low-carbon technologies have associated risks, product challenges, and transition costs that will be borne over the coming years. Policy changes and incentives driven by The City may lead to changing public behavior and shifts in demand for goods and services, which in turn may have impacts on revenue sources and costs for The City. However, with risks there are also opportunities, such as improved air

quality and decreased noise from electrification of vehicles and equipment, and new business ventures such as those fostered with Alberta Innovates. Energy efficient and low carbon alternatives can often have financial benefits and may see a return on investment that may benefit The City. The City is in the early stages of considering transitional risk and will continue to assess for future CRFD reporting.

Financial Impacts

Similar to other municipalities, The City recognizes there will be financial impacts due to both physical and transition risk. These may include:

- Increased capital costs (e.g., damage to facilities and other built and natural infrastructure, demand for more climate resilient and GHG mitigation infrastructure, supply chain issues).
- Shortened lifecycle of existing assets and increased operational and maintenance costs (e.g., damage to property, increased demand for cooling in City facilities).
- Reduced revenue and higher costs from negative impacts on workforce (e.g., health and safety).
- Increased demand for community social services provided by The City.
- Costs to adopt/deploy innovative low carbon practices and processes, and retire existing technologies and equipment.
- Increased insurable risk profile of The City due to severe weather events, could lead to short and long-term increases in insurance costs and possible limited or unavailable insurance market to cover assets.

The City is committed to better identifying, understanding, and managing these risks and opportunities in the coming years, as described in the *Calgary Climate Strategy - Pathways to 2050*.

b) Resilience of Strategy under Different Climate-Related Scenarios

Climate Projection Scenarios

The City uses climate projections for the 2050s and 2080s from downscaled Global Climate Models under RCPs: RCP8.5 and RCP4.5. RCP8.5 represents a higher GHG emissions scenario, and RCP4.5 assumes that global action has been taken to limit GHG emissions. The approach has been to consider the full spectrum of risk based on the higher RCP scenarios that are globally represented by current emission trends. Technical climate guidance documents have been developed to help decision-makers, asset owners, and the public to understand future impacts on people, built infrastructure, the natural environment and the economy.

Strategic Foresight Scenarios

The City identifies emerging trends and possible future scenarios to the year 2035 to better inform decision making and strategy development. Trends associated with climate such as electrification, the low carbon economy and differential climate impacts are examined in addition to other emerging trends such as social and technological changes that were hastened by the COVID-19 pandemic. Developing future scenarios and using strategic foresight exercises can help to prepare for possible futures, to better identify and leverage emerging opportunities and manage future risk.

CLIMATE RISK MANAGEMENT

a) Risk Identification and Assessment

The City continues to advance the understanding of the physical and financial implications of climate change on our infrastructure, programs, economy, and community. The following is a summary of risk identification work completed to date.

Calgary's Climate Projections

The Calgary Climate Projections Report⁵ details how Calgary is likely to experience climate change and assists with the interpretation of climate projections for the city. Calgary will experience increasing temperatures, more extreme heat events, an increase in the frequency, duration and severity of storm events, increased rainfall year-round, increased river flooding, less annual snowfall, and more wildfires and smoky days (Table 3).

Table 3 – Summary of Climate Hazard Trends for Calgary (2050s)

Climate Hazard	Projected Climate Hazard Trend
Extreme heat	Increasing
Higher average temperatures	Increasing
Wildfire	Increasing
Drought	Likely Increasing
Severe storms (i.e. hail, high winds)	Increasing
River flooding	Likely Increasing
Heavy snowfall (annual accumulation)	Likely Decreasing

Community Climate Risk Index

Acknowledging that climate change impacts will be disproportionately distributed among Calgary communities, The City created a Community Climate Risk Index (CCRI) that combines climate hazard likelihood, exposure to climate hazards, and 40 indicators of vulnerability. More than 100 Community Climate Risk Profiles have been completed to date using the CCRI. Community Climate Risk Profiles are created using the CCRI and information from other sources including an urban heat map, natural asset inventory, and the Calgary Equity Index to help identify climate risk in each community and better inform equitable climate action and place-based planning and decision making.

Sources: (5) The City of Calgary. 'Climate Projections for Calgary 2022'. https://engage.calgary.ca/download_file/view/7027/1613

Natural Asset Inventory and Valuation

Natural infrastructure includes the natural spaces in our city such as grasslands, forests and waterbodies, as well as built structures that use natural processes to manage water or provide ecosystem functions in an urban environment. Natural infrastructure provides numerous societal, economic and environmental benefits for climate resilience. Traditionally, these benefits are often undervalued or go unrecognized in financial processes, leading to an increased risk of mismanagement and loss of natural infrastructure. A natural asset inventory and valuation⁶ was completed to better communicate the tremendous value of Calgary's natural assets and the services they provide. Further work in natural asset management is ongoing. Natural assets within Calgary have a replacement cost of approximately \$6.9 billion which generates an annual service value of approximately \$2.5 billion.

The City's Disaster Risk Assessment

Identifying, understanding, and raising awareness of disaster risks are fundamental disaster management activities. They are the foundation upon which proactive risk reduction and community resilience-building measures are grounded. The City completes a Disaster Risk Assessment to understand the local risk environment and prioritize risk management activities. The assessment utilizes an industry standard three-step methodology to identify, analyze, and evaluate disaster risk. The assessment is updated on an annual basis and a detailed Disaster Risk Report⁷ is released every four years in alignment with the municipal budget cycle. The report helps quantify and qualify the underlying factors driving disaster risk in Calgary. The analysis is used as a decision support tool to inform business plans, emergency management strategies, disaster mitigation investment, community preparedness activities, municipal emergency planning processes, and other risk reduction practices. Of the sixteen highest risk hazards identified in the 2022 Disaster Risk Report, eight are climate-related.

b) Risk Management

Calgary Climate Strategy – Pathways to 2050 and Action Plans

The *Calgary Climate Strategy - Pathways to 2050* sets The City's climate vision, guiding principles, goals and targets and, through its Mitigation and Adaptation Plans, outlines the actions for reducing Calgary's GHG emissions and physical risk from climate change. The Calgary Climate Strategy is meant to address both corporate and community GHG emissions and climate risk. The Action Plans include efforts to establish climate change governance; integrate and align climate change considerations and practices into The City's services and processes; implement outreach and education programs; reduce community and The City's GHG emissions; and reduce climate risk to the community and in The City's infrastructure and operations.

2023-2026 Service Plans and Budgets: Climate Implementation Plan

Service plans and budgets are the foundation for understanding The City's service delivery, the value it provides, and how it contributes to the quality of life in the community. The

process aligns Council's Strategic Direction with resourcing needs for a four-year service plan and budget cycle. For the first time in 2022, a climate lens was used to prioritize budgets and service plans for the 2023-2026 cycle. The 2023-2026 Climate Implementation Plan details the cross-corporate actions and the associated primary climate investment (operating and capital funding to implement actions specific to climate action), in alignment with the 2023-2026 Service Plans and Budgets. The total cross-corporate investment approved in November 2022 to fund climate actions detailed in the 2023-2026 Climate Implementation Plan is approximately \$3.8 million in new base operating, \$44.1 million in one-time operating and \$207.8 million in capital (Table 4)⁸. This budget represents direct climate investments for actions specific to accelerating GHG emissions reduction and/or climate risk reduction and does not include secondary investments in actions specific to the provision of other City service outcomes that provide some climate benefit.

Table 4 – 2023-2026 Cross-Corporate Primary Climate Investment

Implementation Plan Categories	Base Operating ~ (,000's)	One Time Operating ~ (,000's)	Capital ~ (,000's)
Communities	1,345	20,534	9,800
Buildings	200	18,498	49,069
Energy Supply	-	312	12,300
Mobility	290	3,126	103,961
Natural Infrastructure	1,829	-	31,123
Education and Outreach	-	1,187	-
Accountability and Reporting	165	454	1,501
Total	3,829	44,111	207,753

The City is exploring additional funding opportunities, financing, and partnership mechanisms to support implementation beyond tax-funded budgets. A financing 'toolkit' will be developed in 2023-2024, as there is no single source of funding or single financial mechanism that will support The City in meeting its climate goals.

Calgary Emergency Management Agency

The City, through leadership of CEMA, coordinates activities to reduce risk and strengthen resilience to local hazards and threats. This includes supporting the capacity of The City and CEMA to manage local and regional disaster response and recovery; supporting the capacity of City business units and critical infrastructure operators to continue operations

Sources: (6) The City of Calgary. 'Valuation of Natural Assets'. https://hdp-ca-prod-app-cgy-engage-files.s3.ca-central-1.amazonaws.com/6616/5369/8199/Natural_Asset_Valuation_Summary.pdf

(7) The City of Calgary. 'Explore Calgary's Disaster Risks'. <https://www.calgary.ca/content/dam/www/csps/cema/documents/disaster-risk-report-2022.pdf>

(8) The City of Calgary. '2023-2026 Climate Implementation Plan'. <https://www.calgary.ca/environment/climate/implementation-plan.html?redirect=/climateplan>

during emergencies and service disruptions; supporting the capacity of the community to prepare for emergencies; and proactively focusing on preventing and mitigating risk through design, education, advocacy, policy, and strategic planning. To support community recovery, The City has a not-for-profit liaison embedded in the Emergency Operations Centre and maintains an Emergency Social Services team that assists impacted communities with their basic needs following an event. The City also oversees Canada Task Force 2 (CAN-TF2), which is an 'all-hazards' disaster response team capable of being deployed to support impacted communities across Canada.

CEMA has a significant role to play managing the risk of extreme weather and other climate-related hazards. There is strong policy alignment between the fields of Disaster Risk Reduction and Climate Adaptation. Each discipline has different time horizons, but both are risk-informed practices that focus on increasing resilience and reducing risk. The City collaborates with Agency members to assess, mitigate, and prepare for climate-related hazards and coordinate response when emergencies occur. The City also engages with individuals, businesses, and community groups to ensure they understand and are prepared for extreme weather events. CEMA works with the Climate & Environment team on shared priorities and is committed to integrating climate adaptation into existing emergency management strategies and broader disaster risk reduction objectives.

c) Integration of Climate-Related Risks into Overall Risk Management

Integrated Risk Management Policy

The City's Integrated Risk Management Policy⁹ is the overarching systemic approach to proactively managing risks (including climate-related risks) that impact The City's ability to achieve its results.

Sustainable City Risk

Climate-related risk is encompassed within The City's broader Sustainable City Risk, which is one of eight Principal Corporate Risks, and is owned by the General Manager of Planning & Development Services. The Sustainable City Risk is updated twice-yearly through two processes: a 'bottom-up' process in which all service level risks are themed, assessed, and aggregated in order to update The City's Risk Profile (which includes all eight Principal Corporate Risks), and a 'top-down' process that captures key risk measures, high level risk response strategies, and the broader context of the risk. The Sustainable City Risk was approved by ELT in Q2 2022 and presented to the Audit Committee in Q3 2022.

The Sustainable City Risk defined:

Economic, social, and environmental sustainability are critical for The City. Significant contributing factors to this risk are variability in population growth, economic activity, and environmental trends. Impacts from this risk are also likely to be experienced to different degrees spatially within the city and more severely by marginalized groups. Associated long-term and wide-ranging risk considerations for not creating a sustainable city include financial, operational, social, environmental, regulatory and reputational considerations.

Sources: (9) The City of Calgary. 'Integrated Risk Management Policy'. <https://www.calgary.ca/content/dam/www/ca/city-clerks/documents/council-policy-library/cc011-integrated-risk-management-policy.pdf>

Glenmore Dam exceeding capacity during 2013 flood



METRICS AND TARGETS

a) Climate-Related Metrics

Table 5 provides detail about the specific metrics The City tracks in relation to the goals of the Climate Strategy.

Table 5 – Key Climate Metrics

Metric	Description
Primary Climate Investment (budget and expenditure)	The primary climate investment approved within the 2023-2026 Service Plans and Budgets is as follows; \$3.8 million in new base operating; \$44.1 million in one-time operating; and \$207.8 million in capital. The associated annual expenditure of the total cross-corporate operating and capital investment approved through the 2023-2026 Service Plans and Budgets will be reported in the Accountability Reports and in more detail by the focus areas within the annual Climate Progress Report.
Calgary community-wide GHG emissions	<p>Community GHG emissions are calculated based on the measured amount of carbon dioxide (CO₂) equivalent (e) released from an inventory of activities known to be primary sources of GHGs (scope 1 and 2 emissions) in Calgary, including:</p> <ul style="list-style-type: none"> • Energy used in buildings for heating, cooling, power, and light in the industrial, commercial, and residential buildings and facilities (i.e., electricity and natural gas consumption); • Vehicle transport of all types including public, commercial, and private vehicles (i.e., diesel and gasoline); and • Methane from waste and wastewater facilities. <p>Calgary's GHGs are typically reported as a cumulative total for all of Calgary, or by the primary source or energy type. <i>Calgary's Climate Strategy: Pathways to 2050</i> has set a long-term target to be 'net zero' emissions by 2050, with an interim target of 60 per cent below 2005 levels by 2030.</p>
Corporate GHG emissions	Corporate GHGs are those produced by The City's activities, or City-owned projects, buildings, or assets. Corporate GHGs also have a target of net-zero emissions by 2050.
Community Carbon Budget – Corporate and Community	<p>A carbon budget defines the amount of GHG emissions available to be "spent" (i.e., emitted) to keep global temperature rise below 1.5 degrees Celsius. Every action or decision that results in GHG emissions "spends" more of the carbon budget. A carbon budget has been developed for both The City and the community.</p> <p>The carbon budget framework is a GHG management system that allows The City to assess and report its planned corporate and community GHG emissions prior to decision-making processes. When fully developed and implemented, the community carbon budget framework will provide transparency about how Administration and Council decisions impact Calgary's ability to live within our carbon budget amount.</p>
TAMD Score	<p>TAMD scorecard is an overall annual assessment score which considers the following climate adaptation indicators:</p> <ul style="list-style-type: none"> • Integration of climate resilience into planning, policy and strategies; • Coordination of climate risk management across relevant institutions; • Climate adaptation budgeting and financial reporting; • Knowledge and training in climate change issues and mainstreaming processes; • Institutional capacity for decision-making under climatic uncertainty; and • Participation, public engagement, and awareness. <p>The score is expressed as a percentage of best-practice adaptation measures developed and implemented by the organization.</p>

Metric	Description
Projected CCRI (with and without Adaptation)	<p>CCRI is designed to assess the degree of climate risk and to highlight the drivers of vulnerability to climate change within each Calgary community. It illustrates, geospatially, where Calgary is most exposed and vulnerable to six hazards that are being made worse by climate change. Each community is assigned current and future (2050s) "hazard risk scores" and a current and future overall "climate risk score", based on the degree of exposure and vulnerability to each of these hazards within the social, built, and natural environments.</p> <p>The goal of the climate adaptation program is to shift communities facing high and moderate risk in the 2050s to the low risk and very low risk categories through adaptation measures. This community indicator compares the projected 2050 community climate risk against the projected 2050 target with adaptation measures implemented.</p>
Calgarian Perspectives	<p>To help in "making life better every day" for Calgarians, The City conducts the Citizen Perspectives Survey at various intervals throughout the year. Surveys have been carried out with questions related to climate change since 2018.</p> <p>Community indicators derived from the survey include:</p> <ul style="list-style-type: none"> • Percentage of Calgarians who are concerned about the causes of climate change (total concerned vs total non-concerned); • Percentage of Calgarians who are concerned about the impacts of extreme weather events on one's life (total concerned vs total non-concerned); • Percentage of Calgarians who are seeing or experiencing the effects of climate change, such as an increase in extreme weather events; and • Percentage of Calgarians who feel The City, and Calgarians, need to do more about climate change.

b) Scope 1, Scope 2, and Scope 3 Greenhouse Gas Emissions

Greenhouse Gas Emissions

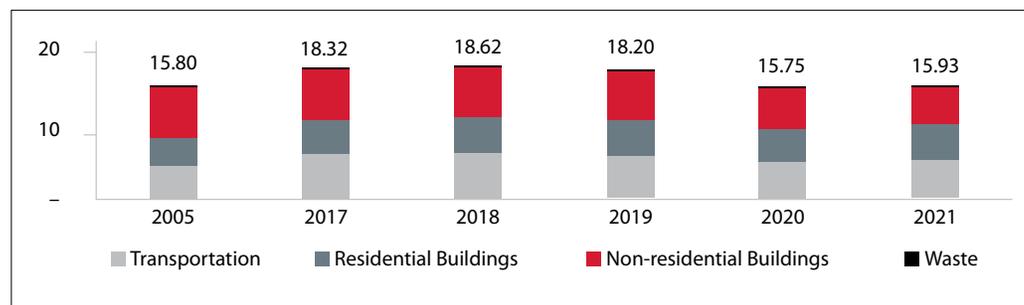
The City calculates both community and corporate GHG emissions inventories, following current international best practices for calculating emissions, and reports publicly on Scope 1 (i.e. direct GHG emissions from energy used by vehicles and heating buildings, waste management, and wastewater processing) and Scope 2 emissions (i.e., indirect GHG emissions associated with the purchase of electricity). Some Scope 3 emissions are included in the community GHG inventory (i.e., electricity line losses).

Community Emissions

In 2021, emissions were one per cent higher than 2005 levels. Community emissions have decreased in recent years from the ongoing COVID-19 pandemic. The City is not on track to meet its 2030 or 2050 emissions reduction targets. However, on a per capita basis, community emissions have decreased from 16.5 CO₂-equivalent per person (tCO₂e/person) in 2005 to 12.1 tCO₂e/person. Per capita emissions have reduced due to a decrease in the carbon intensity of provincial electricity grid, but absolute emissions have risen due to an increasing population.

Community Emissions (million tonnes of CO₂e)

Figure 3



Corporate Emissions

The corporate GHG inventory includes all emission sources within The City’s operational control. It includes emissions from The City’s compost facility that are operated by a third party that manages waste that historically went to corporate operated landfills.

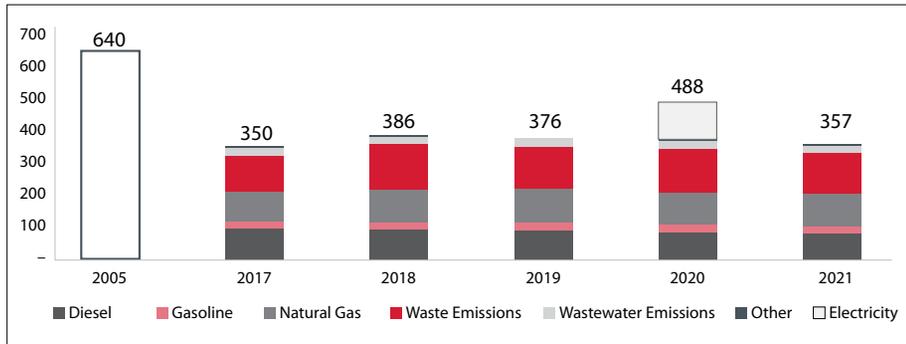
In 2021, emissions were 44 per cent lower than 2005 levels, after considering the use of renewable energy certificates (RECs). Corporate emissions have decreased from improved landfill gas management and the corporate REC contract. RECs allow The City to claim that 100 per cent of the electricity used in corporate operations is zero carbon. In 2020, a portion of The City’s RECs were sold, resulting in electricity GHG emissions being reported for that year (see Figure 4).

Carbon Disclosure Project

The City is committed to disclosing through the Carbon Disclosure Project (CDP), a global disclosure system for investors, companies, cities and regions to measure, manage and disclose responses to their annual climate change questionnaires. The City has been reporting annually to the CDP since 2014 and achieved an “A” standing in its last four years of disclosure, acknowledging the transparency of its disclosures and the ambition of its climate adaptation and mitigation plans.

Corporate Emissions with Renewable Energy Certifications (thousands tonnes of CO2e)

Figure 4



c) Climate-Related Targets

Community and Corporate GHG Emissions Reduction Target

To do our part to help keep global temperature rise to 1.5 degrees Celsius, The City commits to city-wide GHG emissions targets of:

- 60 per cent reduction in GHG emissions below 2005 levels by 2030.
- Net zero emissions by 2050.

The City has modelled future community and corporate emissions, if business-as-usual is continued, and potential GHG reductions if ambitious emission reduction actions are taken. By 2050, the community and The City can significantly reduce their emissions compared to a business-as-usual scenario. Emission reductions will be maximized for the community if the provincial electricity grid decarbonizes and if The City continues to source or develop renewable energy.

The City of Calgary Carbon Budget Framework

A component of The City’s climate governance and accountability reporting is the development of The City’s carbon budget framework. A carbon budget framework is a management system that integrates GHG emissions into key decision-making processes to reduce either corporate or city-wide emissions. As a first step in implementing a comprehensive carbon budget framework, The City assessed the GHG impact of the forecasted energy use for corporate operations and of proposed capital projects included in the 2023-2026 Service Plans and Budgets.

SUMMARY AND NEXT STEPS

The City is not immune to the risks associated with the physical impacts of climate change, nor is Calgary exempt from the financial risks associated with transition changes that are occurring to manage climate risk and shift to a low carbon economy. Accordingly, in 2022 The City made several key advancements towards reducing climate-related risk, including:

- Updating the *Calgary Climate Strategy – Pathways to 2050* and GHG emissions reductions targets for Calgary, to align with the Climate Emergency Declaration;
- Identifying the cross-corporate investment required to fund climate action in the 2023-2026 Service Plans and Budgets;
- Developing a climate reporting framework to enhance transparency and accountability;
- Adopting the Sustainable City Risk, which encompasses climate-related risk;
- Creating a new Climate & Environment business unit and Climate & Environmental Management service; and
- Developing a Climate Advisory Committee to provide strategic advice and recommendations to Council on climate-related policy and initiatives.

In addition to this progress, The City has identified several next steps and priorities, including:

- Implementation of the *Calgary Climate Strategy – Pathways to 2050*, and the associated 2023-2026 Climate Implementation Plan; and
- Implementation of a Carbon Budget Framework for The City.

Although support for the TCFD reporting framework is growing, disclosure standards are still voluntary and continue to evolve. To meet investor demand for high-quality, reliable, and comparable reports on climate and other environmental, social, and governance issues, the International Sustainability Standards Board (ISSB) was created in 2021. While the TCFD was founded to create a voluntary framework that companies could use to report climate issues to investors, the ISSB is using this framework to develop disclosure standards that have the potential to be mandated around the world. In March 2022, the ISSB produced two sets of draft reporting standards for public feedback – one covering general requirements for the disclosure of sustainability-related financial information, and a second focused on climate-related disclosure. The standards, which are expected to be finalized early in 2023, constitute the first step on the ISSB's journey toward establishing a global baseline for sustainability and climate-related financial reporting. They also represent the next stage in the evolution of corporate reporting on climate risks and opportunities.

TCFD recommendations are primarily aimed at the private sector, with the scope of reporting limited to the individual reporting entity and therefore, TCFD concepts are not directly transferable to The City. As a local government entity, climate change impacts our community as a whole, crossing public and private domains. With the absence of a public sector disclosure standard, The City has interpreted the TCFD guidance.



We're working together in new ways and creating opportunities to rethink municipal government to better support our evolving and growing city. Our new organizational structure allows us to be even more adaptable when responding to the needs of Calgarians and our local economy, while creating opportunities for better collaboration and efficiency.

– City Manager **David Duckworth**

FINANCIAL AND STATISTICAL SCHEDULES



Young staff members

Revenue by Source unaudited (see Notes) 2018 to 2022

(in thousands)

	2022			2021		
	Operating	Capital	Total	Operating	Capital (Restated)(1)	Total
Property taxes	\$ 2,804,643	\$ –	\$ 2,804,643	\$ 2,685,513	\$ –	\$ 2,685,513
Community Revitalization Levy	36,034	–	36,034	38,100	–	38,100
(Business Improvement Area Relief) Business taxes	(64)	–	(64)	(4,295)	–	(4,295)
Revenue in lieu of taxes	338,972	–	338,972	251,571	–	251,571
Local improvement levies and special taxes	7,699	–	7,699	9,235	–	9,235
	3,187,284	–	3,187,284	2,980,124	–	2,980,124
Less: Provincial property taxes	(780,928)	–	(780,928)	(771,111)	–	(771,111)
Net taxes available for municipal purposes	2,406,356	–	2,406,356	2,209,013	–	2,209,013
Sales of goods and services	1,384,471	–	1,384,471	1,235,238	–	1,235,238
Government transfers						
Federal						
Debenture interest rebates	–	–	–	–	14	14
Revenue and cost sharing agreements and grants agreements	5,749	162,083	167,832	4,229	167,859	172,088
Provincial						
Debenture interest rebates	–	–	–	–	–	–
Grants, entitlements, revenue and cost sharing agreements	222,081	197,560	419,641	150,551	248,520	399,071
	227,830	359,643	587,473	154,780	416,393	571,173
Other revenue						
Dividends from ENMAX Corporation	62,000	–	62,000	58,000	–	58,000
Other equity (loss) earnings in ENMAX Corporation	233,628	–	233,628	237,777	–	237,777
Developer contributions	–	242,498	242,498	–	158,763	158,763
Developer contributions-in-kind related to capital	–	240,901	240,901	–	212,169	212,169
Investment income	141,530	–	141,530	131,393	–	131,393
Fines and penalties	74,089	–	74,089	64,421	–	64,421
Licences, permits and fees	118,511	–	118,511	106,405	–	106,405
Miscellaneous revenue	56,291	–	56,291	51,798	–	51,798
	686,049	483,399	1,169,448	649,794	370,932	1,020,726
Total revenue	\$ 4,704,706	\$ 843,042	\$ 5,547,748	\$ 4,248,825	\$ 787,325	\$ 5,036,150

Notes: (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.

2020			2019			2018		
Operating	Capital	Total	Operating	Capital	Total	Operating	Capital	Total
\$ 2,651,631	\$ -	\$ 2,651,631	\$ 2,611,336	\$ -	\$ 2,611,336	\$ 2,564,601	\$ -	\$ 2,564,601
37,099	-	37,099	39,882	-	39,882	39,582	-	39,582
-	-	-	3,500	-	3,500	43,978	-	43,978
207,728	-	207,728	214,636	-	214,636	206,488	-	206,488
6,092	-	6,092	16,476	-	16,476	6,273	-	6,273
2,902,550	-	2,902,550	2,885,830	-	2,885,830	2,860,922	-	2,860,922
(779,079)	-	(779,079)	(797,075)	-	(797,075)	(792,852)	-	(792,852)
2,123,471	-	2,123,471	2,088,755	-	2,088,755	2,068,070	-	2,068,070
1,131,088	-	1,131,088	1,323,154	-	1,323,154	1,278,099	-	1,278,099
-	205	205	-	-	-	203	-	203
2,252	114,115	116,367	1,482	149,191	150,673	1,533	121,290	122,823
14	-	14	-	-	-	12	-	12
333,984	168,436	502,420	150,855	502,825	653,680	160,375	443,362	603,737
336,250	282,756	619,006	152,337	652,016	804,353	162,123	564,652	726,775
54,000	-	54,000	50,000	-	50,000	40,000	-	40,000
234,114	-	234,114	106,162	-	106,162	(34,906)	-	(34,906)
-	166,008	166,008	-	124,988	124,988	-	218,988	218,988
-	168,674	168,674	-	323,067	323,067	-	254,799	254,799
102,795	-	102,795	198,927	-	198,927	101,236	-	101,236
69,080	-	69,080	98,646	-	98,646	95,747	-	95,747
96,372	-	96,372	113,111	-	113,111	117,254	-	117,254
33,660	-	33,660	40,542	-	40,542	44,951	-	44,951
590,021	334,682	924,703	607,388	448,055	1,055,443	364,282	473,787	838,069
\$ 4,180,830	\$ 617,438	\$ 4,798,268	\$ 4,171,634	\$ 1,100,071	\$ 5,271,705	\$ 3,872,574	\$ 1,038,439	\$ 4,911,013

Expenses by Function unaudited (see Notes) 2021 to 2022

(in thousands)

	2022 ⁽¹⁾	2021 (Restated) ⁽¹⁾⁽²⁾
Planning and development services	\$ 169,090	139,037
Infrastructure services	394,116	305,924
Community services	1,388,328	1,321,442
Operational services	2,010,020	1,841,594
General government	375,669	372,172
Total expenses	\$ 4,337,223	\$ 3,980,169

Notes: (1) The City underwent an organizational realignment in 2022, with 2021 comparative figures. Comparative figures for 2020-2018 are not able to be provided in the same format due to the extent of changes that occurred in 2022.

The total expenses for those periods are as follows:

- a. 2020 – \$3,848,802
- b. 2019 – \$3,913,569
- c. 2018 – \$3,872,644

(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.

Other Financial and Statistical Schedules

FINANCIAL POSITION AND NET REVENUES UNAUDITED 2018 TO 2022

(in thousands)

	2022	2021 (Restated) ⁽¹⁾	2020	2019	2018
Financial assets	\$ 10,401,718	\$ 9,423,987	\$ 8,226,621	\$ 7,579,593	\$ 7,289,242
Financial liabilities	5,914,587	5,874,125	5,436,376	5,122,483	5,370,638
Net financial assets	4,487,131	3,549,862	2,790,245	2,457,110	1,918,604
Non-financial assets	19,815,666	19,418,040	19,027,286	18,568,296	17,776,479
Accumulated surplus	24,302,797	22,967,902	21,817,531	21,025,406	19,695,083
Annual surplus	\$ 1,334,895	\$ 1,116,194	\$ 792,125	\$ 1,330,323	\$ 1,022,018

Acquisition of Tangible Capital Assets unaudited 2018 to 2022

(in thousands)

	2022	2021	2020	2019	2018
Capital additions	\$ 875,668	\$ 900,000	\$ 994,025	\$ 1,160,353	\$ 1,270,669

Consolidated Accumulated Surplus unaudited 2018 to 2022

(in thousands)

	2022	2021 (Restated) ⁽¹⁾	2020 ⁽²⁾	2019	2018
Operating fund	\$ 258,732	\$ 143,422	\$ 164,156	\$ 110,095	\$ 38,751
Capital fund	170,440	141,009	258,012	341,047	146,082
Local improvements to be funded in future years	54,415	56,411	66,119	62,234	60,715
Obligation to be funded in future years ⁽³⁾	(20,959)	(19,383)	(16,888)	(10,184)	(4,087)
Reserves	3,635,785	3,281,056	2,743,827	2,493,588	2,299,998
Equity in ENMAX Corporation	3,072,460	2,714,462	2,416,472	2,339,699	2,261,350
Equity in non-financial assets	17,131,924	16,650,925	16,185,833	15,688,927	14,892,274
	\$ 24,302,797	\$ 22,967,902	\$ 21,817,531	\$ 21,025,406	\$ 19,695,083

Notes: (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 2020 have been reclassified to conform to the 2021 year end reporting. Years prior to 2020 have not been reclassified for these adjustments.

(3) Obligation to be funded in future years consists of unfunded liabilities of \$6,799 (2021 – \$8,210).

Other Financial and Statistical Schedules

EXPENSES BY OBJECT UNAUDITED

2018 to 2022 (in thousands)

	2022	2021	2020	2019 ⁽²⁾	2018
		(Restated) ⁽¹⁾			
Salaries, wages and benefits	\$ 2,056,226	\$ 1,973,073	\$ 1,971,506	\$ 1,990,256	\$ 1,972,396
Contracted and general services	628,315	495,941	438,914	518,050	523,715
Materials, equipment and supplies	502,226	373,623	387,207	368,262	356,138
Interest charges					
Tax supported	27,575	21,848	30,099	24,946	27,018
Self supported	76,000	78,347	81,277	84,288	83,980
Utilities	123,681	106,309	99,265	104,314	89,605
Transfers	195,123	188,045	138,779	133,050	122,426
Amortization	716,683	707,113	692,962	678,251	678,537
Loss on disposal of tangible capital assets	11,394	35,870	8,793	12,152	18,829
Total expenses	\$ 4,337,223	\$ 3,980,169	\$ 3,848,802	\$ 3,913,569	\$ 3,872,644

Notes: (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 2019 have been reclassified to conform to the 2020 year end reporting. Years prior to 2019 have not been reclassified for these adjustments

CONSOLIDATED INVESTMENTS UNAUDITED

2018 to 2022 (in thousands)

	2022	2021	2020	2019	2018
Cost:					
Government of Canada	\$ 670,139	\$ 529,238	\$ 240,785	\$ 314,011	\$ 358,864
Other Government	383,456	514,557	512,225	401,467	195,357
Corporate	1,836,800	1,796,700	2,197,535	2,128,282	2,700,491
Global fixed income investments	1,206,414	1,179,526	821,671	797,670	401,372
Equity investments	1,109,985	784,776	651,104	589,326	382,478
	\$ 5,206,794	\$ 4,804,797	\$ 4,423,320	\$ 4,230,756	\$ 4,038,562
Market Value:					
Government of Canada	\$ 651,318	\$ 528,682	\$ 245,592	\$ 313,910	\$ 369,707
Other government	353,022	516,800	533,604	407,729	195,829
Corporate	1,725,359	1,784,361	2,233,484	2,137,713	2,733,093
Global fixed income investments	1,095,559	1,183,142	866,195	803,403	358,748
Equity investments	1,097,026	910,266	728,719	631,881	401,215
	\$ 4,922,284	\$ 4,923,251	\$ 4,607,594	\$ 4,294,636	\$ 4,058,592

Other Financial and Statistical Schedules

CONSOLIDATED RESERVES UNAUDITED

2018 to 2022 (in thousands)

	2022	2021 ⁽¹⁾	2020 ⁽¹⁾	2019 ⁽¹⁾	2018 ⁽¹⁾
Calgary Housing Company	\$ 38,306	\$ 30,419	\$ 29,770	\$ 28,726	\$ 27,653
ENMAX dividend stabilization	18,000	18,000	18,000	14,500	13,000
Fiscal stability and operating budget savings account merged	853,510	731,952	608,595	517,440	752,729
Other operating	75,399	74,357	56,223	47,601	90,939
Total operating reserves	\$ 985,215	\$ 854,728	\$ 712,588	\$ 608,267	\$ 884,321
Calgary Parking	\$ 159,374	\$ 159,374	\$ –	\$ –	\$ –
Community investment	130,265	107,497	81,101	61,481	43,704
Debt servicing	52,570	52,570	52,570	52,570	52,570
Established area investments	44,899	51,200	52,326	–	–
Green Line fund	183,539	152,310	153,591	108,113	116,885
Legacy parks	34,039	19,695	10,719	7,889	7,025
Major capital project	282,189	380,991	384,634	400,010	–
Calgary Police Service	37,985	41,195	44,062	37,825	40,868
Reserve for future capital and lifecycle maintenance and upgrade merged	792,182	633,449	547,296	494,908	437,4504
Other capital expenditures	83,108	89,537	85,178	86,900	129,849
Total capital reserves	\$ 1,800,150	\$ 1,687,818	\$ 1,411,477	\$ 1,249,696	\$ 828,351
Cash in lieu lifecycle sustainment	\$ 36,220	\$ 37,435	\$ 44,028	\$ 42,477	\$ –
Corporate housing reserve	43,054	43,442	36,573	33,952	31,622
General hospital legacy reserve	17,184	18,298	17,777	17,223	6,348
Planning and development sustainment	103,545	97,120	84,199	81,707	77,908
Opportunity Calgary investment	82,179	91,102	95,839	95,853	101,047
Perpetual care	28,030	24,901	23,269	21,457	19,519
Real estate services	218,798	131,027	65,321	76,015	71,623
Utilities sustainment	202,589	164,201	133,107	156,957	175,255
Waste and recycling sustainment	69,148	83,565	73,878	67,312	63,083
Other sustainment	49,673	47,419	45,771	42,672	40,921
Total sustainment reserves	\$ 850,420	\$ 738,510	\$ 619,762	\$ 635,625	\$ 587,326
Total reserves	\$ 3,635,785	\$ 3,281,056	\$ 2,743,827	\$ 2,493,588	\$ 2,299,998

Notes: (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.

Taxation and Assessments unaudited 2018 to 2022

(in thousands unless otherwise stated)

	2022	2021	2020	2019	2018	
TAX RATES						
Residential						
Municipal and Library	Mills	4.695	4.825	4.780	4.211	3.901
Provincial property	Mills	2.455	2.582	2.743	2.443	2.456
Non-residential						
Municipal and Library	Mills	17.884	16.513	15.828	17.775	15.323
Provincial property	Mills	4.050	4.095	3.580	4.247	4.103
ASSESSED VALUES						
Residential		\$225,913,559	\$208,942,946	\$210,505,364	\$215,899,419	\$214,765,997
Percentage of total (%)		80.4	78.6	77.9	78.7	76.7
Commercial, industrial and farm		\$54,962,713	\$57,012,414	\$59,729,311	\$58,382,878	\$65,306,173
Percentage of total (%)		19.6	21.4	22.1	21.3	23.3
Total assessment		\$280,876,272	\$265,955,360	\$270,234,675	\$274,282,297	\$280,072,170
TAX LEVIES						
Municipal property taxes						
Residential		\$1,054,942	\$996,465	\$968,850	\$853,589	\$842,238
Non-residential		976,462	925,535	910,370	968,036	936,707
Community Revitalization Levy		36,034	38,100	37,099	39,882	39,582
(Business Improvement Area Relief) Business taxes		(64)	(4,295)	–	3,500	43,978
Revenue in lieu of taxes		331,283	243,973	201,060	207,272	199,292
Local improvement levies and special levies		7,699	9,235	6,092	16,476	6,273
		\$2,406,356	\$2,209,013	\$2,123,471	\$2,088,755	\$2,068,070
Provincial property taxes						
Residential		\$547,974	\$535,364	\$565,733	\$539,762	\$527,066
Non-residential		225,265	228,149	206,678	249,949	258,590
Revenue in lieu of taxes		7,689	7,598	6,668	7,364	7,196
		780,928	771,111	779,079	797,075	792,852
Total taxes levied		\$3,187,284	\$2,980,124	\$2,902,550	\$2,885,830	\$2,860,922
PERCENTAGE OF TOTAL LEVIES						
Property tax						
Residential property		50.29%	51.40%	52.87%	48.28%	47.86%
Non-residential property		37.70%	38.71%	38.49%	42.21%	41.78%
Local improvement levies		0.24%	0.31%	0.21%	0.57%	0.22%
Community Revitalization Levy		1.13%	1.28%	1.28%	1.38%	1.38%
(Business Improvement Area Relief) Business taxes		0.00%	(0.14%)	0.00%	0.12%	1.54%
Revenue in lieu of taxes		10.64%	8.44%	7.15%	7.44%	7.22%

Taxation and Assessments unaudited 2018 to 2022

(in thousands unless otherwise stated)

	2022	2021	2020	2019	2018
PROPERTY TAX – Continuity					
Taxes receivable, January 1	\$ 74,655	\$ 72,131	\$ 53,149	\$ 48,815	\$ 49,557
Current levies					
Property taxes	2,856,684	2,745,711	2,753,858	2,634,604	2,625,419
Business taxes	-	-	-	(6)	47,940
Non-tax items for collection	760	822	3,486	1,609	1,061
Penalties	14,506	8,081	6,642	12,245	11,696
Cancellation of tax arrears	(4,726)	(1,671)	(647)	(14,098)	(1,684)
Write-off of taxes	(384)	(510)	(670)	(478)	(1,370)
Total to be collected	2,941,495	2,824,564	2,815,818	2,682,691	2,732,619
Collections during the year					
Current levies	(2,812,396)	(2,690,158)	(2,699,088)	(2,589,463)	(2,642,847)
Arrears	(62,243)	(59,751)	(44,599)	(40,079)	(40,957)
Subtotal	66,856	74,655	72,131	53,149	48,815
Allowance for doubtful accounts	(2,621)	(2,621)	(2,621)	(100)	(100)
Taxes receivable, December 31	\$ 64,235	\$ 72,034	\$ 69,510	\$ 53,049	\$ 48,715
Percentage of current taxes collected (%)	95.61%	95.24%	95.85%	96.52%	96.71%
Taxes outstanding as a percentage of the current year levy (%)	2.34%	2.72%	2.62%	2.02%	1.83%
Other Major Tax Levies:					
Revenue in lieu of taxes					
Municipal consent and access fee	\$ 225,804	\$ 165,339	\$ 132,378	\$ 142,450	\$ 136,078
Franchise fees	102,608	76,085	61,765	62,039	57,460
Governments					
Provincial	7,105	6,858	9,520	5,951	9,126
Federal	2,813	2,681	3,014	3,380	3,013
	\$ 338,330	\$ 250,963	\$ 206,677	\$ 213,820	\$ 205,677
Net Taxes Available For Municipal Purposes:					
Property taxes	\$ 2,804,643	\$ 2,685,513	\$ 2,651,631	\$ 2,611,336	\$ 2,564,601
Community Revitalization Levy	36,034	38,100	37,099	39,882	39,582
(Business Improvement Area Relief) Business taxes	(64)	(4,295)	-	3,500	43,978
Revenue in lieu of taxes	338,972	251,571	207,728	214,636	206,488
Local improvement levies and special taxes	7,699	9,235	6,092	16,476	6,273
	3,187,284	2,980,124	2,902,550	2,885,830	2,860,922
Less: Provincial property taxes:					
Current year levy	(781,729)	(767,498)	(771,295)	(795,866)	(780,499)
Prior year adjustment (levy)	801	(3,613)	(7,784)	(1,209)	(12,353)
Net taxes available for municipal use	\$ 2,406,356	\$ 2,209,013	\$ 2,123,471	\$ 2,088,755	\$ 2,068,070

Continuity of Long-Term Debt unaudited 2018 to 2022

(in thousands unless otherwise stated)

	2022	2021	2020	2019	2018
		(Restated)(1)			
Tax supported					
Opening	\$ 367,268	\$ 401,122	\$ 441,464	\$ 365,491	\$ 406,876
New Issues	-	1,256	1,775	115,670	-
Repaid	(35,667)	(35,110)	(42,117)	(39,697)	(41,385)
Ending	331,601	367,268	401,122	441,464	365,491
Tax supported, % of total	12.3	13.3	14.1	15.3	12.6
Per capita, tax supported	247	277	307	343	288
Self supported					
Opening	2,183,523	2,229,754	2,231,661	2,234,997	2,310,848
New Issues	131,422	148,819	192,148	176,897	127,504
Repaid	(198,796)	(195,050)	(194,055)	(180,233)	(203,355)
Ending	2,116,149	2,183,523	2,229,754	2,231,661	2,234,997
Self supported, % of total	78.5	78.8	78.4	77.4	77.4
Per capita, self supported	1,575	1,649	1,705	1,735	1,764
Self sufficient tax supported					
Opening	219,799	214,268	210,322	288,343	348,539
New Issues	44,500	22,500	29,000	16,500	26,000
Repaid	(16,956)	(16,969)	(25,054)	(94,521)	(86,196)
Ending	247,343	219,799	214,268	210,322	288,343
Self sufficient tax supported, % of total	9.2	7.9	7.5	7.3	10.0
Per capita, self sufficient tax supported	184	166	164	164	228
Total City Debt	2,695,093	2,770,590	2,845,144	2,883,447	2,888,831
ENMAX Corporation Debt	1,606,493	1,455,813	1,371,972	1,283,320	1,185,380
Closing balance	\$ 4,301,586	\$ 4,226,403	\$ 4,217,116	\$ 4,166,767	\$ 4,074,211
Debt servicing as a per cent of operating expenditures (net of recoveries), tax supported	1.0	1.4	1.5	1.5	1.9
Percentage of debt limit as per City Policy CP2020-05 [see Note 14 f)](3)	41.0	47.8	47.2	35.8	36.4(2)

Notes: (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) The 2018 total debt limit value was understated and the associated percentage has been revised. This change is for disclosure purposes only and does not change the previously reported consolidated statement of financial position or consolidated statements of operations and accumulated surplus.

(3) Commencing 2020, The City is reporting debt limits at 1.6 times revenue in accordance with policy CP2020-05. Years prior to 2020 have not been adjusted for this debt limit.

Demographic and Other Information unaudited 2018 to 2022

	2022	2021	2020	2019	2018
Population ⁽ⁱ⁾	1,343,500	1,323,700	1,306,700	1,285,711	1,267,344
Change due to natural increase	8,600	8,700	8,700	8,807	9,419
Change due to net migration	13,600	8,600	12,300	9,560	11,588
Housing Activity					
Annual applications for residential units					
Total residential	15,733	16,426	15,154	12,232	10,233
Change (%)	(4.2)	8.4	23.9	19.5	26.0
Single family housing starts	4,133	4,140	2,716	2,685	2,750
Change (%)	(0.2)	52.4	1.2	(2.4)	(34.5)
MLS average selling price (\$) ⁽ⁱⁱ⁾	516,878	490,027	457,997	457,046	477,963
New housing price inflation (%) ⁽ⁱⁱⁱ⁾	7.7	8.0	1.8	(0.2)	(0.4)
Building Permits, applied for					
Number of applications	18,566	21,113	17,476	15,954	16,298
Change (%)	(12.1)	20.8	9.5	(2.1)	(0.9)
Value, in thousands	\$ 5,740,316	\$ 5,687,998	\$ 3,439,660	\$ 5,166,275	\$ 4,402,053
Change (%)	0.9	65.4	(33.4)	17.4	(3.8)
Inflation, CPI annual increases (%) ⁽ⁱⁱⁱ⁾					
Calgary	7.2	3.2	1.1	1.4	2.4
Alberta	6.4	3.2	1.1	1.8	2.4
Canada	6.8	3.4	0.7	1.9	2.3
Unemployment Rate (%) ⁽ⁱⁱⁱ⁾					
Calgary	6.1	9.1	11.7	7.1	7.6
Alberta	5.8	8.7	11.4	6.9	6.7
Canada	5.3	7.5	9.5	5.7	5.9

Top ten industries in Calgary (by the number of residents employed) ⁽ⁱⁱⁱ⁾

- | | |
|--|--|
| 1) Wholesale and retail trade | 6) Transportation and warehousing |
| 2) Professional, scientific and technical services | 7) Finance, insurance, real estate, rental and leasing |
| 3) Health care and social assistance | 8) Accommodation and food services |
| 4) Construction | 9) Forestry, fishing, mining, quarrying, oil and gas |
| 5) Educational services | 10) Information, culture and recreation |

External Sources:

(i) Figures for 2020 and 2021 were obtained from the 2020 and 2021 Fall Forecast. Figures for 2019 to 2017 were obtained from the annual Civic Census, which was last performed in April 2019.

(ii) Calgary Real Estate Board

(iii) Statistics Canada

Demographic and Other Information unaudited 2018 to 2022

	2022	2021 (Restated) ⁽¹⁾	2020	2019	2018
Revenue sources – City general⁽²⁾	\$ 3,143,764	\$ 2,714,481	\$ 2,654,278	\$ 2,874,525	\$ 2,731,717
As a % of revenue					
Taxes and revenue in lieu of taxes	64.37	70.62	70.55	63.11	64.86
General	28.53	27.21	27.41	31.83	28.19
Utilities and related authorities contributions	0.00	0.00	0.00	0.00	1.92
Government transfers	5.13	0.03	0.01	3.32	3.57
Dividends from ENMAX Corporation	1.97	2.14	2.03	1.74	1.46
Interest charges – City general					
As a % of operating expenses					
Before subsidy	3.20	3.37	3.74	3.60	3.69
After subsidy	3.20	3.37	3.74	3.60	3.69
Interest charges – consolidated					
Before subsidy (000s)	\$ 103,875	\$ 100,542	\$ 111,766	\$ 109,537	\$ 111,337
Share of operating expenses (%)	3.2	3.1	3.5	3.4	3.5
After subsidy (000s)	\$ 103,875	\$ 100,528	\$ 111,547	\$ 109,537	\$ 111,122
Share of operating expenses (%) (net of subsidy)	3.2	3.1	3.5	3.5	3.5
Debt service limit (principal + interest)⁽⁵⁾					
Total debt service limit	\$ 1,302,441	\$ 1,151,307	\$ 1,136,443	\$ 1,449,161	\$ 1,430,264 ⁽⁴⁾
Total debt service	\$ 625,510	\$ 650,614	\$ 499,457	\$ 369,416	\$ 359,705
Percentage used (%)	48.0	56.5	44.0	25.5	25.2
Debt limit⁽³⁾⁽⁵⁾					
Total debt limit (000s)	\$ 7,442,520	\$ 6,578,898	\$ 6,493,957	\$ 8,280,921	\$ 8,172,936 ⁽⁴⁾
Total debt (000s)	\$ 3,053,548	\$ 3,141,306	\$ 3,063,919	\$ 2,961,444	\$ 2,976,209
Percentage used (%)	41.0	47.8	47.2	35.8	36.4
Municipal full-time equivalents – (excluding ENMAX Corporation)					
Total full-time equivalents – City	15,796	15,894	15,796	15,790	15,918
Total full-time equivalents – Related authorities	1,191	1,197	1,172	1,213	1,150
Full-time equivalents per 1,000 population – City	11.8	12.0	12.1	12.3	12.6
Full-time equivalents per 1,000 population – Related authorities	0.89	0.90	0.90	0.94	0.91
Area, square kilometres	848	848	848	848	848
Km of roads (lane km)	21,732	21,440	21,244	20,999	21,216
Km of roads (centreline km)	8,475	8,371	8,301	8,211	8,092
Transit passenger trips, annual (000s)	56,910	41,175	50,948	106,485	105,328
Km of wastewater mains	5,160	5,107	5,066	4,845	4,811
Km of water mains	5,360	5,338	5,312	5,288	5,262
Km of storm drainage mains	5,493	5,465	5,437	5,373	5,319

Notes: (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 (000s) are before consolidating eliminations.

(3) Prior to 2020, calculations as prescribed by The Province of Alberta, regulations 255/2000 and 165/2011, and does not include debt attributable to ENMAX.

(4) The 2018 total debt limit and total debt service limit values were understated and have been revised including associated percentages. This change is for disclosure purposes only and does not change the previously reported consolidated statement of financial position or consolidated statements of operations and accumulated surplus.

(5) Commencing 2020, The City is reporting debt limits at 1.6 times revenue and debt service limits at 0.28 times revenue in accordance with policy CP2020-05. Years prior to 2020 have not been adjusted for these debt limits.

A mother and daughter enjoying outdoor recreation



