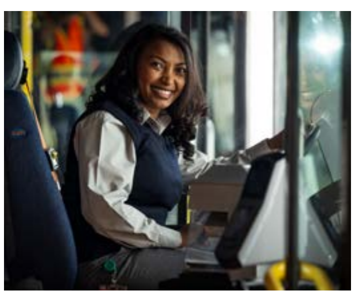
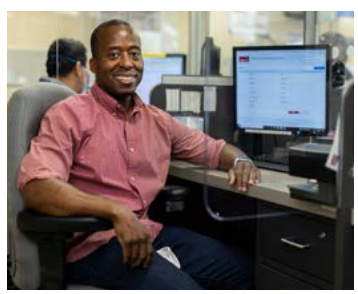
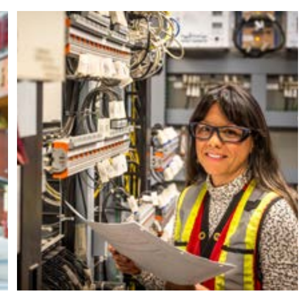
AC2024-0438
Attachment 2

2023 City of Calgary **Annual Financial Report**




Land acknowledgement

The city of Calgary, where the Bow and Elbow rivers meet, was historically a place of confluence where the sharing of resources, ideas and opportunities naturally come together. Long before Settlers named it Calgary, the original Indigenous Nations of this area had their own names for the land. In the Blackfoot language, it is called Moh-kins-tsis. The Îethka Nakoda Wîcastabi First Nations refer to this place as Wicispa Oyade and the people of the Tsuut'ina nation call it Guts-ists-I. The Métis call the Calgary area Otos-kwunee.

We would like to take this opportunity to appreciate and acknowledge that we are gathered on the ancestral and traditional territory of the Blackfoot Confederacy, made up of the Siksika, Piikani, Amskaapipiikani and Kainai First Nations; the Îethka Nakoda Wîcastabi First Nations, comprised of the Chiniki, Bearspaw, and Goodstoney First Nations; and the Tsuut'ina First Nation. The city of Calgary is also homeland to the historic Northwest Métis and to the Otipemisiwak Métis Government, Métis Nation Battle River Territory (Nose Hill Métis District 5 and Elbow Métis District 6). We acknowledge all Indigenous people who have made Calgary their home.

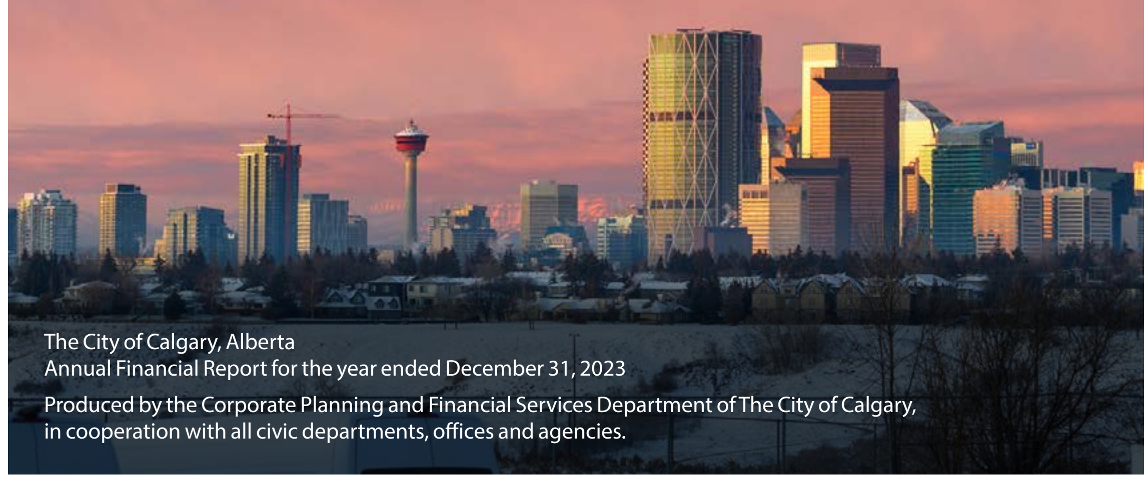
Indigenous dancers wearing traditional regalia while on stage, Orange Shirt Day 2023.

Contents

Main Cover Image: Calgary skyline. Photo provided by: Tourism Calgary | Sherpas Cinema

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

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



The City of Calgary, Alberta
Annual Financial Report for the year ended December 31, 2023

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

Introduction

Men watch mobile phone while riding Calgary Transit bus.

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

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

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

Admin and Council

62%

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

Perceptions of transparency and Calgarians' input

62%

of Calgarians agree The City practices open and accessible government.

59%

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

54%

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

51%

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

City services

69%

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

75%

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

73%

agree The City meets my customer service expectations.

Quality of life in Calgary

76%

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

67%

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

75%

agree Calgary is a great place to make a life.

47%

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

70%

agree Calgary is a great place to make a living.

48%

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

70%

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


Aerial view of Calgary downtown.
Photo provided by: Tourism Calgary | Sherpas Cinema


A couple enjoying a busker on Stephen avenue.
Photo provided by: Tourism Calgary | Colin Way

Corporate Governance and Accountability

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

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

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

Audit Committee

The Audit Committee assists Council in fulfilling its financial oversight and stewardship responsibilities. It maintains reasonable assurance in relation to the integrity of The City's annual financial statements, governance matters, risk management and compliance. The Audit Committee upholds the qualifications, independence, and effectiveness of the External Auditor and the City Auditor. It also evaluates internal control systems and processes and maintains the utilization of a confidential and independent Whistle-blower Program.

The Audit Committee consists of seven members appointed by Council, with the Mayor serving as ex-officio. The membership includes four City councillors and three volunteer public members, whom demonstrate extensive financial expertise. Support to the Audit Committee is provided by the Chief Financial Officer, City Auditor and the External Auditor.

City of Calgary Administration

Calgary's municipal government is responsible for supporting, encouraging, and strengthening our community's dynamic development.

It is Administration's responsibility to provide, manage, and sustain civic infrastructure, facilities, and programs in support of Calgary's excellent quality of life, contributing to why Calgary is consistently recognized as one of the world's most livable cities.

The Role of the Chief Administrative Officer

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

Executive Leadership Team

The ELT oversees all City operations and strategic management by leading, managing, and 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.

Restored Historic City Hall.

City of Calgary Organization

For financial reporting purposes, the results of Green Line and Calgary Police Service (CPS) are included in the Annual Financial Report. Their reporting structure remains separate from administration's organizational structure. CPS communicates with Council through the Calgary Police Commission, while Green Line communicates via the Green Line Board with Council through the Executive Committee of Council.

Calgary City Council

City Auditor's Office
Liz Ormsby
City Auditor

David Duckworth
Chief Administrative Officer

Heather Domzal
Chief of Staff

Stuart Dalgleish
Chief Operating Officer

Planning & Development Services (PDS)

Debra Hamilton
Acting General Manager

- **Downtown Strategy** — Thom Mahler, Deputy City Manager
- **Climate & Environment** — Carolyn Bowen, Director
- **City & Regional Planning** — Josh White, Director
- **Community Planning** — Mary Saunders, Acting Director
- **Development, Business & Building Services** — Brenda Desjardins, Director

Infrastructure Services (IS)

Michael Thompson
General Manager

- **Capital Priorities & Investment** — Francois Bouchart, Director
- **Public Spaces Delivery** — Kerensa Fromherz, Director
- **Utilities Delivery** — Graham Duckworth, Director
- **Business & Engineering Services** — Ryan Vanderputten, Director/Chief Engineer
- **Real Estate & Development Services** — Campbell Berry, Director

Community Services (CS)

Katie Black
General Manager

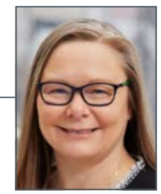
- **Community Strategies** — Erendira Cervantes-Altamirano, Director
- **Partnerships** — Jeff Chase, Director
- **Recreation & Social Programs** — Heather Johnson, Director
- **Emergency Management & Community Safety** — Iain Bushell, Director
- **Calgary Fire** — Steve Dongworth, Chief

Operational Services (OS)

Doug Morgan
General Manager

- **Mobility** — Troy McLeod, Director
- **Parks & Open Spaces** — Kyle Ripley, Director
- **Water Services** — Nancy Mackay, Director
- **Waste & Recycling Services** — Julie Radke, Director
- **Calgary Transit** — Sharon Fleming, Director
- **Fleet & Inventory** — Majid Asefi, Director
- **Facility Management** — Ian Fleming, Director

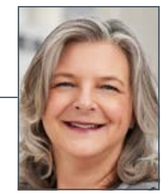
Corporate Planning & Financial Services (CPFS)



Carla Male
General Manager/
Chief Financial Officer

- **Assessment & Tax** — Eddie Lee, Director/City Assessor
- **Corporate Planning & Performance** — Chris Stewart, Director/City Risk Officer
- **Finance** — Les Tochor, Director/City Treasurer
- **Supply Management** — Amit Patil, Director

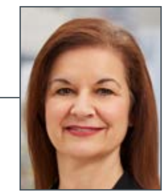
People, Innovation & Collaboration Services (PICS)



Chris Arthurs
General Manager

- **Customer Service & Communications** — Jennifer McMurtry, Director
- **Information Technology** — Jan Bradley, Director/Chief Information Technology Officer
- **Human Resources** — Moira Game, Acting Director/Chief Human Resources Officer
- **Occupational Health & Safety** — Christopher Collier, Director
- **Collaboration, Analytics & Innovation** — Bruce Cullen, Director

Law, Legislative Services & Security (LLSS)



Jill Floen
City Solicitor &
General Counsel

- **Law** — Lynne Davies, Director
- **City Clerk's Office** — Kate Martin, Director/City Clerk
- **Corporate Security** — Mike Tillotson, Director

As of December 2023

Calgary at a Glance


The Calgary tower at sunset.

1,389,200[(1)]
population

1,142 km
city pathways

3.4%
population growth

207
City-supported events

38.6
median age

$536,805
MLS average selling price

6%
unemployment rate

4,552
single family housing starts

852 km
city area

$5.98 billion
value of building permits issues

In 2023, Calgary ranked seventh in the Economist Intelligence Unit's (EIU) annual list of the world's most livable cities.

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

(1) Corporate Economics forecasts as of 2023

Financial Statement Discussion and Analysis

A group of City of Calgary traffic engineers hold a meeting.

Introduction

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

The 2023 year is the first year in the four-year business plan and budget cycle (2023-2026), also known as 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, Council approved an average annual increase of 3.7 per cent for 2023-2026 in the total amount of tax collected from existing properties.

In 2023, The City continued to strive to enhance financial sustainability, drive innovation, and modernize service delivery. 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 2023 Annual Financial Report contains the audited consolidated financial statements prepared in accordance with principles and standards established by the Canadian Public Sector Accounting Board published by the Chartered Professional Accountants (CPA) Canada, as required by the *Alberta Municipal Government Act*. Deloitte LLP has audited The City's consolidated financial statements and provided an Independent Auditor's Report. The consolidated financial statements and auditor's report satisfy the legislative reporting requirement set out in the *Alberta Municipal Government Act*.

With the adoption of five new accounting standards required by the Public Sector Accounting Board, the presentation of the financial statements has changed significantly in 2023. The 2022 financial results have been restated to match the current years presentation in order to provide valid comparisons between the two years. The five new accounting standards adopted in 2023 are PS 3280 – Asset Retirement Obligations, PS 3450 – Financial Instruments, PS 1201 – Financial Statement Presentation, PS 3041 – Portfolio Investments, and PS 2601 – Foreign Currency Translation.

Carla Male
Chief Financial Officer

The consolidated financial statements consist of:

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

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

In 2023, as a result of adopting the new PS 3280 – Asset Retirement Obligations accounting standard on a modified retroactive basis, prior years consolidated financial statements have been retroactively adjusted. The adoption of this standard resulted in PS 3270 – Solid Waste Landfill Closure and Post-Closure Liability being withdrawn. As a result, previous years Provisions for Landfill Rehabilitation have now been captured within the financial liability of asset retirement obligations. The prior year tangible capital asset balance previously reported in the 2022 consolidated financial statements of $19,703 million has been restated to $19,745 million resulting in an increase of $42 million. The change represents 0.2 per cent of tangible capital assets. The 2022 provision for landfill rehabilitation of $103 million in the 2022 consolidated financial statements was absorbed into the asset retirement obligation, resulting in a restated balance of $307 million, which includes retirement obligations beyond just landfills. The adjustments also resulted in a prior year increase of $1.5 million to amortization and depreciation expense, a new accretion expense of $7.5 million, and a decrease of $156 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

A strong performance by the oil and gas sector continued adding to Calgary's local and regional economic growth in 2023. Total employment in the Calgary Economic Region increased to 954,700 in 2023, up by 26,800 jobs from 927,900 in 2022. The region's annual average unemployment rate stabilized at 6.0 per cent in 2023, slightly lower than 6.1 per cent in 2022. Consumer price inflation in the Calgary census metropolitan area decelerated to 3.8 per cent in 2023, down from 7.2 per cent in 2022. Building permit value reached $6.0 billion in 2023, up by $271 million from $5.7 billion in 2022. The number of building permits issued increased by 1,565, from 18,566 in 2022 to 20,131 in 2023.

	2023	2022	Change
Calgary			
Population (persons)[1]	**1,389,200**	1,343,500	3.4%
Building permit (numbers)[2]	**20,131**	18,566	1,565
Building permit value ($ billions)	**6.0**	5.7	0.3
Calgary Census Metro Area			
CPI inflation rate (%)	**3.8**	7.2	(3.4)
Calgary Economic Region			
Employment (persons)	**954,700**	927,900	26,800
Unemployment rate (%)	**6.0**	6.1	(0.1)

Population growth in Calgary was estimated at 45,700 (3.0 per cent) in 2023, which is significantly higher than 27,000 (2.0 per cent) in 2022. The growth was driven by a record-setting net migration of 33,100 people to Calgary in 2023, compared to 19,700 people in 2022. The net migration from international and interprovincial sources is expected to decelerate over the next four years, especially from non-permanent residents and international students. With visa applications under the Canada-Ukraine Authorization for Emergency Travel program expiring, and the Federal Government reducing the cap on international students in 2024 by 35 per cent from 2023. Annual population growth in Calgary is expected to moderate to 1.5 per cent in 2024-2027, down from 1.9 per cent in 2020-2023.

Sources: All data is from Statistics Canada, except:

(1) The population figures are estimates from Corporate Economics (Fall 2023 estimate) using alternative demographic data from Statistics Canada and the Alberta Government.

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

Financial Highlights

Revenues and Expenses

The City had consolidated revenues of $4,606 million in 2023 (2022 – $4,705 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 $940 million (2022 – $843 million).

The City had consolidated expenses of $4,658 million (2022 – $4,344 million restated). Included in expenses is depreciation and amortization in the amount of $725 million (2022 – $718 million restated) as the estimated annual cost of owning and using The City's tangible capital assets.

The City had an excess of revenues over expenses before other contributions and transfers of negative $52 million (2022 – $361 million restated). The City's annual surplus on a consolidated basis for financial statement reporting totaled $888 million (2022 – $1,329 million restated).

Consolidated Financial Position

As at December 31, 2023 (in millions)

		2023		2022 (Restated)
A. Financial Assets	$	**10,622**	$	10,402
B. Financial Liabilities		**6,098**		6,119
C. Net Financial Assets (A minus B)		**4,524**		4,283
D. Non-Financial Assets		**20,442**		19,858
E. Net Assets (C plus D)		**24,966**		24,141

The City's net financial assets increased by $241 million (2022 – $733 million restated) mainly due to an increase in investments and a decreases in accounts payable and accrued liabilities. The increase in net financial assets was partially offset by decreases in cash and cash equivalents, investment in ENMAX and an increase in asset retirement obligations. Financial assets are partially offset by financial liabilities which are governed by agreements with the parties involved, including funds owed for goods and services already received (accounts payable and accrued liabilities), bank indebtedness and capital deposits that are restricted to specific types of capital.

The City's net assets increased by $825 million (3 per cent) in 2023, primarily from the increase in investments of $553 million, net increase in tangible capital assets (purchased and donated) of $575 million, offset by decreases in cash and cash equivalents of $205 million, investment in ENMAX of $121 million and partially offset by a decrease in accounts payable and accrued liabilities of $34 million. In 2022, The City's restated accumulated surplus increased by $1,173 million (5 per cent), primarily from the increase in cash of $162 million, investments of $402 million, restated net increase in tangible capital assets (purchased and donated) of $424 million, investment in ENMAX of $358 million, decrease in long-term debt of $76 million, partially offset by increase in accounts payable of $137 million. With the adoption of PS 3280 – Asset Retirement Obligations, The City's opening accumulated surplus decreased by $156 million due to the modified retroactive adoption.

The City's long-term debt ratings were affirmed at AA+ by S&P Global Rating Agency (S&P) and AA (high) by Morningstar DBRS (DBRS) in 2023.

Cash Flow

The City's cash and cash equivalents decreased by $205 million to $1,106 million and investments increased by $553 million to $5,760 million. The decrease in cash and cash equivalents is primarily due to cash used for the acquisition of tangible capital assets and purchase of investments. This decrease was offset by cash generated from operating activities and dividends received from ENMAX.

Cash provided by operating activities

In 2023, cash provided by operating activities was $1,313 million, compared to $1,434 million in 2022, and includes:

- Annual surplus of $888 million (2022 – $1,328 million restated); and
- Items included in the annual surplus and not affecting cash of $425 million (2022 – $106 million restated).

Cash used in capital activities

Cash used in capital activities was $1,053 million, compared to $850 million in 2022, and includes:

- Additions to capital assets of $1,065 million (2022 – $876 million); and
- Proceeds on the sale of tangible capital assets of $12 million (2022 – $26 million).

Cash used in investing activities

Cash used in investing activities was $471 million, compared to $340 million used in 2022, and includes:

- Net purchases of investments of $553 million (2022 – $402 million); less
- Dividends from ENMAX of $82 million (2022 – $62 million).

Cash provided by financing activities

Cash provided by financing activities was $6 million, compared to cash used of $83 million in 2022, and includes:

- Proceeds from long-term debt issued of $234 million (2022 – $176 million);
- Long-term debt repayments of $228 million (2022 – $251 million); and
- Net increase in bank indebtedness of $0.3 million (2022 – decrease of $8 million).

ENMAX (The City's Wholly-Owned Subsidiary)

ENMAX is a private Alberta corporation with The City being the sole shareholder. The City's investment in ENMAX comprises 28 per cent (2022 – 30 per cent) of The City's financial assets on the consolidated statement of financial position.

ENMAX's 2023 consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). Summary financial information for ENMAX is included in Note 9 of the consolidated financial statements. ENMAX provides The City with annual dividends based on a target of 30 per cent of comparable net earnings or $30 million, whichever is greater.

Fitch Ratings affirmed its BBB with a Stable Outlook credit rating for ENMAX on May 19, 2023. DBRS affirmed its credit rating of BBB (high) with Stable Trends for ENMAX on July 7, 2023. S&P revised its rating for ENMAX Corporation on July 14, 2023, to BBB- with a Stable Outlook, up from BBB- with a Negative Outlook. S&P revised its standalone rating for Versant Power on July 14, 2023, to BBB+ with a Stable Outlook, up from BBB+ with a Negative Outlook.


Centre Street in Downtown Calgary.
Photo provided by: Tourism Calgary | Vaibhav Kapoor

Financial Analysis Review

Revenues – Comparison to Prior Year

For the year ended December 31 (in thousands)

		2023		2022 (Restated)		Increase/ (Decrease)	Per cent Change
Net taxes available for municipal purposes	**$**	**2,607,604**	$	2,406,356	$	201,248	8%
Sales of goods and services		**1,359,983**		1,384,471		(24,488)	(2%)
Government transfers related to operating		**179,306**		227,830		(48,524)	(21%)
Investment income		**219,934**		141,530		78,404	55%
Fines and penalties		**77,650**		74,089		3,561	5%
Licences, permits and fees		**134,083**		118,511		15,572	13%
Miscellaneous revenue		**43,243**		56,291		(13,048)	(23%)
Equity in (loss) earnings of ENMAX Corporation		**(15,608)**		295,628		(311,236)	(105%)
Total revenues (before external transfers for infrastructure)	**$**	**4,606,195**	$	4,704,706	$	(98,511)	(2%)
Developer contributions	**$**	**188,830**	$	242,498	$	(53,668)	(22%)
Government transfers related to capital		**462,316**		359,643		102,673	29%
Developer contributions-in-kind related to capital		**288,695**		240,901		47,794	20%
Total external transfers for infrastructure	**$**	**939,841**	$	843,042	$	96,799	11%

Net taxes available for municipal purposes increased by 8 per cent due to physical growth in the number of properties in the tax base and a municipal tax rate increase of 3.7 per cent. In addition to physical growth in the number of properties, The City saw higher property assessment values in 2023 which was a supplementary cause of the increase. The City also received additional revenue in lieu of taxes from ENMAX due to strong electricity prices which was offset by lower franchise fees due to the declining price of natural gas.

Sales of goods and services decreased by 2 per cent primarily due to The City having much less activity in land sales transactions in 2023 as opposed to 2022 when The City took advantage of favourable industrial land market conditions. This decrease was offset by an increase in transit ridership and an increase in delivery and demand for The City's recreational programs as compared to the 2022 revenues, which are continuing to normalize after the COVID-19 pandemic. Further, in 2023, The City experienced higher revenue from Landfill tipping fees as a result of higher tonnage from new commercial agreements, and higher black, blue, and green cart fees due to household growth in 2023. Lastly, Water Services revenue increase was from higher consumption during the year due to population and usage growth.

Government transfers related to operating decreased by 21 per cent primarily due to the one-time $82 million of Alberta Relief for Shortfalls for Transit Operators (RESTOR) funding that was recognized by The City in 2022. This amount was offset by additional emergency funding received for the Northwest Territories wildfire emergency support and additional amounts received for the Building Safer Communities program, and Family Community Support Services grant funding. In addition, The City received funding for Transit programs created to make Transit ridership safer, and additional funding needed for changes in the Senior's Low Income Transit Pass eligibility program.

Investment income was 55 per cent higher due to favourable returns generated throughout the year on The City's investments. Stabilization of general economic conditions led to favourable market conditions in 2023 as opposed to the previous year's capital markets. The City's investments are managed by both internal and external managers allowing them to capitalize on investment opportunities while staying within set policies ranges and limits.

Fines and penalties were 5 per cent higher due to an increase in property tax penalty revenues. This increase was partially offset by a decrease in fines charged on infractions.

Licences, permits and fees were 13 per cent higher as a result of higher building permit numbers and building permit values for the construction of new housing in The City. Licences revenues were higher in 2023 resulting from relief packages provided during the COVID-19 pandemic expiring and the number of licences normalizing.

Miscellaneous revenue was 23 per cent lower due to tangible capital asset disposals and sales resulting in less proceeds to The City. Additionally, lower rental income generated in the film industry as a result of strikes which were seen throughout 2023. The City had higher funds generated in 2022 as a result of warranty settlements which were one-time occurrences. These decreases were partially offset by higher amounts received from Mental Health programs.

Equity in (loss) earnings of ENMAX Corporation decreased by 105 per cent primarily due to unrealized mark to market losses on commodities contracts due to changes in forward natural gas prices and foreign exchange losses of $380 million offset by unrealized net income tax recovery on unrealized loss of $48 million resulting in a net loss of $16 million compared to a net earnings of $296 million in 2022.

Developer contributions decreased 22 per cent primarily due to actual project spend being lower in 2023 because of increased utilization of government transfers. Additionally, in 2022 The City received a large contribution from Joint Use Coordinating Committee (JUCC) for a land acquisition, in 2023 there were no contributions from JUCC.

Government transfers related to capital increased 29 per cent primarily due to higher Canada Community Building funds being applied to construction projects which were started in 2023 and had very little spending in 2022. Calgary Transit saw more activity throughout 2023 for capital spend projects which created higher grant claim activity throughout the year. Additionally, there was an increase in projects eligible for Municipal Sustainability Initiatives (MSI) which allowed greater spend on facility upgrades and sustainment.

Developer contributions-in-kind related to capital related to capital were 20 per cent higher in 2023 versus 2022 due to timing of completion of developer donated assets which vary year to year. The City saw greater activity in 2023 to support more migration and immigration into The City.

Expenses – Comparison to Prior Year

For the year ended December 31 (in thousands)

	2023	2022 (Restated)	Increase/ (decrease)	Per cent Change
Planning and development services	**$ 200,982**	$ 169,090	$ 31,892	19%
Infrastructure services	**377,687**	394,227	(16,540)	(4%)
Community services	**1,565,365**	1,389,104	176,261	13%
Operational services	**2,146,059**	2,015,534	130,525	6%
General government	**367,654**	375,669	(8,015)	(2%)
	$ 4,657,747	$ 4,343,624	$ 314,123	7%

Planning and development services expenses increased by 19 per cent primarily due to increased spending of the Calgary Downtown Revitalization grant funding including higher consulting costs related to the greater downtown Calgary plan. The downtown plan also saw increased spending related with City partners and third-party organizations on programs and safety initiatives. Additionally, there was higher salary, wage and benefit expenses in 2023 from approved growth positions to maintain and increase service levels.

Infrastructure services expenses decreased by 4 per cent primarily due to costs of land sales being lower due to less activity in the sales of industrial lands. This decrease was offset by increases incurred for salaries, wages and benefits, and materials, equipment and supplies.

Community services expenses increased by 13 per cent primarily due to union settlements and staffing for approved growth in support of Council priorities of public safety and affordable housing. In addition, 2023 was another significant fire season in western Canada resulting is evacuations of northern areas and housed in Calgary. Additional costs for Northwest Territories wildfire emergency support were a contributor to the increase.

Operational services expenses increased by 6 per cent primarily due to Calgary Transit's operational costs increasing in 2023 as a result of continued normalization towards service hours. This contributed to higher replacement part costs on service vehicles. The City incurred additional costs on its facilities, including increased services in preventative maintenance programs, base level electrical work, and common area enhancements. Other levels of operational services continued seeing an upward trend on costs primarily due to increased number of services provided to Calgarians and the requirement of additional services for new and existing communities.

General government expenses include the costs of Council, Chief Administrative Officer, Chief Operating Officer, Finance, Supply Management, 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. 2023 expenses were 2 per cent less than prior years due to on-going monitoring and management of expenses and less accruals for corporate contingencies.

A couple enjoying a stroll by the National Music Centre.
Photo provided by: Tourism Calgary | Colin Way

Revenues – Budget to Actual Comparison

For the year ended December 31 (in thousands)

	Budget 2023	Actual 2023	Favourable/ (Unfavourable)	Per cent Change
Net taxes available for municipal purposes	$ 2,370,532	$ 2,607,604	$ 237,072	10%
Sales of goods and services	1,394,150	1,359,983	(34,167)	(2%)
Government transfers related to operating	145,324	179,306	33,982	23%
Investment income	110,437	219,934	109,497	99%
Fines and penalties	83,009	77,650	(5,359)	(6%)
Licences, permits and fees	115,231	134,083	18,852	16%
Miscellaneous revenue	29,870	43,243	13,373	45%
Equity in (loss) earnings of ENMAX Corporation	275,000	(15,608)	(290,608)	(106%)
Total revenues (before external transfers for infrastructure)	$ 4,523,553	$ 4,606,195	$ 82,642	2%
Developer contributions	$ 270,063	$ 188,830	$ (81,233)	(30%)
Government transfers related to capital	883,491	462,316	(421,175)	(48%)
Developer contributions-in-kind related to capital	–	288,695	288,695	100%
Total external transfers for infrastructure	$ 1,153,554	$ 939,841	$ (213,713)	(23%)

The City's consolidated revenues (before external transfers for infrastructure) were 2 per cent higher than the total budgeted amount for 2023, primarily due to a higher than expected net taxes available for municipal purposes, government transfers related to operating, investment income, licences, permits and fees and miscellaneous revenue. These revenue categories were partially offset with a significant decline in equity in earnings of ENMAX Corporation and sales of goods and services.

Net taxes available for municipal purposes were 10 per cent higher than budgeted primarily due to higher property assessment values and higher local access fees which are collected by ENMAX from rate users resulting from higher demand and strong electricity prices. Additionally, franchise fees were higher than budgeted due to natural gas prices being better than forecasted but below 2022 levels.

Sales of goods and services were 2 per cent lower than budgeted largely driven by Calgary Transit's ridership levels in 2023 not meeting budgeted demand. Housing programs provided through Attainable Homes Corporation Calgary saw a significant decline in sales of goods and services as a result of extremely low housing inventory levels The City experienced in 2023. This, along with general land sales not meeting expected budget amounts led to a large decrease in sales of goods and services. These declines were partially offset by a variety of other service lines which experienced higher than budgeted revenues. Favourable variances were seen as a result of one-time Renewable Energy Credit sales, services provided to Alberta Health Services on vehicle maintenance, utility right-of-way revenues, favourable landfill tipping fee revenues, and a longer and dryer season leading to higher than expected golf and outdoor activity revenues. In addition, The City experienced higher water consumptions level resulting from abnormal weather patterns causing drought like conditions.

Government transfers related to operating were 23 per cent higher than budgeted due to additional provincial grant funding provided for transit operations, recreation and social program grants, and unbudgeted revenues received for the deployment of firefighters to support wildfire efforts in Grand Prairie and additional funding received for wildfire support programs.

Investment income was 99 per cent higher than budgeted due to higher returns generated on a larger overall investment balance. Stabilization of general economic conditions led to favourable market conditions in 2023 as opposed to the previous year's capital markets. The City's investments are managed by internal and external managers allowing them to capitalize investment opportunities while staying within set policy ranges and limits.

Fines and penalties were 6 per cent lower than budgeted primarily due to the Calgary Police Service having decreased summons infractions throughout the year which were partially offset by higher parking infractions and property tax penalties.

Licences, permits and fees were 16 per cent higher than budgeted primarily due to an increased demand in new housing initiatives and higher construction permit values and additional fees charged to new ride-sharing services in 2023.

Miscellaneous revenue was 45 per cent higher than budgeted due to contributions received for unbudgeted programs such as mental health and addiction programs and community hub programs. Additionally, receipt of unbudgeted insurance proceeds led to the favourable variance.

Equity in (loss) earnings of ENMAX Corporation were 106 per cent lower than budgeted largely due to unrealized mark to market losses on commodities contracts due to changes in forward natural gas prices and foreign exchange losses of $380 million offset by unrealized net income tax recovery on unrealized loss of $48 million resulting in a net loss of $16 million compared to budgeted net earnings of $275 million.

Developer contributions were 30 per cent lower than budgeted due to timing differences and overall capital spend rates being approximately half of what was budgeted in 2023. This was primarily the result of project scope modifications and delays in construction.

Government transfers related to capital were 48 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 supply disruptions impacting the bus and shuttle procurement program, 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.

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

Expenses – Budget to Actual Comparison

For the year ended December 31 (in thousands)

	2023 Budget (excluding Amortization)	2023 Actual (excluding Amortization)	Favourable/ (Unfavourable)	Per cent Change	2023 Budget Amortization Expense	2023 Actual Amortization Expense
Planning and development services	$ 215,261	$ 196,647	$ 18,614	9%	$ 508	$ 4,335
Infrastructure services	315,861	368,127	(52,266)	(17%)	–	9,560
Community services	1,475,551	1,509,731	(34,180)	(2%)	3,686	55,634
Operational services	1,413,815	1,513,588	(99,773)	(7%)	148,892	632,471
General government	550,735	345,175	205,560	37%	–	22,479
	$ 3,971,223	$ 3,933,268	$ 37,955	1%	$ 153,086	$ 724,479

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.

During 2023, 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 9 per cent lower than budgeted primarily due to lower salary, wages and benefits due to vacancies in City & Regional Planning and Community Planning.

Infrastructure services expenses were 17 per cent higher than budgeted primarily due to higher community revitalization levies being higher than budgeted. Additionally, higher than budgeted expenses were seen for the VIVO expansion. These were offset by lower than budgeted costs of land sales as a result of lower land development costs for the land parcels sold and lower salary, wages and benefits due to vacancies by intentionally managing the work force.

Community services expenses were 2 per cent higher due to additional expenses related to 2023 transferred payments from Opportunity Calgary Investment Fund, additional expenses related to the adoption of the Asset Retirement Obligations standard and work in progress adjustments for the new Event Centre.

Operational services expenses were 7 per cent higher than budgeted due to higher expenses incurred based on opportunity based work in urban forestry and more time available due to mild weather conditions for road repair and maintenance work. The City incurred additional costs in the areas of materials, equipment, and supplies due to various forms of price increases from suppliers and vendors. This was offset by milder winter conditions which led to savings in winter operations activities. Calgary Transit had a favourable variance driven by reduced service hours in the first half of 2023 prior to their returning to increased service hours in the second part of the year.

General government expenses were 37 per cent lower than budgeted primarily due to lower corporate contingency estimates, and 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

As at December 31 (in thousands)

	2023 Net book value	2022 Net book value (Restated)	Increase/ (Decrease)
Land	**$ 2,846,703**	$ 2,738,755	$ 107,948
Land improvements	**575,747**	608,248	(32,501)
Engineered structures	**11,942,856**	11,729,402	213,454
Buildings	**2,229,948**	2,302,976	(73,028)
Machinery and equipment	**189,879**	208,660	(18,781)
Vehicles	**811,552**	796,853	14,699
	$ 18,596,685	$ 18,384,894	$ 211,791
Work in progress			
Land	**$ 1,624**	$ 13,722	$ (12,098)
Construction	**1,721,671**	1,346,422	375,249
Tangible capital assets	**$ 20,319,980**	$ 19,745,038	$ 574,942

During 2023, the net book value of tangible capital assets increased by $575 million (2022 – $424 million restated). Spending on capital projects was primarily for roads and utility infrastructure projects, the Green Line LRT Project and Calgary Municipal Land Corporation's (CMLC) 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 2023, amortization expense of $725 million was recorded (2022 – $718 million restated). In total there was $289 million (2022 – $241 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 $21 million were made in 2023 (2022 – $32 million) which consisted of land, land improvements, engineered structures, buildings, machinery and equipment and vehicles.

In 2023, The City adopted PSAB section PS 3280 – Asset Retirement Obligations. This change had implications across the organization. This adoption required changes to business processes and financial policies. The City has successfully implemented PS 3280 and will continue to refine and enhance the ongoing sustainment efforts to maintain compliance with this new standard.

Significant Trends

Consolidated Statement of Operations

For the year ended December 31 (in thousands)

	2023	2022 (Restated)	2021	2020	2019
Revenues	**$ 4,606,195**	$ 4,704,706	$ 4,248,825	$ 4,180,830	$ 4,171,634
Other Revenues	**939,841**	843,042	787,325	617,438	1,100,071
Expenses	**(4,657,747)**	(4,343,624)	(3,980,169)	(3,848,802)	(3,913,569)
Annual Surplus (previously Net Revenues)	**$ 888,289**	$ 1,204,124	$ 1,055,981	$ 949,466	$ 1,358,136

Annual Surplus for the year was $888 million after accounting for developer contributions, government transfers related to capital and developer contributions-in-kind related to capital. Revenues decreased 2 per cent from the prior year, primarily due to government transfers related to operating and equity in (loss) earnings of ENMAX Corporation. 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. With the adoption of PS 3280 – Asset Retirement Obligations, The City's 2023 and 2022 expenses have increased due to the inclusion of amortization expense and accretion expense on The City's asset retirement obligations.

Calgarians commuting on the bike path.

Liquidity and Debt

Financial Position – Net Financial Assets

As at December 31 (in thousands)

	2023	2022 (Restated)	2021	2020	2019
Financial Assets					
Cash and cash equivalents	**$ 1,106,014**	$ 1,311,375	$ 1,149,220	$ 632,626	$ 263,209
Investments	**5,759,703**	5,206,794	4,804,797	4,423,320	4,230,756
Receivables	**462,582**	484,018	384,329	373,481	375,636
Land inventory	**234,506**	211,213	257,031	279,307	275,592
Other assets	**106,923**	115,858	114,148	101,415	94,701
Investment in ENMAX Corporation	**2,951,848**	3,072,460	2,714,462	2,416,472	2,339,699
	$ 10,621,576	$ 10,401,718	$ 9,423,987	$ 8,226,621	$ 7,579,593
Liabilities					
Bank indebtedness	**$ 348,320**	$ 348,010	$ 355,179	$ 224,159	$ 51,711
Accounts payable and accrued liabilities	**930,870**	965,218	828,217	800,092	811,799
Deferred revenue	**106,571**	106,619	98,768	109,765	103,629
Capital deposits	**1,188,138**	1,185,905	1,203,110	838,562	675,135
Asset retirement obligations(1)	**326,466**	307,239	101,806	104,593	101,198
Employee benefit obligations	**497,573**	510,709	516,455	514,061	495,564
Long-term debt	**2,700,337**	2,695,093	2,770,590	2,845,144	2,883,447
	$ 6,098,275	$ 6,118,793	$ 5,874,125	$ 5,436,376	$ 5,122,483
Net Financial Assets	**$ 4,523,301**	$ 4,282,925	$ 3,549,862	$ 2,790,245	$ 2,457,110

There was an increase of $240 million in net financial assets in 2023 relative to 2022 due to a large increase in investments and a decrease in accounts payable and accrued liabilities. This increase was offset with a decrease in cash and cash equivalents and The City's investment in ENMAX. Investments in 2019, 2020, 2021 and 2022 were reported at cost but reported at fair value in 2023 due to the adoption of PS 3450 – Financial Instruments. Asset Retirement Obligations were significantly higher than 2019, 2020, and 2021 as a result of PS 3280 – Asset Retirement Obligations which introduced retirement obligations beyond just The City's landfills.

General trends from 2019 to 2023 have remained relatively consistent with some changes in certain years and areas due to operational requirements, large capital projects, or timing of cash flows. The downward trend in long-term debt levels since 2019 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.

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

Long-Term Debt

As at December 31, 2023 (in thousands)

		2023		2022		2021		2020		2019
Opening Balance	**$**	**2,695,093**	$	2,770,590	$	2,845,144	$	2,883,447	$	2,888,831
Increase (Decrease)										
Tax-supported		**(32,422)**		(35,667)		(33,854)		(40,342)		75,973
Self-sufficient tax-supported		**30,372**		27,544		5,531		3,946		(78,021)
Self-supported		**7,294**		(67,374)		(46,231)		(1,907)		(3,336)
Net increase (decrease) during the year	**$**	**5,244**	$	(75,497)	$	(74,554)	$	(38,303)	$	(5,384)
Closing balance	**$**	**2,700,337**	$	2,695,093	$	2,770,590	$	2,845,144	$	2,883,447
Debt attributable to ENMAX Corporation		**1,722,502**		1,606,493		1,455,813		1,371,972		1,283,320
Total debt attributable to The City	**$**	**4,422,839**	$	4,301,586	$	4,226,403	$	4,217,116	$	4,166,767

In 2023, The City repaid $32.4 million in tax-supported debt and did not issue new tax-supported debt, resulting in a net reduction in tax-supported debt of $32.4 million to $299.2 million as at December 31, 2023.

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 in the amount of $46.5 million was issued in 2023, and $16.1 million repaid. 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, 2023, CMLC has $277.7 million in outstanding debt. In 2009, Council approved a maximum debt of $1 billion to provide bridge financing for Municipal Sustainability Initiative (MSI) funded projects. Additional bridge financing for MSI-funded projects was approved in 2011, bringing the total capacity to approximately $1.6 billion. As at December 31, 2023, The City has no outstanding debt for these projects. With the transition to the Local Government Fiscal Framework in 2024, no new MSI debt issuance is expected.

Additionally, $187.0 million in new self-supported debt (primarily related to water services and resources) was obtained and $179.7 million was repaid, resulting in a net increase in self-supported debt of $7.3 million to $2,123.4 million (excluding $1,722.5 million in debt attributable to ENMAX).

The City's Debt Policy provides guidance on debt and debt servicing limits at an internal maximum level of 80 per cent, compared to the mandated 100 per cent maximum legislated by the MGA. Administration continues to monitor and report on an internal maximum, as well as the mandated maximums of The City's Debt Limit. The City only reports on the Policy debt limit and strives to maintain or improve its current Credit Rating of AA (high) by DBRS and AA+ by S&P.

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.

In 2023, 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 addition, S&P 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:

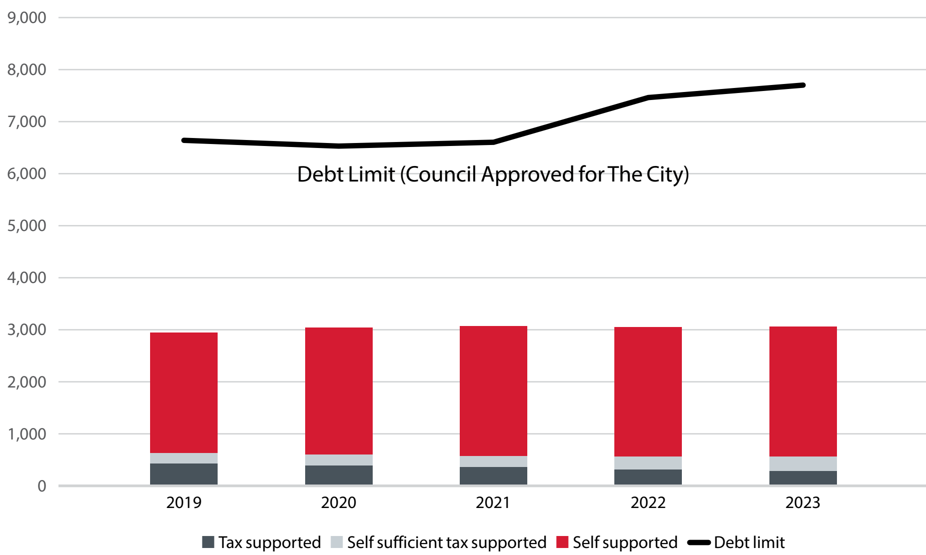
- Tax-supported – debt issued for capital expenditures that is funded in whole or in part from tax revenues;
- Self-sufficient tax-supported – debt for non-utility operations or programs that historically have been funded in whole or in part by revenue from municipal property and business taxes, but 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 debt 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 allows The City to provide some additional growth-related capital infrastructure if desired.

Family enjoying time together on the Bow River Pathway in autumn.

Chart A
Debt Limit Trend(1)

2019-2023 (in millions of dollars)

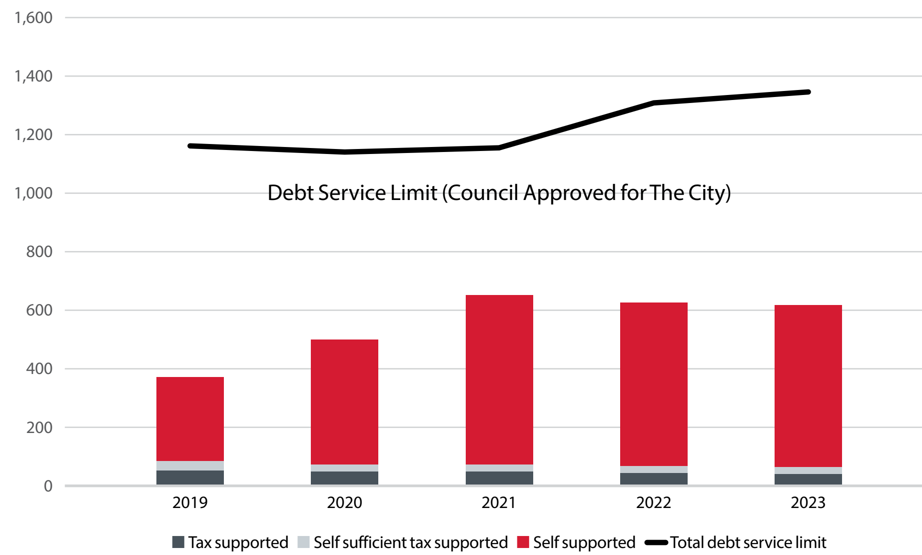


The City's Debt Policy has limits on total debt and total debt service that are expressed as a percentage of revenue, as well as a limit on tax-supported debt service expressed as a percentage of expenditures. Per Council Policy CP2020-05, The City is required to maintain an investment grade credit rating in order to issue debt and The City will strive to maintain or improve its current Credit Rating ("AA (high)" according to DBRS and "AA+" according to S&P'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). Chart A reports The City's total historical outstanding debt from 2019 to 2023. It indicates that as at December 31, 2023 The City had used 40.0 per cent (2022 – 41.0 per cent) of its debt limit.

Chart B
Debt Service Limit Trend(2)

2019-2023 (in millions of dollars)



Council Policy CP2020-05 also sets out the maximum amount of annual debt servicing (principal and interest) that The City can incur and is calculated at 0.28 times revenue (MGA limit of 0.35 times revenue). The tax-supported debt service limit is 10 per cent of tax-supported gross expenditures net of recoveries. Chart B reports The City's total historical Debt Service Limit from 2019 to 2023. It indicates that as at December 31, 2023 The City had used 45.8 per cent (2022 – 48.0 per cent) of its debt service limit.

(1) For comparative purposes, The City has presented 2019 – 2020 debt limits in accordance with Council Policy CP2020-05 at 1.6 times revenue.

(2) For comparative purposes, The City has presented 2019 – 2020 debt service limits in accordance with Council Policy CP2020-05 at 0.28 times revenue.

Reserves

As at December 31 (in thousands)	**2023**	2022	2021	2020	2019
	$ 4,003,003	$ 3,635,785	$ 3,281,056	$ 2,743,827	$ 2,493,588

The reserve balances totalled $4,003 million at the end of 2023 (2022 – $3,636 million). The net increase was primarily the result of:

- Increases in the Fiscal stability reserve,
- Increases in the Reserve for future capital and lifecycle maintenance upgrade merged reserve and Major capital projects reserve,
- Increases in the Community investment, Real estate services and Utilities sustainment reserves, offset by a
- Decrease in the Green Line fund and Waste and recycling sustainment reserves.

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 2023, City staff conducted two triennial reserve reviews. One review, that commenced in 2022 and was completed in June 2023, included the review of eighteen reserves totaling $1.2 billion, representing approximately 33 per cent of all reserve balances as at December 31, 2021. The second review, that commenced in 2023 and was completed in December 2023, included the review of sixteen reserves totaling $1.4 billion representing approximately 39 per cent of all reserve balances as at December 31, 2022. Findings and recommendations of these reviews were approved by the Executive Committee and Council in June 2023 and December 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's approval within the 2023-2026 budget cycle. In December 2023 (EC2023-1211), Council approved the recommendation to simplify the name to FSR and clarify that committed amounts are excluded from the reserve balance when comparing to its minimum and target balances. The balance of the FSR is $876 million at the end of 2023 before surplus, while the balance of the RFC/LMUR merged reserve is $977 million. As at December 31, 2023 the FSR was below its Council approved target level of 15 per cent of The City's tax-supported gross expenditures (net of recoveries), but above the minimum balance of 5 per cent of The City's tax-supported gross expenditures (net of recoveries).

During 2023, a total of $23 million was transferred to the FSR per EC2023-1211, with the ENMAX Dividend Stabilization Reserve closed and the balance ($18 million) transferred to the FSR and another $5 million transferred from the Self-Insurance Reserve. Other contributions to the FSR included $51 million of no longer required contingent liabilities, $7 million of business units' no longer required one-time funding returned corporately, $5 million of inter-business units loan repayments and $3 million of bad debt reversals. A $242 million contribution was transferred from the FSR to the Major capital projects (MCP) reserve per C2023-0482 (confidential report). In 2023, the 2023 Mid-Year Performance Report was delivered to Council. The report highlighted favourable operating variances primarily related to higher than expected franchise fee revenue due to higher energy prices, higher-than expected investment income and expenditure savings across multiple categories. In November 2023 (C2023-1148), Council approved a draw of $88 million from the FSR for new one-time operating and capital investments, and an additional $100 million to fund new capital investments using the anticipated 2023 operating surplus that will flow through the FSR. Through that report, Council also approved funding of $165 million from the 2023 Franchise Fees variances that will flow through the RFC/LMUR merged reserve for new capital investments.

The MCP reserve includes the BMO Convention Centre expansion, Event Centre, Foothills Fieldhouse and Arts Commons transformation Phase 1. 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 2023 is $412.7 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:

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

Risk Pressures in 2023

During 2023, 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 due to supply chain disruptions.
- 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 2024, 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 2023

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 2023. Inflation was forecasted to continue to decrease in the latter part of 2023. Though certain costs relevant to The City, particularly related to construction, are expected to increase.

While there are no changes to existing delays and cutbacks to provincial grants, The City is looking to participate in discussions with the Provincial Government for long-term capital funding beyond 2024-2025 for the Local Government Fiscal Framework. The current debt forecast indicates that the debt will peak in 2029. The City's financing constraints are subject to significant internal pressures such as the timing of Green Line debt as well as external pressures such as an elevated interest rate environment and debt pricing increases from the Province of Alberta.

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. The City's Long Range Financial Plan can be found at calgary.ca/financialplan.

Relationship to other Principal Corporate Risks

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

- The Capital Infrastructure Risk is facing a trend that capital project bids are being awarded above their class 1 cost estimates which means that less capital can be delivered with the same amount of funds over time. As Calgary continues to grow, The City needs to keep identifying how it is going to manage the increasing infrastructure gap and maintain its critical assets and infrastructure. Challenges in delivering capital infrastructure and closing the infrastructure gap are attributed to macroeconomic pressures such as inflation, global supply chain bottlenecks and more particularly, industry labour shortages.
- The Sustainable City Risk is monitoring how The City will execute the policies and plans developed within Calgary Plan, Citywide Growth Strategy, Environment Strategy, and Climate Strategy – Pathways to 2050 without investment, support, buy-in and collaboration from the private sector and Calgarians. The risk of potential for misalignment between planning and actual growth continue to be monitored through optimization efforts in planning and forecasting, enhanced monitoring and analytical tools being implemented, and stronger engagement and training efforts.
- The Service Delivery Risk's exposure is tied to a range of existing and emerging trends such as the continued impacts of supply disruptions as a result of the COVID-19 pandemic and other cascading global events on certain services' revenue or demands continues to magnify the impact of other service interruptions and delays. As well as constrained funding that does not keep pace with growth or lifecycle needs, leading to reduced service levels or asset conditions.

Investment Risks

Bond markets started to see interest rate declines in 2023, prompting a decline in bond yields towards the end of the fourth quarter. Consequently, there was a substantial surge in bond prices and an appreciation in bond prices, rebounding from the historically low returns experienced in 2022. Equities reacted favourably to decreasing bond yields, as well as easing inflation indicators and the more accommodative stance communicated by central banks. As a result, The City's investment portfolios generated a positive market value return of 7.9 per cent net of fees in 2023, which was an improvement over the market value loss of 6.0 per cent in 2022. 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 82 per cent is cash and fixed income, 11 per cent equity and 7 per cent real assets. This is conservative and designed to provide income and liquidity as needed. In October 2023 Council approved the use of long-term capital debt issuances into the domestic debt capital markets. The inaugural issuance of this debt program went live in 2024 and the program will be supported by a debt retirement account which aligns a separate set of investments with the interest and repayment cashflow requirements of the program.

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 the Government of Canada, the Province of Alberta 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, public engagement, schedule, cost, key risks and quality. Key risks identified throughout 2023 include: changes to the financial market, sub-contractor pricing and the ability to reach a commercially reasonable agreement with a Development Partner for the Implementation Phase. Green Line has been working closely with a Development Partner to mitigate these risks, some of the steps taken include program planning, design development, additional site due diligence and value engineering as part of the Development Phase.

The Green Line Board, in addition to The City's Chief Administrative Officer, is comprised 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 counterparties to which The City provides services may not be able to fulfill their obligations to The City. The City mitigates these risks through its processes and by having a vast diversity of taxpayers and customers.

The City has 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, 2023. The City sponsored registered and non-registered defined benefit pension plans currently have a total unamortized net actuarial gain of $57 million (2022 – $43 million).

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. 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 is greater than the accrued benefit obligations.

ENMAX Risk

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

Risks identified by ENMAX and presented in detail in its annual financial report include regulatory and 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 (ERM) framework. ENMAX's Corporate Governance Committee and board of directors oversee identified risk exposures and risk management programs, including the ERM program.

The Outlook

Council and City Administration Actions

2023 – 2026 Service Plans and Budgets and Related Adjustments

On November 22, 2023, Council approved adjustments to The City service plans and budgets which were originally approved in November 2022 with an average annual increase of 3.7 per cent in 2023-2026. These adjustments were made to balance the desire to keep property tax, water, sewer, and waste and recycling fees affordable for Calgarians while making meaningful investments in priority areas, such as affordable housing, public safety, and transit.

In response to some of the challenges for businesses and our local economy, Council approved a three-year plan to better balance taxes between business owners and homeowners, moving Calgary more in-line with other big cities across Canada. Council shifted 1 per cent of the tax responsibility from businesses to homeowners each year in 2024, 2025 and 2026, which will alleviate some of the tax burden on the local economy and stimulate economic growth, while providing a more stable revenue stream for The City.

The focus of the 2023 – 2026 Service Plans and Budgets continues to be 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 totaling $97 million in on-going annual operating expenditures (including the conversion of $9.3 million in one-time budgets to base) and $69 million in one-time operating investments, beginning in 2024. Notable highlights include:

- Improve transit service levels and safety ($12 million in base and $2 million in one-time funding),
- Improve emergency response performance across The City with focus on enhancing safety through better policing and crime prevention ($21.3 million),
- Addressing homelessness, poverty and providing more affordable housing ($27 million in base and $64.5 million in one-time funding),
- Continue to support the ongoing delivery of services Calgarians and businesses rely on by addressing increasing inflationary pressures ($27 million), and
- Address other priority areas that contribute to high-quality service delivery to Calgarians.

Council also approved approximately $426 million in new capital investments to continue advancing priorities in the areas of affordable housing, transportation infrastructure and the lifecycle sustainment of existing facilities. The capital investments were specific to:

- $90 million investment on affordable housing that will create more homes for Calgarians,
- $79 million of enhancements for C-Train and Bus Rapid Transit,
- $82.4 million of infrastructure, traffic, roads and streets improvements,
- $20 million in facility sustainment,
- $7 million investment for corporate system upgrades planning and
- Capital cost escalation for approved project totaling $147 million.

We continue to make progress on city-defining infrastructure investments that we have already committed to including the Green Line, BMO Convention Centre expansion and Arts Commons transformation. In addition to progressing with high priority new investments, The City has invested in maintaining existing infrastructure and addressing critical needs including effective and reliable emergency response and critical infrastructure upgrades, as well as climate sustainment to improve our environmental footprint and reduce greenhouse gas emissions.

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

- Improving public transit affordability by maintaining transit fees at 2022 levels in 2023, having youth 12 and under ride free, lowering the cost of the transit weekend family pass and adding additional transit bus shelters and benches ($6 million),
- 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 ($6 million),
- Additional investments to revitalize downtown by converting unused office spaces and improving downtown safety and vibrancy. 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.

Reflective of sound financial management and benefiting from higher than budgeted franchise fees received from electricity and natural gas utilities due to increased market prices, 100 per cent of the increased capital and one-time investments was funded without any additional property tax support, and approximately half of the on-going annual investments could be made without any additional property tax impact.

Other notable investments, originally approved in November 2022 include:

- Eliminating permit and licence fees for outdoor patios in 2023 ($0.25 million approved in November 2022)
- Providing additional funding to the Calgary Fire Department by increasing supports for firefighters and response performance ($3.4 million)
- Progressing affordable housing including the Rapid Housing Initiative and Housing Accelerator ($12 million in capital funding)
- 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 ($20 million in capital funding)

The City has continued to enhance our support for community and civic partners and advance Truth and Reconciliation initiatives and further our relations with First Nations, Metis and Urban Indigenous Communities.

Major Investments in the Culture + Entertainment District

On October 5, 2023, agreements were signed between The City, Calgary Sports and Entertainment Corporation, the Province of Alberta, and Calgary Exhibition and Stampede Limited to develop and operate a new modern event centre and make additional infrastructure investments in the Culture + Entertainment District. There are two projects that comprise this major investment in The City of Calgary's future and the vibrant Culture + Entertainment District, including:

- The Event Centre Block which represents a $926.4 million investment in the event centre, community rink, parkade, outdoor and indoor gathering plazas.
- The District Infrastructure Improvements represent a $296.9 million investment in land, demolition, remediation and transportation connections and improvements in the Culture + Entertainment District within the Rivers District.

The total capital cost of the two projects is estimated at $1,223.3 million funded with contributions from the Province of Alberta, Calgary Sports and Entertainment Corporation and The City. The Province of Alberta is contributing up to $330 million to the community rink, public gathering spaces and district infrastructure. The event centre, parkade and remaining share of the community rink are funded by Calgary Sports and Entertainment Corporation and The City. The City's contribution is $853.3 million primarily funded from the Major Capital Projects Reserve. The Calgary Sports & Entertainment Corporation is contributing $748.3 million, with $708.3 million received during the operations period in the form of a lease payment to The City. Benefits to The City also include any tax revenue generated from the street-facing retail portion of the event centre combined with new and accelerated developments within the Rivers District. Construction of the new facility is expected to begin in 2024 and take approximately three years. The Saddledome will be demolished after occupancy of the new event centre.

Conclusion

Throughout 2023, 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 2023 in the BMO Convention 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 S&P and AA (high) by DBRS.

The economic uncertainty in recent years has emphasized the need to have a robust governance structure that can adapt to emerging risks and ensure Calgarians are provided with continuing essential services with minimal disruptions. In 2022, City Administration undertook an organizational realignment to modernize municipal government and meet the changing needs and expectations of Calgarians, customers, businesses, and communities. Seven new departments were formed to plan and build a great city, deliver services to Calgarians and enable The City to operate effectively. Minor adjustments were further made to this organizational realignment throughout 2023 to continuously improve efficiencies.

As we look forward to 2024, 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 30, 2024

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, 2022

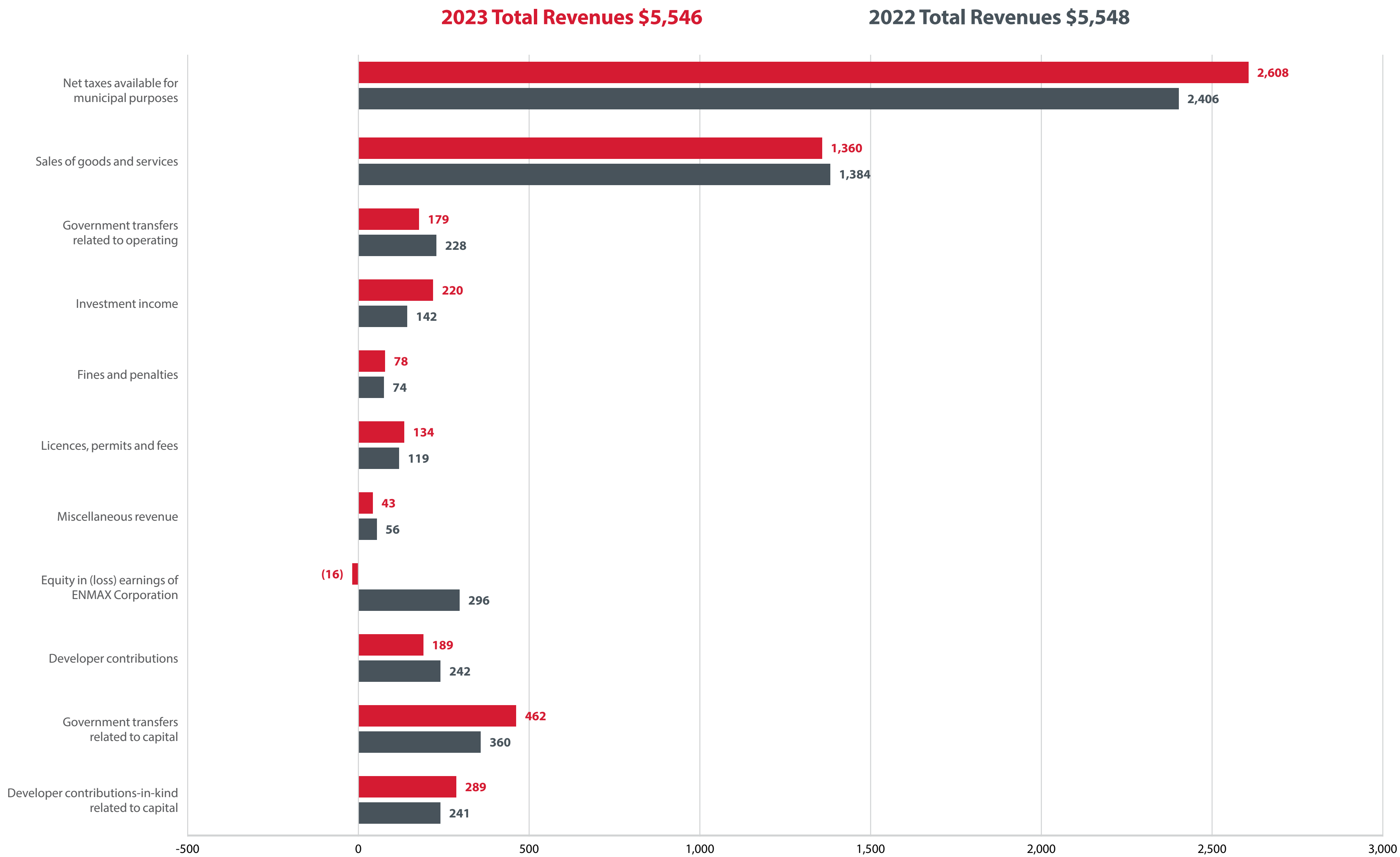
Christopher P. Morrill

Executive Director/CEO

A woman enjoying a quiet read in the Central Library.
Photo provided by: Tourism Calgary | Colin Way

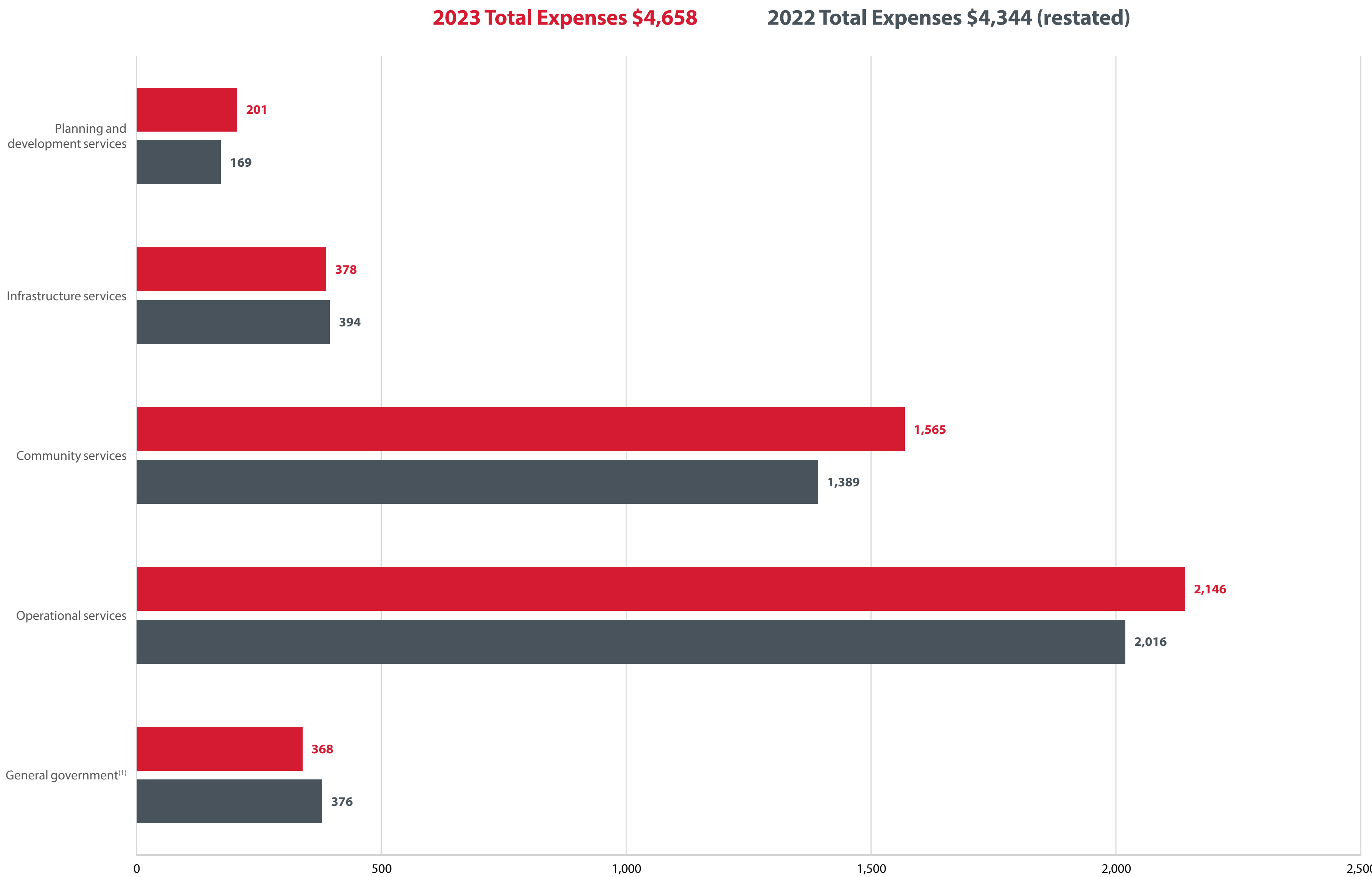
Financial Synopsis 2023 Sources of Revenue

For the year ended December 31 (in millions)



Financial Synopsis 2023 Expenses

For the year ended December 31 (in millions)



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

Consolidated Financial Statements

Group of co-workers holding a casual meeting.

Responsibility for Financial Reporting

Administration's Report

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

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

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

The City Auditor's Office reports directly to 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 2023, 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.

David Duckworth, Chief Administrative Officer

Carla Male, Chief Financial Officer

Calgary, Canada
April 30, 2024

Responsibility for Financial Reporting

Independent Auditors 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, 2023 and the consolidated statements of operations and accumulated surplus, remeasurement gains and losses, cash flows and changes in net financial assets for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of The City as at December 31, 2023 and the results of its operations, remeasurement gains and losses, cash flows and changes in net financial assets for the year then ended in accordance with Canadian public sector accounting standards ("PSAS").

Basis for Opinion

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

Other Information

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

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

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

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

City Administration is responsible for the preparation and fair presentation of the financial statements in accordance with PSAS and for such internal control as City Administration determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of The City's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by City Administration.
- Conclude on the appropriateness of City Administration's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on The City's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause The City to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 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 30, 2024

Consolidated Statement of Financial Position

As at December 31 (in thousands)

	2023	2022 (Restated Note 2)
Financial Assets		
Cash and cash equivalents (Note 4)	**$ 1,106,014**	$ 1,311,375
Investments (Note 5)	**5,759,703**	5,206,794
Receivables (Notes 6 and 9 c.)	**462,582**	484,018
Land inventory (Note 7)	**234,506**	211,213
Other assets (Note 8)	**106,923**	115,858
Investment in ENMAX Corporation (Note 9)	**2,951,848**	3,072,460
	$ 10,621,576	$ 10,401,718
Financial Liabilities		
Bank indebtedness (Note 10)	**$ 348,320**	$ 348,010
Accounts payable and accrued liabilities (Notes 9 c. and 11)	**930,870**	965,218
Deferred revenue (Notes 9 c. and 12)	**106,571**	106,619
Capital deposits (Note 13)	**1,188,138**	1,185,905
Asset retirement obligations (Note 14)	**326,466**	307,239
Employee benefit obligations (Note 15)	**497,573**	510,709
Long-term debt (Note 16)	**2,700,337**	2,695,093
	$ 6,098,275	$ 6,118,793
Net Financial Assets	**$ 4,523,301**	$ 4,282,925
Non-Financial Assets		
Tangible capital assets (Note 17)	**$ 20,319,980**	$ 19,745,038
Inventory	**81,935**	77,379
Prepaid assets	**40,055**	35,474
	$ 20,441,970	$ 19,857,891
Net Assets	**$ 24,965,271**	$ 24,140,816
Net Assets is comprised of (Note 19):		
Accumulated surplus	**$ 25,034,368**	$ 24,140,816
Accumulated remeasurement losses	**(69,097)**	–
	$ 24,965,271	$ 24,140,816

Contingent assets, commitments, contingent liabilities and guarantees (Notes 30, 31 and 32)

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 2023 (Note 18)	Actual 2023	Actual 2022 (Restated Note 2)
Revenues			
Net taxes available for municipal purposes (Note 22)	$ 2,370,532	$ 2,607,604	$ 2,406,356
Sales of goods and services	1,394,150	1,359,983	1,384,471
Government transfers related to operating (Note 25)	145,324	179,306	227,830
Investment income	110,437	219,934	141,530
Fines and penalties	83,009	77,650	74,089
Licences, permits and fees	115,231	134,083	118,511
Miscellaneous revenue	29,870	43,243	56,291
Equity in (loss) earnings of ENMAX Corporation (Note 9)	275,000	(15,608)	295,628
	$ 4,523,553	$ 4,606,195	$ 4,704,706
Expenses			
Planning and development services	$ 215,769	$ 200,982	$ 169,090
Infrastructure services	315,861	377,687	394,227
Community services	1,479,237	1,565,365	1,389,104
Operational services	1,562,707	2,146,059	2,015,534
General government	550,735	367,654	375,669
	$ 4,124,309	$ 4,657,747	$ 4,343,624
Excess (Deficit) of Revenues Before Other Contributions And Transfers	$ 399,244	$ (51,552)	$ 361,082
Other Contributions and Transfers			
Developer contributions	$ 270,063	$ 188,830	$ 242,498
Government transfers related to capital (Note 25)	883,491	462,316	359,643
Developer contributions-in-kind related to capital	–	288,695	240,901
	$ 1,153,554	$ 939,841	$ 843,042
Net Revenues	$ 1,552,798	$ 888,289	$ 1,204,124
ENMAX Corporation – other comprehensive income (Note 9)	–	–	124,370
Annual Surplus	$ 1,552,798	$ 888,289	$ 1,328,494
Accumulated Surplus, Beginning of Year	24,140,816	24,140,816	22,812,322
Adjustment on adoption of Financial Instruments (Note 9)	$ –	$ 5,263	$ –
Accumulated Surplus, End of Year	$ 25,693,614	$ 25,034,368	$ 24,140,816

See accompanying notes to the consolidated financial statements.

Consolidated Statement of Remeasurement Gains and Losses

For the year ended December 31 (in thousands)

		2023
Accumulated Remeasurement Gains (Losses), Beginning of Year	$	–
Adjustment on adoption of financial instruments:		
Adjustments to accumulated unrealized losses		(282,731)
Accumulated other comprehensive loss from ENMAX Corporation		(5,263)
Adjusted Accumulated Remeasurement Losses, Beginning of Year	$	(287,994)
Unrealized gains (losses) attributable to:		
Investments		264,188
Accounts Payable		89
Derivatives		(52)
Amounts reclassified to the Consolidated Statement of Operations:		
Investments		(20,599)
Accounts Payable		34
Derivatives		(1,759)
ENMAX Corporation – other comprehensive loss (Note 9)		(23,004)
Net remeasurement gains for the year	$	218,897
Accumulated Remeasurement Losses, End of Year	$	(69,097)

See accompanying notes to the consolidated financial statements.

Consolidated Statement of Cash Flows

For the year ended December 31 (in thousands)

	2023	2022 (Restated Note 2)
Net Inflow (Outflow) of Cash and Cash Equivalents		
Operating Activities		
Annual Surplus	**$ 888,289**	$ 1,328,494
Items not affecting cash:		
Equity in (loss) earnings of ENMAX Corporation (Note 9)	**15,608**	(295,628)
ENMAX Corporation – Other comprehensive income (Note 9)	**–**	(124,370)
Change in unrealized market value of financial instruments	**(40,830)**	–
Amortization of tangible capital assets	**724,479**	718,195
Net gain (loss) on disposal of tangible capital assets	**42,063**	(7,482)
Developer contributions-in-kind related to capital	**(288,695)**	(240,901)
Change in non-cash items:		
Receivables	**21,436**	(99,689)
Land inventory	**(23,293)**	45,818
Other assets	**8,935**	(1,710)
Inventory	**(4,556)**	(11,917)
Prepaid assets	**(4,581)**	(4,436)
Accounts payable and accrued liabilities	**(34,348)**	137,001
Deferred revenue	**(48)**	7,851
Capital deposits	**2,233**	(17,205)
Asset retirement obligations	**19,227**	6,116
Employee benefit obligations	**(13,136)**	(5,746)
	$ 1,312,783	$ 1,434,391
Capital Activities		
Acquisition of tangible capital assets	**$ (1,064,908)**	$ (875,668)
Proceeds on sale of tangible capital assets	**12,119**	26,095
	$ (1,052,789)	$ (849,573)
Investing Activities		
Dividends from ENMAX Corporation (Note 9)	**$ 82,000**	$ 62,000
Net purchases of investments	**(552,909)**	(401,997)
	$ (470,909)	$ (339,997)
Financing Activities		
Proceeds from long-term debt issued	**$ 233,473**	$ 175,923
Long-term debt repaid	**(228,229)**	(251,420)
Net increase (decrease) in bank indebtedness	**310**	(7,169)
	$ 5,554	$ (82,666)
(Decrease) Increase in Cash and Cash Equivalents	**$ (205,361)**	$ 162,155
Cash, Beginning of Year	**1,311,375**	1,149,220
Cash and Cash Equivalents, End of Year	**$ 1,106,014**	$ 1,311,375

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 2023 (Note 18)	Actual 2023	Actual 2022 (Restated Note 2)
Annual Surplus	$ 1,552,798	$ 888,289	$ 1,328,494
Amortization of tangible capital assets	153,086	724,479	718,195
Proceeds on sale of tangible capital assets	603	12,119	26,095
Tangible capital assets received as contributions	–	(288,695)	(240,901)
Net gain (loss) on disposal of tangible capital assets	–	42,063	(7,482)
Acquisition of tangible capital assets	(602,372)	(1,064,908)	(875,668)
Acquisition of supplies inventories	–	(178,196)	(156,313)
Use of supplies inventories	–	173,640	144,396
Acquisition of prepaid assets	–	(262,940)	(282,314)
Use of prepaid assets	–	258,359	277,878
Unrealized measurement losses	–	(63,834)	–
Increase in Annual Surplus	$ 1,104,115	$ 240,376	$ 932,380
Net Financial Assets, Beginning Of Year	$ 4,282,925	$ 4,282,925	$ 3,350,545
Net Financial Assets, End Of Year	$ 5,387,040	$ 4,523,301	$ 4,282,925

See accompanying notes to the consolidated financial statements.

Notes to the Consolidated Financial Statements

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

1. Significant Accounting Policies

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

a. Basis of Consolidation

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

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

Government Business Enterprise

ENMAX, a wholly owned subsidiary of The City, is accounted for on a modified equity basis, consistent with the generally accepted accounting treatment for a government business enterprise (Note 9). Under the modified equity basis, the government business enterprise's accounting principles are not adjusted to conform with those of The City, and inter-organizational transactions and balances are not eliminated. Other comprehensive income due to fair value adjustments is reported on the consolidated statement of remeasurement gains and losses.

Related Authorities

The related authorities (Note 23) 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.

Partners

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

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

Civic Partners

- 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 Science Centre Society (operating as TELUS Spark)
- 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)
- The 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 15.

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 34, Funds Held in Trust.

b. Basis of Accounting

i. 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.

ii. Taxation revenues are recorded at the time tax billings are issued. Taxation billings are subject to appeal. A provision has been recorded in accounts payable and accrued liabilities for potential losses on taxation revenue appeals outstanding as at December 31, 2023.

iii. 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.

iv. Goverment 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.

v. Expenses are recognized in the period the goods and services are acquired and a liability is incurred or transfers are due.

vi. 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.

vii. 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 and Cash Equivalents

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

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, equities, infrastructure and mortgages and fixed income securities. Investments are recorded at the fair value with the associated unrealized gains or losses reflected in the consolidated statement of remeasurement gains and losses. When an investment gain or loss is realized, the accumulated remeasurement gain or loss is reclassified to the consolidated statement of operations. When there has been a loss in 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. Asset Retirement Obligations

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

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

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

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 sites where contamination exists that exceeds an environmental standard, The City is legally responsible or has accepted responsibility for the contamination, future economic benefits are expected to be given up, and a reasonable estimate for the provision can be made.

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

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

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 administration'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 before other contributions and transfers, 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 27).

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

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

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

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 2023 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

Unrealized gains and losses from changes in the fair value of financial instruments are recognized in the consolidated statement of remeasurement gains and losses. Upon settlement, the realized gains and losses are reclassified to the consolidated statement of operations except for the gains on externally restricted financial liabilities which are recognized as an increase to the liability.

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

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

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

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

The City's financial instruments are measured as follows:

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

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

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

The City evaluates contractual rights and obligations for the existence of embedded derivatives and elects to either measure the entire contract at fair value or separately measure the value of the derivative component when the characteristics of the derivative are not closely related the economic characteristics and risks of the host contract itself. Only contractual rights and/or obligations entered into or continuing to be effective on or after January 1, 2023 are evaluated for the existence of embedded derivatives.

s. Foreign Currency Translation

Transaction amounts denominated in foreign currencies are translated into their Canadian Dollar equivalents at exchange rates prevailing at the transaction dates. Carrying values of monetary assets and liabilities and non-monetary items included in the fair value category reflect the exchange rates at the consolidated statement of financial position date. Unrealized foreign exchange gains and losses are recognized in the consolidated statement of remeasurement gains and losses.

In the period of settlement, foreign exchange gains and losses are reclassified to the consolidated statement of operations, and the cumulative amount of remeasurement gains and losses is reversed in the consolidated statement of remeasurement gains and losses.

t. 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.

u. Use of Estimates

The preparation of the consolidated financial statements requires administration to make estimates and use assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Where estimation uncertainty exists, the consolidated financial statements have been prepared within reasonable limits of materiality. 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, level 3 financial instruments, accrued liabilities, employee benefit obligations, provision for tax appeals, asset retirement obligations, contaminated sites and environmental assessments and contingent liabilities are areas where administration makes significant estimates and assumptions in determining the amounts to be recorded in the consolidated financial statements.

v. 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.

w. Public Private Partnerships

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

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.

x. Adoption of New Accounting Standards

In 2023, The City adopted the following five accounting standards to comply with Public Sector Accounting Standards (PSAS).

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

i. 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 use and that are no longer in productive use. This standard includes obligations for solid waste landfill sites and post-closure obligations and has been adopted on a modified retroactive basis. The impact of the adoption of this standard is included in Notes 2, 14, and 17.

ii. 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 consolidated remeasurement 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. This standard has been adopted prospectively as a result comparative figures have not been restated and not included in the consolidated statement of remeasurement gains and losses. The impact of the adoption of this standard is included in Notes 3 and 5.

Adoption of section 3450 also required The City to adopt the following three corresponding standards:

iii. Financial Statement Presentation

Financial Statement Presentation (PS 1201) was amended to conform to Financial Instruments (PS 3450) and requires a new statement of remeasurement gains and losses separate from the statement of operations. Included in this new statement are the unrealized gains and losses arising from the remeasurement 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.

iv. 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.

v. 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 consolidated statement of remeasurement gains and losses.

y. Future accounting pronouncements

i. 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.

ii. Public Private Partnerships

Public private partnerships (PS 3160) establishes standards on accounting for public private partnerships between public and private sector entities where the public sector entity procures infrastructure using a private sector partner. The City will assess the impact of this standard on The City's current treatment of public private partnerships as described in Note 1 w.

iii. Purchased Intangibles

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

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

2. Impact of Adoption of New Accounting Standards

Asset Retirement Obligations

The City has restated its consolidated financial statements to comply with the provisions of Section 3280 of the PSAB Handbook, which requires public sector entities to record asset retirement obligations on their financial statements. PS 3280 – Asset Retirement Obligations establishes standards on when to recognize, and how to account for and report a liability for asset retirement obligations associated with the retirement of certain tangible capital assets controlled by a public sector entity, such as asbestos removal in buildings. This standard covers The City's legal obligations established by agreement, contract or legislation including obligations created by a promissory estoppel. This standard includes obligations for solid waste landfill sites and post-closure obligations. The adoption of this standard resulted in the existing Solid Waste Landfill Closure and Post-Closure Liability (PS 3270) to be withdrawn.

Pursuant to the recommendations of PS 3280, the change was applied using the modified retroactive method and prior period adjustments have been restated to reflect the liability for the asset retirement obligations as of January 1, 2022.

In accordance with the provisions of this new standard, The City reflected the followings adjustments:

Statement of Financial Position

	December 31, 2022 (Previously reported)	Adjustments	December 31, 2022 (Restated)
Financial assets	$ 10,401,718	$ –	$ 10,401,718
Financial liabilities	5,914,587	204,206	6,118,793
Net financial assets	$ 4,487,131	$ (204,206)	$ 4,282,925
Tangible capital assets	19,702,813	42,225	19,745,038
Other non-financial assets	112,853	–	112,853
Accumulated Surplus	$ 24,302,797	$ (161,981)	$ 24,140,816

Statement of Operations

	December 31, 2022 (Previously reported)	Adjustments	December 31, 2022 (Restated)
Revenues	$ 4,704,706	$ –	$ 4,704,706
Expenses	(4,337,223)	(6,401)	(4,343,624)
Other	843,042	–	843,042
ENMAX Corporation – other comprehensive income	124,370	–	124,370
Annual Surplus	$ 1,334,895	$ (6,401)	$ 1,328,494
Opening accumulated surplus	22,967,902	(155,580)	22,812,322
Ending accumulated surplus	$ 24,302,797	$ (161,981)	$ 24,140,816

3. Financial Risk Assessment

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

Market risk

Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices. Market risk is comprised of three types of risk: price risk, interest rate risk, and foreign currency risk. In order to earn financial returns at an acceptable level of market risk, The City has policies and procedures in place governing asset mix, asset allocation and performance measurement. The City's risk management processes have not changed from prior year.

i. Price Risk

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

ii. Interest Rate Risk

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

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

The fixed income securities have the following average maturity structure:

	2023
0-3 years	**37.12%**
3-7 years	**34.71%**
7-10 years	**11.71%**
Over 10 years	**16.46%**
Total	**100%**

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

iii. Foreign Currency Risk

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

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

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

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

As at December 31, 2023, The City had 2 USD (2022 – 15 USD and 1 EUR) exchange fixed contracts in place. Delivery dates for these contracts range from November 2024 to December 2025.

The City utilizes an external manager to execute an active portfolio hedging strategy designed to efficiently reduce currency risk on assets denominated in foreign currencies. Risks associated with foreign currency inflows and outflows are forecasted and managed internally for timing and view on expected changes in the exchange rates of the various currencies. As at December 31, 2023, the portfolio held 16 forward contracts, all with settlement dates in January 2024. The fair market value of these forward contracts was $14,893 CAD and is included in The City's investments (Note 5).

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

- 1 AUD per USD ($1.53)
- 1 CAD per NOK (kr 8.02)
- 2 CAD per USD (2 at $1.36)
- 1 EUR per CAD (€0.67)
- 2 EUR per USD (2 at €0.93)
- 1 GBP per USD (£0.81)
- 1 HDK per USD ($7.82)
- 1 JPY per USD (¥147.86)
- 1 KRW per USD (₩1299.72)
- 1 NOK per USD (kr 11.01)
- 1 TWD per USD ($31.83)
- 3 USD per CAD (3 at $0.73)

***Currencies**

AUD – Australian Dollar ($)

CAD – Canadian Dollar ($)

EUR – Euro (€)

GBP – British Pound Sterling (£)

HKD – Hong Kong Dollar ($)

KRW – South Korean Won (₩)

JPY – Japanese Yen (¥)

NOK – Norwegian Krone (kr)

TWD – Taiwanese Dollar ($)

USD – U.S. Dollar ($)

Liquidity risk

Liquidity risk is the risk that The City will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivery of cash or another financial asset. The City maintains a portfolio of short-term investments with rolling maturity dates to manage short-term cash requirements. The City maintains an unsecured short-term bank line of credit with a commercial bank to ensure funds are available to meet current and forecasted financial requirements.

Credit risk

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

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

4. Cash and Cash Equivalents

	2023	2022
Cash on deposit	**$ 1,078,185**	$ 1,311,375
Treasury bills with original maturities of 90 days or less	**27,829**	–
	$ 1,106,014	$ 1,311,375

Treasury bills interest rates are approximately 4.81 per cent in 2023.

5. Investments

All the investments managed by The City are held in fixed income securities and equity investments. The fair value and cost of all investments as at December 31, 2023 are as follows:

	2023 Fair Value	2023 Cost	2022 Fair Value	2022 Cost
Government of Canada[(1)]	**$ 713,287**	**$ 712,887**	$ 651,318	$ 670,139
Other government	**597,980**	**603,927**	353,022	383,456
Corporate	**1,893,802**	**1,935,667**	1,725,359	1,836,800
Global fixed income investments	**1,586,063**	**1,647,860**	1,095,559	1,206,414
Equity investments[(1)]	**968,571**	**900,284**	1,097,026	1,109,985
	$ 5,759,703	**$ 5,800,625**	$ 4,922,284	$ 5,206,794

The average yield earned from investments during the year ended December 31, 2023 was 3.4 per cent (2022 – 2.0 per cent). Maturity dates on the investments range from 2024 to 2084. Investments include $790,569 (2022 – $644,597) in cost, and fair value of $789,496 (2022 – $632,694) in an internally managed portfolio comprised of short-term money market instruments and bonds.

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

	2023 Level 1	2023 Level 2	2023 Level 3	2023 Total
Canadian fixed income	**$ 9,271**	**$ 2,335,417**	**$ –**	**$ 2,344,688**
Foreign fixed income	**31,767**	**384,246**	**–**	**416,013**
Pooled fixed income	**38**	**441,963**	**712,265**	**1,154,266**
Mortgages	**106**	**615,531**	**–**	**615,637**
Canadian Equities	**56**	**–**	**–**	**56**
Global Equities	**114,869**	**400**	**–**	**115,269**
Pooled Equities	**329,141**	**379,435**	**5,211**	**713,787**
Infrastructure	**–**	**–**	**399,987**	**399,987**
Total	**$ 485,248**	**$ 4,156,992**	**$ 1,117,463**	**$ 5,759,703**

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

	2023
Balance, beginning of year	**$ 855,046**
Remeasurement gains	**5,919**
Purchases	**256,498**
Sales	**–**
Balance, end of year	**$ 1,117,463**

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 $2,534 (2022 – $2,491) and a fair value of $2,600 (2022 – $2,503) are managed by the Parks Foundation Calgary and include equity investments with a cost of $1,631 (2022 – $1,636) and fair value of $1,770 (2022 – $1,708).

6. Receivables

		2023		2022
Taxes	**$**	**67,269**	$	64,235
Federal and Provincial Governments		**38,046**		35,451
General		**357,267**		384,332
	$	**462,582**	$	484,018

7. 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.

		2023		2022
Developed land	**$**	**61,769**	$	64,788
Under development		**90,777**		60,672
Long-term inventory		**81,960**		85,753
	$	**234,506**	$	211,213

8. Other Assets

		2023		2022
Long-term debt recoverable	**$**	**33,047**	$	42,076
Long-term receivables		**64,038**		66,272
Other receivables		**4,670**		2,103
Loans receivable		**5,166**		5,407
Derivative assets		**2**		–
	$	**106,923**	$	115,858

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 a receivable from St. Mary's University (Note 16 a. i.).

Loans receivable consist of interest-free loans offered by Attainable Homes Calgary Corporation to Calgarians when they purchase their housing units, and are secured by The City's encumbrance on the title of each property. The interest portion of the loans are recognized as an expense. In 2023, an allowance for doubtful accounts of $1,796 (2022 – $2,330) 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.

9. 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:

		2023		2022
Financial Position				
Current assets	**$**	**1,262,228**	$	1,772,317
Capital and intangible assets		**6,785,375**		6,473,062
Other assets		**1,398,848**		1,464,356
Total assets	**$**	**9,446,451**	$	9,709,735
Current liabilities (including current portion of long-term debt; 2023 – $292,440; 2022 – $84,670)	**$**	**1,828,785**	$	2,048,237
Non-current liabilities		**1,480,397**		1,432,671
Long-term debt		**3,185,421**		3,156,367
Total liabilities	**$**	**6,494,603**	$	6,637,275
Accumulated other comprehensive loss	**$**	**(28,267)**	$	(5,263)
Retained earnings		**2,980,115**		3,077,723
Investment in ENMAX Corporation	**$**	**2,951,848**	$	3,072,460

		2023		2022
Results of Operations				
Revenues	**$**	**3,810,977**	$	3,662,814
Expenses		**3,826,585**		3,367,186
Net (loss) income	**$**	**(15,608)**	$	295,628
Changes in Shareholder's Equity				
Net assets, beginning of year	**$**	**3,072,460**	$	2,714,462
Net (loss) income		**(15,608)**		295,628
Dividends paid		**(82,000)**		(62,000)
Other comprehensive (loss) income		**(23,004)**		124,370
Net assets, end of year	**$**	**2,951,848**	$	3,072,460

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

		2023		2022
Received by The City				
Dividends	**$**	**82,000**	$	62,000
Local access fee		**308,499**		225,804
Sales of services		**21,061**		21,648
Purchased by The City				
Power and other services	**$**	**169,916**	$	167,734
Capital expenditures paid or payable		**23,032**		7,874

The City's accounts payable and accrued liabilities and deferred revenue include $21,025 (2022 – $17,836) for amounts owed to ENMAX at December 31, 2023. The City's receivables include $22,210 (2022 – $26,368) for amounts owing to The City by ENMAX at December 31, 2023. 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 $1,722,502 (2022 – $1,606,493) and reported by ENMAX in long-term debt have been issued in the name of The City (Note 16 a.).

10. Bank Indebtedness

An unsecured short-term bank line of credit with a commercial bank is available to The City up to an amount of $60,000 (2022 – $160,000). As at December 31, 2023, The City had a total of $48,983 (2022 – $47,802) of bank indebtedness comprised of cheques issued in excess of deposits and an operating facility, included in this balance is $34,135 (2022 – $29,812) from one related authority (2022 – one related authority).

The City has the approved authority to issue up to $600,000 (2022 - $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, 2023, The City had $299,337 (2022 – $300,208) of short-term borrowings, which consisted of promissory notes held by The City and credit facilities held by Calgary Arts Development Authority Ltd. and Attainable Homes Calgary Corporation (2022 – Calgary Arts Development Authority Ltd.). The City has 20 promissory notes valued at $296,312 with maturity dates from January 3 to March 18, 2024, with interest rates ranging from 5.20 per cent to 5.40 per cent (2022 – 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).

11. Accounts Payable and Accrued Liabilities

	2023	2022
Trade	**$ 881,621**	$ 917,395
Federal and Provincial Governments	**33,100**	32,566
Accrued Interest	**16,149**	15,257
	$ 930,870	$ 965,218

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

	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

13. 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, 2022	Contributions Received	Revenue Recognized[1]	**December 31, 2023**
Developers contributions	$ 142,305	$ 15,955	$ (14,448)	**$ 143,812**
Off-site and centre city levies	374,386	92,557	(43,859)	**423,084**
Deferred capital contribution – Event Centre	14,159	–	(14,159)	**–**
Other private contributions	2,656	539	(580)	**2,615**
Provincial Government grants	425,335	213,148	(303,858)	**334,625**
Federal Government grants	227,064	219,576	(162,638)	**284,002**
	$ 1,185,905	$ 541,775	$ (539,542)	**$ 1,188,138**

	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

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

14. Asset Retirement Obligations

The City's asset retirement obligations consists of:

Landfill sites

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

In 2021, The City reviewed the model supporting the provision of the landfill liability. The model was revised to ensure alignment with Alberta Environment and Protected Areas (AEPA) requirements and to reflect the current economic conditions. The City reviews the model every three years and the next review is due in 2024.

The costs are based upon the presently known obligations that will exist at the estimated year of closure of the sites and for 25 years post this date. The landfills have an estimated useful life of 87 to 100 years, of which 32 to 48 years remain. The duration of post-closure care is dependent on the overall activities that are required at each landfill site — a discount rate of 3.0 per cent (2022 – 3.0 per cent) was used for active landfills and 2.9 per cent (2022 – 2.9 per cent) for the closed landfills.

The unfunded liability will be funded through future contributions from the Waste and Recycling Sustainment Reserve. At December 31, 2023, the balance of the Waste and Recycling Sustainment Reserve is $53,340 (2022 – $69,148). The landfill asset retirement obligation asset is recorded as part of engineered structures tangible capital asset.

Buildings

The City owns and operates several buildings that are known to have hazardous materials which are legally required to be removed in a prescribed manner upon demolition. In 2023, The City recognized an obligation for the removal of hazardous materials in these buildings (refer to Note 1 i.). The buildings have an estimated or revised useful life of 70 – 120 years from the year of acquisition or construction. The majority of the buildings will be remediated at intervals during their estimated useful life. Estimated costs have been discounted to December 31, 2023 using a discount rate of 3.0 per cent per annum. The transition and recognition of asset retirement obligations involved an accompanying increase to the buildings tangible capital assets and the restatement of prior year numbers (Notes 2 and 17).

Engineered Structures

The City owns and operates several engineered structures that are known to have hazardous materials, and there is a legal obligation to remove them in a prescribed manner. In 2023, The City recognized an obligation for the removal of hazardous materials in these engineered structures (Note 1 i.). The engineered structures range in useful lives from 40 – 100 years from the year of acquisition or construction. The majority of the engineered structures will be remediated at intervals during their estimated useful life. Estimated costs have been discounted to the present value using a discount rate of 3.0 per cent per annum. The transition and recognition of asset retirement obligations involved an accompanying increase to the engineered structures tangible capital assets and the restatement of prior year numbers (Notes 2 and 17).

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

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

		December 31, 2021		Adjustments due to adoption of ARO		Change due to TCA Additions (disposals)		Settlements		Change in estimate		Accretion expense		December 31, 2022 (restated note 2)
Asset Retirement Obligation														
Landfill	$	101,806	$	56,854	$	–	$	(1,321)	$	2,549	$	4,720	$	164,608
Buildings		–		131,631		279		(2,270)		–		2,596		132,236
Engineered Structures		–		10,553		–		(296)		–		138		10,395
	$	101,806	$	199,038	$	279	$	(3,887)	$	2,549	$	7,454	$	307,239

15. 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, 2023.

The City has fully met its current year cash contribution requirements for employee benefit obligations as at December 31, 2023. Employee benefit obligations recognized on The City's consolidated statement of financial position in respect to employee benefits is as follows:

	2023 Funded[(1)]	2022 Funded[(1)]
a. Registered defined-benefit pension plans	**$ 52,236**	$ 57,843
b. Non-registered defined-benefit pension plans	**44,039**	42,591
c. Post-retirement benefits	**113,338**	140,819
d. Vacation and overtime (undiscounted)	**287,960**	269,456
	$ 497,573	$ 510,709

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 15 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:

	December 31, 2023	December 31, 2022
Year end obligation discount rate (%)	**5.14**	4.51
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)	**5.60**	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 15 a. iv.), to determine The City's required contributions to the plan trusts. The most recent actuarial valuations for the purposes of developing funding requirements were prepared as of the following dates:

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

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

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:

		2023		2022
Fair value of plan assets – beginning of year	**$**	**172,057**	$	192,662
Contributions – employer		**9,335**		8,622
Contributions – member		**146**		142
Expected interest on plan assets		**9,635**		11,214
Less benefits paid		**(7,553)**		(10,088)
Actuarial gain (loss)		**613**		(30,495)
Fair value of plan assets – end of year	**$**	**184,233**	$	172,057
Accrued benefit obligation – beginning of year	**$**	**180,475**	$	240,540
Current period benefit cost		**8,135**		11,523
Interest on accrued benefit obligation		**8,336**		6,941
Less benefits paid		**(7,553)**		(10,088)
Actuarial gain		**(13,100)**		(68,441)
Accrued benefit obligation – end of year	**$**	**176,293**	$	180,475
Funded status – plan (surplus) deficit	**$**	**(7,940)**	$	8,418
Unamortized net actuarial gain		**60,176**		49,425
Accrued benefit liability[1]	**$**	**52,236**	$	57,843
Current period benefit cost	**$**	**8,135**	$	11,523
Amortization of actuarial (gains) losses		**(2,962)**		1,435
Less member contributions		**(146)**		(142)
Benefit expense	**$**	**5,027**	$	12,816
Interest on accrued benefit obligation		**8,336**		6,941
Less expected interest on plan assets		**(9,635)**		(11,214)
Benefit interest income	**$**	**(1,299)**	$	(4,273)
Total expense	**$**	**3,728**	$	8,543

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	**2023**	2022
FSPP	**14.7**	15.0
SPP	**8.2**	8.0
EOPP	**14.0**	14.8
PSPP	**Not applicable**	Not applicable

i. Calgary Firefighters' Supplementary Pension Plan

The FSPP was established on June 3, 1975. The plan is jointly administered by The City and the International Association of Firefighters (IAFF) Local 255. The plan is supplemental to the LAPP (Note 15 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, 2023, 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:

		2023 Employer		**2023 Members**		2022 Employer		2022 Members
Current service contributions	**$**	**5,558**	**$**	**4,605**	$	4,892	$	4,061

1) To satisfy the obligations under these plans, assets in the amount of $52,236 (2022 - $57,843) are held within The City's investments.

ii. The City of Calgary Supplementary Pension Plan

The SPP commenced on February 1, 2000 and is sponsored and administered by The City. The plan is supplemental to the LAPP (Note 15 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, 2023, 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, 2022 as follows:

	2023 Employer	**2023 Members**	2022 Employer	2022 Members
Current service contributions	**$ 3,689**	**$ 3,016**	$ 3,336	$ 2,727

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, 2023, 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:

	2023 Employer	**2023 Members**	2022 Employer	2022 Members
Current service contributions	**$ Nil**	**$ 146**	$ 228	$ 143

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 15 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, 2023.

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 (OCPP)	December 31, 2023
The City of Calgary Police Chief & Deputy Overcap Pension Plan (PCDOPP)	December 31, 2023
The City of Calgary Fire Chief and Deputies Overcap Pension Plan (FCDOPP)	December 31, 2023
Supplementary Pension Plan for Elected Officials of The City of Calgary (EOSP)	December 31, 2023
Executive Pension Plan (EPP)	December 31, 2023
Contractual obligations	December 31, 2023

The following table sets out the results of, and significant assumptions utilized, in the December 31, 2023 valuations for accounting purposes for the non-registered pension plans:

	2023	2022
Accrued benefit obligation – beginning of year	**$ 49,337**	$ 53,782
Current period benefit cost	**495**	504
Interest on accrued benefit obligation	**2,171**	1,471
Less benefits paid	**(3,407)**	(3,855)
Actuarial gain	**(1,370)**	(2,565)
Accrued benefit obligation – end of year	**$ 47,226**	$ 49,337
Funded status – plan deficit	**$ 47,226**	$ 49,337
Unamortized net actuarial loss	**(3,187)**	(6,746)
Accrued benefit liability[1]	**$ 44,039**	$ 42,591
Current period benefit cost	**$ 495**	$ 504
Amortization of actuarial losses	**2,189**	1,441
Interest on accrued benefit obligation	**2,171**	1,471
Total expense	**$ 4,855**	$ 3,416

Unamortized net actuarial gains and losses of the OCPP and PCDOPP 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:

Pension Plan	2023	2022
OCPP	**10.2**	4.9
PCDOPP	**6.9**	6.9
FCDOPP (closed plan)	**Not applicable**	Not applicable
EOSP (closed plan)	**Not applicable**	Not applicable
EPP (closed plan)	**Not applicable**	Not applicable
Contractual obligations (closed plan)	**Not applicable**	Not applicable

The following information details the structure and benefits of each of The City's non-registered defined-benefit pension plans:

i. The City of Calgary Overcap Pension Plan

The OCPP commenced on February 1, 2000. The plan is sponsored and administered by The City and provides supplementary pension benefits for management employees, the Police Chief and Deputies, and the Fire Chief and Deputies.

The OCPP for management employees provides a coordinated benefit with the LAPP (Note 15 e. i.), and the SPP (Note 15 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 15 e. ii.) and the FSPP (Note 15 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 15 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.

(1) To satisfy the obligations under these plans, assets in the amount of $44,039 (2022 – $42,591) are held within The City's investments.

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, 2023
Retirement Allowance	December 31, 2023
Supplementation of Compensation	December 31, 2023

The following table sets out the results of, and significant assumptions utilized, in the December 31, 2023 valuations for accounting purposes for post-retirement benefits:

		2023		2022
Accrued benefit obligation – beginning of year	**$**	**90,634**	$	130,853
Current period benefit cost		**5,454**		8,152
Interest on accrued benefit obligation		**4,218**		3,776
Less benefits paid		**(5,140)**		(7,606)
Curtailment gain(1)		**(25,259)**		(27,411)
Actuarial loss (gain)		**6,438**		(17,130)
Accrued benefit obligation – end of year	**$**	**76,345**	$	90,634
Plan assets(2)	**$**	**(2,979)**	$	(2,614)
Funded status – plan deficit	**$**	**73,366**	$	88,020
Unamortized net actuarial gain		**39,972**		52,799
Accrued benefit liability(3)	**$**	**113,338**	$	140,819
Current period benefit cost	**$**	**5,454**	$	8,152
Amortization of actuarial gain		**(6,754)**		(5,789)
Curtailment gain(1)		**(25,259)**		(27,411)
Interest on accrued benefit obligation		**4,218**		3,776
Total expense	**$**	**(22,341)**	$	(21,272)
Annual increase in dental and extended health costs		**5.1%**		4.9%

(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 4,700 members ceasing membership in the Program, constituting a curtailment gain of $25,259 (2022 – curtailment gain of $27,411).

(2) Plan assets in the amount of $2,979 (2022 – $2,614) to satisfy future life claims are equal to fair market value.

(3) Assets in the amount of $113,338 (2022 – $140,819) 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. Supplementation of Compensation), recognized in the year in which they arise.

The EARSL for each plan is:

	2023	2022
PWB	**12.2**	12.0
Retirement Allowance	**11.0**	11.4
Supplemental of Compensation	**Not applicable**	Not applicable

The following information details the structure and benefits of each of The City's post retirement benefits:

i. Pensioners and Widows/Widowers Benefits (PWB)

The City sponsors optional post-retirement benefits for extended health, dental and life insurance benefits for qualifying retirees and their surviving spouses, from the date of retirement to age 65. After 10 years or age 65, the life insurance policy reduces to a paid-up death benefit based on the number of years of contributory service prior to retirement. The sponsors and retirees share equally in the cost of benefits. The City's consolidated financial statements show the sponsors' portions only of the expense and the accrued benefit liability.

ii. Retirement Allowance

The City had sponsored a non-contributory retirement allowance of up to 7 weeks of salary for qualifying retirees. The cost of these benefits were recognized as an expense and an accrued benefit liability. Council made the decision on December 16, 2019 to discontinue the retirement allowance as of December 31, 2021, subject to applicable Labour Code requirements. As of December 31, 2023, only Employees in the IBEW L254 PSC Officers and Local 1779, 2103 Carpenters collective agreements (275 employees) were still eligible for the benefit.

iii. Supplementation of Compensation

The City sponsors a supplementation of compensation plan for employees who were disabled, or survivors of employees who were killed in the line of duty. The plan is deemed closed as employees are not actively accruing benefits.

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 $287,960 (2022 – $269,456) 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, 2022, 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:

	2023 Employer	**2023 Members**	2022 Employer	2022 Members
Current service contributions	**$ 130,733**	**$ 116,873**	$ 124,466	$ 111,763

The LAPP reported a surplus (extrapolation results of the actuarial valuation) for the overall plan as at December 31, 2022 of $12,671,000 (2021 – $11,922,000). More recent information was not available at the time of preparing these consolidated financial statements.

LAPP consists of 167,300 active members. The City's active plan membership represents approximately 7.9 per cent (2021 – 7.8 per cent) of the total LAPP active membership as at December 31, 2022.

ii. Special Forces Pension Plan

The SFPP provides an annual retirement benefit of 1.4 per cent of pensionable earnings up to YMPE, 2 per cent of pensionable earnings over YMPE, a bridge benefit of 0.6 per cent of YMPE to age 65, and improved early retirement and death benefits, up to maximum pension limits of the ITA. Under the Alberta *Public Sector Pension Plans Act*, The City and members of the SFPP made the following contributions:

	2023 Employer	**2023 Members**	2022 Employer	2022 Members
Current service contributions	**$ 43,625**	**$ 39,578**	$ 36,315	$ 33,587

The SFPP reported a surplus (extrapolation results of the actuarial valuation) for the overall plan as at December 31, 2022 of $265,340 (2021 – surplus of $424,164). More recent information was not available at the time of preparing these consolidated financial statements. The City's 2023 contribution rates did not change as a result of this surplus.

SFPP consists of 4,649 active members. The City's active plan membership represents approximately 49.1 per cent (2021 – 48.7 per cent) of the total SFPP active membership as at December 31, 2022.

16. Long-term Debt

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

	2023 Tax Supported	**2023 Self Sufficient Tax Supported**	**2023 Self Supported**	**2023 Total**	2022 Tax Supported	2022 Self Sufficient Tax Supported	2022 Self Supported	2022 Total
i. Debentures	**$ 239,532**	**$ 277,715**	**$ 3,837,020**	**$ 4,354,267**	$ 270,641	$ 247,343	$ 3,714,332	$ 4,232,316
ii. Mortgages and other debt	**59,647**	**–**	**8,925**	**68,572**	60,960	–	8,310	69,270
	$ 299,179	**$ 277,715**	**$ 3,845,945**	**$ 4,422,839**	$ 331,601	$ 247,343	$ 3,722,642	$ 4,301,586
Less								
iii. Debt attributable to ENMAX	**$ –**	**$ –**	**$ (1,722,502)**	**$ (1,722,502)**	$ –	$ –	$ (1,606,493)	$ (1,606,493)
	$ 299,179	**$ 277,715**	**$ 2,123,443**	**$ 2,700,337**	$ 331,601	$ 247,343	$ 2,116,149	$ 2,695,093

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 $57,072 (2022 – $55,521) 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 (SMU) in the amount of $3,022 (2022 – $3,252). In accordance with the Credit Agreements between SMU and The City, The City shall service the debenture through the disbursement of principal and interest payments. The City is liable for the outstanding debenture debt to the debenture debt holder. SMU is required to reimburse The City for all principal and interest payments with respect to the debenture on the same day as The City disburses the payments to the debt holder. As at December 31, 2023, SMU 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 (2022 – $8,099). In accordance with the Credit Agreements between Silvera for Seniors and The City, The City shall service the debenture through the disbursement of principal and interest payments. The City is liable for the outstanding debenture debt to the debenture debt holder. Silvera for Seniors is required to reimburse The City for all principal and interest payments with respect to the debenture on the same day as The City disburses the payments to the debt holder. As at December 31, 2023, 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 $50,973 (2022 – $49,763) are pledged as collateral against the mortgages. The City issued borrowings held by ENMAX and Plenary Infrastructure Calgary LP (Plenary) for The City's Shephard solar park and Stoney compressed natural gas bus storage and transit facility projects respectively. The amounts mature in 2048 with ENMAX and 2049 with Plenary.

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 $204,177 in 2023 (2022 – $229,867), 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 (2022 – 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	Total
2024	$ 27,647	$ 16,241	$ 273,814	$ (92,531)	$ 225,171
2025	25,644	15,662	268,739	(93,443)	216,602
2026	24,165	14,090	271,224	(94,774)	214,705
2027	22,954	11,475	272,291	(95,119)	211,601
2028	21,653	8,702	255,111	(93,356)	192,110
Thereafter	177,116	211,545	2,504,766	(1,253,279)	1,640,148
	$ 299,179	$ 277,715	$ 3,845,945	$ (1,722,502)	$ 2,700,337

c. Debenture interest is payable at rates ranging from 0.86 per cent to 7.50 per cent (2022 – 0.86 per cent to 8.25 per cent) per annum. Debenture debt held at year end has an average rate of interest of 3.59 per cent (2022 – 3.41 per cent).

	Tax Supported	Self Sufficient Tax Supported	Self Supported	Average Interest
Average Interest	3.59%	3.28%	3.61%	3.59%

d. The maturity dates, interest rates and contractual principals for long-term debt are as follows:

Type	Maturity	Lowest Interest Rate Range	Highest Interest Rate Range		Average Interest
Debentures, incl. ENMAX	< 1 year	1.86%	7.50%	$	8,997
	1 – 3 years	0.86%	4.96%		70,713
	3 – 5 years	1.04%	5.05%		186,842
	5 – 10 years	1.22%	5.22%		867,154
	10 – 20 years	1.79%	5.45%		2,130,893
	> 20 years	2.06%	5.43%		1,089,668
				$	**4,354,267**
Mortgages and other	< 1 year	0.00%	0.00%	$	5,913
	1 – 3 years	–	–		–
	3 – 5 years	–	–		–
	5 – 10 years	–	–		–
	10 – 20 years	0.68%	6.45%		1,761
	> 20 years	2.00%	4.29%		60,898
				$	**68,572**
				$	**4,422,839**
Less: ENMAX debenture				$	(1,722,502)
Total				**$**	**2,700,337**

e. Interest charges are as follows:

	2023 Tax Supported	2023 Self Sufficient Tax Supported	2023 Self Supported	2023 Total	2022 Tax Supported	2022 Self Sufficient Tax Supported	2022 Self Supported	2022 Total
Debenture interest	**$ 8,771**	**$ 8,606**	**$ 74,529**	**$ 91,906**	$ 10,135	$ 6,648	$ 73,204	$ 89,987
Other interest and charges	**23,627**	**1,120**	**232**	**24,979**	10,471	321	2,796	13,588
	$ 32,398	**$ 9,726**	**$ 74,761**	**$ 116,885**	$ 20,606	$ 6,969	$ 76,000	$ 103,575

f. The estimated fair value of The City's long-term debt is $2,415,884 (2022 – $2,441,980). Calculation of the estimated fair value of the debt is based on lending rates obtainable at December 31, 2023 for debentures with comparable maturities from The City's primary lender, the Province of Alberta.

g. 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.

	2023	2022
Total debt limit (1.6 times revenue)	**$ 7,697,013**	$ 7,442,520
Total debt (short and long-term)	**3,075,366**	3,053,548
Percentage of debt capacity used	**39.96%**	41.03%
Total debt service limit (0.28 times revenue)	**$ 1,346,977**	$ 1,302,441
Total debt service	**617,440**	625,510
Percentage of debt servicing capacity used	**45.84%**	48.03%

17. Tangible Capital Assets

	December 31, 2022 (Restated Note 2)	Additions/ Transfers	Disposals	**December 31, 2023**
Cost				
Land	$ 2,738,755	$ 133,976	$ (26,028)	**$ 2,846,703**
Land improvements	1,410,681	31,032	(32,512)	**1,409,201**
Engineered structures	18,608,308	622,671	(18,721)	**19,212,258**
Buildings	3,814,602	70,882	(9,663)	**3,875,821**
Machinery and equipment	740,306	28,573	(36,558)	**732,321**
Vehicles	1,652,827	108,460	(35,176)	**1,726,111**
	$ 28,965,479	$ 995,594	$ (158,658)	**$ 29,802,415**
Work in progress				
Land	$ 13,722	$ 33,544	$ (45,642)	**$ 1,624**
Construction	1,346,422	424,074	(48,825)	**1,721,671**
	$ 30,325,623	$ 1,453,212	$ (253,125)	**$ 31,525,710**

	December 31, 2022 (Restated Note 2)	Additions	Disposals	**December 31, 2023**
Accumulated Amortization				
Land improvements	$ 802,433	$ 35,448	$ (4,427)	**$ 833,454**
Engineered structures	6,878,906	408,159	(17,663)	**7,269,402**
Buildings	1,511,626	141,634	(7,387)	**1,645,873**
Machinery and equipment	531,646	50,031	(39,235)	**542,442**
Vehicles	855,974	89,207	(30,622)	**914,559**
	$ 10,580,585	$ 724,479	$ (99,334)	**$ 11,205,730**
Net book value	$ 19,745,038	$ 728,733	$ (153,791)	**$ 20,319,980**

	December 31, 2021	Additions/ Transfers	Disposals	December 31, 2022	Adjustments due to ARO	December 31, 2022 (Restated Note 2)
Cost						
Land	$ 2,695,764	$ 48,218	$ (5,227)	$ 2,738,755	$ –	$ 2,738,755
Land improvements	1,328,962	84,074	(2,355)	1,410,681	–	1,410,681
Engineered structures	17,932,273	669,557	(27,862)	18,573,968	34,340	18,608,308
Buildings	3,666,364	85,265	(12,730)	3,738,899	75,703	3,814,602
Machinery and equipment	723,643	34,872	(18,209)	740,306	–	740,306
Vehicles	1,629,774	59,950	(36,897)	1,652,827	–	1,652,827
	$ 27,976,780	$ 981,936	$ (103,280)	$ 28,855,436	$ 110,043	$ 28,965,479
Work in progress						
Land	$ 13,646	$ 80	$ (4)	$ 13,722	$ –	$ 13,722
Construction	1,210,117	147,747	(11,442)	1,346,422	–	1,346,422
	$ 29,200,543	$ 1,129,763	$ (114,726)	$ 30,215,580	$ 110,043	$ 30,325,623

	December 31, 2021	Additions	Disposals	December 31, 2022	Adjustments due to ARO	December 31, 2022 (Restated Note 2)
Accumulated Amortization						
Land improvements	$ 752,368	$ 50,779	$ (714)	$ 802,433	$ –	$ 802,433
Engineered structures	6,478,614	404,137	(24,193)	6,858,558	20,348	6,878,906
Buildings	1,353,109	119,869	(8,822)	1,464,156	47,470	1,511,626
Machinery and equipment	495,638	53,946	(17,938)	531,646	–	531,646
Vehicles	799,274	87,952	(31,252)	855,974	–	855,974
	$ 9,879,003	$ 716,683	$ (82,919)	$ 10,512,767	$ 67,818	$ 10,580,585
Net book value	$ 19,321,540	$ 413,080	$ (31,807)	$ 19,702,813	$ 42,225	$ 19,745,038

In 2023, $288,695 (2022 – $240,901) 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 2023 and 2022 consist of certain buildings and land. In 2023 and 2022 the write-downs of tangible capital assets were $nil. Work in progress land contains expenses related to the purchase of land parcels related to a tangible capital asset project.

The land is being utilized to complete the project but is not ready for its intended purpose. Once the project is complete, the land is capitalized out of the work in progress land category into the land category.

Cultural and historical properties and treasures are held by The City in various locations. Due to the subjective nature of the assets, they are not recorded as tangible capital assets in the consolidated financial statements (Note 27).

18. 2023 Budget

Budget data presented in these consolidated financial statements are based upon the 2023 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	$ 4,595,457	$ 4,695,775	$ 100,318
Capital	–	1,467,500	1,467,500
Add			
Capital budget adjustments and revisions	–	1,318,311	1,318,311
Related authorities	174,338	373,285	181,681
Equity in earnings of ENMAX	228,000	–	–
Transfers between capital and operating	–	–	8,768
	$ 4,997,795	$ 7,854,871	$ 3,076,578
Less			
Operating budget adjustments and revisions	$ (129,430)	$ (129,430)	$ –
Intercompany eliminations	(16,552)	(69,420)	(56,550)
Contributions from Water Services and Calgary Parking	(126,499)	(108,430)	–
Contributions from reserves and operations	(201,761)	(756,674)	–
Debt principal repayments	–	(53,444)	–
Tangible capital asset adjustments	–	(2,460,078)	–
Debt issued	–	–	(663,496)
Transfers from reserves	–	–	(1,202,978)
Amortization	–	(153,086)	–
Budget for Financial Statement Purposes	**$ 4,523,553**	**$ 4,124,309**	**$ 1,153,554**

19. Net Assets

Net assets consist of restricted and unrestricted amounts of equity in non-financial assets as follows:

	2023	2022 (Restated Note 2)
Operating fund	**$ 236,408**	$ 258,732
Capital fund	**234,414**	170,440
Local improvements to be funded in future years	**52,780**	54,415
Obligation to be funded in future years[1]	**(225,106)**	(225,165)
Reserves (Note 21)	**4,003,003**	3,635,785
Equity in ENMAX (Note 9)[2]	**2,980,115**	3,072,460
Equity in non-financial assets (Note 20)	**17,752,754**	17,174,149
Accumulated surplus	**$ 25,034,368**	$ 24,140,816
Accumulated remeasurement losses	**$ (69,097)**	$ –
	$ 24,965,271	$ 24,140,816

20. Equity in Non-Financial Assets

	2023	2022 (Restated Note 2)
Tangible capital assets (Note 17)	**$ 20,319,980**	$ 19,745,038
Long-term debt (Note 16)	**(2,700,337)**	(2,695,093)
Long-term debt recoverable – non capital (Note 16 a. i.)	**11,121**	11,351
Inventory	**81,935**	77,379
Prepaid assets	**40,055**	35,474
	$ 17,752,754	$ 17,174,149

21. 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.

	2023	2022
Calgary Housing Company	**$ 45,451**	$ 38,306
ENMAX dividend stabilization	**–**	18,000
Fiscal stability	**876,390**	853,510
Other operating	**63,751**	75,399
Total operating reserves	**$ 985,592**	$ 985,215
Calgary Parking	**$ 169,955**	$ 159,374
Community investment	**147,820**	130,265
Debt servicing	**52,570**	52,570
Established area investments	**36,007**	44,899
Green Line fund	**172,799**	183,539
Legacy parks	**61,625**	34,039
Major capital projects	**412,687**	282,189
Calgary Police Service	**30,194**	37,985
Reserve for future capital and lifecycle maintenance and upgrade merged	**977,167**	792,182
Other capital	**87,438**	83,108
Total capital reserves	**$ 2,148,262**	$ 1,800,150
Cash in lieu lifecycle sustainment	**$ 37,376**	$ 36,220
Corporate housing reserve	**42,076**	43,054
General hospital legacy reserve	**17,733**	17,184
Planning and development sustainment	**105,144**	103,545
Opportunity Calgary investment	**71,247**	82,179
Perpetual care	**27,205**	28,030
Real estate services	**215,072**	218,798
Utilities sustainment	**245,719**	202,589
Waste and recycling sustainment	**53,340**	69,148
Other sustainment	**54,237**	49,673
Total sustainment reserves	**$ 869,149**	$ 850,420
Total reserves	**$ 4,003,003**	$ 3,635,785

(1) Obligation to be funded in future years consists of unfunded liabilities of $225,106 (2022 – $211,005 restated) for the asset retirement obligations provision (Notes 2 and 14).
(2) Excluded from Equity in ENMAX is $28,267 of accumulated other comprehensive losses which are reflected within the accumulated remeasurement losses of $69,097.

22. Net Taxes Available for Municipal Purposes

	2023	2022
Property taxes	**$ 2,945,083**	$ 2,804,643
Community Revitalization Levy	**39,790**	36,034
Business Improvement Area relief	**–**	(64)
Revenue in lieu of taxes	**403,535**	338,972
Local improvement levies and special taxes	**8,588**	7,699
	$ 3,396,996	$ 3,187,284
Less: Provincial property taxes		
Current year levy	**$ (785,920)**	$ (781,729)
Prior year (levy) adjustment	**(3,472)**	801
Net taxes available for municipal use	**$ 2,607,604**	$ 2,406,356

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 $1,798 (2022 – receivable of $3,472) has been recorded at December 31, 2023 within accounts receivable that will be funded through an increase in the subsequent year's provincial property tax rate.

Business Improvement Area relief of $nil (2022 – $64) 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.

23. 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 $716 for the year ended December 31, 2023 (2022 – loss of $27). The City has guaranteed certain indebtedness of AHCC as disclosed in Note 32 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, though 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) delivers safe and affordable housing to Calgarians. Some of the housing is provided under agreements with The City and the Province of Alberta, which provides subsidies for certain properties. Since its inception, Calgary Housing Company has assumed ownership and/or management of Portfolios under different agreements.

iii. Calgary Public Library Board

The Calgary Public Library Board is constituted under the *Libraries Act* of the Province of Alberta. It operates a system of 20 branches and the Central Library in Calgary.

iv. Calgary TELUS Convention Centre

The Calgary Convention Centre Authority (the Authority) is incorporated under the laws of the Province of Alberta and operates the Calgary TELUS Convention Centre (CTCC) pursuant to an operating agreement between the Authority and The City. The land, building, furniture and equipment are owned by The City, who also contributes a grant towards the operating costs of CTCC. In accordance with an amendment to the operating agreement, the Authority retains operating surpluses to fund any net operating deficits.

Related Authority's Financial Information

For the year ended December 31, 2023 (in thousands)

	Calgary Economic Development Ltd.	Attainable Homes Calgary Corporation	Calgary Municipal Land Corporation	Calgary Arts Development Authority Ltd.	Calgary Housing Company	Calgary Public Library Board	Calgary TELUS Convention Centre	2023 Total
Department segment	Planning and development services	Infrastructure services	Infrastructure services	Community services	Community services	Community services	Community services	
Financial position								
Physical assets	$ 1,037	$ –	$ 283,322	$ 23,521	$ 97,951	$ 39,605	$ 1,121	$ 446,557
Financial assets	9,003	12,070	447,998	15,163	56,553	16,667	5,571	563,025
	$ 10,040	$ 12,070	$ 731,320	$ 38,684	$ 154,504	$ 56,272	$ 6,692	$ 1,009,582
Long-term debt	$ –	$ –	$ 277,715	$ –	$ 4,442	$ –	$ –	$ 282,157
Financial liabilities	8,773	4,864	427,659	15,661	36,515	5,895	6,898	506,265
	$ 8,773	$ 4,864	$ 705,374	$ 15,661	$ 40,957	$ 5,895	$ 6,898	$ 788,422
Net assets	$ 1,267	$ 7,206	$ 25,946	$ 23,023	$ 113,547	$ 50,377	$ (206)	$ 221,160
Results of operations								
Revenues								
Community revitalization levy	$ –	$ –	$ 141,111	$ –	$ –	$ –	$ –	$ 141,111
Sales of goods and services	–	4,557	6,100	1,162	55,606	–	26,345	93,770
Government transfers, agreements and subsidies	6,388	–	–	–	69,513	7,221	–	83,122
Developers contributions	–	–	–	10	–	–	–	10
Donated assets	–	–	–	–	2,590	–	–	2,590
Investment income	185	3	–	162	1,650	1,055	–	3,055
Miscellaneous revenue	1,645	192	3,047	950	2,446	3,723	–	12,003
Loss on sale of tangible capital assets	–	–	–	–	–	(5)	–	(5)
Internal transfers and contributions	11,022	–	46,500	20,951	(2,351)	60,415	2,936	139,473
Total revenues	$ 19,240	$ 4,752	$ 196,758	$ 23,235	$ 129,454	$ 72,409	$ 29,281	$ 475,129
Expenses								
Salaries, wages and benefits	$ 10,139	$ 1,136	$ 6,335	$ 3,456	$ 25,211	$ 42,501	$ 7,686	$ 96,464
Contracted and general services	9,248	27	13,582	18,681	44,019	17,185	4,643	107,385
Materials, equipment and supplies	–	4,264	112,602	231	1,075	6,548	16,395	141,115
Interest charges	–	41	15,893	126	134	–	–	16,194
Transfers	–	–	–	–	22,810	–	–	22,810
Utilities	292	–	106	139	12,958	1,323	1,651	16,469
Amortization	144	–	8,412	1,067	3,196	5,436	59	18,314
Accretion	–	–	–	–	293	–	–	293
Debt principal repayments	–	–	–	–	812	–	–	812
Total expenses	$ 19,823	$ 5,468	$ 156,930	$ 23,700	$ 110,508	$ 72,993	$ 30,434	$ 419,856
(Loss) Income before appropriations	$ (583)	$ (716)	$ 39,828	$ (465)	$ 18,946	$ (584)	$ (1,153)	$ 55,273
Internal transfers	583	716	(39,828)	465	(18,946)	584	1,153	(55,273)
Change in fund balance	$ –	$ –	$ –	$ –	$ –	$ –	$ –	$ –

Related Authority's Financial Information

For the year ended December 31, 2022 (in thousands)

	Calgary Economic Development Ltd.	Attainable Homes Calgary Corporation	Calgary Municipal Land Corporation	Calgary Arts Development Authority Ltd.	Calgary Housing Company	Calgary Public Library Board	Calgary TELUS Convention Centre	2022 Total
Department segment	Planning and development services	Infrastructure services	Infrastructure services	Community services (Restated)	Community services	Community services	Community services	
Financial position								
Physical assets	$ 182	$ –	$ 246,758	$ 24,531	$ 95,949	$ 41,054	$ 1,180	$ 409,654
Financial assets	6,694	13,052	357,109	7,676	55,089	14,965	6,374	460,959
	$ 6,876	$ 13,052	$ 603,867	$ 32,207	$ 151,038	$ 56,019	$ 7,554	$ 870,613
Long-term debt	$ –	$ –	$ 247,343	$ –	$ 5,254	$ –	$ –	$ 252,597
Financial liabilities	5,026	5,128	322,310	8,719	51,996	5,028	6,606	404,813
	$ 5,026	$ 5,128	$ 569,653	$ 8,719	$ 57,250	$ 5,028	$ 6,606	$ 657,410
Net assets	$ 1,850	$ 7,924	$ 34,214	$ 23,488	$ 93,788	$ 50,991	$ 948	$ 213,203
Results of operations								
Revenues								
Community revitalization levy	$ –	$ –	$ 129,959	$ –	$ –	$ –	$ –	$ 129,959
Sales of goods and services	–	19,732	1,325	953	52,079	–	19,579	93,668
Government transfers, agreements and subsidies	3,936	–	–	42	68,549	6,888	–	79,415
Developers contributions	–	–	–	45	–	–	–	45
Investment income	97	4	1	37	1,189	421	–	1,749
Miscellaneous revenue	2,516	14	3,000	515	2,339	3,391	–	11,775
Loss on sale of tangible capital assets	–	–	–	–	–	(175)	(3)	(178)
Internal transfers and contributions	9,796	–	44,500	18,747	(170)	59,096	3,295	135,264
Total revenues	$ 16,345	$ 19,750	$ 178,785	$ 20,339	$ 123,986	$ 69,621	$ 22,871	$ 451,697
Expenses								
Salaries, wages and benefits	$ 7,272	$ 1,080	$ 5,537	$ 3,125	$ 22,440	$ 40,398	$ 6,065	$ 85,917
Contracted and general services	8,376	330	13,876	16,830	51,104	15,504	3,639	109,659
Materials, equipment and supplies	–	18,301	100,849	85	805	7,257	11,611	138,908
Interest charges	–	51	10,479	68	165	–	–	10,763
Transfers	–	–	–	–	19,624	–	–	19,624
Utilities	431	15	97	112	13,661	1,279	1,188	16,783
Amortization	89	–	8,336	1,011	3,125	6,033	333	18,927
Accretion	–	–	–	–	284	–	–	284
Debt principal repayments	–	–	–	–	783	–	–	783
Total expenses	$ 16,168	$ 19,777	$ 139,174	$ 21,231	$ 111,991	$ 70,471	$ 22,836	$ 401,648
Income (loss) before appropriations	$ 177	$ (27)	$ 39,611	$ (892)	$ 11,995	$ (850)	$ 35	$ 50,049
Internal transfers	(177)	27	(39,611)	892	(11,995)	850	(35)	(50,049)
Change in fund balance	$ –	$ –	$ –	$ –	$ –	$ –	$ –	$ –

24. Expenses by Object

		2023		2022 (Restated Note 2)
Salaries, wages and benefits	**$**	**2,237,853**	$	2,056,226
Contracted and general services		**597,112**		628,315
Materials, equipment and supplies		**592,803**		499,660
Utilities		**125,774**		123,681
Transfers		**238,615**		195,123
Interest charges (Note 16)		**116,885**		103,575
Amortization		**724,479**		718,196
Accretion		**7,675**		7,454
Loss on disposal of tangible capital assets		**16,551**		11,394
	$	**4,657,747**	$	4,343,624

25. Government Transfers

		2023		2022
Operating				
Province of Alberta	**$**	**169,513**	$	222,081
Government of Canada		**9,793**		5,749
	$	**179,306**	$	227,830
Capital				
Province of Alberta	**$**	**299,568**	$	197,560
Government of Canada		**162,748**		162,083
	$	**462,316**	$	359,643
	$	**641,622**	$	587,473

In accordance with PSAS, government transfers related to capital acquisitions are required to be recognized as revenue in the consolidated financial statements in the period in which the eligibility criteria and stipulation requirements of the agreements are met.

26. Segmented Information

The accounting policies used in the segment disclosures are consistent with those followed in the preparation of the consolidated financial statements (Note 1).

For each reported segment, revenues and expenses represent amounts directly attributable to each segment:

a. Planning and development services

Responsible for planning, facilitating and building a great and sustainable Calgary through cross-functional, customer, community and regional collaboration.

b. Infrastructure services

Responsible for designing, building and optimizing municipal infrastructure investment including the Green Line Project to create inclusive, accessible, connected, resilient communities.

c. Community services

Responsible for connecting and protecting Calgarians and communities. Working together to create and sustain healthy, safe, caring and socially inclusive communities that people want to call home.

d. Operational services

Responsible for operating, maintaining and delivering critical services that Calgarians rely on.

e. General government

- Corporate Planning & Financial Services is responsible for driving value and performance for the organization.
- People, Innovation & Collaboration Services is responsible for empowering and enabling employees.
- Law, Legislative Services & Security is responsible for providing legal services to The City, delivers open, accessible and impartial government services to the public, Council and The City and secures and protects the people who work and visit our municipal facilities and amenities.
- Chief Administrative Office and Chief Operating Office is responsible for ensuring the policies and programs of the municipality are implemented, advising and informing Council on the operation and affairs of the municipality, and performing the duties and functions assigned by the *Municipal Government Act* and Council.

f. ENMAX

ENMAX is a wholly owned subsidiary of The City, accounted for on a modified equity basis as a government business enterprise. Note 9 of these consolidated financial statements provides condensed financial information for ENMAX.

Schedule of Financial Activities by Segment

For the year ended December 31, 2023 (in thousands)

	Planning and development services	Infrastructure services	Community services	Operational services	General government	ENMAX Corporation	Total Consolidated 2023
Revenues							
Net taxes available for municipal purposes	$ –	$ 42	$ –	$ 2,550	$ 2,605,012	$ –	$ 2,607,604
Sales of goods and services	3,739	56,342	143,684	1,143,393	12,825	–	1,359,983
Government transfers related to operating							
Provincial	3,889	62	153,275	10,224	2,063	–	169,513
Federal	6,399	543	2,202	330	319	–	9,793
Investment income	3,244	156	3,058	23,467	190,009	–	219,934
Fines and penalties	54	–	37,212	24,322	16,062	–	77,650
Licences, permits and fees	93,794	915	19,968	19,214	192	–	134,083
Miscellaneous revenue	2,424	2,185	13,021	7,198	8,671	–	33,499
Gain on sale	4	6,834	250	920	1,736	–	9,744
Dividend income from ENMAX Corporation	–	–	–	–	82,000	–	82,000
Equity in loss from ENMAX Corporation	–	–	–	–	–	(97,608)	(97,608)
	$ 113,547	$ 67,079	$ 372,670	$ 1,231,618	$ 2,918,889	$ (97,608)	$ 4,606,195
Expenses							
Salaries, wages and benefits	$ 131,695	$ 85,107	$ 975,231	$ 734,950	$ 310,870	$ –	$ 2,237,853
Contracted and general services	50,345	120,563	186,169	278,617	(38,582)	–	597,112
Materials, equipment and supplies	4,200	131,593	112,766	290,407	53,837	–	592,803
Utilities	344	565	23,205	101,627	33	–	125,774
Transfers	8,055	4,605	208,979	9,730	7,246	–	238,615
Interest charges	2,008	13,095	2,094	87,979	11,709	–	116,885
Amortization	4,335	9,560	55,634	632,471	22,479	–	724,479
Accretion	–	99	658	6,918	–	–	7,675
Loss on disposal of tangible capital assets	–	12,500	629	3,360	62	–	16,551
	$ 200,982	$ 377,687	$ 1,565,365	$ 2,146,059	$ 367,654	$ –	$ 4,657,747
(Deficit) Excess of Revenues Before Other Contributions And Transfers	$ (87,435)	$ (310,608)	$ (1,192,695)	$ (914,441)	$ 2,551,235	$ (97,608)	$ (51,552)
Other Contributions and Transfers							
Developer contributions	$ –	$ 47,982	$ 14,340	$ 126,508	$ –	$ –	$ 188,830
Government transfers related to capital	3,500	208,078	63,953	186,785	–	–	462,316
Developer contributions-in-kind related to capital	–	374	3,370	284,951	–	–	288,695
	$ 3,500	$ 256,434	$ 81,663	$ 598,244	$ –	$ –	$ 939,841
Annual (Deficit) Surplus	$ (83,935)	$ (54,174)	$ (1,111,032)	$ (316,197)	$ 2,551,235	$ (97,608)	$ 888,289

Schedule of Financial Activities by Segment

For the year ended December 31, 2022 (in thousands)
(Restated Note 2)

	Planning and development services	Infrastructure services	Community services	Operational services	General government	ENMAX Corporation	Total Consolidated 2022
Revenues							
Net taxes available for municipal purposes	$ –	$ –	$ –	$ 1,853	$ 2,404,503	$ –	$ 2,406,356
Sales of goods and services	2,570	166,879	124,681	1,077,913	12,428	–	1,384,471
Government transfers related to operating							
Provincial	47	–	135,161	86,873	–	–	222,081
Federal	3,928	157	1,093	565	6	–	5,749
Investment income	2,203	1,447	1,883	10,710	125,287	–	141,530
Fines and penalties	56	–	38,957	19,434	15,642	–	74,089
Licences, permits and fees	85,524	1,034	11,647	19,993	313	–	118,511
Miscellaneous revenue	3,623	2,199	12,589	12,328	6,676	–	37,415
Gain on sale	13	18,028	250	585	–	–	18,876
Dividend income from ENMAX Corporation	–	–	–	–	62,000	–	62,000
Equity in earnings from ENMAX Corporation	–	–	–	–	–	233,628	233,628
	$ 97,964	$ 189,744	$ 326,261	$ 1,230,254	$ 2,626,855	$ 233,628	$ 4,704,706
Expenses							
Salaries, wages and benefits	$ 115,043	$ 81,090	$ 891,912	$ 688,589	$ 279,592	$ –	$ 2,056,226
Contracted and general services	33,145	160,672	149,771	267,885	16,842	–	628,315
Materials, equipment and supplies	6,869	122,704	92,849	234,276	42,962	–	499,660
Utilities	491	1,100	25,600	96,458	32	–	123,681
Transfers	7,846	3,983	169,012	6,804	7,478	–	195,123
Interest charges	1,715	11,835	1,282	83,615	5,128	–	103,575
Amortization	3,981	9,385	57,354	623,852	23,624	–	718,196
Accretion	–	96	638	6,720	–	–	7,454
Loss on disposal of tangible capital assets	–	3,362	686	7,335	11	–	11,394
	$ 169,090	$ 394,227	$ 1,389,104	$ 2,015,534	$ 375,669	$ –	$ 4,343,624
(Deficit) Excess of Revenues Before Other Contributions And Transfers	$ (71,126)	$ (204,483)	$ (1,062,843)	$ (785,280)	$ 2,251,186	$ 233,628	$ 361,082
Other Contributions and Transfers							
Developer contributions	$ 120	$ 89,229	$ 1,272	$ 151,877	$ –	$ –	$ 242,498
Government transfers related to capital	10,412	202,959	44,907	101,184	181	–	359,643
Developer contributions-in-kind related to capital	–	700	–	240,201	–	–	240,901
	10,532	292,888	46,179	493,262	181	–	843,042
Net (Deficit) Revenes	$ (60,594)	$ 88,405	$ (1,016,664)	$ (292,018)	$ 2,251,367	$ 233,628	$ 1,204,124
ENMAX Corporation – other comprehensive income	–	–	–	–	–	124,370	124,370
Annual (Deficit) Surplus	$ (60,594)	$ 88,405	$ (1,016,664)	$ (292,018)	$ 2,251,367	$ 357,998	$ 1,328,494

27. Unrecognized Assets

The City has the following major categories of unrecognized assets:

a. Art Collections

The City has acquired various art collections for the benefit of Calgarians funded by capital infrastructure projects, donated by local artists, and heritage art. As at December 31, 2023, the insured value of the various art collections is $25,180 (2022 – $25,180).

b. Antique Airplanes

The City has ownership of antique airplanes, which are displayed in the Hangar Flight Museum of Calgary. As at December 31, 2023, the insured value of the antique airplanes is $6,614 (2022 – $6,614).

c. Crown Land

The City has assets that reside/intersect on certain crown lands. The City is unable to determine a reasonable value for the crown lands.

d. Heritage Artifacts

The City has a variety of heritage artifacts that are items of cultural significance. The City is unable to determine a reasonable value for the heritage artifacts.

28. 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 at December 31, 2023, there are no material transactions to disclose that occurred between related parties at a value other than or terms different from that which would have been arrived at as if the parties were unrelated. Refer to Note 9 c. for ENMAX related party disclosures.

29. 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
2024	$ 2,826	$ 15,498	$ 18,324
2025	2,461	6,746	9,207
2026	1,637	4,754	6,391
2027	1,195	3,951	5,146
2028	997	3,298	4,295
Thereafter	3,349	9,213	12,562
	$ 12,465	$ 43,460	$ 55,925

30. Contingent Assets

In the ordinary course of business, various claims and lawsuits are brought by The City. It is the opinion of administration that the settlement of these actions will result in The City's favour and the settlement amounts will be available for The City's use. The estimated assets value could not be disclosed due to the nature of the claims and may have an adverse effect on the outcomes. Contingent assets are not recorded in the consolidated financial statements.

31. Commitments and Contingent Liabilities

a. Capital commitments of $2,276,192 (2022 – $1,263,094 restated) are not reflected in the consolidated financial statements. This amount represents uncompleted portions of contracts, as at December 31, 2023, on major projects and estimated obligations under other various agreements. These capital commitments were included in The City's capital budget and will be funded from capital deposits, reserves and debt in future years.

b. Operating commitments of $385,590 (2022 – $339,897) are not reflected in the consolidated financial statements. This amount represents uncompleted portions of contracts and obligations, as at December 31, 2023, 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 $107,780 (2022 – $76,615) 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:

2024	$	24,888
2025		22,536
2026		18,363
2027		16,590
2028		6,456
Thereafter		18,947
	$	107,780

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 $2,163 (2022 – $2,120) for environmental liabilities based on estimates of the costs to manage the sites. Such estimates are subject to adjustment based on changes in laws and regulations and as additional information becomes available.

f. As at December 31, 2023, 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 administration to interpret continually changing regulations and to make certain judgments.

h. The City has entered into a 20-year contract for power supply from ENMAX Energy, a wholly owned subsidiary of ENMAX, from 2007 to 2026. Under the terms of the agreement, ENMAX Energy supplies 100 per cent renewable electricity up to contracted volumes. Annual electricity prices are based on a portfolio of energy sources developed for The City by ENMAX Energy.

i. The City has entered into four 20-year agreements (commencing 2010, 2011, 2013, 2020) with ENMAX, for the supply of thermal energy. The annual price of the energy supplied by each agreement is a blended rate which includes a fixed charge component. During 2021, ENMAX's district energy system was sold to Calgary District Heating Inc. (CDHI), a wholly owned subsidiary of Atlantica Sustainable Infrastructure plc, and it was agreed that all existing agreements with The City would be honoured. Additionally, The City has entered into one 25-year agreement (commencing 2023) with CDHI for the supply of thermal energy. As at December 31, 2023, the estimated future obligation for this fixed charge is $4,242 (2022 - $4,843).

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 $5,005 (2022 – $5,314).

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 $1,476 (2022 – $1,949).

l. The City is responsible for the remediation of contaminated sites where The City is directly responsible or has accepted responsibility for remediation. A provision for future clean-up costs and monitoring has been accrued based on environmental assessments. As at December 31, 2023, the provision was $1,755 (2022 – $391) and is classified in accounts payable and accrued liabilities. This provision is based on $2,091 (2022 – $466) in expenditures expected to be incurred over the next 25 years discounted at 3.57 per cent (2022 – 3.2 per cent) based on The City's weighted average cost of capital.

The liability for contaminated sites is for a non-sanctioned activity on a City-owned parcel of land and an operating industrial operation. The nature of contamination includes heavy metals and petroleum hydrocarbons.

From time to time, there may be uncertainty as to whether The City has a legal responsibility or accepts responsibility for a contaminated site or whether economic benefits will be foregone for a contaminated site. It is not expected that the impact of any such sites would have a material impact on the consolidated financial statements. When The City is able to determine that all inclusion criteria have been met, The City will accrue a liability for these future remediation costs.

m. On November 1, 2019, The City entered into a contribution agreement with CMLC and Calgary Exhibition and Stampede Limited (CESL) to expand the BMO 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 projects reserve. CMLC will repay The City through the Rivers District Community Revitalization Levy starting in 2028 through 2047. In 2023, The City incurred $106,670 (2022 – $99,240) of costs, which were expensed as a donation to CESL. The remaining commitment is $35,558 (2022 – $142,203) and has been included as a capital commitment in Note 31 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 reserve and the Major capital project reserve. In addition to the above funding, Council passed a Bylaw authorizing a loan of up to $165,000 to CMLC with both principal and interest to be repaid with future community revitalization levy starting in 2026 through 2047. In 2023, The City incurred $6,585 (2022 – $5,405) of costs which have been capitalized.

o. On October 5, 2023, agreements were signed between The City, Calgary Sports and Entertainment Corporation, the Province of Alberta and Calgary Exhibition and Stampede Limited to develop and operate a new modern event centre and make additional infrastructure investments in the Culture + Entertainment District. The City's commitment to the projects is $853,300 and will be funded via the Fiscal stability reserve and the Major capital projects reserve. The City incurred $10,129 of costs to date. The remaining commitment of $843,171 has been included as a capital commitment in Note 31 a.

32. 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 2047. The interest rates on the credit facilities owed by CESL range from 3.64 per cent to 6.70 per cent (2022 – 3.44 per cent to 6.55 per cent). As at December 31, 2023, CESL has drawn a total of $74,558 (2022 – $57,374) on the total maximum available facility of $74,558 (2022 – $70,774). The City, as an unconditional guarantor, holds as security a fixed debenture in the amount of $80,000 (2022 – $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 when the related debt will mature. The interest rate on the credit facility is 1.95 per cent (2022 – 1.95 per cent). As at December 31, 2023, the outstanding balance of the facility was $441 (2022 – $873) on the total maximum available facility of $441 (2022 – $873). 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 is valid until June 30, 2026, when the related credit facility matures. The interest on the credit facility is Prime minus 0.75 per cent per annum (2022 – Prime minus 0.75 per cent). As at December 31, 2023, the outstanding balance of the facility was $694 (2022 – $nil) on the total maximum available facility of $10,000 (2022 – $10,000). The City, as an unconditional guarantor, holds as security a fixed and floating debenture in the amount of $10,000 (2022 – $10,000).

b. Other indemnification agreements

In the normal course of business, The City may provide indemnification to counterparties that would require The City to compensate them for costs incurred as a result of litigation claims or statutory sanctions that may be suffered by the counterparty as a result of the transaction. The terms of these indemnification agreements will vary based upon the contract. The nature of the indemnification agreements prevents The City from making a reasonable estimate of the maximum potential amount it could be required to pay to counterparties. Any potential indemnification claims may be claimed against the Civic Insurance Program, which comprises a combination of purchased insurance and a self-funded component.

33. 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)]**	**2023**	Salaries	Benefits[(1)]	Transitional Allowance[(2)]	2022 [(4)]
Mayor								
Gondek, J	**$ 208**	**$ 9**	**$ –**	**$ 217**	$ 204	$ 33	$ –	$ 237
Nenshi, N	**–**	**–**	**–**	**–**	–	–	85	85
	$ 208	**$ 9**	**$ –**	**$ 217**	$ 204	$ 33	$ 85	$ 322
Councillors								
Carra, G	**$ 117**	**$ 18**	**$ –**	**$ 135**	$ 115	$ 34	$ –	$ 149
Chabot, A	**117**	**18**	**–**	**135**	115	17	–	132
Chu, S	**117**	**18**	**–**	**135**	115	34	–	149
Demong, P	**117**	**18**	**–**	**135**	115	34	–	149
Dhaliwal, R	**117**	**18**	**–**	**135**	115	34	–	149
McLean, D	**117**	**18**	**–**	**135**	115	32	–	147
Mian, J	**117**	**18**	**–**	**135**	115	34	–	149
Penner, K	**117**	**18**	**–**	**135**	115	34	–	149
Pootmans, R	**117**	**18**	**–**	**135**	115	17	–	132
Sharp, S	**117**	**18**	**–**	**135**	115	34	–	149
Spencer, E	**117**	**18**	**–**	**135**	115	34	–	149
Walcott, C	**117**	**18**	**–**	**135**	115	34	–	149
Wong, T	**117**	**18**	**–**	**135**	115	34	–	149
Wyness, J	**117**	**18**	**–**	**135**	115	34	–	149
Colley-Urquhart, D	**–**	**–**	**–**	**–**	–	–	91	91
Farrell, D	**–**	**–**	**–**	**–**	–	–	62	62
Keating, S	**–**	**–**	**–**	**–**	–	–	48	48
Sutherland, W	**–**	**–**	**17**	**17**	–	–	17	17
	$ 1,638	**$ 252**	**$ 17**	**$ 1,907**	$ 1,610	$ 440	$ 218	$ 2,268
Chief Administrative Officer	**$ 346**	**$ 53**	**$ –**	**$ 399**	$ 351	$ 53	$ –	$ 404
Designated Officers[(3,4)]	**1,710**	**321**	**–**	**2,031**	1,660	312	–	1,972
	$ 3,902	**$ 635**	**$ 17**	**$ 4,554**	$ 3,825	$ 838	$ 303	$ 4,966

(1) Benefits include The City's share of all benefits and contributions including pension, medical and dental coverage, flexible spending account, life insurance, Active Living Pass and car allowance. Councillors are also provided a transit pass, a parking stall at the City Hall complex and a special parking permit that allows them to park as required.

(2) Elected officials receive a transition allowance, upon conclusion of their service, equal to two weeks pay for each year in office, up to a maximum of twenty-six years. These allowances may be taken over several years.

(3) The City's designated officers are the Chief Financial Officer, City Assessor, City Clerk, City Solicitor, City Treasurer, City Auditor and Deputy Director – Finance. In 2023, there was $13 (2022 – $63) in retirement, holiday and vacation paid out of the ordinary course of business and severance payouts for these designated officers.

(4) Designated officers salaries and benefits for 2022 was adjusted to include the Chief Financial Officer and the Deputy Director – Finance as per City Bylaws.

34. 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, 2022	Receipts	Investment Income	Disbursements	**December 31, 2023**
Joint Use Reserve Fund	$ 54,160	$ 3,442	$ 2,001	$ –	**$ 59,603**
Major Road Standard Oversize	75	5,448	33	(3,104)	**2,452**
Community and District Parks	3,063	–	118	(930)	**2,251**
Utility Oversize	10,600	2,891	459	(6,992)	**6,958**
Developers' cash bonds	2,381	–	116	(30)	**2,467**
Acreage Assessment Fund	496	–	23	–	**519**
Candidate Campaign Surplus Fund	2	–	–	–	**2**
Other miscellaneous trusts	1,392	180	72	(194)	**1,450**
	$ 72,169	$ 11,961	$ 2,822	$ (11,250)	**$ 75,702**

	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

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.

Climate-Related Financial Disclosure Unaudited

Stephen Avenue Mall pollinator garden.

Introduction

Climate change poses a significant risk to The City of Calgary (The City) and all Calgarians. The City has prioritized climate resilience as one of the three foundations of Council's Strategic Direction for 2023-2026[1] and approved the 2022 Calgary Climate Strategy – Pathways to 2050[2] (Climate Strategy). Further, in 2022, The City included the 2023-2026 Climate Implementation Plan[3] (Implementation Plan) as part of the 2023-2026 Service Plans and Budgets, the first step in establishing a climate accounting process into The City's four-year service plan and budget cycle. Through these significant strategies and governance changes, The City demonstrates the importance of developing and implementing actions to decrease greenhouse gas (GHG) emissions and reduce exposure and vulnerability to the hazards driven by a changing climate.

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

The Climate Disclosure Landscape

To meet investor demand for high-quality, reliable and comparable reports on climate and other issues, in June 2023, the International Sustainability Standards Board (ISSB) released a new set of reporting standards: *IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information*, and *IFRS S2 Climate-related Disclosures*. In doing so, the ISSB has built upon the many existing disclosure frameworks, including the TCFD Recommendations, to consolidate a previously fragmented landscape. The IFRS S1 and S2 are effective for annual reporting periods beginning on or after 1 January 2024.

The City prepares its financial statements in accordance with principles and standards established by the Canadian Public Sector Accounting Board. In 2023, the International Public Sector Accounting Standards Board (IPSASB) indicated its intent to develop a Climate-Related Disclosures Standard for the public sector[4] with the exposure draft expected in September 2024. While this report aligns with the current TCFD reporting framework and recommendations, The City acknowledges the evolving climate disclosure landscape and will align with the most applicable climate-related reporting standards for future disclosure.

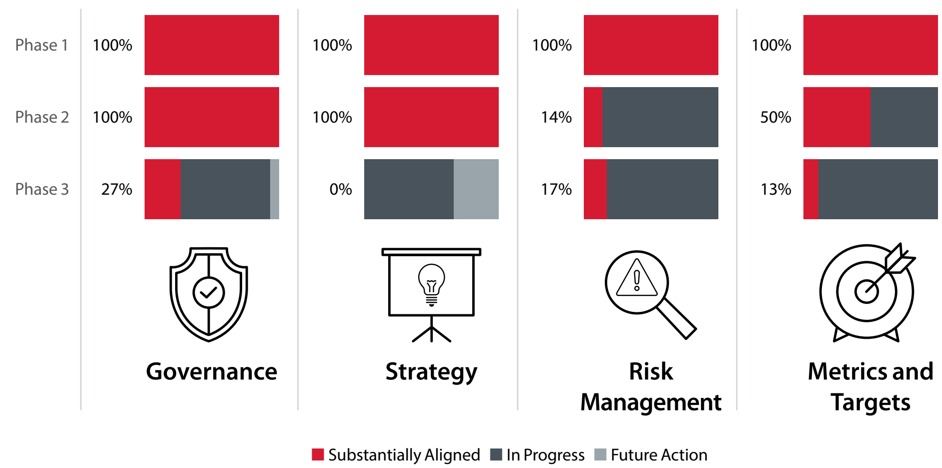
Maturity Assessment

The City uses the Chartered Professional Accountants of Canada's Maturity Assessment Framework[5] to conduct annual self-assessments of progress towards adopting the TCFD recommendations and integrating climate-related risks and opportunities into decision-making. This self-assessment has been applied to the TCFD's four recommended disclosure categories:

- Governance
- Strategy
- Risk Management
- Metrics and Targets

Figure 1 highlights The City's current maturity assessment state, and Figure 2 presents the progress obtained in 2023 in comparison to the end of 2022. The City aspires to reach Phase 3 for each disclosure category, where climate change is routinely integrated into decision-making and risk management processes.

Figure1: 2023 CRFD Maturity Assessment



(1) The City of Calgary. 'Resilient Calgary: Council's Strategic Direction 2023-2026'. The City of Calgary [website], 11 December 2023. https://publicaccess.calgary.ca/lldm01/exccpa?func=ccpa.general&msgID=RTeygKcqTTO&msgAction=Download

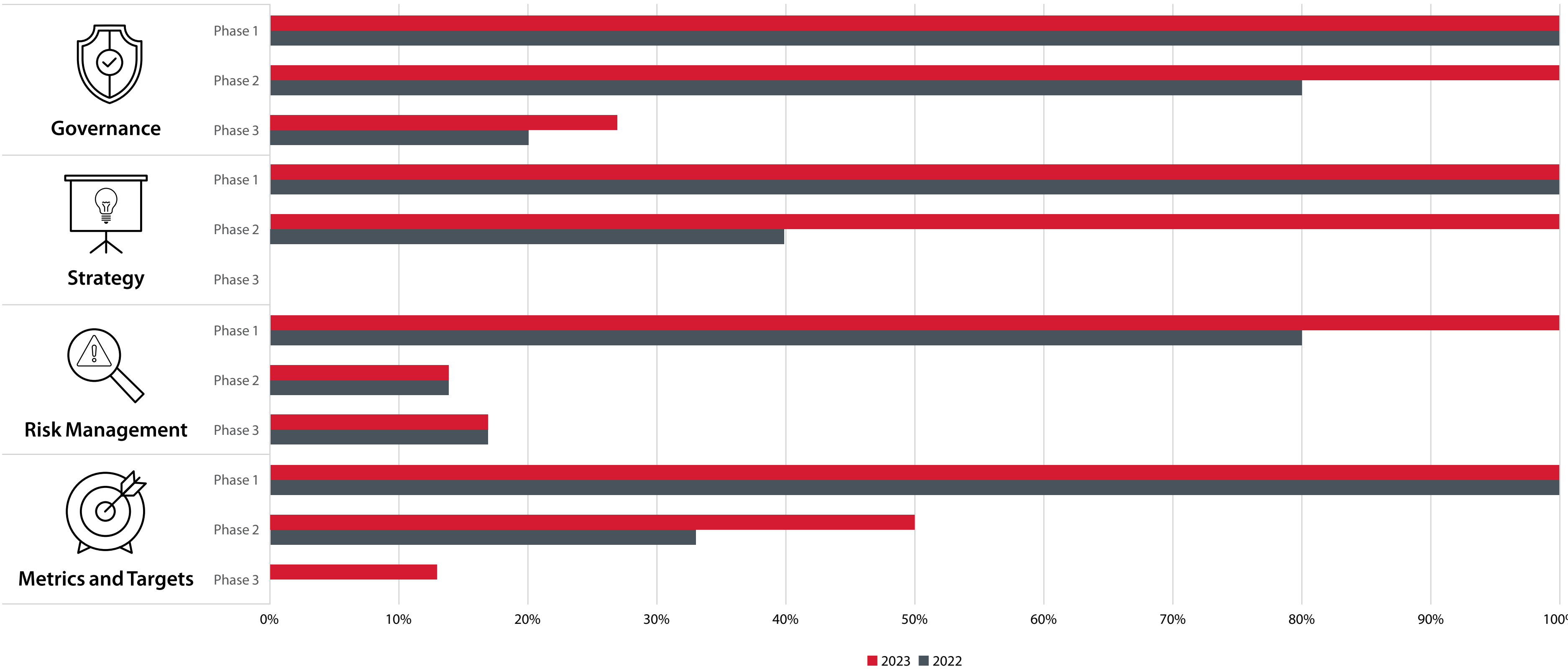
(2) The City of Calgary. 'Calgary Climate Strategy – Pathways to 2050'. The City of Calgary [website], 11 December 2023. https://www.calgary.ca/environment/climate.html

(3) The City of Calgary. 'Climate Implementation Plan 2023-2026'. The City of Calgary [website], 05 February 2024. https://www.calgary.ca/environment/climate/implementation-plan.html

(4) IPSASB. 'Sustainability Climate-Related Disclosures'. IPSASB [website], 12 December 2023. https://www.ipsasb.org/consultations-projects/sustainability-climate-related-disclosures

(5) CPA Canada. "Enhancing Climate Related Disclosure by Cities". The CPA [website], 26 February 2024. https://www.cpacanada.ca/-/media/site/operational/rg-research-guidance-and-support/docs/02337-rg-tcfd-guidance-for-cities-feb-2020.pdf?rev=89816f9cf6e34baab3d11824d658136a

Figure 2: 2023 CRFD Maturity Assessment Results Compared to 2022 Results



Climate Governance

Climate governance is focused on The City of Calgary Council (City Council) and Administration's transparency, accountability, collaboration, consistency, organizational effectiveness and continuous improvement around climate action and climate-related risk reduction outcomes.

City Council

City Council is The City's main governing and legislative body, responsible for setting priorities and the strategic direction for addressing climate-related risks. To enable Administration to advance climate priorities, City Council has:

- Declared a Climate Emergency[1]
- Directed a Building Accountability into the Climate Emergency Declaration Notice of Motion[2]
- Set The City's strategic direction through Resilient Calgary: Council's Strategic Direction for 2023-2026
- Approved the Climate Strategy
- Approved the Implementation Plan as part of the 2023-2026 Service Plans and Budgets

The City also has boards, commissions and committees that provide guidance and recommendations to City Council. Climate strategy, implementation and performance reports are provided for information, decision-making and direction to the Community Development Committee, Audit Committee and Executive Committee.

Climate Advisory Committee (CAC)

Formed as a new Committee of Council in 2022, the CAC has the mandate to provide Council and Administration with strategic advice and recommendations on climate policies and initiatives. The CAC consists of one member of Administration and 15 public members. In 2023, the CAC's Accountability and Reporting Sub-Committee was created to enhance transparency of The City's progress on and disclosure of climate action.

City Administration

Executive Leadership Team (ELT)

The ELT includes the Chief Administrative Officer (CAO), Chief Operating Officer (COO), Chief Financial Officer (CFO) and General Managers of each of The City's departments. In 2023, the role of COO was established to provide leadership across four City operating departments: Planning & Development Services, Infrastructure Services, Operational Services and Community Services. The COO supports the CAO in implementing the seven Council priorities including climate change.

Cross-Corporate Climate Action

While all business units and service lines within the organization have an essential role in taking climate action, there are several business units and service lines that are integrating climate outcomes into decision-making processes and enhancing reporting and accountability. The main areas that are responsible for delivering on these outcomes are:

Climate & Environment Business Unit

The Climate & Environment business unit provides strategic direction, governance, management and subject matter expertise on Corporate and community-wide climate and environment initiatives. In 2023, a Governance and Reporting Leader and team was established in the Climate & Environment Director's Office to establish a cross-corporate governance model, reporting framework, climate-related metrics and performance measures and to integrate climate outcomes into corporate risk management, business planning and capital prioritization processes.

Climate & Environmental Management Service Line

The Climate & Environmental Management Service Line bridges the gap between strategy and execution. To achieve the outcomes of the Climate Strategy, cross-corporate work on climate and environment must be integrated within multiple City services. The Climate & Environmental Management Service Line inspires, collaborates with and guides other City Services to implement their respective climate and environment activities in alignment with the organizational targets and goals.

(1) Calgary's Climate Change Program. 'Climate Emergency Declaration'. The City of Calgary [website], 05 February 2024. https://www.calgary.ca/content/dam/www/uep/esm/documents/nom-c2021-1525-climate-emergency-declaration.pdf

(2) Calgary's Climate Change Program. 'Building Accountability into the Climate Emergency Declaration Notice of Motion'. The City of Calgary [website], 05 February 2024. https://www.calgary.ca/content/dam/www/uep/esm/documents/nom-c2021-1698-climate-emergency-and-call-to-action.pdf

Corporate Planning & Performance Business Unit

The Corporate Planning & Performance business unit is responsible for delivering the four-year service plans and budgets, reporting on The City's Principal Corporate Risks (PCRs) and providing semi-annual corporate performance reporting. This group is actively involved in reporting climate actions and working towards embedding climate governance and decisions into the planning and budgeting process. The Director of the Corporate Planning & Performance Business Unit is also The City's Risk Officer and oversees the Enterprise Risk Management (ERM) division, which is responsible for identifying and enhancing corporate risk management practices, including climate-related risks across The City.

Capital Investment Planning and the Infrastructure Calgary Steering Committee

Capital Investment Planning is a division of the Capital Priorities & Investment business unit and is responsible for prioritizing and making recommendations on capital investment at The City. Recommendations are submitted to the Infrastructure Calgary Steering Committee and ELT for recommendation for Council approval. Throughout 2023, Climate & Environment worked closely with Capital Investment Planning to create a more comprehensive criteria for evaluating projects for climate-related risk.

Climate Governance Processes

Corporate Climate Governance Review

In 2023, an evaluation of The City's evolving corporate climate governance system was undertaken. Table 1 presents the five assessed governance categories, the 2023 assessment score and short-term assessment targets for each category. The current governance score across all categories averages a 6 (progressing), reflecting The City's significant efforts in improving its governance related to climate action. The evaluation also recommended that additional measures be undertaken in each category to advance climate action across The City.

Table 1: Climate Governance Assessment Scores

Governance Category	2023 Assessment Score	Assessment Target
Strategic Direction and Priorities	7	9
Organizational Structure & Accountabilities	5	8
Collaborative Action in Operational Implementation	5	8
Performance Reporting	7	8
Risk Management	6	8

Scoring System

1-2: Initial
Early stage of maturity, needs, commitment, attention and resources.

3-4: Emergent
Commitment to action, some activities underway. Improvements needed to progress.

5-6: Progressing
Implementation of commitments underway. Advancements needed.

7-8: Integrated
Demonstrated structures, accountabilities and corporate integration of activities, progress on goals.

9-10: Transformative
Internalized vision and governance driving accelerated action across the organization

Climate-Related Risks and Opportunities

Addressing climate-related risks and seizing climate-related opportunities requires an understanding of The City's and community's potential risk exposure, including consideration of:

- Transitioning to a low-carbon economy considering various transition scenarios and timescales, and
- Exposure to climate hazards under different climate projection scenarios and timescales.

It also requires an assessment of how potential exposure can in turn result in associated financial impacts to The City and indirect socio-economic costs to the community. The City is in the preliminary stages of understanding the full range of climate-related risks and opportunities and materiality to the organization. The City will continue to enhance its understanding of its climate-related risks and associated impacts in the coming years, which will guide the evolution of strategies, policies and plans, allowing for more effective integration of climate-related risk management across the organization.

Risk Identification and Assessment

Identifying and understanding climate-related risks and their impacts on people, communities, City infrastructure and City services is critical in advancing climate mitigation and adaptation efforts. To date, The City has developed and used various approaches and scenario analysis to identify and assess climate-related risk. The reports, models and processes identified in Table 2, have been used to:

- Inform the Climate Strategy,
- Support investment in climate adaptation and mitigation actions,
- Inform place-based community planning and decision-making and
- Inform the integration of climate risk into corporate asset management.

Table 2: Climate Risk Identification and Assessment Tools

Tool Name	Tool Description	Tool Use
Climate Projections for Calgary(1)	Climate projections for the 2050s and 2080s under Representative Concentration Pathway 8.5 to identify and understand Calgary-specific climate risks.	The detailed projections are available internally and externally to inform climate risk assessments, infrastructure design and operational planning.
Emissions and Economic Model(2)	Greenhouse gas reduction scenarios were created based on the emissions reduction targets in the Climate Strategy. The emissions reduction potential and the financial impact of the scenarios were assessed through an integrated emissions and economic model.	The model was used to inform the development of the Climate Strategy and prioritization of immediate emissions reduction actions for implementation.
Costs of Inaction: Economic Analysis of Calgary's Climate Risks(3)	An analysis of the potential economic impacts of the future physical risks of climate change for Calgary without significant global GHG emission mitigation and local climate adaptation efforts.	This demonstrates the order of magnitude of the cost of climate change on major civic and public systems to inform the business case for climate adaptation in a Calgary context.
Economic Analysis of Climate Risks and Adaptation – City buildings(4)	Assesses the increasing costs due to climate change on the City's buildings portfolio and recommends cost-efficient strategies to reduce climate risk.	This analysis and supporting modelling tool supports data-driven decision making in asset management for improved service delivery and longevity of City buildings.
Community Climate Risk Index (CCRI)	The CCRI assesses more than 50 climate hazard exposure and vulnerability indicators for each of Calgary's geographic communities. The Index produces Climate Risk Profiles for each of Calgary's communities to provide evidence-based information for place-based planning and adaptation strategies.	The baseline process of assessing exposure, likelihood and vulnerability is informing decisions on where and what type of climate adaptation measures are critical to support residents.
Public Infrastructure Climate Risk and Resilience Assessment (CRRA)	The CRRA process is completed for public infrastructure projects to understand the risks of climate hazards on City assets and inform site and project-specific adaptation measures to reduce climate risk and enhance the resilience of the asset and its related provision of services to Calgarians.	The CRRA process serves to identify risk, inform project teams and influence design decisions to build more climate-resilient infrastructure.
Valuation of Natural Assets	The natural asset valuation approach builds on the intrinsic value of nature to assess the ecosystem service values attributed to natural assets, as well as the replacement cost of natural assets in case of loss.	This approach recognizes the climate risk reduction capacity provided by natural assets and can inform decisions by which to better protect, restore and manage these assets.

(1) The City of Calgary. 'Climate Projections for Calgary Report'. The City of Calgary [website], 05 February 2024. https://www.calgary.ca/content/dam/www/uep/esm/documents/Climate_projections_for_Calgary_2022.pdf

(2) The City of Calgary. 'GHG Modelling 2021/2022 Results and Reference Document'. April 20, 2022. The City of Calgary [website], 05 February 2024. https://hdp-ca-prod-app-cgy-engage-files.s3.ca-central-1.amazonaws.com/4216/5352/1443/Climate_Mitigation_Action_Plan_-_Emissions_Modelling_Reference_Document_2022.pdf

(3) Calgary Financial impacts are derived from: Boyd, R. and Prescott, S. Costs of Inaction: Economic Impacts of Climate Change on Calgary. Prepared by All One Sky Foundation for the City of Calgary. Calgary: All One Sky, 2022. The City of Calgary [website], 08 April 2024. https://hdp-ca-prod-app-cgy-engage-files.s3.ca-central-1.amazonaws.com/6816/5369/8064/Executive_Summary_Economic_Analysis_of_Climate_Change_Impacts_on_Calgary.pdf

(4) Boyd, R.1, Kwan, C.1, Iffrig, A.2, Kowalczyk, T.2 and Zukiwsky, J.1, 2023: Financial Analysis of the Climate Resilience Funding Gap for City Facilities: Adapting City Buildings for Climate Change. Technical Report prepared by All One Sky Foundation and Associated Engineering for the City of Calgary.

In 2023, the following new tool was developed to increase The City's understanding of the financial impacts of physical climate risk on City infrastructure and operations.

Assessing Potential Financial Impacts of Physical Climate Risks on City Buildings

A detailed Economic Analysis of Climate Risks and Adaptation – City buildings was completed in 2023 to understand the financial implications of climate adaptation for City-owned buildings. According to the analysis, climate hazards will add approximately $1.8 billion (2021 dollars, undiscounted) in building lifecycle costs over 2025-2095. Over the same period, investments required to adapt City-owned buildings amount to approximately $435 million under a reactive strategy (e.g., replacing buildings or building elements at the end of their lifecycle) and $905 million under a proactive approach (e.g., retrofits buildings to enhance climate resilience). Reactive adaptation investment can result in savings of about $1.2 billion, while a proactive adaptation investment strategy could see savings of $1.6 billion. This analysis informs potential investment strategies and presents opportunities to adapt and enhance the resilience of The City's buildings to climate change, protecting City assets and service provision to Calgarians.

Physical Risks

The TCFD defines physical climate risk as the acute or chronic physical impacts of climate hazards on Calgary's natural, built and human systems, City operations and service delivery and associated indirect socio-economic costs. Indirect impacts that represent potential economic costs to the greater Calgary community are identified in Table 3. The City financial impacts and the socio-economic impacts on the greater community are summarized from Costs of Inaction: Economic Impacts of Climate Change on Calgary, which was completed by All One Sky Foundation for the City of Calgary (2022). Direct financial impacts to The City have yet to be holistically quantified for climate impact areas beyond the impacts to City buildings. Time frames for physical impacts are as follows: short-term refers to present to 2041; medium-term refers to 2041 to 2070; and long-term refers to 2070 to 2100. These time frames are based on the 30-year averaging periods used for The City's climate projections.


A hazy summer walk along Eau Claire Promenade.

Table 3: Potential Physical Climate Impacts

Human Health & Wellbeing Impacts

In the short-to-medium term, climate change will negatively affect the health and wellbeing of Calgarians. Climate change will exacerbate existing inequities through disproportionate impacts to certain vulnerable populations, such as elderly, low income and racialized people. Mortality, morbidity, injuries, mental health issues, disease spread and decreased enjoyment of outdoor spaces and unsafe working conditions are some of the impacts that will be felt by Calgarians and The City staff due to climate change.

Direct Financial Impacts to The City of Calgary

- Decreased labour productivity of City employees.
- Increased cost to provide public cooling amenities, water fountains and other extreme heat mitigation infrastructure and services.
- Increased cost to provide clean air amenities during period of poor air quality caused by wildfire smoke.
- Increased cost due to demand for City-run health and wellbeing support services.

Indirect Socio-Economic Impacts to the Greater Calgary Community

High temperatures

- Decreased future labour productivity.
- Excess hospitalizations and increased morbidity and mortality.

Poor air quality

- Chronic exposure of Calgarians to ozone and increased in deaths from acute exposure.
- Increase in acute respiratory symptom days, asthma symptom days and emergency room visits due to exposure to ozone.

Other climate hazards

- Increase in excess hospitalizations and deaths due to severe weather events, flooding and emerging climate change related diseases.

Impacts on Built Infrastructure

Climate change will cause substantial economic losses from direct damage to infrastructure, homes and buildings, as well as shorten the anticipated life span of many building components in the medium term. Heavy precipitation, extreme heat and changes in precipitation and temperature threaten the performance of Calgary's transportation infrastructure, City facilities, residential and commercial buildings in the short-to-medium term. Increasing temperatures lead to a decrease in heating demand and increase in cooling demand. Increased smoky days impact air filtration system functionality currently and into the future. Increased temperatures, precipitation and storm events impact Calgary's electricity transmission and distribution system in the short-to-medium term.

Direct Financial Impacts to The City of Calgary

- Economic losses due to disruptions in traffic and LRT systems.
- Increase in annual costs due to damage to roads and LRT tracks (including delay costs on roads) due to high temperatures, heavy precipitation events and freeze-thaw cycles.
- Increase in building life cycle costs.
- Increase in cost to maintain or replace Calgary's linear water infrastructure.
- Increase in annual building energy costs due to rising temperatures.
- Increasing cost to upgrade building HVAC systems for higher temperatures and poor air quality while performance of mechanical systems may decline.

Indirect Socio-Economic Impacts to the Greater Calgary Community

- Structural and content damages and indirect losses from the exposure of Calgary's residential and commercial buildings to climate hazards.
- Exposure of Calgary's residential and commercial buildings to pluvial and fluvial flooding.
- Exposure of Calgary's residential and commercial buildings caused by hail, wind, freezing rain, heavy snow and freeze-thaw cycles.
- Energy insecurity for homes, commercial and industrial buildings and key services.
- Increasing need to repair or replace Calgary's linear electricity infrastructure after damage.

Natural Environment Impacts

Acute ecological disturbances are driving swift and lasting changes in the structure and function of natural areas in Calgary, while gradual climate shift and chronic hazards are decreasing the health and productivity, distribution and abundance of species. Extended and more frequent droughts negatively impact natural areas, aquatic ecosystems and vegetation and severe storms can stress and bring down trees, as we are seeing now in the short-term. Shifting seasons allow new pests to viably live in Calgary, harming existing species and ecosystems and leading to biodiversity loss in the medium-term. Drought leads to reduced water quantity and quality (e.g., algal, or bacterial growth), which can harm ecosystems and species as demonstrated in 2023 and into 2024. Increased severity of flooding can harm aquatic ecosystems and disturb sensitive landscapes. Healthy natural areas and native species can be more resilient to both acute disturbances and climate shifts than traditional landscaping and turf grass, highlighting the benefits of restoration.

Direct Financial Impacts to The City of Calgary

- Increasing cost associated with loss of ecosystem services provided by natural systems.
- Increasing cost to restore City-owned natural areas after damage caused by acute climate hazards.
- Annual cost from damage and loss of City trees attributable to climate hazards.
- Increasing annual cost to maintain City-owned natural areas and features in the face of chronic climate).

Indirect Socio-Economic Impacts to the Greater Calgary Community

- Increasing cost to restore or replace privately owned vegetation and landscaping after damage caused by acute and chronic climate hazards.
- Loss of recreational opportunities and enjoyment of both private yards and public park spaces due to impacts of chronic and acute climate impacts.

Water-related impacts

In the short-term, drought events impacting water availability, supply and security can lead to decreased water quality and lower water availability for municipal use. As experienced in 2023, drought can impact many facets from the environment, infrastructure, industrial/commercial businesses and individual Calgarians, now and at any time. Drought, heavy precipitation, flood and changes in seasonality and water availability impact Calgary's potable water, wastewater and drainage infrastructure in the short-to-medium term. We recognize that multiple water-related hazards may occur concurrently, further heightening impacts to The City and community.

Direct Financial Impacts to The City of Calgary

- Increased cost for staffing, infrastructure repairs, communication programs, enforcement and core municipal services such as water and wastewater treatment during drought and flood conditions, increased costs to maintain regulatory compliance for wastewater discharge, and financial penalties for not meeting regulatory requirements.
- Decrease in water utility revenue during drought as customers curtail their demands.

Indirect Socio-Economic Impacts to the Greater Calgary Community

- Annualized average damages due to flooding (including both pluvial and fluvial).
- Interruptions to business in Calgary due to water shortages, reduced water availability for sports fields supporting recreation, tourism and cultural landscapes, financial impacts to farmers and industrial water users due to reduced water availability and associated impacts to food prices.
- Impacted enjoyment of the aesthetic and recreational value of private yards and public parks amenities during drought and/or flood conditions.

Transition Risks and Opportunities

There are several trends that are anticipated to emerge or evolve related to the transition to a low-carbon economy. Changes in government policy, legal requirements, technological advancements and market shifts introduce climate-related risks and opportunities for The City which have been identified in Table 4. Due to the historical evolution of these trends, and the anticipated pace and scale of the transition to a low-carbon economy, The City has defined different timeframes for transition impacts than physical impacts. The transition impacts timeframe is as follows: short-term refers to present to 2030; medium-term refers to 2030 to 2050; long-term refers to 2050 to 2080 and beyond in line with the Climate Strategy.

Currently, The City has qualitatively assessed the short-to-medium term potential impacts and opportunities of the identified trends but further investigation and scenario analysis is needed to advance the understanding of the potential quantitative financial implications to The City.

Table 4: Climate-Related Transition Trends and Potential Financial Impacts and Opportunities

Trend	Potential Impacts	Potential Opportunities
Policy		
In the short-to-medium term, climate-related regulations, policies and legislation from other orders of government are expected to become more stringent in alignment with global commitments to act on climate change (e.g., federal government policies like the Net-Zero Emissions Accountability Act and Electric Vehicle Availability Standard etc.). Changes in political leadership at the provincial and federal levels may vary the stringency and focus of climate-related policies over election cycles and introduce uncertainty as to the pace and scale of implementation.	The City will need to ensure operational and reporting alignment with changing climate-related policies implemented by other orders of government. Increased operating and capital expenditures may be required to ensure projects, equipment, technology and infrastructure maintain alignment to evolving policies. Policy changes can also cause financial impacts to the community which may require financial investments or service changes from The City, especially for disproportionately impacted vulnerable communities.	Policy evolutions are expected to drive energy efficiency and climate resilience of buildings, infrastructure and transportation systems. Alignment to these policy advancements may reduce operating and maintenance costs over the long-term and reduce potential insurance and restoration costs from reduced impact from climate hazards.
Technology and Energy Sources		
In the short-to-medium term, advances and shifts to low-emission technologies are anticipated to accelerate prompted by market and policy changes. Energy system transitions are expected to accelerate, from high-emitting fossil fuels to low-carbon sources such as solar, wind and hydropower as well as the exploration of new fuels and energy sources such as hydrogen and nuclear.	Increased capital and operational expenditures may be required to assess, test and invest in new lower-emission technology replacements. Potential for increased energy costs for fossil fuel-based buildings and transportation systems due to anticipated increase in carbon pricing. Potential increased costs to implement changes in policies, Bylaws and codes to accommodate and ensure effective implementation of new technologies.	Advancing The City's transition to lower-emission energy sources may reduce sensitivity to future increased carbon pricing on fossil fuel energy sources. Potential for reduction in operation and maintenance costs for low-emission technologies in buildings and transportation systems.

Trend	Potential Impacts	Potential Opportunities
Legal		
The legal landscape related to climate and environment is continuously evolving and impact legal, regulatory, contractual and disclosure requirements.	Increased legal and financial resources will likely be required to assess, advise on and address the evolving legal and regulatory requirements for climate-related disclosures, programs, policies and contracts. Potential climate-related claims, damages issuances or actions initiated against The City pose financial, legal and reputational risks.	No opportunities have been identified at this time.
Market		
In the short-to-medium term, reduced market investment interest in projects and organizations that are not aligned to the low-carbon economy transition. The market for carbon assets and the labelled bond market is anticipated to expand and become a greater opportunity. More stringent climate transition requirements from higher levels of government are expected to become prerequisites for access to grants and funding.	Challenges could be experienced in accessing external funding and financing (e.g., municipal bonds, provincial and federal grants) for projects that are perceived to impact the climate transition negatively.	The City could take advantage of a growing carbon assets market as a revenue source. Adopting low-carbon and climate resilient requirements for projects and programs may increase access to new or lower cost financial products, such as labelled municipal bonds and provincial and federal funding opportunities.
Reputation		
In the short-to-medium term, increased scrutiny from various interested parties (e.g., regulators, media, Non-Governmental Organizations, investors, citizens) on The City's climate-related commitments and transition.	Potential for decreased confidence in City investments and services if The City is perceived as not meeting, progressing or disclosing climate-related commitments. Increased costs may be required to combat these inaccurate perceptions.	Taking ambitious action on climate change can enhance The City's reputation and may open new investment opportunities.

Climate-Related Risk Management

The City's Climate & Environment business unit in collaboration with the ERM program manages and reports climate-related risks. Effective mitigation of these risks requires clear, progressive strategies, policies and plans aligned with short-, mid- and long-term climate targets, goals and outcomes. Organizational decision-making processes must integrate climate-related risk reduction outcomes into service provision, plans, actions and budgets, providing alignment with senior leadership and Council objectives. While this work continues to evolve at The City, the following depicts the current documents, tools and processes being utilized to manage and integrate climate-related risks.

Existing Climate-Related Risk Management Tools

Climate Strategy

The Climate Strategy sets the strategic vision, principles, goals and targets to guide the overall objectives of climate action for Calgary out to 2030 and provides the strategic direction for the four-year Implementation Plan. The Strategy charts the long-term pathways to a low-carbon economy and a climate-resilient city based on The City's Climate Projections for Calgary (2022) and the emissions and economic modelling to develop actions to reduce emissions. It includes a Mitigation Plan, for achieving community-wide net-zero emissions by 2050, and an Adaptation Plan, which provides actions to reduce physical climate risk and enhance the climate resilience of our community.

Implementation Plan

The City developed the Implementation Plan and established a climate accounting process as part of The City's 2023-2026 Service Plans and Budgets. This was the first time The City cumulatively bundled its cross-corporate climate initiatives and integrated climate-related risks and impacts as part of the major corporate budget decision process.

Calgary's Flood Resilience Plan

The 10-year anniversary of the 2013 Southern Alberta floods was commemorated in 2023. Following the 2013 floods, a permanent Flood Resilience Program was developed for the implementation of flood resilience measures. Since 2013, The City with financial support from other orders of government, has invested or committed approximately $1 billion in flood mitigation infrastructure for Calgary, including the Springbank Offstream Reservoir (SR1) project. Approximately 55% of Calgary's flood damage exposure from the Bow and Elbow rivers has been eliminated, which is equivalent to over $90 million in average annualized damages (2015 damage assessment basis). By 2025, when SR1 is fully operational, an additional 15% of damage exposure will be averted. The remaining flood risk exposure will be mostly in Bow River adjacent communities.

Calgary's Drought Resilience Plan

The City of Calgary Drought Resilience Plan was approved in 2023 and sets out the long-term direction for drought management at The City. To achieve this, the plan proposes five integrated goals: reduced water demand, protected water supply, drought preparedness, healthy landscapes and strong relationships. Each goal articulates strategic actions, and leading actions include an update to The City's Water Efficiency Plan. The Drought Resilience Plan emphasizes coordinated action from citizens, industry and government, and purposeful relationships with neighboring municipalities and licence holders in the Bow River Basin. In parallel to the plan's approval, and in response to the dry conditions experienced in 2023, The City implemented outdoor watering restrictions during the late summer and early fall of 2023, resulting in a savings of 1.5 billion litres of water.

Downtown Flood Barrier.

New Climate-Related Risk Management Tools

Integration of Climate-Related Risks into Overall Risk Management

The ELT reviewed The City's PCRs in December 2023. These PCRs encompass eight areas: Capital Infrastructure, Employee Experience and Technological Disruption, Financial Sustainability, Legal, Reputation, Social Well-being, Service Delivery and Sustainable City. Each PCR has an assigned risk owner from the ELT. These risks are reviewed semi-annually by the ELT and Audit Committee, focusing on response strategies, corporate appetite and interconnections with other City risks.

The Sustainable City Risk, overseen by the General Manager of Planning & Development Services, includes economic, social and environmental sustainability as well as climate-related risks. Factors such as population growth, economic activity and environmental trends contribute significantly to this risk. Its impacts vary spatially within the city and disproportionately affect marginalized groups. Failure to create a sustainable city poses long-term financial, operational, social, environmental, regulatory and reputational risks.

In 2023, The City introduced new Corporate Operating Risks (CORs) to better categorize, theme, understand and communicate risk, including the following climate and environment-related risks:

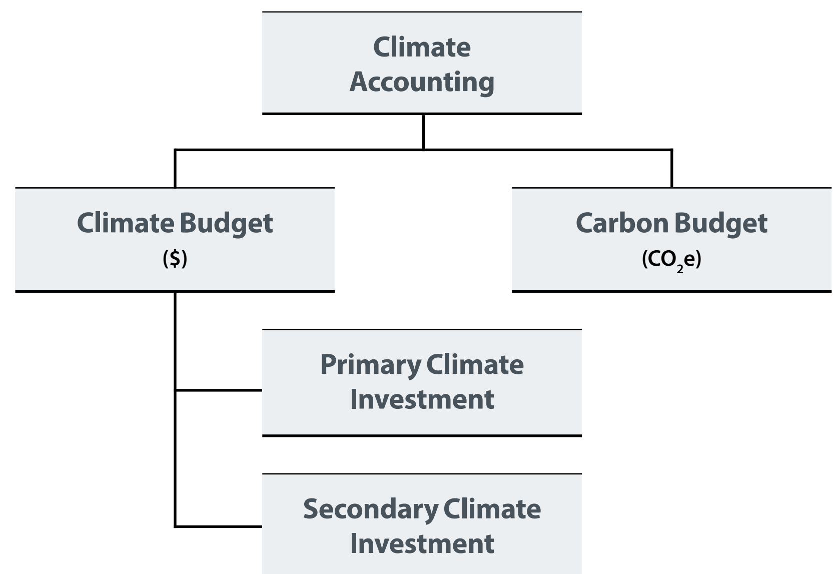
- **Climate Risk:** impacts of climate change (e.g., severe weather, drought, flood) on City services and activities.
- **GHG Risk:** failure to reduce GHG emissions from City services and activities at the pace and scale required to meet The City's net-zero emissions by 2050 target and associated reputational risk and financial risk associated with future carbon pricing.
- **Environment Risk:** impact of City services and activities on the environment (e.g., air pollution, land, water, biodiversity) and risk of non-compliance with regulatory requirements.

The new risk categories were reported for the first time in the 2023 Fall PCR review process. To continue improving this system, additional learning will be provided to help staff understand and differentiate these risks, ensuring The City can better identify, communicate and subsequently manage these climate-related risks.

Climate Accounting

Climate accounting integrates climate actions, performance targets and financial considerations into existing decision-making processes for service planning and budgeting within The City. It also supports the measuring and reporting of GHG emissions to track progress against The City's emissions reduction targets. Climate accounting consists of two main components: the climate budget and the carbon budget. Climate accounting for municipalities remains ground-breaking work, and in 2023, The City began participating in a Net-Zero Action Research Partnership (N-ZAP) Working Group with the University of Waterloo, ICLEI Canada, Federation of Canadian Municipalities (FCM), and other municipalities to integrate climate accounting into municipal decision-making to enhance transparency on actions, drive strategic planning to close gaps and provide accountability.

Figure 3: Climate Accounting Framework



Climate Budget

The climate budget quantifies the cross-corporate primary climate investment (i.e., the financial investment made in direct response to the Climate Emergency Declaration to accelerate climate action) and the secondary climate investment (i.e., investments that assist in decreasing GHG emissions and/or reducing climate risk but are considered business as usual). The climate budget establishes The City's short-term actions for the Implementation Plan. Currently, The City is tracking and quantifying the primary climate investment in the 2023-2026 business cycle and the methodology to identify and track secondary climate investment is under development, for inclusion in the 2027-2030 Service Plans and Budgets cycle.

As part of the 2023-2026 Service Plans and Budgets, Council approved the first integration of primary climate investments to be monitored and reported as shown in Table 5.

Table 5: 2023-2026 Primary Climate Investments(1)

Primary Climate Investment	Base Operating	One Time Operating	Capital	Total
2023-2026 Service Plans and Budgets	$3.5 million	$45.5 million	$218.7 million	$267.7 million
2024 Budget Adjustments			$165.0 million	$165.0 million
Total	**$3.5 million**	**$45.5 million**	**$383.7 million**	**$432.7 million**

Carbon Budget

A carbon budget is a governance tool that assists governments in benchmarking incremental progress over business cycles towards the target of net-zero emissions by 2050. The City's carbon budget represents the limit of GHG emissions permitted from The City and greater Calgary from present to 2050, to achieve The City's interim 2030 target and ultimate 2050 net-zero emissions target. Integrating the carbon budget into decision-making processes, especially prioritizing actions and budget allocation, is a crucial step in measuring and tracking of Corporate and community-wide GHG emissions to inform the future actions that will best advance our progress towards achieving science-based targets. In 2023, the foundation of a carbon budget was established which included calculating The City's total Corporate and community-wide carbon budget in alignment with achieving net-zero emissions by 2050. The next phase of implementation is a staggered approach in allocating GHG emissions by emission source and business unit and integrating GHG tracking and reporting into existing decision-making processes in alignment with the climate budget and the Implementation Plan.

Climate Funding and Financing

The City has identified several funding and financing mechanisms(2) in support of climate action. Understanding the various financial tools available to The City helps Administration and Council make informed decisions about climate-related risk reduction investments. There are two main types of funding and financing tools available to The City:

1. **Sources of funding:** a source of incremental funding to support The City's climate initiatives. A single initiative may have multiple sources of funding. Examples include federal and provincial grants and carbon assets like carbon offsets and Renewable Energy Certificates.
2. **Financing mechanisms:** a source of debt financing that enables The City to support its climate initiatives. Examples include municipal bonds, debt financing through the province and sustainable borrowing options like the Canada Infrastructure Bank.

The City is also exploring mechanisms such as incentive programs or any other financial tool that enables The City to support the community in taking climate action. Examples include incentive programs like The City's previously offered Resilient Roofing Rebate, financing programs like The City's current Clean Energy Improvement Program and partnerships like the Climate Innovation Fund with Alberta Ecotrust.

(1) As part on the ongoing commitment to ensure enhanced accountability and transparency of progress on the Implementation Plan's actions and associated budget, these investment totals include additional projects and programs added by Council during November 2022 budget deliberations, financial reconciliation and refinement of approved budgets and additional primary climate investments approved during the November 2023 budget adjustments.

(2) The City of Calgary. 'Funding climate action in the City of Calgary'. May 2022. The City of Calgary [website], 05 February 2024. https://hdp-ca-prod-app-cgy-engage-files.s3.ca-central-1.amazonaws.com/2216/5350/9440/Final_-_Funding_Climate_Action_Report_2022.pdf

Climate Metrics and Targets

Climate-Related Targets

To address climate-related risk, The City has established key emissions reduction targets along with specific mitigation and adaptation goals and actions. Establishing emissions targets is an approach to help reduce the physical risks caused by increasing global temperatures and manage transition risks.

Climate-Related Targets
60 per cent reduction of GHG emissions below 2005 levels
Net-zero GHG emissions by 2050

Climate-Related Goals
Improve energy use and reduce greenhouse gas emissions
Reduce climate risk resulting from climate hazards

Climate-Related Key Metrics

Specific metrics have been established to evaluate progress on meeting The City's climate targets and goals. These metrics are directly linked to progress toward The City's emissions targets and climate-related goals or are intended to show progress on indirect advancement on The City's climate risk reduction efforts.

Calgary Community-wide GHG Emissions

Community GHG emissions are calculated based on activities known to be primary sources of GHGs (scope 1 and 2 emissions) in Calgary. Achieving a reduction in community-wide GHG emissions from 2005 baseline levels indicates positive progress on this metric.

Calgary Community-wide GHG Emissions per Capita

Community-wide GHG emissions per capita is a complementary assessment of Calgary's progress on GHG emission reductions. This allows for assessment of the change in Calgary's emissions compared to population changes. Achieving a reduction in per capita community-wide GHG emissions from 2005 baseline levels indicates positive progress on this metric.

Corporate GHG Emissions

City-owned projects, buildings, assets and activities produce Corporate GHG emissions. Renewable Energy Certificates are purchased within The City's electricity supply agreement to support the reduction of electricity-related GHG emissions. This is in addition to the measures implemented to reduce emissions from electricity, natural gas and transportation fuels. Achieving a reduction in Corporate GHG emissions from 2005 baseline levels indicates positive progress on this metric.

Table 6: Four Year Community-wide and Corporate GHG Emissions Relative to 2005 Baseline

GHG Emissions	Baseline	2019	2020	2021	2022
Community-wide GHG Emissions					
Scope 1 and 2 Emissions ($MtCO_2e$)	15.80	18.20	15.75	15.93	16.35
Emissions relative to 2005 baseline		▲ 15.2%	▼ 0.3%	▲ 0.8%	▲ 3.5%
Community-wide GHG Emissions per capita					
Scope 1 and 2 Emissions per capita (tCO_2e/person)	16.52	14.15	12.05	12.05	12.12
Emissions per capita relative to 2005 baseline		▼ 14.3%	▼ 27.1%	▼ 27.1%	▼ 26.7%
Corporate GHG Emissions					
Scope 1 and 2 Emissions ($ktCO_2e$)	640	369	475	347	352
Emissions relative to 2005 baseline		▼ 42.3%	▼ 25.9%	▼ 45.8%	▼ 45.0%

GHG Emissions Inventory Methodology Review

In 2023, the Corporate GHG emissions inventory was adjusted to account for updated GHG calculation methods. This prompted The City to initiate a third-party review of its GHG emissions inventory and quantification methodology to enhance accuracy in reporting and alignment with industry best practices. Several recommended changes to methodology will be implemented for both the Corporate and the community-wide GHG emissions inventories. The Corporate GHG emissions inventory will be updated in 2024 to reflect the procurement and sale of Renewable Energy Certificates and carbon offsets, to include additional emission sources that were previously not captured and to improve accuracy of emissions estimates from vehicles.

Tracking Adaptation Measuring Development (TAMD) Score

The TAMD scorecard is an annual assessment score which considers climate adaptation indicators specific to government. The 2023 TAMD Score of 68.8 per cent (55/80) is trending positively, with a two-point increase over 2022.

Projected Community Climate Risk Index

The CCRI is designed to assess the degree of climate risk and to highlight the drivers of vulnerability to climate change within each Calgary community. Moving forward, The City will track the number of communities that continue to be vulnerable to climate change.

Water and Natural Area Management Metrics

The City continues to reduce the exposure to flood in a shifting climate and is actively working on strategies to conserve water during drought. Conserving and restoring Calgary's natural areas is vital for thriving ecosystems that help reduce climate risk through managing stormwater, providing cooling and storing carbon.

Figure 4: Projected Climate Risk for Calgary Communities

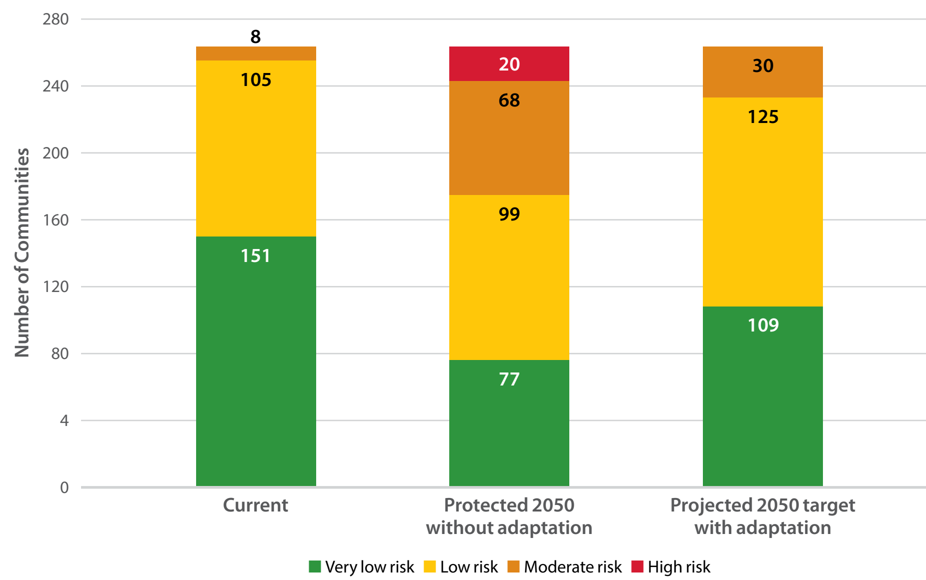


Table 7: Five Year Calgary Flood Risk Assessment Relative to Baseline

Flood Risk	Baseline	2020	2021	2022	**2023**
Calgary's River Flood Risk					
Number of properties within 1:100 River Flood Extent – Flood Exposure Risk	5,450	4,720	3,961	3,553	**3,396**
Risk relative to 2019 Baseline		▼ 13.4%	▼ 27.3%	▼ 34.8%	**▼ 37.7%**
Calgary's Average Annual Damages River Flood Risk					
Potential flood damages ($ million)	168	–	–	–	**75**
Damages relative to 2013 baseline		–	–	–	**▼ 55%**

Table 8: Five Year Calgary Drought Assessment Relative to 2003 Baseline

Drought Monitoring	Baseline	2019	2020	2021	2022	**2023**
Water Average Day Demand						
Calgary daily water use, averaged per person (LPCD[1])	518	357	354	362	351	**364**
Demand relative to 2003 Baseline		▼ 31.1%	▼ 31.7%	▼ 30.1%	▼ 32.2%	**▼ 29.7%**
River Flow Volume Supply						
Flow on the Bow and Elbow Rivers (ML/Year)	3,073,044[2]	2,946,299	3,434,159	2,802,467	2,857,313	–[3]
Annual Flow relative to Baseline		▼ 4.1%	▲ 11.8%	▼ 8.8%	▼ 7.0%	–

Table 9: Five Year Calgary Natural Areas Conservation and Restoration Relative to 2025 Target

Conserving and Restoring Natural Areas	Target	2019	2020	2021	2022	**2023**
Habitat Restoration						
Area of natural habitat restored (ha)	832	193	335	335	332	**353**
Restoration relative to 2025 target		▲ 23.2%	▲ 40.3%	▲ 40.3%	▲ 39.9%	**▲ 42.4%**
Environmentally Significant Area (ESA) protected and conserved						
Per cent of ESA protected or restored calculated at land use amendment/outline plan approval	60	53	52	62	26	**81**
Protection and restoration relative to 2026 target		▲ 88.3%	▲ 86.7%	▲ 103.3%	▲ 43.3%	**▲ 135%**

(1) LPCD shows water used by residents, businesses and institutions as well as water lost through leaks, unaccounted for or not billed. This total is then divided by the number of people living in Calgary.

(2) Baseline annual flow volume is calculated as the average total annual flow volume in the Bow and Elbow Rivers over a 30-year reference period between 1989-2018. Annual flow volume is expected to be variable from year to year, and at this time there is no clear evidence for a future trend direction.

(3) Data is typically available from Water Survey Canada by mid-year the following year.

Reporting and Disclosing our Metrics

It is critical for The City to report and disclose our progress on climate action to ensure transparency and accountability to Council, Calgarians, other orders of Government and external investors. The City is doing this by reporting on our incremental progress towards Calgary's climate targets, goals and outcomes.

Corporate Climate Reporting Framework

The Climate Reporting Framework consolidates climate progress and performance information into three City reporting documents for improved accountability: the semi-annual Corporate Performance Reports, the Annual Financial Report and the Climate Progress Report (Figure 5).

Corporate Climate & Environment Analytics System

In 2023, The City advanced the development of its cross-corporate analytics platform that supports the collective monitoring, management and reporting of The City's climate and environmental data. When fully constructed, the system will consist of a corporate data warehouse, internal corporate reporting portal and dashboard, advanced analytics platform and public-facing metric-driven dashboard. The corporate data warehouse was the primary focus of work in 2023 with the internal and public-facing dashboards being developed for release in 2024.

Carbon Disclosure Project (CDP)

The CDP is a leading global disclosure system for investors, companies, cities, states and regions to manage their environmental and climate impacts. Since 2016, The City, as a member of the CDP, has disclosed its climate mitigation and adaptation actions and performance annually. The City achieved an "A" score in 2023 and has done so for the past 5 reporting years, demonstrating that The City meets best practice disclosure for climate strategy and action.

Figure 5: The City's Climate Reporting Framework

Performance Report

Executive Committee

Semi-annual report on The City's performance on the 2023-2026 Service Plans and Budgets, which features updates on each City service, including metrics, strategic initiatives, budget and Council's priorities, as well as a Climate Results section.

March/April and September

Annual Financial Report

Audit Committee

The City's commitment to provide effective governance, increased accountability, transparency and a well-run organization. Includes the Climate-Related Financial Disclosure within the unaudited section.

April

Climate Progress Report

Community Development Committee

Details The City's annual implementation progress on the climate mitigation and adaptation actions as detailed in the Implementation Plan towards the long-term goals and targets of the Calgary Climate Strategy – Pathways to 2025.

May/June

Climate & Environmental Analytics System

Supports advancing and disclosing The City's climate measurement and reporting.

Summary and Next Steps

In 2023, there were several key advancements towards reducing climate-related risk, including:

- Established a Climate Governance and Reporting Leader and team in the Climate & Environment Director's Office.
- Established the role of COO to support the CAO in implementing corporate priorities, such as climate change initiatives.
- Improved accountability for climate action by evolving the climate accounting framework. This includes implementing the first phase of the carbon budget.
- Investigated the current state of maturity of The City's climate governance system.
- Formed the CAC Accountability and Reporting Sub-Committee to focus on enhanced transparency and disclosure in climate-related reporting.
- Included a climate-specific section in the year end Performance Report and an attachment on the cross-corporate budget expenditure related to climate.
- Developed a Climate & Environmental Analytics System to improve and support reporting and governance processes.
- Introduced new climate and environment Corporate Operating Risks.

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

- Advance the implementation of climate accounting into City decision-making processes and reporting.
- Establish a cross-corporate climate governance, accountability and prioritization framework.
- Advance The City's understanding of the full range of climate-related risks and opportunities and materiality to the organization.
- Advance recommendations from Council's CAC Accountability and Reporting Sub-Committee:
  - Continue to integrate the goals, targets and outcomes of climate strategy more thoroughly across and within key cross-corporate City decision-making frameworks and processes.
  - Enhance reporting on climate adaptation, governance effectiveness and the inclusion of new metrics where feasible.
  - Enhance transparency on City progress in implementing climate change actions, initiatives and progress against interim targets.

Climate change will continue to be a challenge for municipalities. The international community expects the effects of climate change to continue to worsen, and as a result, climate-related risks cannot be fully mitigated. However, The City can continue to monitor and evaluate risks to enhance and evolve actions and processes to manage and reduce them. Progress on how The City integrates climate matters and makes decisions will also factor into effectively managing climate-related risks. Finally, tracking ISSB reporting standards and requirements will ensure responsible and transparent reporting to investors, Council and the public.

Financial and Statistical Schedules Unaudited

(2019 – 2023)

Downtown flood barrier Improvements.

Revenue by Source Unaudited

2019 – 2023 (in thousands)

	2023 Operating	2023 Capital	2023 Total	2022 Operating	2022 Capital	2022 Total
Property taxes	**$ 2,945,083**	**$ –**	**$ 2,945,083**	$ 2,804,643	$ –	$ 2,804,643
Community Revitalization Levy	**39,790**	**–**	**39,790**	36,034	–	36,034
(Business Improvement Area Relief) Business taxes	**–**	**–**	**–**	(64)	–	(64)
Revenue in lieu of taxes	**403,535**	**–**	**403,535**	338,972	–	338,972
Local improvement levies and special taxes	**8,588**	**–**	**8,588**	7,699	–	7,699
	$ 3,396,996	**$ –**	**$ 3,396,996**	$ 3,187,284	$ –	$ 3,187,284
Less: Provincial property taxes	**(789,392)**	**–**	**(789,392)**	(780,928)	–	(780,928)
Net taxes available for municipal purposes	**$ 2,607,604**	**$ –**	**$ 2,607,604**	$ 2,406,356	$ –	$ 2,406,356
Sales of goods and services	**1,359,983**	**–**	**1,359,983**	1,384,471	–	1,384,471
Government transfers						
Federal						
Debenture interest rebates	**–**	**–**	**–**	–	–	–
Revenue and cost sharing agreements and grants agreements	**9,793**	**162,747**	**172,540**	5,749	162,083	167,832
Provincial						
Debenture interest rebates	**–**	**–**	**–**	–	–	–
Grants, entitlements, revenue and cost sharing agreements	**169,513**	**299,569**	**469,082**	222,081	197,560	419,641
	$ 179,306	**$ 462,316**	**$ 641,622**	$ 227,830	$ 359,643	$ 587,473
Other revenue						
Dividends from ENMAX Corporation	**$ 82,000**	**$ –**	**$ 82,000**	$ 62,000	$ –	$ 62,000
Other equity (loss) earnings in ENMAX Corporation	**(97,608)**	**–**	**(97,608)**	233,628	–	233,628
Developer contributions	**–**	**188,830**	**188,830**	–	242,498	242,498
Developer contributions-in-kind related to capital	**–**	**288,695**	**288,695**	–	240,901	240,901
Investment income	**219,934**	**–**	**219,934**	141,530	–	141,530
Fines and penalties	**77,650**	**–**	**77,650**	74,089	–	74,089
Licences, permits and fees	**134,083**	**–**	**134,083**	118,511	–	118,511
Miscellaneous revenue	**43,243**	**–**	**43,243**	56,291	–	56,291
	$ 459,302	**$ 477,525**	**$ 936,827**	$ 686,049	$ 483,399	$ 1,169,448
Total revenue	**$ 4,606,195**	**$ 939,841**	**$ 5,546,036**	$ 4,704,706	$ 843,042	$ 5,547,748

Revenue by Source Unaudited

2019 – 2023 (in thousands)

2021 Operating	2021 Capital (Restated)[1]	2021 Total	2020 Operating	2020 Capital	2020 Total	2019 Operating	2019 Capital	2019 Total
$ 2,685,513	$ –	$ 2,685,513	$ 2,651,631	$ –	$ 2,651,631	$ 2,611,336	$ –	$ 2,611,336
38,100	–	38,100	37,099	–	37,099	39,882	–	39,882
(4,295)	–	(4,295)	–	–	–	3,500	–	3,500
251,571	–	251,571	207,728	–	207,728	214,636	–	214,636
9,235	–	9,235	6,092	–	6,092	16,476	–	16,476
$ 2,980,124	$ –	$ 2,980,124	$ 2,902,550	$ –	$ 2,902,550	$ 2,885,830	$ –	$ 2,885,830
(771,111)	–	(711,111)	(779,079)	–	(779,079)	(797,075)	–	(797,075)
$ 2,209,013	$ –	$ 2,209,013	$ 2,123,471	$ –	$ 2,123,471	$ 2,088,755	$ –	$ 2,088,755
1,235,238	–	1,235,238	1,131,088	–	1,131,088	1,323,154	–	1,323,154
–	14	14	–	205	205	–	–	–
4,229	167,859	172,088	2,252	114,115	116,367	1,482	149,191	150,673
–	–	–	14	–	14	–	–	–
150,551	248,520	399,071	333,984	168,436	502,420	150,855	502,825	653,680
$ 154,780	$ 416,393	$ 571,173	$ 336,250	$ 282,756	$ 619,006	$ 152,337	$ 652,016	$ 804,353
$ 58,000	$ –	$ 58,000	$ 54,000	$ –	$ 54,000	$ 50,000	$ –	$ 50,000
237,777	–	237,777	234,114	–	234,114	106,162	–	106,162
–	158,763	158,763	–	166,008	166,008	–	124,988	124,988
–	212,169	212,169	–	168,674	168,674	–	323,067	323,067
131,393	–	131,393	102,795	–	102,795	198,927	–	198,927
64,421	–	64,421	69,080	–	69,080	98,646	–	98,646
106,405	–	106,405	96,372	–	96,372	113,111	–	113,111
51,798	–	51,798	33,660	–	33,660	40,542	–	40,542
$ 649,794	$ 370,932	$ 1,020,726	$ 590,021	$ 334,682	$ 924,703	$ 607,388	$ 448,055	$ 1,055,443
$ 4,248,825	$ 787,325	$ 5,036,150	$ 4,180,830	$ 617,438	$ 4,798,268	$ 4,171,634	$ 1,100,071	$ 5,271,705

(1) Figures for 2021 have been restated for the correction of certain tangible capital asset related adjustments identified in 2022. Years prior to 2021 have not been restated for these adjustments.

Expenses by Function Unaudited

2021 – 2023 (in thousands)

		2023		2022 (Restated) [3]		2021 (Restated)[1][2]
Planning and development services	**$**	**200,982**	$	169,090	$	139,037
Infrastructure services		**377,687**		394,227		305,924
Community services		**1,565,365**		1,389,104		1,321,442
Operational services		**2,146,059**		2,015,534		1,841,594
General government		**367,654**		375,669		372,172
Total expenses	**$**	**4,657,747**	$	4,343,624	$	3,980,169

(1) The City underwent an organizational re-alignment in 2022, with 2021 comparative figures. Comparative figures for 2020-2019 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

(2) Figures for 2021 have been restated for the correction of certain tangible capital asset related adjustments identified in 2022. Years prior to 2021 have not been restated for these adjustments.

(3) Figures for 2022 have been restated for the adoption of PS 3280 Asset Retirement Obligations.

Favourable Operating Variance Reconciliation Unaudited

2022 – 2023 (in thousands)

		2023		2022
Favourable operating variance[1]	**$**	**237,756**	$	258,088
Timing differences		**(1,348)**		644
Tax-supported operating surplus	**$**	**236,408**	$	258,732
Adjustments[2]				
Capital adjustments		**(600,227)**		(508,788)
Consolidation adjustments		**3,353**		18,475
ENMAX Corporation adjustments		**(120,612)**		233,628
Gross debt charges		**76,984**		78,865
Other		**(13,433)**		(14,935)
Reserves transfers		**993,712**		882,957
Tax-supported amortization		**(586,907)**		(587,852)
Unrealized losses		**(40,830)**		–
(Deficit) excess of revenues before other contributions and transfers	**$**	**(51,552)**	$	361,082
Other contributions and transfers		**939,841**		843,042
Annual surplus (previously net revenues)	**$**	**888,289**	$	1,204,124

(1) 2023: Progress Update Report EC2024-0291; 2022: Performance Report EC2023- 0065

(2) The consolidated financial statements include all of the results of The City and its subsidiaries for the period ended December 31. Other reports provided to Committees of Council and Council throughout the year do not include the results of subsidiaries and conform to the MGA requirements such as balanced operating budget and associated contents, rather than Public Sector Accounting Standards which govern the Annual Financial Report.

Financial Position and Annual Surplus Unaudited

2019 – 2023 (in thousands)

	2023	2022 (Restated)[4]	2021 (Restated)[1]	2020	2019
Financial assets	**$ 10,621,576**	$ 10,401,718	$ 9,423,987	$ 8,226,621	$ 7,579,593
Financial liabilities	**6,098,275**	6,118,793	5,874,125	5,436,376	5,122,483
Net financial assets	**$ 4,523,301**	4,282,925	$ 3,549,862	$ 2,790,245	$ 2,457,110
Non-financial assets	**20,441,970**	19,857,891	19,418,040	19,027,286	18,568,296
Net assets	**$ 24,965,271**	$ 24,140,816	$ 22,967,902	$ 21,817,531	$ 21,025,406
Annual surplus	**888,289**	1,328,494	1,116,194	792,125	1,330,323

Acquisition of Tangible Capital Assets Unaudited

2019 – 2023 (in thousands)

	2023	2022	2021	2020	2019
Capital additions	**$ 1,064,908**	$ 875,668	$ 900,000	$ 994,025	$ 1,160,353

Net Assets Unaudited

2019 – 2023 (in thousands)

	2023	2022 (Restated)[4]	2021 (Restated)[1]	2020[2]	2019
Operating fund	**$ 236,408**	$ 258,732	$ 143,422	$ 164,156	$ 110,095
Capital fund	**234,414**	170,440	141,009	258,012	341,047
Local improvements to be funded in future years	**52,780**	54,415	56,411	66,119	62,234
Obligation to be funded in future years[3]	**(225,106)**	(225,165)	(19,383)	(16,888)	(10,184)
Reserves	**4,003,003**	3,635,785	3,281,056	2,743,827	2,493,588
Equity in ENMAX Corporation	**2,980,115**	3,072,460	2,714,462	2,416,472	2,339,699
Equity in non-financial assets	**17,752,754**	17,174,149	16,650,925	16,185,833	15,688,927
Accumulated surplus	**$ 25,034,638**	$ 24,140,816	$ 22,967,902	$ 21,817,531	$ 21,025,406
Accumulated remeasurement losses	**(69,097)**	–	–	–	–
	$ 24,965,271	$ 24,140,816	$ 22,967,902	$ 21,817,531	$ 21,025,406

(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 $225,106 (2022 Restated - $211,005) for the asset retirement obligations provision.

(4) Figures for 2022 have been restated for the adoption of PS 3280 Asset Retirement Obligations.

Expenses by Object Unaudited

2019 – 2023 (in thousands)

	2023	2022 (Restated)[3]	2021 (Restated)[1]	2020	2019[2]
Salaries, wages and benefits	**$ 2,237,853**	$ 2,056,226	$ 1,973,073	$ 1,971,506	$ 1,990,256
Contracted and general services	**597,112**	628,315	495,941	438,914	518,050
Materials, equipment and supplies	**592,803**	499,660	373,623	387,207	368,262
Interest charges					
Tax supported	**42,124**	27,575	21,848	30,099	24,946
Self supported	**74,761**	76,000	78,347	81,277	84,288
Accretion	**7,675**	7,454	–	–	–
Utilities	**125,774**	123,681	106,309	99,265	104,314
Transfers	**238,615**	195,123	188,045	138,779	133,050
Amortization	**724,479**	718,196	707,113	692,962	678,251
Loss on disposal of tangible capital assets	**16,551**	11,394	35,870	8,793	12,152
Total expenses	**$ 4,657,747**	$ 4,343,624	$ 3,980,169	$ 3,848,802	$ 3,913,569

Consolidated Investments Unaudited

2019 – 2023 (in thousands)

	2023	2022	2021	2020	2019
Market Value					
Government of Canada	**$ 713,287**	$ 651,318	$ 528,682	$ 245,592	$ 313,910
Other government	**597,980**	353,022	516,800	533,604	407,729
Corporate	**1,893,802**	1,725,359	1,784,361	2,233,484	2,137,713
Global fixed income investments	**1,586,063**	1,095,559	1,183,142	866,195	803,403
Equity investments	**968,571**	1,097,026	910,266	728,719	631,881
	$ 5,759,703	$ 4,922,284	$ 4,923,251	$ 4,607,594	$ 4,294,636
Cost					
Government of Canada	**$ 712,887**	$ 670,139	$ 529,238	$ 240,785	$ 314,011
Other government	**603,927**	383,456	514,557	512,225	401,467
Corporate	**1,935,667**	1,836,800	1,796,700	2,197,535	2,128,282
Global fixed income investments	**1,647,860**	1,206,414	1,179,526	821,671	797,670
Equity investments	**900,284**	1,109,985	784,776	651,104	589,326
	$ 5,800,625	$ 5,206,794	$ 4,804,797	$ 4,423,320	$ 4,230,756

(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.

(3) Figures for 2022 have been restated for the adoption of PS 3280 Asset Retirement Obligations.

Financial Capacity

2020 – 2023 (in millions)

		2023		2022		2021		2020
Cash and cash equivalents	**$**	**1,106**	$	1,311	$	1,149	$	633
Investments		**5,760**		5,207		4,805		4,423
Total cash and cash equivalents and investments	**$**	**6,866**	$	6,518	$	5,954	$	5,056
Less: Reserves		**(4,003)**	$	(3,636)	$	(3,281)	$	(2,744)
Less: City long-term liabilities[(1)]		**(1,697)**		(1,697)		(1,720)		(1,353)
Less: Bank indebtedness and short-term borrowing		**(348)**		(348)		(355)		(224)
Net working capital	**$**	**818**	$	837	$	598	$	735
Add: Total capacity on short-term borrowing Bylaw[(4)]	**$**	**600**	$	600	$	600	$	600
Total net working capital capacity	**$**	**1,418**	$	1,437	$	1,198	$	1,335
Add: Uncommitted reserves[(1)]	**$**	**1,659**	$	1,659	$	1,256	$	1,096
Available financial capacity	**$**	**3,077**	$	3,096	$	2,454	$	2,431

Short-Term Liquidity

2020 – 2023 (in millions)

		2023		2022		2021		2020
Cash								
Cash and cash equivalents	**$**	**1,106**	$	1,311	$	1,149	$	633
Less: Bank indebtedness		**(49)**		(48)		(48)		(70)
	$	**1,057**	$	1,263	$	1,101	$	563
Assets Readily Available for Sale[(2)]								
Short-term fixed income	**$**	**1,255**	$	1,214	$	1,200	$	1,210
Long-term liquid assets[(3)]		**534**		359		438		291
	$	**1,789**	$	1,573	$	1,638	$	1,501
Liquid Borrowing								
Capacity of short-term borrowing Bylaw	**$**	**600**	$	600	$	600	$	600
Less: Commercial paper issued ($300 million limit)		**(300)**		(300)		(300)		(300)
Less: Line of credit utilized ($60 million limit)		**0**		0		0		0
	$	**300**	$	300	$	300	$	300
Total	**$**	**3,146**	$	3,136	$	3,039	$	2,364

(1) From City of Calgary Reserves and Liabilities Report for the indicated year. 2023 values unavailable at time of publishing.

(2) Market value of Investments that can be sold with minimal impact to its current price.

(3) Highly liquid Government of Canada and provincial bonds

(4) The City has a $300 million limit on commercial paper and a $60 million limit on its line of credit, leaving $240 million unutilized under the short-term borrowing Bylaw.

Other Financial and Statistical Schedules

Consolidated Reserves Unaudited

2019 – 2023 (in thousands)

	2023	2022	2021[1]	2020[1]	2019[1]
Calgary Housing Company	**$ 45,451**	$ 38,306	$ 30,419	$ 29,770	$ 28,726
ENMAX dividend stabilization	**–**	18,000	18,000	18,000	14,500
Fiscal stability reserve	**876,390**	853,510	731,952	608,595	517,440
Other operating	**63,751**	75,399	74,357	56,223	47,601
Total operating reserves	**$ 985,592**	$ 985,215	$ 854,728	$ 712,588	$ 608,267
Calgary Parking	**$ 169,955**	$ 159,374	$ 159,374	$ –	$ –
Community investment	**147,820**	130,265	107,497	81,101	61,481
Debt servicing	**52,570**	52,570	52,570	52,570	52,570
Established area investments	**36,007**	44,899	51,200	52,326	–
Green Line fund	**172,799**	183,539	152,310	153,591	108,113
Legacy parks	**61,625**	34,039	19,695	10,719	7,889
Major capital projects	**412,687**	282,189	380,991	384,634	400,010
Calgary Police Service	**30,194**	37,985	41,195	44,062	37,825
Reserve for future capital and lifecycle maintenance and upgrade merged	**977,167**	792,182	633,449	547,296	494,908
Other capital	**87,438**	83,108	89,537	85,178	86,900
Total capital reserves	**$ 2,148,262**	$ 1,800,150	$ 1,687,818	$ 1,411,477	$ 1,249,696
Cash in lieu lifecycle sustainment	**$ 37,376**	$ 36,220	$ 37,435	$ 44,028	$ 42,477
Corporate housing reserve	**42,076**	43,054	43,442	36,573	33,952
General hospital legacy reserve	**17,733**	17,184	18,298	17,777	17,223
Planning and development sustainment	**105,144**	103,545	97,120	84,199	81,707
Opportunity Calgary investment	**71,247**	82,179	91,102	95,839	95,853
Perpetual care	**27,205**	28,030	24,901	23,269	21,457
Real estate services	**215,072**	218,798	131,027	65,321	76,015
Utilities sustainment	**245,719**	202,589	164,201	133,107	156,957
Waste and recycling sustainment	**53,340**	69,148	83,565	73,878	67,312
Other sustainment	**54,237**	49,673	47,419	45,771	42,672
Total sustainment reserves	**$ 869,149**	$ 850,420	$ 738,510	$ 619,762	$ 635,625
Total reserves	**$ 4,003,003**	$ 3,635,785	$ 3,281,056	$ 2,743,827	$ 2,493,588

(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

2019 – 2023 (in thousands unless otherwise stated)

	2023	2022	2021	2020	2019
Tax Rates					
Residential					
Municipal and Library (Mills)	**4.332**	4.695	4.825	4.780	4.211
Provincial property (Mills)	**2.240**	2.455	2.582	2.743	2.443
Non-Residential					
Municipal and Library (Mills)	**18.433**	17.884	16.513	15.828	17.775
Provincial property (Mills)	**3.641**	4.050	4.095	3.580	4.247
Assessed Values					
Residential	**$ 258,699,495**	$ 225,913,559	$ 208,942,946	$ 210,505,364	$ 215,899,419
Percentage of total	**82.0%**	80.4%	78.6%	77.9%	78.7%
Commercial (industrial and farm)	**$ 56,883,120**	$ 54,962,713	$ 57,012,414	$ 59,729,311	$ 58,382,878
Percentage of total	**18.0%**	19.6%	21.4%	22.1%	21.3%
Total assessment	**$ 315,582,615**	$ 280,876,272	$ 265,955,360	$ 270,234,675	$ 274,282,297
Tax Levies					
Municipal property taxes					
Residential	**$ 1,119,868**	$ 1,054,942	$ 996,465	$ 968,850	$ 853,589
Non-residential	**1,043,015**	976,462	925,535	910,370	968,036
Community Revitalization Levy	**39,790**	36,034	38,100	37,099	39,882
(Business Improvement Area Relief) Business taxes	**–**	(64)	(4,295)	–	3,500
Revenue in lieu of taxes	**396,343**	331,283	243,973	201,060	207,272
Local improvement levies and special levies	**8,588**	7,699	9,235	6,092	16,476
	$ 2,607,604	$ 2,406,356	$ 2,209,013	$ 2,123,471	$ 2,088,755
Provincial property taxes					
Residential	**$ 576,031**	$ 547,974	$ 535,364	$ 565,733	$ 539,762
Non-residential	**206,168**	225,265	228,149	206,678	249,949
Revenue in lieu of taxes	**7,193**	7,689	7,598	6,668	7,364
	$ 789,392	$ 780,928	$ 771,111	$ 779,079	$ 797,075
Total taxes levied	**$ 3,396,996**	$ 3,187,284	$ 2,980,124	$ 2,902,550	$ 2,885,830
Percentage of Total Levies					
Property tax					
Residential property	**49.93%**	50.29%	51.40%	52.87%	48.28%
Non-residential property	**36.77%**	37.70%	38.71%	38.49%	42.21%
Local improvement levies	**0.25%**	0.24%	0.31%	0.21%	0.57%
Community Revitalization Levy	**1.17%**	1.13%	1.28%	1.28%	1.38%
(Business Improvement Area Relief) Business taxes	**0.00%**	0.00%	(0.14)%	0.00%	0.12%
Revenue in lieu of taxes	**11.88%**	10.64%	8.44%	7.15%	7.44%

Taxation and Assessments Unaudited

2019 – 2023 (in thousands unless otherwise stated)

	2023	2022	2021	2020	2019
Property Tax – Continuity					
Taxes receivable (January 1)	**$ 66,856**	$ 74,655	$ 72,131	$ 53,149	$ 48,815
Current levies					
Property taxes	**3,002,173**	2,856,684	2,745,711	2,753,858	2,634,604
Business taxes	**–**	–	–	–	(6)
Non-tax items for collection	**1,239**	760	822	3,486	1,609
Penalties	**15,770**	14,506	8,081	6,642	12,245
Cancellation of tax arrears	**(662)**	(4,726)	(1,671)	(647)	(14,098)
Write-off of taxes	**(320)**	(384)	(510)	(670)	(478)
Total to be collected	**$ 3,085,056**	$ 2,941,495	$ 2,824,564	$ 2,815,818	$ 2,682,691
Collections during the year					
Current levies	**(2,959,463)**	(2,812,396)	(2,690,158)	(2,699,088)	(2,589,463)
Arrears	**(58,312)**	(62,243)	(59,751)	(44,599)	(40,079)
Subtotal	**$ 67,281**	$ 66,856	$ 74,655	$ 72,131	$ 53,149
Allowance for doubtful accounts	**–**	(2,621)	(2,621)	(2,621)	(100)
Taxes receivable (December 31)	**$ 67,281**	$ 64,235	$ 72,034	$ 69,510	$ 53,049
Percentage of current taxes collected	**95.93%**	95.61%	95.24%	95.85%	96.52%
Taxes outstanding as a percentage of the current year levy	**2.24%**	2.34%	2.72%	2.62%	2.02%
Other Major Tax Levies					
Revenue in lieu of taxes					
Municipal consent and access fee	**$ 308,499**	$ 225,804	$ 165,339	$ 132,378	$ 142,450
Franchise fees	**83,910**	102,608	76,085	61,765	62,039
Governments					
Provincial	**7,591**	7,105	6,858	9,520	5,951
Federal	**3,585**	2,813	2,681	3,014	3,380
	$ 403,585	$ 338,330	$ 250,963	$ 206,677	$ 213,820
Net Taxes Available For Municipal Purposes					
Property taxes	**$ 2,945,083**	$ 2,804,643	$ 2,685,513	$ 2,651,631	$ 2,611,336
Community Revitalization Levy	**39,790**	36,034	38,100	37,099	39,882
(Business Improvement Area Relief) Business taxes	**–**	(64)	(4,295)	–	3,500
Revenue in lieu of taxes	**403,535**	338,972	251,571	207,728	214,636
Local improvement levies and special taxes	**8,588**	7,699	9,235	6,092	16,476
	$ 3,396,996	$ 3,187,284	$ 2,980,124	$ 2,902,550	$ 2,885,830
Less: Provincial property taxes					
Current year levy	**$ (785,920)**	$ (781,729)	$ (767,498)	$ (771,295)	$ (795,866)
Prior year adjustment (levy)	**(3,472)**	801	(3,613)	(7,784)	(1,209)
Net taxes available for municipal use	**$ 2,607,604**	$ 2,406,356	$ 2,209,013	$ 2,123,471	$ 2,088,755

Continuity of Long-term Debt Unaudited

2019 – 2023 (in thousands unless otherwise stated)

		2023		2022		2021 (Restated)[1]		2020		2019
Tax supported										
Opening	**$**	**331,601**	$	367,268	$	401,122	$	441,464	$	365,491
New Issues		**–**		–		1,256		1,775		115,670
Repaid		**(32,422)**		(35,667)		(35,110)		(42,117)		(39,697)
Ending	**$**	**299,179**	$	331,601	$	367,268	$	401,122	$	441,464
Tax supported (% of total)		**11.1%**		12.3%		13.3%		14.1%		15.3%
Per capita (tax supported)		**215**		247		277		307		343
Self supported										
Opening	**$**	**2,116,149**	$	2,183,523	$	2,229,754	$	2,231,661	$	2,234,997
New Issues		**186,973**		131,422		148,819		192,148		176,897
Repaid		**(179,679)**		(198,796)		(195,050)		(194,055)		(180,233)
Ending	**$**	**2,123,443**	$	2,116,149	$	2,183,523	$	2,229,754	$	2,231,661
Self supported (% of total)		**78.6%**		78.5%		78.8%		78.4%		77.4%
Per capita (self supported)		**1,529**		1,575		1,649		1,705		1,735
Self sufficient tax supported										
Opening	**$**	**247,343**	$	219,799	$	214,268	$	210,322	$	288,343
New Issues		**46,500**		44,500		22,500		29,000		16,500
Repaid		**(16,128)**		(16,956)		(16,969)		(25,054)		(94,521)
Ending	**$**	**277,715**	$	247,343	$	219,799	$	214,268	$	210,322
Self sufficient tax supported (% of total)		**10.3%**		9.2%		7.9%		7.5%		7.3%
Per capita (self sufficient tax supported)		**200**		184		166		164		164
Total City Debt	**$**	**2,700,337**	$	2,695,093	$	2,770,590	$	2,845,144	$	2,883,447
ENMAX Corporation Debt		**1,722,502**		1,606,493		1,455,813		1,371,972		1,283,320
Closing balance	**$**	**4,422,839**	$	4,301,586	$	4,226,403	$	4,217,116	$	4,166,767
Debt servicing as a per cent of operating expenditures (net of recoveries) (tax supported)		**1.0**		1.0		1.4		1.5		1.5
Percentage of debt limit as per City Policy CP2020-05 (Note 16 g.)[2]		**40.0**		41.0		47.8		47.2		35.8
Per capita, Total City Debt		**1,944**		2,006		2,093		2,177		2,243

(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) 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

2019 – 2023 (in thousands unless otherwise stated)

	2023	2022	2021	2020	2019
Population(1)	**1,389,200**	1,343,500	1,323,700	1,306,700	1,285,711
Change due to natural increase	**33,100**	8,600	8,700	8,700	8,807
Change due to net migration	**7,500**	13,600	8,600	12,300	9,560
Housing Activity					
Annual applications for residential units					
Total residential	**17,751**	15,733	16,426	15,154	12,232
Change	**12.8%**	(4.2)%	8.4%	23.9%	19.5%
Single family Housing Starts	**4,552**	4,133	4,140	2,716	2,685
Change	**10.1%**	(0.2)%	52.4%	1.2%	(2.4)%
MLS average selling price ($)(2)	**$ 536,805**	$ 516,878	$ 490,027	$ 457,997	$ 457,046
New housing price inflation(3)	**(0.9)%**	7.7%	8.0%	1.8%	(0.2)%
Building Permits, applied for					
Number of applications	**20,594**	18,566	21,113	17,476	15,954
Change	**10.9%**	(12.1)%	20.8%	9.5%	(2.1)%
Value, in thousands	**$ 5,978,800**	$ 5,740,316	$ 5,687,998	$ 3,439,660	$ 5,166,275
Change	**4.2%**	0.9%	65.4%	(33.4)%	17.4%
Inflation, CPI annual increases(3)					
Calgary	**3.8%**	7.2%	3.2%	1.1%	1.4%
Alberta	**3.3%**	6.4%	3.2%	1.1%	1.8%
Canada	**3.9%**	6.8%	3.4%	0.7%	1.9%
Unemployment Rate(3)					
Calgary	**6.0%**	6.1%	9.1%	11.7%	7.1%
Alberta	**5.9%**	5.8%	8.7%	11.4%	6.9%
Canada	**5.4%**	5.3%	7.5%	9.5%	5.7%

Top ten industries in Calgary (by the number of residents employed)(3)

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

(1) Figures for 2020 and 2021 were obtained from the 2020 and 2021 Fall Forecast. Figures for 2019 were obtained from the annual Civic Census, which was last performed in April 2019.
(2) Calgary Real Estate Board
(3) Statistics Canada

Demographic and Other Information Unaudited

2019 – 2023 (in thousands unless otherwise stated)

	2023	2022	2021 (Restated)[1]	2020	2019
Revenue sources – City general[2]	**$ 3,352,290**	$ 3,143,764	$ 2,710,848	$ 2,654,278	$ 2,874,525
As a % of revenue					
Taxes and revenue in lieu of taxes	**64.23%**	64.37%	70.62%	70.55%	63.11%
General	**30.14%**	28.53%	27.21%	27.41%	31.83%
Government transfers	**3.19%**	5.13%	0.03%	0.01%	3.32%
Dividends from ENMAX	**2.44%**	1.97%	2.14%	2.03%	1.74%
Interest charges – City general					
As a % of operating expenses					
Before subsidy	**4.03%**	3.20%	3.37%	3.74%	3.60%
After subsidy	**4.03%**	3.20%	3.37%	3.74%	3.60%
Interest charges – consolidated					
Before subsidy (000s)	**$ 116,885**	$ 103,575	$ 100,542	$ 111,766	$ 109,537
Share of operating expenses	**3.0%**	3.2%	3.1%	3.5%	3.4%
After subsidy (000s)	**$ 116,885**	$ 103,575	$ 100,528	$ 111,547	$ 109,537
Share of operating expenses (net of subsidy)	**3.0%**	3.2%	3.1%	3.5%	3.5%
Debt service limit (principal + interest)[4]					
Total debt service limit	**$ 1,346,977**	$ 1,302,441	$ 1,151,307	$ 1,136,443	$ 1,449,161
Total debt service	**617,440**	625,510	650,614	499,457	369,416
Percentage used	**45.8%**	48.0%	56.5%	44.0%	25.5%
Debt limit[3][4]					
Total debt limit (000s)	**$ 7,697,013**	$ 7,442,520	$ 6,578,898	$ 6,493,957	$ 8,280,921
Total debt (000s)	**3,075,366**	3,053,548	3,141,306	3,063,919	2,961,444
Percentage used	**40.0%**	41.0%	47.8%	47.2%	35.8%
Municipal full-time equivalents (excluding ENMAX)					
Total full-time equivalents – City	**$ 17,256**	$ 16,373	$ 15,894	$ 15,796	$ 15,790
Total full-time equivalents – Related authorities	**1,071**	1,191	1,197	1,172	1,213
Full-time equivalents per 1,000 population – City	**12.4%**	12.2%	12.0%	12.1%	12.3%
Full-time equivalents per 1,000 population – Related authorities	**0.77%**	0.89%	0.90%	0.90%	0.94%
Area, square kilometres	**852**	848	848	848	848
Km of roads (lane km)	**21,952**	21,732	21,440	21,244	20,999
Km of roads (centreline km)	**8,555**	8,475	8,371	8,301	8,211
Transit passenger trips, annual (000s)	**89,966**	56,910	41,175	50,948	106,485
Km of wastewater mains	**5,208**	5,160	5,107	5,066	4,845
Km of water mains	**5,359**	5,360	5,338	5,312	5,288
Km of storm drainage mains	**4,753**	5,493	5,465	5,437	5,373

(1) Figures for 2021 have been restated for the correction of certain tangible capital asset related adjustments identified in 2022. Years prior to 2021 have not been restated for these adjustments.

(2) Figures are 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) Commencing 2020, The City is reporting debt limits at 1.6 times revenue and debit 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.

Journeyman 1 mechanic
repairs Calgary Transit bus.