

**Calgary**



AC2024-0438  
Attachment 3



# **The City of Calgary 2023 Annual Financial Report** **AC2024-0438**

2024 April 18

# Recommendations

That the Audit Committee:

1. Consider this report in conjunction with Report AC2024-0479 “External Auditor 2023 Year-End Report”;
2. Recommends Council approval of The City of Calgary 2023 Annual Financial Report, and
3. Forward this report to the 2024 April 30 Regular Meeting of Council.



# Highlights

- Strong statement of financial position and liquidity;
- Managing the 2023-2026 Service Plans and Budgets;
- Emphasis on transit, public safety & affordable housing;
- Continued focus on the recovery of Calgary's Downtown;
- Major investments in the Culture + Entertainment District;
- Preparing our city and infrastructure for a changing climate; and
- Adoption of new accounting standards.



# Adoption of New Accounting Standards

- **Asset Retirement Obligations:**
  - Modified Retroactive Adoption
  - Increased disclosure
  
- **Financial Instruments:**
  - Prospective Adoption
  - New Statement of Remeasurement Gains and Losses



# Revenues, Expenses, and Surpluses Before Capital Transfers (\$ millions)





# Revenues for the Year Ended December 31

(\$ millions)

	Actual 2023	Actual 2022 (Restated)	Increase/ (Decrease)	Percent Change
Net taxes available for municipal purposes	2,608	2,406	202	8%
Sales of goods and services	1,360	1,384	(24)	(2%)
Government transfers related to operating	179	228	(49)	(21%)
Investment income	220	142	78	55%
Fines and penalties	78	74	4	5%
Licences, permits and fees	134	119	15	13%
Miscellaneous revenue	43	56	(13)	(23%)
Equity in earnings of ENMAX	(16)	296	(312)	(105%)
<b>Total revenues (before external transfers for infrastructure)</b>	<b>4,606</b>	<b>4,705</b>	<b>(99)</b>	<b>(2%)</b>
Developer contributions	189	242	(53)	(22%)
Government transfers related to capital	462	360	102	28%
Developer contributions-in-kind related to capital	289	241	48	20%
<b>Total external transfers for infrastructure</b>	<b>940</b>	<b>843</b>	<b>97</b>	<b>12%</b>
<b>Total Revenue</b>	<b>5,546</b>	<b>5,548</b>	<b>(2)</b>	<b>(0%)</b>



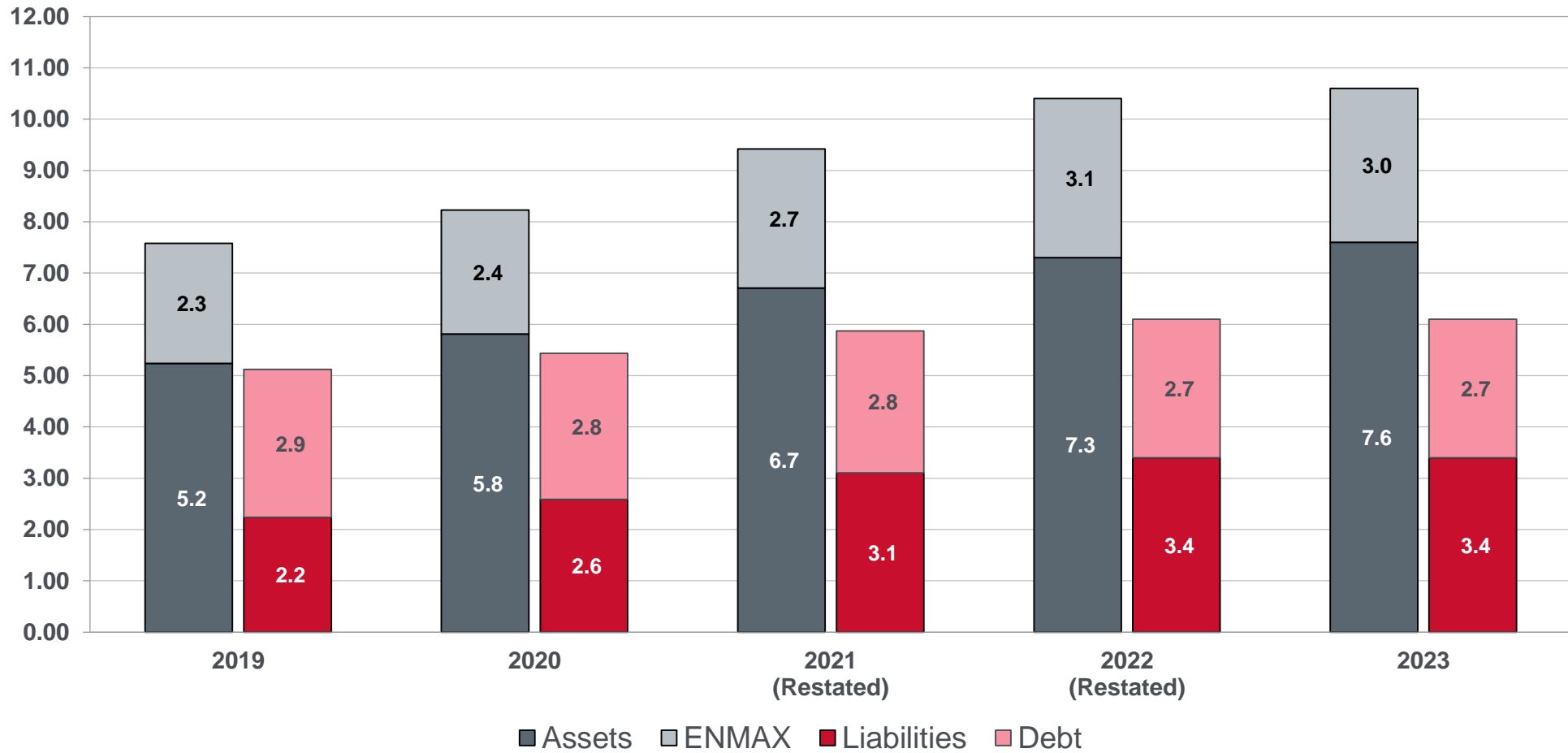
# Expenses for the Year Ended December 31

(\$ millions)

	Actual 2023	Actual 2022 (Restated)	Increase/ (Decrease)	Percent Change
<b>EXPENSES</b>				
Planning and development services	201	169	32	19%
Infrastructure services	378	394	(16)	(4%)
Community services	1,565	1,389	176	13%
Operational services	2,146	2,016	130	6%
General government	368	376	(8)	(2%)
	<b>4,658</b>	<b>4,344</b>	<b>314</b>	<b>7%</b>



# Financial Assets and Liabilities (\$ billions)

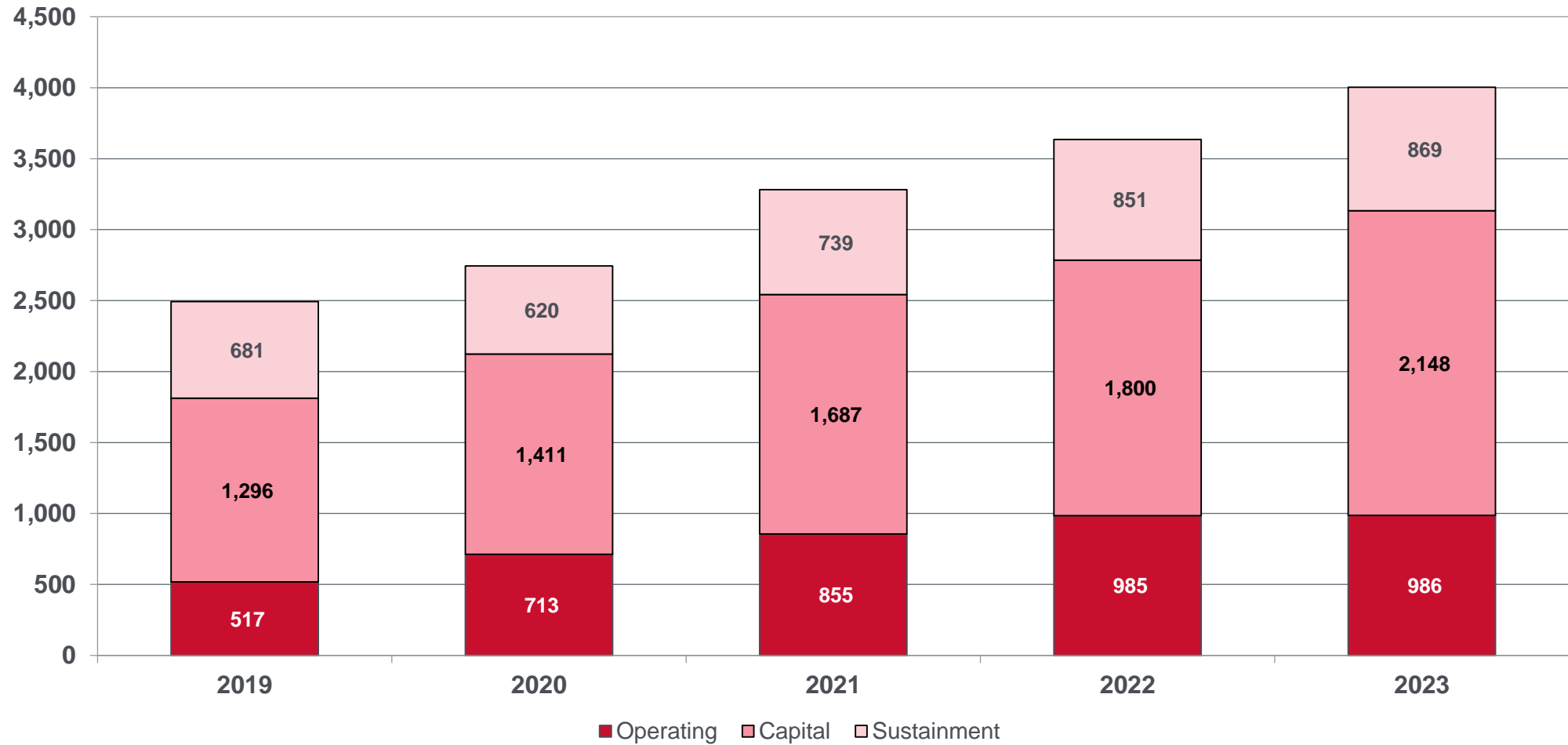






# Reserves as at December 31

(\$ millions)





# Key Messages

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

# Recommendations

That the Audit Committee:

1. Consider this report in conjunction with Report AC2024-0479 “External Auditor’s 2023 Year-End Report”;
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# Supplementary Information Follows



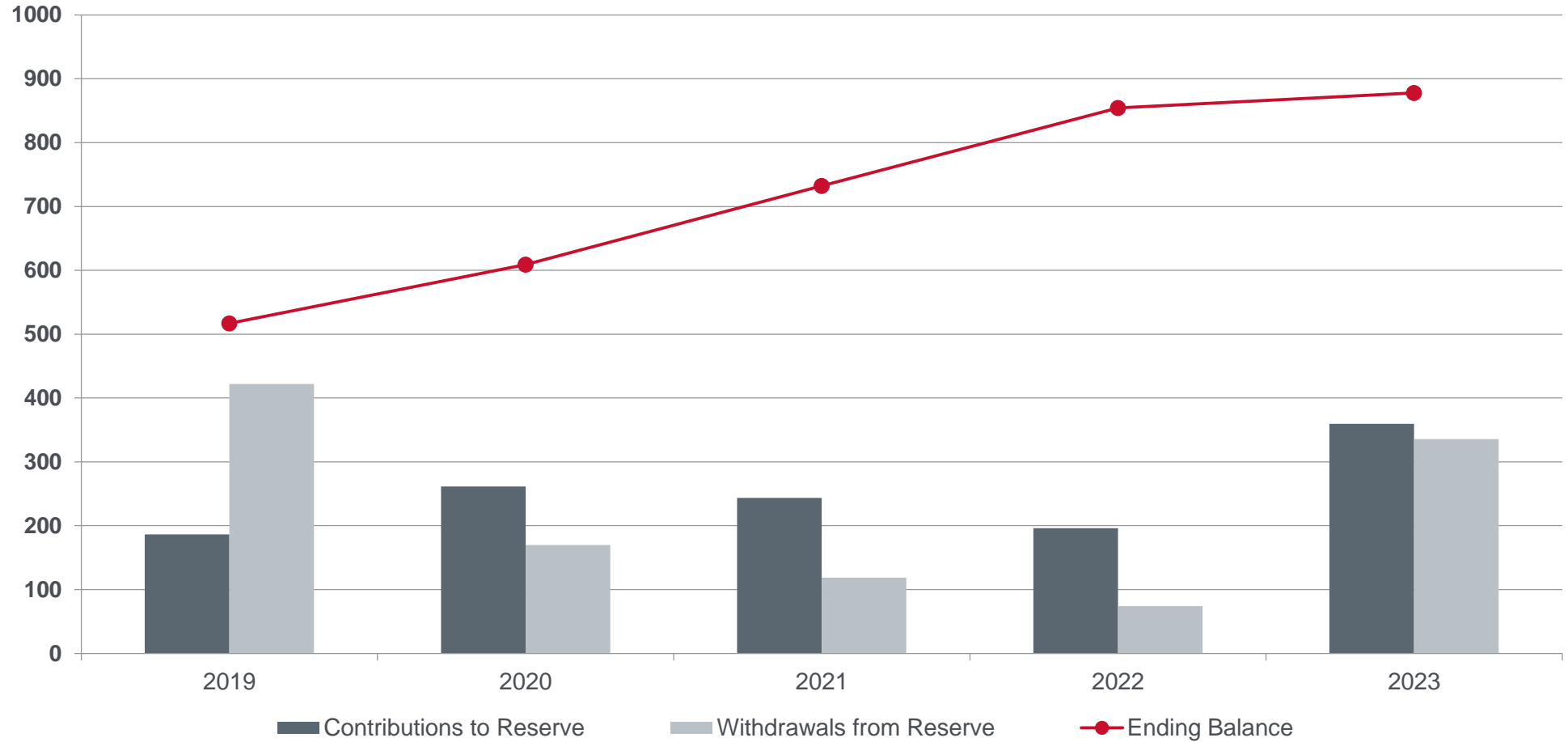
# Capital Deposits as at December 31

(\$ Thousands)

	December 31, 2022	Contributions Received	Revenue Recognized	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
	<b>\$ 1,185,905</b>	<b>\$ 541,775</b>	<b>\$ (539,542)</b>	<b>\$ 1,188,138</b>



# Fiscal Stability Reserve (\$ Millions)





# Upcoming Accounting Standards

## 2024 Implementation

**PS 3400 – Revenue** – Differentiates between transactions that include performance obligations, and transactions that do not include performance obligations

**PS 3160 – Public Private Partnerships (P3's)** – Public private partnerships are an alternative finance and procurement model available to public sector entities to design, build, acquire or better infrastructure

**PSG-8 – Purchased Intangibles** – Purchased intangibles are non-monetary economic resources without physical substance acquired through an unrelated party.

**PS 1000 – Financial Statement Concepts** – Describes the concepts underlying the development and use of accounting principles in government financial statements.