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Letter from the President & CEO and Chairman of the Board

This past year, Calgary made headlines both in Canada and around the world. Stories discussed the energy literacy of Canadians, continued uncertainties about market access, and June’s devastating floods. Calgarians showed how, in the face of tragedy, our community spirit is strong and enviable.

In spite of these issues, Calgary continues to lead the country in economic and employment growth with real GDP growth outperforming all of Canada’s largest metropolitan areas at 3.7 per cent. Employment continues to be a hot spot with Calgary’s economy generating over 24,000 jobs in 2013, accounting for 10.8 per cent of the total job growth in Canada. And despite rapid population growth – 47,500 new people are now calling Calgary home – the unemployment rate remained steady at 4.8 per cent for the year.

As Calgary Economic Development celebrated our tenth year of operations, we continue to look for opportunities to support smart growth for business and community by finding opportunities for purposeful diversification across our city in the transportation and logistics, real estate, the creative industries, and energy sectors.

Workforce and labour attraction and retention continue to be at the core for companies across all sectors. We welcomed Ministers Chris Alexander and Jason Kenney along with 200 delegates representing the private sector, industry associations and provincial governments from across the country to discuss issues around intra-provincial migration, labour attraction and worker retention in the coming years.

The Calgary, Be Part of Energy, national marketing campaign continued to be a strong platform and call to action for people and businesses to thrive in Calgary. While on tour in Ottawa and Toronto with Mayor Nenshi, he spoke about the opportunities and the vibrant energy that makes Calgary a great place to live, work and make a life. While the trip was cut short by June’s flood, that community spirit that the Mayor spoke of played out in spades as Calgarians worked together in the days following the flood.

While 4,000 businesses closed immediately after the floods, thousands of Calgarians worked together on the cleanout of homes and businesses affected by the water. Our team, in partnership with the Calgary Chamber and Business Recovery Taskforce, worked with ATB Financial, the Calgary Hotel Association, the Government of Alberta, and media partners, including the Calgary Herald, Pattison Outdoor and CTV, to develop a $1.4 million campaign that ran for six months inviting Calgarians to visit, eat, drink and shop in flood affected areas.

This past year also saw the culmination of years of work to advocate for a purpose-built film studio in Calgary with funding announcements arriving early in 2014. The WORKshift program was able to secure additional private sector funding which enabled us to share this Calgary born program with other Canadian cities as Halifax and Ottawa both launched their programs last fall.

Looking ahead, 2014 promises to be an exciting year for Calgary as we mark the 100 year anniversary of oil in Alberta. The year is already shaping up to be a strong one even as questions of market access continue.

On behalf of the Board and staff, we extend our thanks to Mayor Nenshi and the member of Calgary City Council for their continued support of our efforts. We look forward to collaborating with our Action Calgary partners, promotional partners, advisory committees and all Calgarians as we continue to serve our community as a conduit, connector and catalyst for growing and promoting Calgary.
Last summer, as I watched the businesses and citizens of our city come together after the June floods, I saw the Calgary that I had always known, but that doesn’t often show itself in such a big way. It’s a city where volunteers show up at a house to spend the day cleaning out the mud soaked basement of someone they don’t even know; where young children set up lemonade stands and canvas their neighbours to raise money for families who have lost their home; where businesses went out of their way to make life easier for those in need. We rallied together because that is what Calgarians do.

Yet, this is only part of the reason that Calgary continues to be ranked one of the best places to live in Canada and the world. It’s part of a story that continues to be told by Calgary Economic Development. In their Calgary. Be Part of the Energy. campaign, Calgary Economic Development works with businesses to attract and retain the people our city will need in the coming years to meet the growing demand for talent.

In 2013, I had the opportunity to travel with Calgary Economic Development to Eastern Canada as part of the Calgary. Be Part of the Energy. Campaign. I spoke with business and student audiences about what makes Calgary a great place to make a living and make a life. And while I was telling these stories about Calgary, our community was reacting to the flood and bringing these stories to life.

Calgary is certainly in an enviable position compared with other cities both in Canada and globally, but the need to balance a thriving community with shared prosperity for all our citizens continues. Calgary Economic Development has been leading the review and refresh of the 10 year Economic Development Strategy for our city. Through in depth consultation with the community, this process re-affirmed the direction of the business community, the City of Calgary, non-profits, and the civic partners. The Economic Development Strategy for Calgary will act as a guide for better collaboration, so as to ensure that our economic success continues to be grounded in both our sense of community and our commitment to shared prosperity and sustainable development.

Many cities might have had difficulty recovering from a natural disaster the size of the 2013 floods. Not Calgary. If anything, our future is brighter than ever. We will continue to adapt to the changing world around us and the challenges of a rapidly growing city.

Naheed Nenshi
Mayor, City of Calgary
We advance opportunities for **smart growth** to achieve **individual**, **business** and **community** potential for the Calgary Region.
Our Story

Calgary Economic Development is a conduit, connector, catalyst and storyteller.

We are opportunity-makers, helping to spark and fuel the growth that has made Calgary an economic powerhouse. We nurture prospects and potential. We harness possibilities. And we support individual and business prosperity.

We are connectors, linking business people with change-makers: investors, advisors, industry leaders, partners and employees. We introduce companies to new locations, markets and customers. And help new Calgarians meet mentors and employers – and find their place in our workforce, and in our community.

We are storytellers, charged with the happy responsibility of getting to know Calgary, and sending its good news well beyond the city limits.

We are a wealth of information. It’s our business to figure out what makes Calgary work. And it’s our job to share facts and resources freely with everyone who wonders why or how or how much.

We are Calgary’s opportunity-makers. As conduits, connectors, catalysts and storytellers, we help shape and share Calgary’s story.

Like the city we serve, we’re collaborative, entrepreneurial, innovative, social, creative and global. And we’re proud to be part of the energy.

Calgary Economic Development is a not-for-profit corporation funded by the City of Calgary, private sector, community partners and other orders of government. Managed by an independent Board of Directors, Calgary Economic Development operates in accordance with the key objectives set out in the 10-year Economic Development Strategy for Calgary.

Our people

Board:
Wilf Gobert (Outgoing Chair)
Leontine Atkins
Duncan Au
Eric Axford
Don Campbell
Bill Chomik
Councillor Peter Demong
Tom Hodson
Brett Ironside
Hannes Kovac
Patricia McLeod
Murray Sigler
Brad Pierce
Rollin Stanley
Kevin Zimmel

Staff:
Luke Azevedo
Robyn Bews
Jennifer Bottriell
Kate Bowering
Lisa Corcoran
Lissa Craig
Tom Dixon
Court Ellingson
Katie Findlay
Kristy Frandle
Dusko Galic
Harrison Gallelli
Karen Garrick
Bruce Graham
Deana Haley
Ramzieh Khalil
Fern Lockwood
Lulu Mazula
Brain McClure
Gillian McCormack
Mary Moran
Alecia Peters
June Reid
Jeanette Sutherland
Carol Thiessen
Susan Thompson
Rick Tovell
Susan Turner
Jessica Whiting
Vanessa Wright
Rachel Yin
Megan Zimmerman
2013 accomplishments at a glance

Conduits & Connectors

Trade & investment missions

- Led 15 companies to China for trade and investment meetings
- Consider Canada City Alliance missions to Europe and Asia
- New York City mission with Alberta Innovation and Advanced Education and the TMX Group

Incoming missions

- Welcomed 21 incoming national and international missions
- Hosted the inaugural Stampede Business Forum with the provincial and federal governments for 100 international investment and energy industry delegates

Events

- Trade & investment educational seminars
- Soul of the City speaker series
  Four events about placemaking to continue the discussion about making our city a great place to live
- Signature business networking events
  Report to the Community, Economic Outlook and First Flip

Global Business Centre

- 18 new companies rented short-term office space, 10 have opened permanent offices in Calgary
- Hosted 168 business events

15
21
17
18
10
168
Our WORKshift program is now being adopted by other Canadian cities including Halifax and Ottawa.

We helped 17 organizations with their decision to relocate, stay, expand or invest further in Calgary.

We helped 17 organizations with their decision to relocate, stay, expand or invest further in Calgary.

Funding was secured to build the Calgary Film Centre in early 2014.

Calgary attracted $153 million in film, television, and commercial production up from $125 million in 2012.

Creative Industries

$153 million

621
Trade & Investment outreach calls

Business Development Activities

17
We helped 17 organizations with their decision to relocate, stay, expand or invest further in Calgary.

609
Requests

Catalysts

Workforce initiatives

Supported the Government of Alberta virtual career fair

Hosted the National Skilled Migration Conference featuring keynotes from federal Ministers Chris Alexander and Jason Kenney. Over 200 representatives from provincial governments and private industry attended

Launched the Careers in Manufacturing program that connected 1000 secondary students from 24 schools with career options in Calgary’s manufacturing sector

Hosted workforce round-table discussions with senior government leaders and the private sector

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Research team inquiries

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Trade & Investment outreach calls

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Launched a $1.4 million campaign through the generous financial and in-kind contributions of Action Calgary and media partners to support businesses in flood-affected areas in Calgary and Southern Alberta.

Launched a national people attraction advertising campaign featuring Mayor Nenshi and 14 Action Calgary partners and told the story about why Calgary is a great place to make a living and make a life.

Took the Mayor on tour to Ontario to speak with business and post-secondary audiences about Calgary opportunities.

Launched the Calgary - Right Here video – over 100,000 views within the first week.

Co-chair the Flood Recovery Taskforce with Calgary Chamber.

Storytellers

Calgary. Be Part of the Energy. campaign

Launched a $1.4 million marketing campaign.
Social media

- Twitter followers: 2,792, up by 77% per cent increase
- Retweets: up by 47% per cent
- Launched Facebook page – 10,000 followers in the first six months

Marketing awards

- National industry and marketing awards

- Calgary, Be Part of the Energy campaign
- 2012 Ireland Scotland Labour Attraction Mission event programming and collateral
- 2012 Annual Report
- Right Here video
- Transportation & Logistics sector profile

Media

- 700 stories

Collateral

- Labour attraction brochure
- Real Estate brochure
- Calgary in a glance showcasing our real estate, energy and financial sectors
- Newsflash – digital newsletter

Web statistics

- 319,542 website hits

Yearly statistics

- 700 interviews
- 346 stories
- 29 Marketing awards
- 2,792 Twitter followers
- 319,542 website hits
- 700 stories
Sector Overview
& Initiatives

Energy

Calgary is Canada’s centre of all things energy. It is a city where decisions are made and deals are brokered. Here you will find the head office of every major oil and gas company in the country and the industry’s major trade associations. Major pipeline operators and manufacturers, oilfield servicers, drilling companies, energy-related engineering firms and consulting firms can also be found here. In addition, Canada’s national energy regulator, the National Energy Board, has its headquarters in Calgary, as does the Alberta Energy Resources Energy Board, Alberta Utilities Commission, and Alberta Energy Regulator.

Throughout 2013, the price of oil fluctuated; however, it reflected only a slight overall annual price increase since the beginning of the year. The growing gap between the price of WTI and Western Canadian Select continues to highlight the need for increased market access.

While market access continues to be a challenge for Canadian producers as the future of major pipeline projects, including Northern Gateway and Keystone XL, remain uncertain, one of the other significant challenges facing the energy sector is energy literacy. A holistic conversation and understanding about the economic, environmental and social impacts of the energy industry and innovation in the Canadian oil sands needs to be had both within Canada and abroad.

A number of derailments in 2013 called into question the safety of transporting crude by rail, providing further pressure on oil producers in moving their product to market.

Rail has become a crucial component of the energy transportation network with Canada railroads estimated to have increased carloads of crude carried from just 500 in 2009 to 130,000 in 2013.

Another key milestone in 2013 worth noting was, Nexen Inc. finalizing the deal for a $15.1 billion (U.S.) acquisition by Chinese oil producer CNOOC Ltd., marking the most significant acquisition to date by an Asian firm in Canada and the largest global acquisition by a Chinese company.

Conventional Energy

In 2013, the US price per barrel of West Texas Intermediate, the North American benchmark price for oil, rose four per cent from $94.19 to $98.00 with prices for WTI ranging from a low of $93.93 in November to a high of $106.54 in August. Prices fluctuate based on changing production and demand, with the civil war in Syria raising concerns over stability of supply from the Middle East.

The benchmark price for Alberta crude is Western Canadian Select which declined slightly from $73.14 per barrel to $72.77 per barrel.

Natural gas, which has been declining steadily from 2008, rebounded in 2013 rising from $3.01 per gigajoule in December 2012 to $3.68 in December 2013. Higher prices are a result of declining drilling activity in North America and declining production from existing wells, in addition to an exceptionally cold winter.

ANNUAL AVERAGE OIL PRICES
US $/BBL
2011-2013

ALBERTA NATURAL GAS PRICES
AVERAGE ANNUAL - CDN $/GJ
2013
Renewable Energy

Calgary is a national leader in sustainable and renewable energy. Southern Alberta has some of the most favourable conditions for wind generation and Alberta ranks third in installed capacity in Canada. Calgary-based companies are major players in wind generation. Better known for their oil and gas and pipeline operations, Enbridge, TransCanada, Suncor and Nexen own and operate significant wind generation installations. Enbridge’s Blackspring Ridge project will represent 300MW of installed capacity and be the largest windfarm in Canada. TransAlta and Enmax along with Alberta Wind Energy Corporation and Wind River Power Corporation contribute to Calgary-based companies leading the country in harnessing the power of wind.

Initiatives

In 2013, Calgary Economic Development was a key partner in several inaugural energy related events.

In March, Calgary Economic Development and the CFA Society Calgary cohosted the Western Energy Summit. The sold-out event provided a forum for meaningful discussions between industry, government and the financial sector, highlighting topical issues related to the growth of the Western Canadian energy sector. The summit was headlined by former Premier Alison Redford and explored the financial and operating implications for participants in the energy supply chain.

In July, Calgary Economic Development initiated the inaugural Stampede Business Forum bringing together 100 delegates from the global investment community and private sector in addition to Invest in Canada, Province of Alberta, Canadian Association of Petroleum Producers, TMX Group and Consider Canadian City Alliance.

In addition to an investment seminar, the program included a visit to the Alberta oil sands, business matchmaking and a high level meeting with former Premier Alison Redford and former Minister of State for Finance, Ted Menzies.

The main focus of the forum was on the viability of developing Alberta and Canada’s energy sector with assistance from foreign companies in the form of foreign direct investment. 114 international guests attended and post-event feedback indicated that 88 per cent felt the seminar helped them learn more about Canada as a location to invest and 58 per cent plan to expand existing facilities or are considering new investment in Canada.

Calgary Economic Development also partnered in the World Petroleum Council Youth Forum held in Calgary in October. This was the first time this international event has been held in North America. It brought together 1,600 of tomorrow’s energy leaders and today’s young professionals in the development of a talent pool of the best and brightest youth in the industry. This event strengthened Calgary’s position as the global energy centre and raised awareness regarding Calgary as a great place to make a living and make a life.

In November, Calgary Economic Development joined the Consider Canada City Alliance (CCCA) mission to Europe. The timing of this mission was critical to develop relationships following the approval of the Comprehensive Economic and Trade Agreement (CETA). The group conducted 47 meetings and there are now three companies evaluating investment decisions in Calgary as a result of that mission.

It was an exceptionally well organized event, and an excellent opportunity to both meet with senior decision makers, and participate in productive discussions on both sides relating to the key issues involved in attracting Chinese overseas investment into Alberta.

Satvinder Flore
Director Oil & Gas, AMEC Americas
2013 China Mission participant
Following the global economic crisis over the past several years, Canada has been praised for the resilience in its banking system and the country’s ability to weather financial storms better than most nations. While Calgary’s economy didn’t completely escape the impacts of the economic recession, its financial services sector remained, and continues to remain, strong. Calgary is North America’s fastest growing economic region, providing many opportunities for business and financial services.

The financial sector represents 2.4 per cent of the employment in Calgary, equal to manufacturing and transportation and logistics combined. While employment growth in financial services expanded slowly, it did so while employment in oil and gas contracted, showing the resiliency of the sector and diversification from the oil and gas sector. As Calgary’s economy continues to grow, opportunities in Calgary’s financial sector will continue to emerge. In fact, while only 3 per cent of the world’s energy deals were done in Calgary, 12 per cent of the total dollar deal volume was done in Calgary which means that the size of deals is substantially large.

**Initiatives:**

Calgary Economic Development organized and led an investment mission to Beijing, China in October, with participation of the Federal Minister of Resources and the Provincial Minister of Energy, and the Canadian Association of Petroleum Producers. More than 15 Calgary companies participated in the mission, meeting with 100+ pre-screened Asian investors and business leaders. Federal participation by the Governor General and the Federal Minister of Natural Resources helped ensure the engagement of leading Chinese companies.

Throughout 2013, Calgary Economic Development worked with the Industrial and Commercial Bank of China, the world’s largest bank by market value to establish their presence in Calgary in early 2014. This is the first Alberta branch of the Industrial and Commercial Bank of China (Canada) or ICBC.

This decision by ICBC is a validation of Calgary Economic Development’s continuous effort to attract foreign direct investment from Asia and to promote trade between the two regions. We were actively involved in attracting ICBC to Calgary by providing economic data, market intelligence and local and international networking opportunities for the bank over the past three years. We were proud to host ICBC at our Global Business Centre during the bank’s final preparations before opening their permanent office.

The addition of ICBC will be beneficial to the Calgary business community and continue to help us take Calgary’s story of opportunity to the world.

CED has been a great guide for ICBK since we started to learn about the Calgary market. The valuable advices, market intelligence and connections to the local market have helped us tremendously in doing business at Calgary.

**Qi Tao**

Calgary Branch Manager, Industrial and Commercial Bank of China (Canada)
Of the **5,800** jobs created in Alberta over the past 10 years, half of them are in Calgary in the financial sector.

With over **$265 million** of foreign direct investment announced since 2007.

26 per cent of total M&A deal volume in the country - higher than any other Canadian city during the same period. This speaks to the experience and expertise of Calgary’s industry professionals.

22/83 global cities

$16.74 billion in GDP value, 2007 dollars,

1,463 financial services business establishments in Calgary,

Global Financial Centres Index, 2014

Calgary Economic Region, Statistics Canada, 2004 - 2013

Calgary Economic Region, Statistics Canada, 2004 - 2013

Calgary Economic Development Annual Report 2013
Sector Overview & Initiatives

Transportation & Logistics

Calgary is becoming Western Canada’s premiere transportation hub and distribution centre. Calgary, with its natural geographic advantages and expanding infrastructure, both within its municipal boundaries and throughout the surrounding Calgary Region, has all the necessary attributes to become an inland port.

Over the past 10 years, employment in this sector in the Calgary region has increased by 19.4 per cent, or 12,400 workers while the number of businesses has also increased by 18 per cent. Distribution centres are being built both in Calgary and the surrounding communities.

It is not just rail and truck transportation seeing growth. Recently, the Calgary International Airport became the third busiest airport in Canada with respect to passenger load, jumping ahead of Montreal.

Initiatives:
Calgary Economic Development identified the transportation and logistics sector as a strategic growth area in the 10-year strategy. In 2013, Calgary Economic Development embarked on an industry engagement effort in support of business investment into the logistics sector. We engaged in a partnership with Development Counsellors International (DCI) to build momentum and raise awareness in the U.S. market of Calgary’s transportation and logistics industry as a great location for business. Through collaborative and strategic execution of marketing tactics and media outreach, we engaged with top American, international and trade media outlets, highlighting Calgary’s key logistics industry advantages and the city’s business assets. Through the campaign we received 24 articles placed in top-tier and trade publications, including the Wall Street Journal, The Financial Times and Journal of Commerce, resulting in over $1 million in editorial value.

After a four-year of engagement with Calgary Economic Development, the City of Calgary and CP Rail, Home Depot Canada confirmed in early 2014 the land purchase and construction of a 650,000 sq. ft. warehouse and distribution centre in the Dufferin North Distribution and Intermodal Yard. We been actively working with all the partners since 2010 to ensure this major transaction was seamless. Completion is expected in 2015.

We continued our work with the Logistics Advisory Committee and through a partnership with the Van Horne Institute and the Calgary Region Partnership, led the development of a new Transportation & Logistics sector profile and video in 2013.
Employment in the Transportation & Logistics sector has increased by 19.4 per cent, or 12,400 workers in the past 10 years.

Calgary Economic Region, 2004 - 2013
Statistics Canada

4,966 business establishments in Calgary, an increase of 18 per cent in the past 10 years.
Statistics Canada, 2013

76,300 work in T&L in Calgary,
Calgary Economic Region,
Statistics Canada, 2013

$4.79 billion GDP,
2007 dollars,
Calgary CMA, Conference Board of Canada, 2013
Sector Overview & Initiatives

Commercial Real Estate

The Calgary commercial real estate market continues to be one of the strongest in Canada and the city remains atop of the Investment Property Databank (IPD) Property Index for return on commercial real estate investments.

Downtown Office Space
While the available downtown office space inventory was at 38.5 million square feet in 2013, seven projects that will see a combined total of 4.7 million square feet added to Calgary’s downtown were started or confirmed as going ahead over the course of the year. 2013 saw Calgary’s downtown market experience its first negative year-end absorption in four years - negative 1.6 million square feet, after adding 1.9 million square feet at the end of 2012. An increase in sublease space and the departure of a handful of tenants for the suburban market has caused the downtown office space vacancy rate to increase to 9.1 per cent in 2013 from 5.0 per cent in 2012.

Suburban Office Space
The suburban market grew substantially in 2013, increasing its inventory by 965,610 square feet to 21.9 million square feet, the largest suburban office inventory increase since 2009. Suburban office absorption numbers improved in 2013, with an incremental 783,362 square feet being absorbed by year’s end. The suburban office market vacancy grew slightly to 11.0 per cent in 2013, from 10.8 per cent in 2012 as more inventory was added to the market.

Industrial Space
3.1 million square feet of new industrial supply was added to the inventory in 2013. Over the past decade, the amount of industrial space in Calgary has grown by 23 per cent. By the end of the year Calgary had 123.7 million square feet of industrial space. Industrial vacancy increased marginally to 3.3 per cent in 2013, up from 3.0 per cent in 2012. Calgary’s industrial space market continued to experience positive growth in 2013. For all of 2013, absorption was 1.7 million square feet, close to half of the 3.6 million square feet absorbed in 2012. Absorption is expected to remain positive in 2014.

Building permits
The Calgary Economic Region saw building intentions increase during 2013 with building permits valued at a record $7.5 billion, an increase of 33.5 per cent over 2012. This was primarily driven by continued growth in the residential market. Job gains and more demand for residential housing due to migration into Calgary has fueled this residential growth. In 2013, 12,584 housing units were started in the Calgary Census Metropolitan Area, a slight decrease of 2.0 per cent over the previous year. The MLS benchmark housing price for a single-family home in Calgary was $458,017, an increase of $33,309, or 7.8 per cent from 2012. The real estate community has a significant role to play in economic development. Calgary Economic Development’s ability to service this sector and help resolve
Development issues can directly impact the destination for future jobs and investment. In 2013, our Real Estate team attended EXPO REAL in Munich, Europe’s largest B2B trade show for property and real estate investment, with over 36,000 participants and close to 1,700 exhibitors. Over 50 in-market meetings were conducted resulting in strong leads and networking for future real estate investment prospects.

We participated in KPMG’s inaugural seminar, “Real Estate Executive Series” - hosted at the Global Business Centre, with over 50 KPMG clients, where we presented the current economic state of our local real estate markets, sharing the Calgary opportunity and inviting investors to be part of the energy.

Calgary Economic Development’s Real Estate team also represented local industry and provided strategic input on a number of the City of Calgary’s committees. Through our participation on these groups, we were able to present challenges brought to us through the real estate community for direct action by decision makers at City Hall.
Sector Overview & Initiatives

Creative Industries

While a traditional definition of creativity may have been limited to the promotion of culture and the creation of artistic endeavors, new technologies and a demand for creative design are broadening the definition of Creative Industries to include other sectors of the economy such as architecture, drafting and digital media. All subsectors of creative industries use imagination, inspiration and innovation to encourage the development of Calgary’s cultural and creative community.

As Canada’s fourth-largest filming jurisdiction, Calgary boasts award-winning crews and locations. The Calgary region benefits from an average of over $100 million in film, television and digital production each year and is responsible for 85 per cent of all filming in Alberta. The Film Commission is responsible for promoting, securing, and facilitating film and television production shoots for Southern Alberta and 2013 was another banner year in the Calgary Region, recording $153 million in production – a 22 per cent increase over 2012.

Employment in the creative industries in the Calgary Economic Region has grown by 21,300 people, or 29.8 per cent, in the past 10 years. In 2013, 11.1 per cent of those employed in the Calgary Economic Region were employed in the creative services sector.

Initiatives

Calgary Economic Development is the lead agency championing the development of the Calgary Film Centre Project, purpose-built film studios and facilities to support film, television and digital media industries.

Through our efforts to bring the issue forward, a formal RFP process to build film studio facilities in the Calgary region was initiated in 2013. Calgary Economic Development’s proposal was selected as the winning submission from the seven proposals reviewed to receive a $5 million grant. In 2014 we will move forward with securing the final pieces of the funding, finalize land selection and break ground on the Calgary Film Centre.

In the 22 years that I have been a Unit Location Manager the one service that I can always count on is the employees of the Film Commission in Calgary Economic Development. Their professionalism and commitment to the industry is unprecedented. In an industry that is ever changing like a river the office of Calgary Film is also flowing along side with our industry.

Robert Hilton
3 Legged Dog Location Production Services
Major productions

Klondike (TV Mini-series) - Discovery Channel’s first foray into dramatic series, extremely successful with a record number of viewers

“Interstellar” Feature Film – second time filmed in Alberta project for Director, Christopher Nolan

Heartland - Filming completed for the 7th season of Heartland

Hell on Wheels renewed for fourth season

Fargo, a TV series starring Billy Bob Thornton started filming

Calgary Economic Development is an essential part of, and ambassador for, Calgary’s screen-based industry. Calgary Economic Development is instrumental in attracting film and television productions to Calgary and southern Alberta, and in facilitating local and foreign productions on the ground. Calgary Economic Development has also proven to be key to the development of local infrastructure, including the recently announced Calgary film and television studio complex.

Tom Cox
Managing Partner at Seven 24 Films

8,767 creative services business establishments, a 21.6 per cent increase from last year, Calgary Economic Region, Statistics Canada, 2013

85% of production in Alberta was filmed in the Calgary region, Government of Alberta, 2012

571 film, television and commercial productions in the Calgary region in 2013.

92,800 people employed in creative services, Calgary Economic Region Statistics Canada, 2013

159 film business establishments Calgary Economic Region Statistics Canada, 2013

Fargo, a TV series starring Billy Bob Thornton started filming
Sector Overview & Initiatives

Workforce Development & Productivity

Calgary continues to drive Canada’s economy and skilled labour continues to be a challenge for many employers. Unemployment rates continued to be low – although there were small monthly fluctuations and it dipped to 4.4 per cent by year end, compared with 4.6 per cent in December 2012, the annual average remained at 4.8 per cent for 2013. Companies continue to struggle to find the qualified people they need to fill key positions.

Calgary added 24,200 new jobs in 2013, representing 10.8 per cent of Canada’s total job growth. Total employment in the Calgary Economic Region grew from 808,200 in 2012, to 832,400 in 2013, with much of it coming from business, building and support services, healthcare and social assistance and professional, scientific and technical services.

EMPLOYMENT BY INDUSTRY, 2012-2013
Employment by Industry, Calgary Economic Region (000s)

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<thead>
<tr>
<th>Description</th>
<th>2013</th>
<th>2012</th>
<th>Change (persons)</th>
<th>Change (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Industries</td>
<td>832.4</td>
<td>808.2</td>
<td>24.2</td>
<td>3.0%</td>
</tr>
<tr>
<td>Full-time Employment</td>
<td>699.6</td>
<td>683.7</td>
<td>15.9</td>
<td>2.3%</td>
</tr>
<tr>
<td>Part-time Employment</td>
<td>132.8</td>
<td>124.5</td>
<td>8.3</td>
<td>6.7%</td>
</tr>
<tr>
<td>Goods-Producing Sector</td>
<td>206.6</td>
<td>211.9</td>
<td>-5.3</td>
<td>-2.5%</td>
</tr>
<tr>
<td>Agriculture</td>
<td>4.9</td>
<td>4.7</td>
<td>0.2</td>
<td>4.3%</td>
</tr>
<tr>
<td>Forestry, Fishing, Mining, Oil and Gas</td>
<td>65.2</td>
<td>69.4</td>
<td>-4.2</td>
<td>-6.1%</td>
</tr>
<tr>
<td>Utilities</td>
<td>7.9</td>
<td>7.7</td>
<td>0.2</td>
<td>2.6%</td>
</tr>
<tr>
<td>Construction</td>
<td>81.5</td>
<td>74.5</td>
<td>7.0</td>
<td>9.4%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>47.1</td>
<td>55.6</td>
<td>-8.5</td>
<td>-15.3%</td>
</tr>
<tr>
<td>Service-Producing Sector</td>
<td>625.8</td>
<td>596.4</td>
<td>29.4</td>
<td>4.9%</td>
</tr>
<tr>
<td>Trade</td>
<td>112.8</td>
<td>111.1</td>
<td>1.7</td>
<td>1.5%</td>
</tr>
<tr>
<td>Transportation and Warehousing</td>
<td>48.1</td>
<td>45.4</td>
<td>2.7</td>
<td>5.9%</td>
</tr>
<tr>
<td>Finance, Insurance, Real Estate and Leasing</td>
<td>46.5</td>
<td>45.8</td>
<td>0.7</td>
<td>1.5%</td>
</tr>
<tr>
<td>Professional, Scientific and Technical Services</td>
<td>100.8</td>
<td>89.8</td>
<td>11.0</td>
<td>12.2%</td>
</tr>
<tr>
<td>Business, Building and Other Support Services</td>
<td>31.3</td>
<td>26.9</td>
<td>4.4</td>
<td>16.4%</td>
</tr>
<tr>
<td>Educational Services</td>
<td>46.8</td>
<td>47.9</td>
<td>-1.1</td>
<td>-2.3%</td>
</tr>
<tr>
<td>Health Care and Social Assistance</td>
<td>89.2</td>
<td>77.5</td>
<td>11.7</td>
<td>15.1%</td>
</tr>
<tr>
<td>Information, Culture and Recreation</td>
<td>35.6</td>
<td>34.7</td>
<td>0.9</td>
<td>2.6%</td>
</tr>
<tr>
<td>Accommodation and Food Services</td>
<td>51.9</td>
<td>51.2</td>
<td>0.7</td>
<td>1.4%</td>
</tr>
<tr>
<td>Other Services</td>
<td>37.1</td>
<td>40.0</td>
<td>-2.9</td>
<td>-7.3%</td>
</tr>
<tr>
<td>Public Administration</td>
<td>25.6</td>
<td>26.1</td>
<td>-0.5</td>
<td>-1.9%</td>
</tr>
</tbody>
</table>

Totals may not add up due to rounding
Source: Statistics Canada
Initiatives

Workforce initiatives cross all key sectors and continue to be a key focus area for Calgary Economic Development. Our strategy is multifaceted and collaborative in nature as we work with industry, government and post-secondary institutions to develop talent here in Alberta, attract and retain workers from across Canada, and when necessary, facilitate recruiting opportunities in international markets.

Local initiatives

Calgary Economic Development hosted a series of round table meetings with government, post-secondary institutions and industry representatives to explore challenges and local solutions to the labour issues, productivity best practices and how changes to immigration policy impact Calgary employers.

In 2013, with funding from the Government of Alberta, a strategy was developed to help showcase careers in manufacturing to high school students. In partnership with 13 organizations, the Careers in Manufacturing program was developed to create opportunities for high school students to learn about manufacturing through industry tours and academic events. Over 1000 students from 24 Calgary schools participated in 2013.

A new website, careersinmanufacturing.com, was established as an ongoing resource for students, teachers, parents and job-seekers to learn more about manufacturing career opportunities.

National initiatives

As part of the Calgary. Be Part of the Energy campaign, Calgary Economic Development led a labour attraction mission to post-secondary institutions in Ontario where Calgary’s Mayor Naheed Nenshi, delivered a message of opportunity and lifestyle in Calgary to students and recent graduates.

Calgary also hosted the first National Skilled Migration conference that included Ministers Jason Kenney and Chris Alexander, numerous Provincial Deputy Ministers, migration specialists and over 200 national delegates from the private sector, post-secondary institutions and industry associations. The conference addressed many issues including intra-provincial migration, national skills shortages and mismatches, and the role of Governments in settling new immigrants.

International initiatives

In 2013, Calgary Economic Development participated in an online job fair with the Government of Alberta to promote high-demand job opportunities in the region. The online job fair was targeted to American job-seekers. The team represented employers from across the city with a variety of hard to fill job opportunities.

With a focus on retaining, as well as attracting, the best and brightest talent to Calgary, we hosted over 500 industry contacts at 10 events and presentations.

4.8 %
Annual unemployment rate, Calgary Economic Region, 2013
Statistics Canada
The Global Business Centre is located in the centre of Calgary’s business and convention district on Stephen Avenue. 2013 marks the Global Business Centre’s third full year of operations as a launching and landing pad for business facilities.

The facility includes a presentation centre that hosts a variety of speaker topics, often with an international theme, along with meeting rooms and short-term office space. The programming, the events and the facility help Calgary companies do business in international markets and to support new businesses coming to Calgary.

Over the last year, the Global Business Centre hosted 168 successful market and sector focused export development seminars, workshops and roundtables, numerous international networking receptions and economic briefings for out of town delegations.

The Global Business Centre has served as a true landing pad for trade missions from various markets around the globe. Whether it be the United States, China, Brazil, Indonesia, or Africa, Calgary Economic Development has provided briefings, market intelligence, networking and business development opportunities to ensure these inbound missions are successful.

Since its opening in June 2010, the Global Business Centre has housed a total of 29 companies from across Canada, the United States, Europe and Asia. Five tenants continue to call the Global Business Centre home heading into 2014. Since 2010, 17 former tenants have established permanent offices in Calgary.

In 2013, a record number of companies were based in the Global Business Centre’s short term office space. A total of 18 organizations rented space this past year.

Small business support continues to be a strong focus of the Global Business Centre, including the co-location of the Business Link, support for EPIC YYC’s pilot incubator initiative, and outreach to Medicine Hat for their annual Economic Summit.

In 2014, we will continue to focus on developing new programming in conjunction with partners, government, and industry.

The Calgary Economic Development Global Business Centre provides ING Robotic Aviation a practical solution for spreading it’s business across Canada. The team supported us with all the resources necessary for our business expansion into the oil and gas sector in Calgary. This is one of the best programs if you are looking to grow as a business out West.

Jeremy Byatt, COO
ING Robotic Aviation
WORKshift

WORKshift is dedicated to promoting, educating and accelerating the adoption of flexible work programs that allow companies to adapt and embrace our changed world. The culture of WORKshift dictates that emphasis should be put on the results of your efforts - not the physical act of sitting at a desk.

Created and incubated at Calgary Economic Development since 2009, we’ve taken WORKshift from a regional telework initiative to national entity with a bold vision to transform the way work is done in Canada.

2013 marked a significant milestone for WORKshift; with a shift in focus, the WORKshift team went on a national roadshow with the intent to secure private sector support and city affiliate partnerships. We established a diverse team of founders, including Citrix (GoToMeeting), KPMG and Shaw Business with the express goal of creating the standards, tools, benchmarks and certification criteria to support a wholesale change in the move towards flexible work.

In the fall of 2013, WORKshift announced two new partner cities – Ottawa and Halifax. Over 100 guests attended media and business events in-market in each city to launch the brand and begin the process of creating awareness and adoption of flexible work.

In 2014, the WORKshift team will continue our efforts to secure more partner cities; we will be working with our team of founders to rollout the standards and certification criteria; and we will continue our work as the only agnostic integrator of flexible work in Canada.

We are changing the face of Ottawa through significant transportation investments in the coming years. During this time of transition, WORKshift will help us manage traffic demand, support innovation and collaboration, attract and retain talent, and drive productivity across the city.

Halifax Regional Municipality
Mayor Mike Savage.

Ottawa Mayor Jim Watson

Sector Overview & Initiatives
Strategy and Community

Economic Development Strategy for Calgary

The 10-year Economic Development Strategy for Calgary, released in 2008, is a bold strategy built around three key areas: people and community, business and enterprise, and international reach. While the 2008 strategy was appropriate for its time, there are several reasons for undertaking a strategy update including:

- Strategies are living documents and it is best practice that they be reviewed and refreshed at the half way point
- The landscape has changed in Calgary including economic shifts, changes in civic and corporate leadership, and changes in economic development

Guiding the strategy update process is a Project Advisory Committee comprised of 40 business and community leaders representing the City’s promotional partners, Calgary’s key industries, industry support organizations, community economic development agencies and academic institutions.

We have made considerable efforts to engage business and community stakeholders, learn from communities of best practice and consider our strengths, weaknesses, opportunities and threats. In addition to the Mayor’s Roundtables held in 2012 with 180 Calgarians, one-to-one interviews were conducted with 60 business and community leaders while an additional 60 individuals were engaged through focus groups comprised of business start-up support agencies, youth business development agencies, regional partners and community economic development agencies. The update also has included a review of the original strategy resulting in 20 of the 61 actions being revised and pulled forward in the updated strategy.

The final stage of the process will be to host an Economic Summit in May 2014 in which over 100 participants will review the strategy, identify areas in which they can directly contribute to the stated objectives and actions and outline the performance metrics to guide reporting and continuous improvement in sustainable development for Calgary.

The result will be a strategy which clearly articulates our collective community’s vision for economic development and strategies to achieve that vision. The strategy will provide leadership to other organizations already engaged in economic development activities across the city. It will describe performance metrics and a reporting schedule to understand our success in increasing competitiveness, maximizing job creation, ensuring sustainable growth, and attracting and retaining the best and brightest talent.
Soul of the City Speaker Series

The popular Soul of the City speaker series ran throughout 2013, covering four topics: creativity, local food and beer, festivals and street culture, and the shared value paradigm.

Each event attracted about 150 people and the self-sustaining series continues to engage a diverse group of sponsors including the Calgary TELUS Convention Centre, M2I Development Corporation, RedPoint Media, Village Brewery and several event specific sponsors. These sessions were part of a larger conversation that started with Calgarians in 2012 about what makes our city great, gives us ‘soul’ and explores where we need to get to be even better.

2013 also saw the launch of the Soul of the City Neighbour Grant program - a collaborative initiative realized with the Calgary Foundation. In early 2014, five $5,000 grants were awarded to Calgarians who have an idea to improve, enhance or revitalize their neighbourhood. The project teams will be followed by a film crew over the summer of 2014 to document their project journeys. The Neighbour Grants provide a lasting legacy for the Soul of the City speaker series, and celebrate the community and people who make Calgary a great place to live.
Flood Recovery

In the days following the historic floods in June, Calgary Economic Development came together with The Calgary Chamber to co-chair the Calgary Business Recovery Task Force. The intent of the group was to support businesses to get up and running as quickly as possible, encourage community members to support their local flood affected businesses and ensure the world knew that the city is open for business. In addition to the hundreds of homes affected by the floods, approximately 4,000 businesses in Calgary and region were closed, damaged or without power for several days, weeks and even months.

Within weeks, most Calgary businesses had re-opened their doors to welcome customers back, Calgary Economic Development led a marketing campaign aimed at encouraging citizens to support the businesses that were affected by the flood - The YYC is Open campaign profiled businesses and flood-affected zones and asked Calgarians to rediscover our city using a number of platforms including newspaper, online, radio, television, outdoor advertising and social media.

The first phase of the campaign, featuring Calgary neighbourhoods, launched in mid-July and the second phase, supporting other flood-affected communities in Southern Alberta, was launched in the fall. Both campaigns had a strong call to action inviting citizens to visit, eat, drink and shop in flood-affected areas.

The campaign was only possible because of the generous support of ATB Financial, the Calgary Hotel Association, NATIONAL Public Relations, Evans Hunt Group, the Calgary Herald, CTV, Corus Entertainment, Pattison Outdoor, CBS Outdoor Canada, Farwest Outdoor, Yellow Pages Group, Newcap Radio, Calgary Transit, the Calgary Foundation, and the Government of Alberta.

The task force was comprised of the following local and national organizations: The Calgary Chamber, Calgary Economic Development, Government of Alberta, Tourism Calgary, Calgary Hotel Association, City of Calgary, C-Biz and Calgary’s Business Revitalization Zones (Bridgeland, Bowness, Chinatown, Montgomery, Calgary Downtown Association, Uptown 17th, 4th Street, Inglewood, Kensington, and Victoria Park), Calgary Chinese Merchants Association, Canadian Federation of Independent Business, Haskayne School of Business, Bissett School of Business, and Calgary Counselling Centre.
“The formation of the Calgary Business Recovery Taskforce in the days immediately following the flood addressed a critical need for support for flood affected business areas. The level of trust that developed between so many affected organizations and the open hearted collaboration and desire to work for the common good was a source of pride and a heartening experience for all of us who worked with the group. Without the support delivered to the flood affected business areas, I am convinced many businesses would have failed. The fact that Calgary did not experience the type of dire statistics regarding the impact of other natural disasters on damaged businesses is, I believe, due to the efforts of the taskforce to deliver clean up and restoration help, counseling services, financial programs, information expos, one-on-one business mentoring, lobbying help with insurance companies and banks, and customers by way of engaging publicity and marketing campaigns to encourage support for the flood affected business areas. I will always be proud to have played a small part in this amazing, effective coming together of so many diverse Calgary groups to achieve such a worthwhile common goal, ensuring the sustainability of Calgary beloved inner outdoor shopping districts.”

Annie MacInnis,
Executive Director,
Kensington BRZ
and Chair of C-Biz
Marketing, Communications & Research

Calgary Economic Development’s dedicated team of marketing and research professionals continue to tell Calgary’s story both at home and around the world.

Calgary. Be Part of the Energy.

Calgary. Be Part of the Energy continued to evolve this past year, both as Calgary Economic Development’s brand and the campaign designed to attract workers, businesses and investment to Calgary. In 2013, there were three major initiatives:

The Calgary Right Here video showcases not only what makes our city a vibrant place to visit, meet, work and call home, but also the creative teams that call our city home. It was developed in partnership with Tourism Calgary and the Calgary TELUS Convention Centre, and produced entirely by Calgary-based teams including the songwriter, lyricist, singer, production crews and talent. Within weeks of the video’s release, there were over 100,000 views and the three-minute video brought life and understanding to the Calgary. Be part of the energy brand.

In June, the Calgary. Be Part of the Energy campaign was in Ontario where Mayor Nenshi, the campaign’s spokesperson, presented to the business community, post-secondary students, and the media in Ottawa and Toronto about what makes Calgary a great place to live, work and make a life. Action Calgary partners also met with students and faculty at several post-secondary institutions to discuss opportunities with Calgary-based companies. The trip ended prematurely as rising flood waters brought the Mayor home to Calgary to lead the community through this natural disaster.

In the fall, the second phase of the eastern Canada campaign was launched in both Ontario and Quebec. The campaign told Calgary’s stories through the eyes of people from Ontario and Quebec who had moved to Calgary for a variety of reasons, but have stayed because of the lifestyle in our city. In addition, a series of videos was created that featured the Mayor sharing stories about what makes our city great – the arts, the culture, the food scene, proximity to the mountains and how everyone, regardless of their background, is welcomed and invited to be part of the energy in Calgary.
Action Calgary corporate partnership program

Action Calgary is a corporate partnership program that engages Calgary business leaders to influence the movement of our economy from good to great. For Calgary to compete on a global stage we need our business community to invest in the city’s future to influence growth and economic prosperity in Calgary.

The generous financial and in-kind support from this group of visionary Calgary companies supports Calgary Economic Development in delivering our award-winning initiatives and programs that drive economic growth for our city.

In return, Action Calgary partners are first in line to sponsorship and speaking opportunities and have premier access to co-branded promotional collateral, media opportunities, and Calgary Economic Development events and networking opportunities including our most popular events, educational seminars and round table meetings with government officials.

This coming year marks the fifth anniversary of the Action Calgary corporate partnership program and we look forward to continuing our collective work in shaping and sharing Calgary’s story.

Suncor Energy believes that when it comes to a secure energy future, a healthy environment, a prosperous economy and social well-being, we all have a part to play. That’s why we appreciate Calgary Economic Development – they do an excellent job of bringing organizations, businesses and government together to grow our local and regional economies. CED is focused on the future, and committed to providing first-rate services across a suite of programs. They help with business attraction and retention, investment and trade promotion, workforce development programming, and research and information services.

Eric Axford
Executive Vice President, Business Services at Suncor Energy
On behalf of the staff and Board at Calgary Economic Development, we would like to thank our Action Calgary partners for their visionary leadership and participation in making Calgary’s energy felt across the country and around the world.
Community Partners

Business Development Advisory Committee

Armstrong, Nathan
Motive Industries Inc.
Donna Banks
CRESA Partners
Bill Bird
WAM Development Group
Robert Booth
Brian Jones LLP
Philip Chang
University of Calgary, Haskayne School of Business
Jennifer Steber
Government of Alberta, Environment
Borislav Ficek
HARMONY By Bordeaux Developments
Dan Harmsen
Barclay Street Real Estate
Ken King
Calgary Flames Hockey Club
Andy Mackintosh
Worky Parsons

Robin Penfold
HSBC Bank Canada
Vincent Saubestre
Total E&P Canada
Colleen Shepherd
Calgary Regional Partnership
Mike Shields
Jet Music
Munir Patel
Suncor Energy
Scott Taylor
GWL Realty Advisors
Randy Uppright
Manpower
Lloyd Viscar
CanaCoPhillips Canada
Ian Way
Talisman Energy
Susan Werth
ATCO Ltd. & Canadian Utilities Limited
Quinn Wilson
NEXEN INC

Careers In Manufacturing

Pam Frey
Alberta Human Services
John Simpson
Standens Limited
Bernadette Geronazzo
Blackline GPS
Brett Darichuk
Alljection Moulding
John Simpson
Standens Limited
Brody See
Standens Limited
Tom McCaffrey
Plains Fabrication

Jerry Parker
JP Metal
Dave Nolan
Studio Y Creations
Jenna Handel
Ecco Manufacturing
Trevor Schmidt
Kadayn Industries
Alberto Sia Lu
Optima Manufacturing
Lil Fraser
Calgary Italian Bakery

Calgary Works Employer Advisory Committee

Angela Girvan
Alberta Health Services
Cheryl Goldsmith
City of Calgary
Pat Firminger
Alberta Human Services
John Simpson
Standens Limited
Carla Campbell-Ott
Petroleum Human Resources Council of Canada
Herman Van Reekum
VRG Global

Logistics Advisory Committee

Anita Fleming
CN Rail – Intermodal Development
Ben Smith
Calgary Logistics Council
Bob Dennis
COSTCO – Ardrie Distribution Terminal
Bill Bird
WAM Developments
Bob Miller
Calgary Regional Partnership
Reg Reimche
Canadian Pacific Rail

Financial Services Advisory Committee

Robert Cook
ARC Financial Corp.
Leor de Bever
AIMCo
Shane Fieldes
BMO Capital Markets
Alex Fierstra
Bank of Canada
Will Gobert
CED Board of Directors
George Gosbee
Alta Corp
Michael Halliwel
Canadian Western Bank
Paul Kelly
First Calgary Financial

Economic Development

Strategic Community Partners

Alberta Coalition for Action on Labour Shortages
Business Flood Recovery Taskforce
Calgary Arts Development Authority
Calgary Chamber
Calgary Downtown Association
The Calgary Foundation
Calgary Regional Partnership
Calgary Regional Economic Development Partnership
Calgary Stampede
Calgary TELUS Convention Centre
C-BIZ

City of Calgary
Consider Canada
City Alliance
Edmonton Economic Development Corp
Economic Developers of Alberta
Innovate Calgary
Meetings & Conventions Calgary
Productivity Alberta
Tourism Calgary
Transformation Calgary
United Way of Calgary and Area

Robert Cook
ARC Financial Corp.
Leor de Bever
AIMCo
Shane Fieldes
BMO Capital Markets
Alex Fierstra
Bank of Canada
Will Gobert
CED Board of Directors
George Gosbee
Alta Corp
Michael Halliwel
Canadian Western Bank
Paul Kelly
First Calgary Financial
Tim Kitchen
Barclays Capital

Drew Machiery
TD Securities Inc.
Christopher Potter
Peters & Co. Limited
Bill Rice
Alberta Securities Commission
Gordon Ritchie
RBC Dominion Securities
Bob Thompson
Brownstone Asset Management
Jim Dewald
Haskayne School of Business

Husain Al Shuraia
Startup Calgary
Steve Allan
Advisory Committee
Jason Au
Calgary Chinese Merchants Association
Angela Avery
CanaCoPhillips
Cam Bailey
McInnes & Company
Fariborz Birjandian
Calgary Catholic Immigration Services
Susanne Boss
Suncor Energy
Andrew Browne
Startup Calgary
Elizabeth Cannon
University of Calgary
Sean Collins
Accelerator YOC
Bob Cummings
WestJet
Dare DeBoice
First Calgary
Scott Deederly
City of Calgary - Office of the Mayor
Mike Evans
Atlas Development
Charlie Fischer
Nexen
Peter Garrett
Innovate Calgary
Con Ghitter
Dentons
Will Gobert
Calgary Economic Development
Jim Gray
Canada West Foundation
Robert Hayes
Bank of Montreal

Manufacturing Action Committee

Ray Mills
Kudu Industries
Chester Nagy
Plains Fabrication
Mel Svendsen
Stapledens Limited
Duane Hertzer
Optima Manufacturing
Duane Macauley
Dynamic Source Manufacturing
Mike Flynn
Apel Extrusions

Bob Holmes
Calgary Telus
Convention Centre
Walter Hassl
Momentum
Guy Huntingford
Urban Design Institute - Calgary
Namar Ismail-Teja
Western Management Consultants
Noel Keough
Sustainable Calgary
Adam Legge
Calgary Chamber of Commerce
Rod McKay
Tourism Calgary
Lucy Miller
United Way
Patti Poon
Calgary Arts Development Authority
Dean Prodan
Calgary Arts Development Authority
Susan L. Riddell Rose
Perpetual Energy
Maggie Schofield
Calgary Downtown Association
Quincy Smith
Travel Alberta
David Swanson
Calgary Airport Authority
Michael Urquhart
Sports Calgary
Tamera Van Brunt
Ermax
Michael Whitt
Innovate Calgary
Karen Young
City of Calgary, Community & Neighbourhood Services

Dave Birkby
Westbridge
Marko Papic
Evans Consales
Philip Doubelt
Nortrup Manufacturing and Distribution Limited
Louis Keelman Jr.
Simco Corp
Gary Miliaichuk
GWM Resources Ltd.
Calgary continues to be a leader in economic and employment growth. Indeed, with real GDP growth of 3.7 per cent, Calgary outperformed all of Canada’s largest metropolitan areas and is ranked as one of the strongest regional economies in North America. The region’s success has not gone unnoticed with investments extending well beyond oil and gas into transportation and logistics, financial services, real estate, and the creative industries. Calgary’s emerging sectors are stronger and the economy is more diverse than ever before.

Calgary’s economy generated 24,200 jobs in 2013, a three per cent increase over 2012. This accounted for 39.4 per cent of job growth in Alberta and a remarkable 10.8 per cent of the job growth in Canada. Job growth in the region has translated into rapid population growth with over 47,500 people migrating to the region in 2013. This is a 41 per cent increase over 2012, and four times the number of migrants from 2011. Despite these record levels of migration, Calgary’s unemployment rate remained steady at 4.8 per cent. Calgary’s participation and employment rates remain well above the national averages providing evidence that those who want to work do.

Calgary’s economy is supported by 51,845 small businesses, an increase of 8.4 per cent over 2012. Business bankruptcies declined by 14 per cent while business start-ups increased by 14 per cent. The Canadian Federation of Independent Business ranked Calgary first in big city entrepreneurial presence in their Communities in Boom report. Small business and entrepreneurs will continue to be an important component of the economic growth and diversification of Calgary.

Growth in Calgary’s retail sector paralleled the strength in GDP and population growth climbing 3.9 per cent in 2013. Calgary’s robust growth in employment and household incomes creates the ideal environment for retail growth. Calgary’s strong economic environment led Nordstrom to establish Calgary as their launch into the Canadian market.

While housing starts leveled off in 2013, developers remain optimistic with residential building permit applications rising 33.5 per cent in the City of Calgary. At the same time the housing market is one of the most robust in Canada with single family home prices increasing 7.8 per cent in the year. With record levels of migration the residential market is anticipated to remain strong into 2014 and beyond.

The office real estate market was somewhat weaker in 2013. Downtown office vacancy rates rose with some clients moving to suburban office spaces. The suburban office market had stronger performance with absorption rates more than double the previous year. In addition, Calgary’s suburban office market added almost one million square feet of inventory. Confidence in Calgary’s downtown office market remains strong with seven new projects started or confirmed in 2013 including Brookfield Place which will surpass the Bow as the tallest office building in western Canada.
Calgary’s economic driver, oil and gas, finished the year with mixed results. While the price of West Texas Intermediate finished the year four per cent higher at $98 per barrel, Western Canadian Select finished the year slightly lower at $72.77, resulting in the differential widening to almost $25 per barrel. This has not had an impact on the construction of new oil sands facilities which continue apace. Contrary to oil, natural gas prices closed the year 32.6 per cent higher at $3.01 per gigajoule. This is due to a particularly cold winter increasing consumption of natural gas for heating.

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Unit</th>
<th>2013</th>
<th>2012</th>
<th>2011</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Domestic Product*</td>
<td>2007 $Millions</td>
<td>111,410</td>
<td>107,426</td>
<td>103,355</td>
<td>3.7%</td>
</tr>
<tr>
<td>Population</td>
<td>Persons</td>
<td>1,468,689</td>
<td>1,409,064</td>
<td>1,363,595</td>
<td>4.2%</td>
</tr>
<tr>
<td>Working Age Population</td>
<td>Persons</td>
<td>1,179,700</td>
<td>1,137,500</td>
<td>1,110,900</td>
<td>3.7%</td>
</tr>
<tr>
<td>Labour Force</td>
<td>Persons</td>
<td>874,600</td>
<td>848,900</td>
<td>826,400</td>
<td>3.0%</td>
</tr>
<tr>
<td>Employment</td>
<td>Persons</td>
<td>832,400</td>
<td>808,200</td>
<td>779,300</td>
<td>3.0%</td>
</tr>
<tr>
<td>Employment Rate</td>
<td>%</td>
<td>70.6</td>
<td>71.1</td>
<td>70.2</td>
<td>-0.7%</td>
</tr>
<tr>
<td>Unemployment Rate</td>
<td>%</td>
<td>4.8</td>
<td>4.8</td>
<td>5.7</td>
<td>0.0%</td>
</tr>
<tr>
<td>Labour Force Participation Rate</td>
<td>%</td>
<td>74.1</td>
<td>74.6</td>
<td>74.4</td>
<td>-0.7%</td>
</tr>
<tr>
<td>Net Migration</td>
<td>Persons</td>
<td>47,541</td>
<td>33,796</td>
<td>11,324</td>
<td>40.7%</td>
</tr>
<tr>
<td>Housing Starts*</td>
<td>House Units</td>
<td>12,584</td>
<td>12,841</td>
<td>9,292</td>
<td>-2.0%</td>
</tr>
<tr>
<td>MLS Benchmark Single-Family Home Price**</td>
<td>$</td>
<td>458,017</td>
<td>424,708</td>
<td>398,225</td>
<td>7.8%</td>
</tr>
<tr>
<td>Value of Building Permits</td>
<td>$Billions</td>
<td>7.49</td>
<td>5.61</td>
<td>5.49</td>
<td>33.5%</td>
</tr>
<tr>
<td>Value of Building Permits**</td>
<td>$Billions</td>
<td>6.05</td>
<td>4.47</td>
<td>4.53</td>
<td>35.3%</td>
</tr>
<tr>
<td>Consumer Price Index*</td>
<td>2002=100</td>
<td>128.8</td>
<td>126.7</td>
<td>125.4</td>
<td>1.7%</td>
</tr>
<tr>
<td>Retail Sales*</td>
<td>$Millions</td>
<td>25,408.12</td>
<td>24,465.05</td>
<td>23,585.20</td>
<td>3.9%</td>
</tr>
<tr>
<td>Industrial Space Vacancy**</td>
<td>%</td>
<td>3.3</td>
<td>3.0</td>
<td>3.1</td>
<td>10.0%</td>
</tr>
<tr>
<td>Downtown Office Space Vacancy**</td>
<td>%</td>
<td>9.1</td>
<td>5.0</td>
<td>5.7</td>
<td>82.0%</td>
</tr>
<tr>
<td>Suburban Office Space Vacancy**</td>
<td>%</td>
<td>11.0</td>
<td>10.8</td>
<td>9.5</td>
<td>1.9%</td>
</tr>
<tr>
<td>Small Business*</td>
<td>Number</td>
<td>51,845</td>
<td>47,844.0</td>
<td>46,652</td>
<td>8.4%</td>
</tr>
<tr>
<td>New Businesses**</td>
<td>Number</td>
<td>4,300</td>
<td>3,770</td>
<td>4,300</td>
<td>14.1%</td>
</tr>
<tr>
<td>Business Closures**</td>
<td>Number</td>
<td>2,581</td>
<td>2,445</td>
<td>2,380</td>
<td>5.6%</td>
</tr>
<tr>
<td>Business Bankruptcies</td>
<td>Number</td>
<td>85</td>
<td>99</td>
<td>264</td>
<td>-14.1%</td>
</tr>
</tbody>
</table>

*denotes Census Metropolitan Area geography
**denotes City of Calgary geography,

Source: Statistics Canada, Conference Board of Canada, CMHC, The City of Calgary, CB Richard Ellis, Calgary Real Estate Board, Industry Canada
2013
Financial
Statements
For the year ended
December 31, 2013
Management’s Responsibility

To the Board of Directors of Calgary Economic Development Ltd.:

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian Public Sector Accounting Standards for Not-for-Profit Organizations. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors and Audit Committee are composed primarily of Directors who are neither management nor employees of the Company. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. The Board fulfills these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Board is also responsible for recommending the appointment of the Company’s external auditors.

MNP LLP is appointed by the Board to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Board and management to discuss their audit findings.

April 10, 2014

Bruce Graham
President and CEO

Rick Tovey
Vice President and CFO
Independent Auditors’ Report

To the Board of Directors of Calgary Economic Development Ltd.:

We have audited the accompanying financial statements of Calgary Economic Development Ltd., which comprise the statement of financial position as at December 31, 2013, and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management’s Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian Public Sector Accounting Standards for Not-for-Profit Organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors’ Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors’ judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements 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 entity’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements present fairly, in all material respects, the financial position of Calgary Economic Development Ltd. as at December 31, 2013 and the results of its operations, changes in net assets and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards for Not-for-Profit Organizations.

Other Matter
The financial statements of Calgary Economic Development Ltd. as at and for the year ended December 31, 2012, were audited by another firm of Chartered Accountants who expressed an opinion without reservation on those statements in their report dated April 11, 2013.

Calgary, Alberta
April 10, 2014

Chartered Accountants

1500, 640 - 5th Avenue SW, Calgary, Alberta, T2P 3G4, Phone: (403) 263-3385, 1 (877) 500-0792
## Statement of Financial Position

*As at December 31, 2013*

<table>
<thead>
<tr>
<th>Assets</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>139,241</td>
<td>196,667</td>
</tr>
<tr>
<td>Short-term investments <em>(Note 12)</em></td>
<td>1,562,326</td>
<td>1,624,610</td>
</tr>
<tr>
<td>Accounts receivable and accrued revenue <em>(Note 3)</em></td>
<td>515,169</td>
<td>710,203</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>12,843</td>
<td>12,000</td>
</tr>
<tr>
<td><strong>Total Current</strong></td>
<td>2,229,579</td>
<td>2,543,480</td>
</tr>
<tr>
<td><strong>Property and equipment</strong> <em>(Note 4)</em></td>
<td>401,419</td>
<td>860,637</td>
</tr>
<tr>
<td><strong>Intangible assets</strong> <em>(Note 5)</em></td>
<td>173,702</td>
<td>152,577</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>2,804,700</td>
<td>3,556,694</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Liabilities</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable and accrued liabilities <em>(Note 6)</em></td>
<td>320,683</td>
<td>741,344</td>
</tr>
<tr>
<td>Salary and vacation payable</td>
<td>347,399</td>
<td>370,377</td>
</tr>
<tr>
<td>Deferred contributions <em>(Note 7)</em></td>
<td>422,530</td>
<td>850,159</td>
</tr>
<tr>
<td><strong>Total Current</strong></td>
<td>1,090,612</td>
<td>1,961,880</td>
</tr>
<tr>
<td>Deferred contributions related to property, equipment and intangible assets <em>(Note 8)</em></td>
<td>259,495</td>
<td>636,726</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>1,350,107</td>
<td>2,598,606</td>
</tr>
</tbody>
</table>

| Commitments and contingencies *(Note 11)* |       |       |
| **Net Assets**                     |       |       |
| Invested in property, equipment and intangible assets *(Note 9)* | 315,626 | 376,488 |
| Unrestricted                       | 1,138,967 | 581,600 |
| **Total Net Assets**               | 1,454,593 | 958,088 |

Approved on behalf of the Board

Director

The accompanying notes are an integral part of these financial statements
# Statement of Operations

*For the year ended December 31, 2013*

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>City of Calgary</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating grant (Note 1)</td>
<td>4,780,279</td>
<td>4,735,399</td>
</tr>
<tr>
<td>Other grants</td>
<td>606,757</td>
<td>564,336</td>
</tr>
<tr>
<td>Alberta government</td>
<td>439,748</td>
<td>184,773</td>
</tr>
<tr>
<td>Federal government</td>
<td>66,767</td>
<td>4,283</td>
</tr>
<tr>
<td>Business community</td>
<td>1,431,349</td>
<td>1,590,389</td>
</tr>
<tr>
<td>Amortization of deferred contributions related to property, equipment and intangible assets</td>
<td>377,231</td>
<td>396,857</td>
</tr>
<tr>
<td>Other revenue</td>
<td>81,387</td>
<td>119,802</td>
</tr>
<tr>
<td>Investment income</td>
<td>17,715</td>
<td>19,517</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td>7,801,233</td>
<td>7,615,356</td>
</tr>
<tr>
<td><strong>Expenses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee costs</td>
<td>3,858,699</td>
<td>3,911,247</td>
</tr>
<tr>
<td>Marketing and promotion</td>
<td>1,556,007</td>
<td>1,481,963</td>
</tr>
<tr>
<td>Corporate services</td>
<td>584,470</td>
<td>741,820</td>
</tr>
<tr>
<td>Program costs</td>
<td>526,132</td>
<td>622,661</td>
</tr>
<tr>
<td>Amortization of property and equipment</td>
<td>501,053</td>
<td>479,997</td>
</tr>
<tr>
<td>Business travel</td>
<td>198,929</td>
<td>255,309</td>
</tr>
<tr>
<td>Amortization of intangible assets</td>
<td>79,438</td>
<td>75,532</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td>7,304,728</td>
<td>7,568,529</td>
</tr>
<tr>
<td><strong>Excess of revenue over expenses</strong></td>
<td>496,505</td>
<td>46,827</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these financial statements
## Statement of Changes in Net Assets

For the year ended December 31, 2013

<table>
<thead>
<tr>
<th></th>
<th>Invested in property, equipment and intangible assets</th>
<th>Unrestricted</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net assets, beginning of year</td>
<td>376,488</td>
<td>581,600</td>
<td>958,088</td>
<td>911,261</td>
</tr>
<tr>
<td>Excess (deficiency) of revenue over expenses (Note 9)</td>
<td>(203,260)</td>
<td>699,765</td>
<td>496,505</td>
<td>46,827</td>
</tr>
<tr>
<td>Investment in property and equipment</td>
<td>41,835</td>
<td>(41,835)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Investment in intangible assets</td>
<td>100,563</td>
<td>(100,563)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net assets, end of year</strong></td>
<td>315,626</td>
<td>1,138,967</td>
<td>1,454,593</td>
<td>958,088</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these financial statements.
# Statement of Cash Flows

*For the year ended December 31, 2013*

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash provided by (used for) the following activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Operating</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Excess of revenue over expenses</td>
<td>496,505</td>
<td>46,827</td>
</tr>
<tr>
<td>Amortization of deferred contributions for property, equipment and intangible assets</td>
<td>(377,231)</td>
<td>(396,857)</td>
</tr>
<tr>
<td>Amortization of property and equipment</td>
<td>501,053</td>
<td>479,997</td>
</tr>
<tr>
<td>Amortization of intangible assets</td>
<td>79,438</td>
<td>75,532</td>
</tr>
<tr>
<td><strong>Changes in working capital accounts</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts receivable and accrued revenue</td>
<td>195,034</td>
<td>(319,514)</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>(843)</td>
<td>7,292</td>
</tr>
<tr>
<td>Accounts payable and accrued liabilities</td>
<td>(450,959)</td>
<td>244,382</td>
</tr>
<tr>
<td>Deferred contributions</td>
<td>(427,629)</td>
<td>(2,135)</td>
</tr>
<tr>
<td>Salary and vacation payable</td>
<td>(22,978)</td>
<td>16,293</td>
</tr>
<tr>
<td><strong>Investing</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proceeds on disposal of short-term investments</td>
<td>62,284</td>
<td>80,483</td>
</tr>
<tr>
<td>Purchase of property and equipment</td>
<td>(63,458)</td>
<td>(62,047)</td>
</tr>
<tr>
<td>Purchase of intangible assets</td>
<td>(108,663)</td>
<td>(65,930)</td>
</tr>
<tr>
<td>Accounts payable and accrued liabilities related to property and equipment</td>
<td>-</td>
<td>21,623</td>
</tr>
<tr>
<td>Accounts payable and accrued liabilities related to intangible assets</td>
<td>60,021</td>
<td>8,100</td>
</tr>
<tr>
<td><strong>(Decrease) increase in cash resources</strong></td>
<td>(57,426)</td>
<td>134,046</td>
</tr>
<tr>
<td>Cash resources, beginning of year</td>
<td>196,667</td>
<td>62,621</td>
</tr>
<tr>
<td><strong>Cash resources, end of year</strong></td>
<td>139,241</td>
<td>196,667</td>
</tr>
</tbody>
</table>

*The accompanying notes are an integral part of these financial statements*
1. **Nature of operations**

Calgary Economic Development Ltd. (the "Company") was incorporated as Promoting Calgary Inc. under the Business Corporations Act in the Province of Alberta in July 1999. The Company changed its name to Calgary Economic Development Ltd. on January 1, 2003. The Company is registered as a non-profit organization under the Income Tax Act of Canada, and is exempt from income taxes.

The mandate of Calgary Economic Development Ltd. is to lead the City of Calgary’s economic development efforts in promoting the City’s competitive advantages and pro-business climate. Successful economic development results in business growth and industry development, increased investment and trade activities. In turn, this fosters increased competitiveness, access to foreign markets, sustainable prosperity, diversification, productivity, high employment and a desirable quality of life.

The Company has been receiving contributions from the City of Calgary since inception to sustain its operations. In the current year, the Company received an operating grant of $4,780,279 (2012 - $4,735,399) and the City has agreed to provide similar funding for 2014 fiscal year.

2. **Significant accounting policies**

   **Basis of accounting**

The financial statements of the Company are the responsibility of management. They have been prepared in accordance with Canadian Public Sector Accounting Standards for Not-for-Profit Organizations ("PSAB for NPOs"), with the optional 4200 series, as established by the Public Sector Accounting Board in Canada. The significant policies are described below.

   **Use of estimates**

The preparation of financial statements in conformity with Canadian Public Sector Accounting Standards for Not-for-Profit Organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of property, equipment and intangible assets.

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

   **Controlled not-for-profit**

The Company’s financial statements do not include the accounts of Alberta Creative Hub, which is controlled by the Company. The required disclosures have been provided in Note 14.

All transactions with the subsidiary are disclosed as related party transactions.

   **Revenue recognition**

The Company follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Contributions for the purchase of property and equipment are deferred and recognized on the same basis as amortization expense of the related asset. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Sponsorship (pledges) are recognized as revenue when the amount to be received can be reasonably estimated and ultimate collection is reasonably assured.

Contributions for program related activities include amounts recovered from events and projects undertaken by the Company alone or with a number of economic partners.

Interest revenue is recognized on a pro rata basis over the term of the related deposit or investment.
2. **Significant accounting policies** *(Continued from previous page)*

**Cash and cash equivalents**

Cash and cash equivalents include balances with banks and short-term investments with maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

**Short-term investments**

Short-term investments consist of investments in RBC Premium Money Market Fund.

**Financial instruments**

The Company recognizes its financial instruments when they become party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value, including financial assets and liabilities originated and issued in a related party transaction with management. Financial assets and liabilities originated and issued in all other related party transactions are initially measured at their carrying or exchange amount in accordance with CICA 3840 *Related Party Transactions* (refer to Note 10).

At initial recognition, the Company may irrevocably elect to subsequently measure any financial instrument at fair value. The Company has not made such an election during the year.

Transaction costs related to financial instruments remeasured at fair value at each reporting date are expensed in the period, whereas they are added to the carrying value of the financial instrument for those measured at cost or amortized cost.

**Financial asset impairment**

The Company assesses impairment of all of its financial assets measured at cost or amortized cost. When there is an indication of impairment, the Company determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year. Any impairment, which is not considered temporary, is included in current year excess of revenue over expenses.

**Property, equipment and intangible assets**

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

Amortization is provided using the straight-line method at rates intended to amortize the cost of assets over their estimated useful lives. Tenant improvements are amortized over the lease term.

<table>
<thead>
<tr>
<th>Asset Type</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Computer equipment</td>
<td>2 years</td>
</tr>
<tr>
<td>Furniture and fixtures</td>
<td>5 years</td>
</tr>
<tr>
<td>Software</td>
<td>1 year</td>
</tr>
<tr>
<td>Trademarks</td>
<td>5 years</td>
</tr>
<tr>
<td>Website development costs</td>
<td>30%</td>
</tr>
</tbody>
</table>

**Long-lived assets**

Long-lived assets consist of property, equipment and intangible assets. Long-lived assets held for use are measured and amortized as described in the above accounting policy.

When the Company determines that a long-lived asset no longer has any long-term service potential to the Company, the excess of its net carrying amount over any residual value is recognized as an expense in the statement of revenue and expenses. Write-downs are not reversed.

**Contributed materials and services**

The Company receives various contributions in the form of material or services that it uses to carry out its objectives. Because of the difficulty in determining the fair value of these materials and services, the Company does not recognize the amounts in the financial statements.
### 3. Accounts receivable and accrued revenue

Accounts receivable and accrued revenue relate to the following:

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade accounts receivable</td>
<td>409,418</td>
<td>402,473</td>
</tr>
<tr>
<td>Accrued revenue</td>
<td>61,002</td>
<td>29,700</td>
</tr>
<tr>
<td>Goods and Services Tax receivable</td>
<td>44,749</td>
<td>43,604</td>
</tr>
<tr>
<td>City of Calgary</td>
<td>-</td>
<td>200,000</td>
</tr>
<tr>
<td>Alberta Creative Hub</td>
<td>-</td>
<td>30,839</td>
</tr>
<tr>
<td>Government receivable</td>
<td>-</td>
<td>3,510</td>
</tr>
<tr>
<td>Other accounts receivable</td>
<td>-</td>
<td>77</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>515,169</strong></td>
<td><strong>710,203</strong></td>
</tr>
</tbody>
</table>

As at December 31, 2013, accounts receivable includes $6,250 (2012 - $42,208) in amounts outstanding greater than 90 days, all of which was subsequently received (2012 - $18,954). Accounts receivable have been recorded at their net realizable value, based on management's best estimate of the recoverable amounts.

### 4. Property and equipment

<table>
<thead>
<tr>
<th></th>
<th>Cost</th>
<th>Accumulated amortization</th>
<th>2013 Net book value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Computer equipment</td>
<td>625,854</td>
<td>583,632</td>
<td>42,222</td>
</tr>
<tr>
<td>Furniture and fixtures</td>
<td>331,957</td>
<td>280,694</td>
<td>51,263</td>
</tr>
<tr>
<td>Tenant improvements</td>
<td>2,581,631</td>
<td>2,273,697</td>
<td>307,934</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>3,539,442</strong></td>
<td><strong>3,138,023</strong></td>
<td><strong>401,419</strong></td>
</tr>
</tbody>
</table>

At December 31, 2013 the Company has $nil (2012 - $20,496) in tenant improvements related to assets that were not available for use during the year. Amounts not in use at December 31, 2012 were put into use in the current year and amortization commenced.
Notes to the Financial Statements
For the year ended December 31, 2013

5. Intangible assets

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Software</td>
<td>260,213</td>
<td>(246,078)</td>
<td>14,135</td>
<td>-</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>Trademarks</td>
<td>7,290</td>
<td>(1,937)</td>
<td>5,353</td>
<td>6,811</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Website development costs</td>
<td>458,086</td>
<td>(303,872)</td>
<td>154,214</td>
<td>145,766</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>725,589</td>
<td>(551,887)</td>
<td>173,702</td>
<td>152,577</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

At December 31, 2013 the Company has $22,318 (2012 - $nil) in software that was not available for use during the year.

During the year ended December 31, 2012, a sponsor contributed in-kind services towards website development, the fair value of which is not reliably measurable. The website is in current use and would ordinarily be amortized over three years.

6. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities relate to the following:

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade accounts payable</td>
<td>308,608</td>
<td>500,248</td>
</tr>
<tr>
<td>Accrued liabilities</td>
<td>12,075</td>
<td>241,096</td>
</tr>
<tr>
<td></td>
<td>320,683</td>
<td>741,344</td>
</tr>
</tbody>
</table>

7. Deferred contributions

Deferred contributions consist of unspent contributions externally restricted for programs. Recognition of these amounts as revenue is deferred to periods when the specified expenses are made. Changes in the deferred contribution balance are as follows:

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance, beginning of year</td>
<td>850,159</td>
<td>852,294</td>
</tr>
<tr>
<td>Contributions received</td>
<td>782,575</td>
<td>912,012</td>
</tr>
<tr>
<td>Less: Amount recognized as revenue during the year</td>
<td>(1,210,204)</td>
<td>(727,051)</td>
</tr>
<tr>
<td>Less: Return of contributions</td>
<td>-</td>
<td>(187,096)</td>
</tr>
<tr>
<td>Balance, end of year</td>
<td>422,530</td>
<td>850,159</td>
</tr>
</tbody>
</table>
8. Deferred contributions related to property, equipment and intangible assets

Deferred capital contributions consist of the unamortized amount of contributions received for the purchase of property, equipment and intangible assets. Recognition of these amounts as revenue is deferred to periods when the related assets are amortized. Changes in deferred contributions related to property, equipment and intangible assets are as follows:

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance, beginning of year</td>
<td>636,726</td>
<td>1,033,583</td>
</tr>
<tr>
<td>Less: Amounts recognized as revenue during the year</td>
<td>(377,231)</td>
<td>(396,857)</td>
</tr>
<tr>
<td>Balance, end of year</td>
<td>259,495</td>
<td>636,726</td>
</tr>
</tbody>
</table>

The balance related to property, equipment and intangible assets is composed of $259,495 (2012 - $626,914) in tenant improvements and furniture and fixtures and $nil (2012 - $9,812) in website development costs.

During the year, the Company recognized $367,419 (2012 - $367,419) of deferred revenue contribution for tenant improvements and $9,812 for equipment (2012 - $29,438) due to amortization of the related assets.

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

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property and equipment</td>
<td>401,419</td>
<td>860,637</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>173,702</td>
<td>152,577</td>
</tr>
<tr>
<td>Deferred contributions for property, equipment and intangible assets</td>
<td>(259,495)</td>
<td>(636,726)</td>
</tr>
<tr>
<td>Invested in property, equipment and intangible assets</td>
<td>315,626</td>
<td>376,488</td>
</tr>
<tr>
<td>Amortization of deferred contributions related to property, equipment and intangible assets</td>
<td>377,231</td>
<td>396,857</td>
</tr>
<tr>
<td>Amortization of property and equipment</td>
<td>(501,053)</td>
<td>(479,997)</td>
</tr>
<tr>
<td>Amortization of intangible assets</td>
<td>(79,438)</td>
<td>(75,532)</td>
</tr>
<tr>
<td>Deficiency of revenue over expenses</td>
<td>(203,260)</td>
<td>(158,672)</td>
</tr>
</tbody>
</table>
10. Related party balances and transactions

Related party balances and transactions not otherwise disclosed in these financial statements consist of:

The Company paid the City of Calgary rent, operating and other costs totaling $140,093 (2012 - $150,000), which is included in corporate services expense. At year end, $60 (2012 - $nil) of this amount is included in accounts payable.

The Company recognized management fee revenue of $7,749 (2012 - $29,583) from its wholly owned subsidiary, Alberta Creative Hub, which is included in business community revenue. Included in accounts receivable is $nil (2012 - $30,839) due from the subsidiary, that is due on normal trade terms.

The Company paid other companies related through common ownership for sponsorship, rental of space and other services totaling $218,529 (2012 - $190,902), $130,108 (2012 - $85,585) of this is included in marketing and promotions, $82,080 (2012 - $105,317) is included in employee costs, and $6,341 (2012 - $nil) is included in corporate services expense. At year end, these amounts were fully paid (2012 - $27,396 was included in accounts payable). The Company also received revenue from these companies totaling $98,646 (2012 - $209,248), which is included in business community revenue. At year end, $75,000 (2012 - $nil) of this amount is included in accounts receivable.

The Company paid other companies related to directors of the Company for other services totaling $2,580 (2012 - $nil), which is included in corporate services expense. At year end, these amounts were fully paid. The Company also received revenue from these companies totaling $171,640 (2012 - $27,973), which is included in business community revenue towards its Action Calgary and other programming. At year end, $75,000 (2012 - $nil) of this amount is included in accounts receivable.

All transactions have been recorded at the agreed to exchange amounts that have been negotiated between the parties.

11. Commitments and contingencies

Equipment lease

On January 1, 2010, the Company entered in an operating lease agreement for a term of 60 months for equipment. The annual commitment is $19,228 per annum, expiring in fiscal 2014.

Facility lease

The Company has a ten year lease for rental of office space ending August 1, 2014. Annual payments are approximately $20 per year plus operating costs. The lease is for space in the Calgary TELUS Convention Centre and the landlord is the City of Calgary Corporate Properties, a related party. The Company is currently in negotiations with the City of Calgary Corporate Properties to renew the lease.

The Company has a ten year rental agreement, effective June 15, 2009, with a third party corporation, for office space in the Neilson Block which is part of the TELUS Convention Centre facility. The term of the agreement is for ten years with an option to not continue after the first 5 years. There are no rental costs but the Company does pay operating costs.

The Company has a lease for office space in the Neilson Block. The agreement is with the City of Calgary Corporate Properties, a related party. The lease commenced January 1, 2009 and expires August 1, 2014 to coincide with the other space leased from the City of Calgary. The annual payments are $10 per year plus operating costs. Subsequent to year end, the Company signed a lease agreement for another five years, annual payments will be $10 per year plus operating costs.

Directors and Officers

Under the terms of the Company's by-laws, the Company indemnifies individuals who have acted at the Company's request to be a director and/or officer of the Company, to the extent permitted by law, against any and all damages, liabilities, costs, charges or expenses suffered by or incurred by the individuals as a result of their service. The claims covered by such indemnifications are subject to statutory and other legal limitation periods. The nature of the indemnification agreements prevent the Company from making a reasonable estimate of the maximum potential amount it could be required to pay to beneficiaries of such indemnification agreements.
12. Financial instruments

General objectives, policies and processes

The Board of Directors, through the audit committee, has overall responsibility for the determination of the Company's risk management objectives and policies and, while retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure effective implementation of the objectives and policies to the Company’s senior management. The Board of Directors receives quarterly reports from the Company's senior management through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets.

The Company, as part of its operations, carries a number of financial instruments. The nature of these instruments and the Company's operations expose the Company to credit, interest rate and liquidity risk. The Company manages its exposure to these risks by operating in a manner that minimizes its exposure to the extent practical. There have been no significant changes from the previous year in the exposure to risk, policies or procedures used to manage financial instrument risks.

Credit risk

Credit risk is the risk that the Company will incur a financial loss because a contributor or counterparty has failed to discharge an obligation. The Company is exposed to credit risk on its accounts receivable and accrued revenue. This risk is somewhat mitigated due to the fact that the accounts receivable comprises amounts due from the City of Calgary and the provincial and federal governments. To further mitigate this risk, the Company regularly reviews its accounts receivable list and follows up on collections in a timely manner. The amount outstanding at the prior year end, which is the Company's maximum exposure to credit risk related to the accounts receivable, were disclosed in Note 3.

The Company is exposed to credit risk as a significant portion of the Company's cash and cash equivalents are held at one chartered bank. As such, the Company is exposed to all the risks of that financial institution.

The Company is also exposed to credit risk on its short-term investments which consists of an investment in the RBC Premium Money Market Fund. The RBC Premium Money Market Fund invests primarily in high quality, short-term (one year or less) debt securities, including treasury bills and promissory notes issued or guaranteed by Canadian governments or their agencies, bankers acceptances, asset-backed commercial paper and commercial paper issued by Canadian chartered banks, loan companies, trust companies and corporations. As such, the short-term investments are exposed to all the risks of the underlying securities. The maximum credit risk related to this is the carrying value of the short-term investments as disclosed in the Statement of Financial Position.
12. **Financial instruments** *(Continued from previous page)*

**Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term requirements, taking into account its anticipated cash flows from operations and its holdings of cash and cash equivalents. In addition, the monies invested in short-term investments can be withdrawn on demand. The following table sets out the contractual maturities of financial liabilities:

<table>
<thead>
<tr>
<th></th>
<th>0-90 days</th>
<th>91-365 days</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2013</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable</td>
<td>320,608</td>
<td>(12,000)</td>
<td>308,608</td>
</tr>
<tr>
<td>Accrued liabilities</td>
<td>12,075</td>
<td>-</td>
<td>12,075</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>332,683</td>
<td>(12,000)</td>
<td>320,683</td>
</tr>
<tr>
<td><strong>2012</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable</td>
<td>513,476</td>
<td>(13,228)</td>
<td>500,248</td>
</tr>
<tr>
<td>Accrued liabilities</td>
<td>241,096</td>
<td>-</td>
<td>241,096</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>754,572</td>
<td>(13,228)</td>
<td>741,344</td>
</tr>
</tbody>
</table>

**Interest rate risk**

The Company is exposed to interest rate risk arising from the possibility that changes in interest rates will affect the fair value of short-term investments. As at December 31, 2013 a 1% change in interest rate, with all other variables held constant would impact the excess of revenue over expenses by $15,623 (2012 - $16,246).

13. **Defined contribution pension plan**

The Company established a defined contribution pension plan for its salaried employees on January 1, 2000. The total expense incurred for the year ended December 31, 2013 was $120,743 (2012 - $122,577).
14. Controlled organization

The Company controls its wholly owned subsidiary, the Alberta Creative Hub ("ACH"), and the companies are under common management. ACH has not been consolidated in the Company's financial statements, but its financial statements are available on request. ACH was incorporated under the authority of the Alberta Companies Act on December 17, 2009 and commenced operations on January 1, 2010. The Company is registered as a not-for-profit organization and thus is exempt from income taxes under the Income Tax Act of Canada. It was formed with the primary purpose of supporting the growth and development of the film, television, media and other creative industries.

The following is condensed financial information of ACH as at and for the years ended December 31, 2013 and December 31, 2012. This information was prepared using the same accounting policies as Calgary Economic Development Ltd.

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial position</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total assets</td>
<td>784,355</td>
<td>829,826</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>(781,440)</td>
<td>(826,911)</td>
</tr>
<tr>
<td>Total net assets</td>
<td>2,915</td>
<td>2,915</td>
</tr>
</tbody>
</table>

Statement of operations

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>22,680</td>
<td>61,034</td>
</tr>
<tr>
<td>Expenses</td>
<td>(22,680)</td>
<td>(61,034)</td>
</tr>
<tr>
<td>Excess of revenue over expenses</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Cash flows

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flows from operating activities</td>
<td>(43,488)</td>
<td>(23,422)</td>
</tr>
<tr>
<td>Decrease in cash and cash equivalents</td>
<td>(43,488)</td>
<td>(23,422)</td>
</tr>
</tbody>
</table>

ACH has entered into a management agreement with the Company that sets out the terms and conditions by which the Company is to provide services of its employees in relation to general day to day administration and management services in connection with the business of ACH (Note 10).

15. Comparative figures

Certain comparative figures have been reclassified to conform with current year presentation.
Looking ahead to 2014

Looking ahead to 2014, the future of both the Keystone XL and Northern Gateway pipeline projects is expected to be determined. The energy industry will continue to promote energy literacy both within our city and across the country.

Calgary Economic Development will continue to embrace our role at conduits and connectors with trade and investment missions to China and South America later this year. Our trade and investment missions go beyond creating international connections for Calgary companies, but aim to attract diversity, encourage innovation and support the entrepreneurial spirit that is seen throughout the city.

Construction on the Calgary Film Studio will begin later this year, creating a purpose-built space for film and television production to continue in the Calgary area throughout the year.

As workforce development continues to be a key challenge for many organizations, we will continue our initiatives to support both our city and the province’s long and short-term employment needs, including encouraging collaboration between industry, post-secondary institutions and government; labour attraction missions; and integration and retention strategies.

Finally, knowing that more and more people choose to come to Calgary, not only for the opportunities, but because of the enviable lifestyle and social energy that makes this city a vibrant place, we will continue to focus on place-based marketing.

By telling Calgary’s story as a great place to make a living and make a life, we can continue to attract the best and brightest workers from across Canada and around the world.

For more information about how Calgary Economic Development can help your organization, stop by, give us a call or send us an email.