Audit Services

Reference Number: 2204-001

Issued: **June 19, 2022**

Responses Due: **August 4, 2022**

Calgary Economic Development Ltd.

Opportunity Calgary Investment Fund Ltd.

500 Centre St S, 32nd Floor

Calgary, AB

T2G 2A6

Phone: (403) 221-7831 or 1-888-222-5855

1. Table of Contents

2. Introduction

Calgary Economic Development Ltd ("CED") and Opportunity Calgary Investment Fund Ltd ("OCIF") invites qualified Audit firms to submit a proposal for Audit Services and Tax Preparation for OCIF, CED and its subsidiary, Calgary Film Centre Ltd.("CFCL"), and an audit of a schedule of revenue and expenditures and associated notes of two managed projects, CED's Energy to Digital Growth Education and Upskilling Project ("EDGE UP") and Work-Integrated-Learning ("WIL") for the years ended December 31, 2023 to December 31, 2027. A proposal, in electronic form or hardcopy, must be submitted as outlined in clause 17. Late proposals will not be accepted.

3. Timelines*

RFP Release	06/19/2022
Deadline for Questions	07/17/2022
Proposal Submission Date	08/04/2022
Meetings with Short-Listed Vendors (if required)	09/22/2022
Bid Notification and Engagement Agreement	date TBD
Confirmation of Vendor	May 2023 (date TBD)

*Ideal timeline, subject to negotiation

4. Definitions

"CED" means Calgary Economic Development Ltd.

"OCIF" means Opportunity Calgary Investment Fund Ltd.

"Request for Proposal ("RFP")" means this document including attached appendices.

"Contracting Manager" means the person identified in clause 15 of this RFP.

"Vendor" means an organization responding to this RFP.

"Proposal" means a Vendor's response to this RFP and includes all of the Vendor's attachments and presentation materials.

"Managed Projects" means projects managed by CED for which standalone audit work is required under the terms of executed grant agreements with funders.

“Selection Committee(s)” means the committee(s) that will be reviewing RFP proposals and overseeing work on this project. The committee is made up of representatives from CED and OCIF.

"Services" means the duties, tasks, and responsibilities as described in this RFP.

5. Standard Form Contract

By submitting a Proposal, Vendor acknowledges it agrees that the terms and conditions of this RFP are incorporated by reference into its Proposal. If a Vendor's Proposal is accepted the Vendor will be expected to execute CED and OCIF's standard contractor agreement. Vendors who are unwilling to abide by these standard terms and conditions should not submit a Proposal.

6. Vendors Questions

All questions regarding this RFP must be directed via email to the Contracting Manager. Enquiries and responses may be recorded and may be distributed to all Vendors.

The Vendor must immediately notify the Contracting Manager in writing of any ambiguity, divergence, error, omission, oversight, or contradiction in this RFP discovered by the Vendor and request whatever clarification is required to prepare the Vendor's Proposal.

In order for CED and OCIF to deal effectively with Vendor questions or concerns about any terms, conditions or requirements of this RFP, including the standard terms and conditions, such questions or concerns must be communicated in writing to the Contracting Manager in accordance with the Timeline indicated in item (3) above. Questions received after this time will be answered if, at the option of CED and OCIF, time permits.

7. Conflict of Interest

Vendors must fully disclose, in writing, to the Contracting Manager on or before the closing date of this RFP, the circumstances of any possible conflict of interest or what could be perceived as a possible conflict of interest between the Vendor and CED or OCIF, the audited entities and/or the Selection Committee(s). CED and OCIF may reject any Proposal where, in the opinion of CED or OCIF, the Vendor is or could be perceived to be in a conflict of interest.

8. Vendor Expenses

The Vendor is responsible for all costs of preparing and presenting its Proposal.

9. Confidentiality

All information provided by or obtained from CED or OCIF in any form in connection with this RFP either before or after the issuance of this RFP, including any intellectual property information is the sole property of CED or OCIF and must be treated as confidential; is not to be used for any purpose other than replying to this RFP and the performance of any subsequent contract; must not be disclosed without prior written authorization from CED or OCIF; and must be returned by the proponents to CED or OCIF, or destroyed if held in electronic format, immediately upon the request of CED or OCIF.

10. Background

Calgary Economic Development ("CED")

CED works with business, government and community partners to position Calgary as the location of choice for the purpose of attracting business investment, fostering trade and growing Calgary's workforce. CED collaborates to advance opportunities in achieving economic success, embracing shared prosperity and building a strong community for Calgary.

Managed by an independent Board of Directors, CED is a not-for-profit corporation, incorporated under the Alberta Corporation Act. It is funded by the City of Calgary, community partners, other orders of government and the private sector through the Team Calgary program. As the stewards of the Economic Strategy for Calgary, Calgary Economic Development acts in accordance with the key objectives set out in the strategy and supports the Leadership Team responsible for the strategy's implementation.

CED is registered as a non-profit organization under the Income Tax Act of Canada, and is exempt from income taxes. CED is fully owned by the City of Calgary but operates under oversight of an independent Board of Directors. CED owns 100% of Calgary Film Centre Ltd. (CFCL); CED does not consolidate CFCL financials.

CED follows Canadian Public Sector Accounting Standards for Government Not-for-Profit Organizations, with the optional 4200 series, as established by the Public Sector Accounting Board in Canada.

Calgary Film Centre Ltd ("CFCL")

CFCL is a wholly owned subsidiary of CED, and was formed with the primary purpose of supporting the growth and development of the film, television, media and other creative industries. CFCL has its own separate Board of Directors, which includes two CED representatives. CFCL's aim is to deliver production support for local, national and international screen industry projects as the primary source for the attraction of film production to Calgary. It manages the Film Centre located at 5750 76 Ave SE.

CFCL is a controlled not-for-profit organization of the City of Calgary. It is registered as a non-profit organization under the Income Tax Act of Canada and is exempt from income taxes.

CFCL follows Canadian Public Sector Accounting Standards for Government Not-for-Profit Organizations with the optional 4200 series, as established by the Public Sector Accounting Board in Canada.

Opportunity Calgary Investment Fund Ltd. ("OCIF")

Opportunity Calgary Investment Fund Ltd. was incorporated under the authority of the Business Corporations Act on April 19, 2018. The Company is registered as a non-profit organization under the Income Tax Act of Canada and is exempt from income taxes. The Company is a wholly owned subsidiary of the City of Calgary ("The City") and is governed under a unanimous shareholders agreement.

The Company was established with a mandate to manage the $100,000,000 Fund Reserve effectively and in a manner that creates an environment within The City of Calgary that encourages economic recovery and growth, helps reduce the impact of the economic downturn on Calgary's citizens and businesses and capitalizes on new opportunities to support Calgary's economic success into the future. The Fund Reserve is an interest-bearing capital and operating reserve fund held and administered by The City, as such, is not reflected in these financial statements.

The Company, in part by engaging the services of CED, establishes and carries out a contribution program pursuant to which the Company, as steward of the Fund Reserve, will select, or in certain instances recommend to Calgary City Council projects with The City of Calgary in which to contribute Fund Reserve funds. The Company is required to conduct and manage the intake and review of applications and business cases, present reviewed business cases to the Company's Board or if required to present The City of Calgary Priorities and Finance Committee and Council for consideration; maintain timely and appropriate communication with applicants and The City, develop and enter into contribution agreements; request disbursement of funds from the Fund Reserve; and monitor and manage the execution and performance of contribution agreements. Upon approval of an application and business case and execution of a contribution agreement, the

Company will deliver a request for funds to The City. The City is responsible for the disbursement of requested funds to the beneficiary from the Fund Reserve.

11. Purpose of the Project

CED's Board of Directors has a policy whereby the Audit Committee of the Board will issue an RFP for Audit Services every 5 years.

12. Objective of the Project

CED and OCIF are seeking to engage an accounting services firm to provide Audit Services and tax return preparation for the 5 year period covering fiscal years 2023 to 2027. This would include a financial audit for OCIF, CED, the wholly owned subsidiary CFCL, and an audit of the statement of revenue and expenses for its managed projects, EDGE UP and WIL.

13. Deliverables

A firm quote outlining the expected fees for each year for 2023-2027, covering the services, and split by CED, CFCL, OCIF, and Managed Projects:

- Audit Service rates, hours anticipated, and total projected cost
- Assistance with preparation of Financial Statements and Disclosures
- Tax Return preparation
- IT costs
- Disbursements

The quoted prices above should include responses to reasonable questions from management during the year on matters concerning best practice for handling financial situations that arise.

CED or OCIF may also ask the Vendor to undertake special projects outside the scope outlined above. In these situations CED or OCIF will request the vendor provide a separate quote for each service.

Proposals should include three (3) references for clients who have had a similar engagement completed.

14. Fees and Payment Terms

Proposals should include a breakdown of the Vendor's fees and disbursements in completing the Services. Please include the following with breakdown of costs:

- Per diem rates;
- Travel, if required;
- Administration overhead;
- IT costs;
- Prices must be stated in actual dollars and cents expressed in Canadian funds and inclusive of all taxes except for GST, which should be itemized separately.

15. Contracting Manager

For the purposes of the provisions of information surrounding this contract or the administration of the contract, the contracting manager is:

Calgary Economic Development Ltd.
Attention: Trevor McKay, Controller

500 Centre St. S, 32nd Floor
Calgary, Alberta T2G 1A6
Canada

Telephone: (403) 629-8025

Email: tmckay@calgaryeconomicdevelopment.com

16. Proposal Evaluation Criteria

Vendors should be aware that certain mandatory requirements have been set out in the terms of reference (scope, methodology, experience, and deliverables) and submission information. Proposals that fail to provide these requirements may not be evaluated. See Appendix A for Report and Evaluation criteria.

17. Submission Information

Proposals must be received before 16:00 MDT, August 4, 2022 at:

Calgary Economic Development Ltd
Opportunity Calgary Investment Fund Ltd
500 Centre St S, 32nd Floor
Calgary, Alberta T2G 1A6
Canada

Attention: Trevor McKay, Controller

tmckay@calgaryeconomicdevelopment.com

- After the closing, CED or OCIF may post the identity and addresses of the Vendors.
- CED and OCIF may not consider any proposal that:
  - Is received after the exact time and date noted above.
  - Does not indicate the request for proposal's title, closing date and Vendor's name on the proposal in response to the RFP;
  - Is delivered to an address other than that provided above;
  - Transmitted proposals will be accepted if the proposal is received before the submission deadline to the email address provided above.

18. CED and OCIF Reservation of Rights and Vendor's License Grant

CED and OCIF reserve the right:

- To not consider, or to reject, any or all proposals in whole or in part for any reason whatsoever in its sole and absolute discretion;
- To accept any proposal in whole or in part, even if it does not comply with the terms of this RFP;
- To short list Vendors, and require a presentation by the Vendors short-listed and/or the provision of additional information by such short-listed Vendors;
- To, at any time, add, delete or modify this RFP and to have the Vendors advise CED and OCIF of the effect of such changes on their proposal and/or have the Vendors resubmit their proposals in light of same;
- To negotiate at any time with any one or more of the Vendors to the exclusion of the other Vendors; and
- To not proceed, for any reason, with this RFP or the project contemplated in this RFP.

By submitting its Proposal for consideration, the Vendor will thereby be agreeing to all of the following:

- Without the further consent of the Vendor or providing any notice, CED and OCIF may disclose any and all of the content of Vendor's Proposal to any or all of the other

Vendors or any third party, including any or all of the creative content contained in Vendor's Proposal;
- The Vendor and CED and OCIF acknowledge and agree that FOIP applies to and governs all Records and may require the disclosure of such Records to third parties;
- The Vendor grants and agrees to grant to CED and OCIF a non-exclusive, perpetual, fully-paid up, irrevocable license to implement, use, reproduce, modify, display, distribute, transmit, prepare derivative works of and to otherwise fully exploit, without limitation, any and all of the content of Vendor's Proposal including without limitation, all of the creative content, ideas, concepts and approached as well as all copyright therein;
- Such license shall extend to any other Vendor or any other third party that CED and OCIF may engage to use and implement such content;
- CED and OCIF shall have no obligation to provide any credit or otherwise attribute to the Vendor or anyone else any such content as may be implemented and/or used by CED and OCIF;
- The Vendor represents and warrants to CED and OCIF that such content is the original work of the Vendor and its use by CED as contemplated in this Section will not infringe on any rights of any third party; and
- All of the rights and licenses granted herein and the exercise of all such rights and licenses by CED and OCIF and the other Vendors and such other third parties, as described herein, are granted and may be exercised: (i) without any obligation to account to the Vendor or to otherwise pay any consideration to the Vendor; and (ii) without having to have accepted or shortlisted Vendor's Proposal.

19. No Further Contract or Liability Arising from RFP Process

By submitting a Proposal, the Vendor agrees and acknowledges that:

- Nothing in this RFP nor the submission of the Proposal nor the review and consideration of the Proposal by CED and OCIF nor will any communication between the parties in relation to the RFP or the Proposal operate to obligate any party to enter into any further business relationship with the other party and, in particular, if CED and OCIF decide to engage the Vendor in connection with the subject matter of the RFP then such engagement may only occur pursuant to a written agreement that has been signed by both parties and, absent such written agreement, CED and OCIF will have no further liability or obligation to the Vendor in connection with the subject matter of the RFP;
- The Vendor is participating in this RFP process at its sole risk and expense, and CED and OCIF will not be liable to the Vendor for any costs, expenses or liabilities incurred by the Vendor in any way arising in connection with the Vendor's participation;
- CED and OCIF have made no representations other than those expressly stated in this RFP;
- CED and OCIF have the right to cancel this request for proposals at any time and to reissue it for any reason whatsoever or decide not to reissue it for any reason, without incurring any liability and no Vendor will have any claim against CED and OCIF as a consequence; and

- The Proposal and any accompanying documentation submitted by the Vendor will become the property of CED and OCIF and will not be returned.

APPENDIX A – EVALUATION

A. SUMMARY OF EVALUATION

The following is an overview of all the categories and weighting relevant to the evaluation of proposals under this RFP.

Category: Rated Criteria	Weighting	Maximum Potential Score
1.0 Understanding of Scope	**10**	**100**
2.0 Audit Approach and Methodology	**25**	**250**
2.1 Audit Understanding	10	100
2.2 Quality Control	5	50
2.3 Proposed Work Plan	10	100
3.0 Proposed Team	**20**	**200**
3.1 Proposed Audit Team	5	50
3.2 Team Experience	15	150
4.0 Firm Experience	**20**	**200**
5.0 Firm Equality, Diversity, and Inclusion	**10**	**100**
Total Rated Criteria	**85**	**850**

Category: Pricing	**15**	**150**
TOTAL SCORE (Rated Criteria + Pricing)	**100**	**1000**

B. EVALUATION OF RATED CRITERIA

Each proposal should include the information requested below under Proposal Content in respect of each of the Rated Criteria that The City will evaluate.

RATED CRITERIA	PROPOSAL CONTENT
1.0 Understanding of Scope – 10 points	1.1 Corporate Capabilities Describe your firm's corporate capabilities, as it relates to the scope of this RFP. This may include, but is not limited to the following: 1.1.1 The full range of services and expertise that is available to CED and OCIF; 1.1.2 Your organization's methodology for supporting the audit team that will be providing OCIF's, CED's and CFCL's audit; 1.1.3 How your firm intends to support collaboration with CED and OCIF, including timely responses to CED and OCIF inquiries; 1.1.4 Your firm's partner to staff ratio (i.e. how many partners and staff does the firm employ); and 1.1.5 Your firm's approach, ability, and methodology for substituting key staff members with staff of similar experience and training to ensure continuity and quality of service
2.0 Audit Approach and Methodology - 25 points	2.1 Audit Understanding Demonstrate your organization's understanding of CED and OCIF's audit requirements. This may include, but is not limited to the following: 2.1.1 Describe your understanding of the audit objectives and required deliverables; 2.1.2 Identify key risks, issues, and any anticipated problems or barriers to success for completion of the annual audit; and 2.1.3 Detail your firm's proposed approach for all risk and mitigation strategies that your firm will deploy to ensure the following:

RATED CRITERIA	PROPOSAL CONTENT
	a. Appropriate resolution of all anticipated issues; and b. On-time and on-budget completion of the annual audit. 2.2 Quality Control Describe your firm's capabilities for ensuring the quality and rigor required by external audit for the scale and scope of CED and OCIF's audit requirements. This may include, but is not limited to the following: 2.2.1 Dispute resolution process and framework; 2.2.2 General audit quality control processes and procedures; 2.2.3 Processes for ensuring the independence and objectivity in performing audit services; 2.2.4 How your organization ensures continuous improvement with respect to audit efficiency and effectiveness; and 2.2.5 The innovative technology, management system and approaches your firm has utilized to assist with operational improvement for clients in past audits. 2.3 Proposed Work Plan Provide an outline and high level work plan for the successful completion of CED's 2018 annual audit that includes, but is not limited to the following: 2.3.1 Key audit milestones and phases; 2.3.2 Required decisions and inputs from the Audit Committee; and 2.3.3 Proposed steps and methodology for service delivery and completion of the audit.
3.0 Proposed Team – 20 points	3.1 Proposed Audit Team Provide an organizational chart of the proposed audit team, including the roles and specific responsibilities of each team member, as it relates to the scope of The City's audit requirements.

RATED CRITERIA	PROPOSAL CONTENT
	3.1.1 Describe how staff will be organized and deployed, and how your firm will maintain continuity of personnel; 3.1.2 Identify the Lead Partner; 3.1.3 Provide a statement for the Lead Partner and each audit team member that: a. Indicates their expected level of involvement in the audit; b. Describes their key responsibilities, as it relates to both execution of the audit work and addressing key issues; and c. Describes their Audit or other experience and credentials.
4.0 Firm Experience – 20 points	4.1 Firm Experience Provide at least three (3) examples of audits of similar scale, scope, and complexity to CED and OCIF's audit that your organization has delivered.
5.0 Firm Equality, Diversity, Inclusion – 10 points	5.1 CED and OCIF are committed to maintaining a diverse supplier base and building relationships with vendors that reflect the market, clients and communities we serve. The award of opportunities to diverse suppliers will be based on their relative competitiveness, the value of their offerings, and their demonstrated performance. Vendor diversity data and EDI initiatives to be submitted through the Company's response to the RFP.

C. EVALUATION OF PRICING

Total Points **150 Points**

Pricing will be scored based on a relative pricing formula using the Total Evaluated Price. Each proponent will receive a percentage of the total possible points allocated to Total Evaluated Price by dividing that proponent's Total Evaluated Price into the lowest submitted Total Evaluated Price. For example, if a proponent proposes $120.00 and that is the lowest Total Evaluated Price, that proponent receives 100% of the possible points (120/120 = 100%). A proponent who proposes $150.00 receives 80% of the possible points (120/150 = 80%), and a proponent who proposes $240.00 receives 50% of the possible points (120/240 = 50%).

$$\frac{\text{Lowest Total Evaluated Price}}{\text{Proponent's Total Evaluated Price}} \times \text{Total available points} = \text{Score for Proponent}$$

APPENDIX B – 2021 AUDITED FINANCIAL STATEMENTS

Attached are 2021 Audited Financial Statements for:

- **Calgary Economic Development**
- **Calgary Film Centre Ltd.**
- **Opportunity Calgary Investment Fund Ltd.**

Upon request, CED will provide a copy of the most recent (if applicable) audited statement of revenue and expenses for managed projects directly to the Vendor.

Financial Statements
December 31, 2021

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 Government Not-For-Profit Organizations and ensuring that all information in the annual report is consistent with the statements. 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 fulfils 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 Directors 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.

March 17, 2022

Brad Parry
President and Chief Executive Officer

Trevor McKay
Controller

Independent Auditor's Report

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

Opinion

We have audited the financial statements of Calgary Economic Development Ltd. (the "Company"), which comprise the statement of financial position as at December 31, 2021, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2021, and the results of its operations and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards for Government Not-for-Profit Organizations.

Basis for Opinion

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian Public Sector Accounting Standards for Government 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.

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

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Calgary, Alberta

MNP LLP

March 17, 2022

Chartered Professional Accountants

calgary economic development
be part of the energy™

Calgary Economic Development Ltd.
Statement of Financial Position
As at December 31, 2021

	2021	2020
Assets		
Current		
Cash	**1,939,334**	1,755,239
Restricted cash (*Note 6*)	**1,878,659**	284,591
Accounts receivable and accrued revenue *(Note 3)*	**798,820**	671,505
Due from related parties *(Note 7)*	**65,477**	66,421
Prepaid expenses	**175,263**	463,304
Employee expense advances	**12**	123
	4,857,565	3,241,183
Capital assets *(Note 4)*	**419,213**	128,153
	5,276,778	3,369,336
Liabilities		
Current		
Accounts payable and accrued liabilities *(Note 5)*	**1,340,753**	371,059
Deferred contributions *(Note 6)*	**1,878,659**	284,591
Salary and vacation payable	**662,235**	680,875
	3,881,647	1,336,525
Lease inducement	**28,900**	49,300
	3,910,547	1,385,825
Commitments *(Note 9)*		
Net Assets		
Invested in capital assets	**419,213**	128,153
Unrestricted	**947,018**	1,855,358
	1,366,231	1,983,511
	5,276,778	3,369,336

Approved on behalf of the Board

Director | **Director** Robert K. Hayes

The accompanying notes are an integral part of these financial statements

Calgary Economic Development Ltd.
Statement of Operations
For the year ended December 31, 2021

	2021	*2020*
Revenue		
City of Calgary		
Operating grant *(Note 1, 7)*	**9,752,765**	10,077,765
Alberta government	**80,627**	14,132
Federal government	**2,523,918**	1,678,524
Business community *(Note 7)*	**1,163,872**	971,556
Investment income	**33,659**	40,989
Other revenue	**24,414**	16,172
	13,579,255	12,799,138
Expenses		
Employee costs	**7,278,861**	6,713,227
Program costs *(Note 7)*	**3,037,263**	1,865,024
Marketing and promotion *(Note 7)*	**2,503,386**	2,427,184
Corporate services *(Note 7)*	**1,185,332**	1,268,145
Business travel	**55,933**	94,722
Amortization of capital assets	**135,760**	69,824
	14,196,535	12,438,126
(Deficiency) excess of revenue over expenses	**(617,280)**	361,012

The accompanying notes are an integral part of these financial statements

	Invested in capital assets	*Unrestricted*	***2021***	*2020*
Net assets, beginning of year	**128,153**	**1,855,358**	**1,983,511**	1,622,499
(Deficiency) excess of revenue over expenses	**(135,760)**	**(481,520)**	**(617,280)**	361,012
Investment in capital assets	**426,820**	**(426,820)**	**-**	-
Net assets, end of year	**419,213**	**947,018**	**1,366,231**	1,983,511

Calgary Economic Development Ltd.
Statement of Cash Flows
For the year ended December 31, 2021

	2021	2020
Cash provided by (used for) the following activities		
Operating		
(Deficiency) excess of revenue over expenses	**(617,280)**	361,012
Amortization of intangible assets	**135,760**	69,824
Non-cash lease recovery	**(20,400)**	(12,620)
	(501,920)	418,216
Changes in working capital accounts		
Accounts receivable and accrued revenue	**(127,315)**	(104,161)
Due from related party	**944**	2,354
Prepaid expenses	**288,041**	(63,694)
Employee expense advances	**111**	541
Accounts payable and accrued liabilities	**969,694**	(719,595)
Salary and vacation payable	**(18,640)**	49,452
Deferred contributions	**1,594,068**	(80,381)
	2,204,983	(497,268)
Capital		
Purchase of capital assets	**(426,820)**	(48,899)
Increase (decrease) in cash and cash equivalents	**1,778,163**	(546,167)
Cash and cash equivalents, beginning of year	**2,039,830**	2,585,997
Cash and cash equivalents, end of year	**3,817,993**	2,039,830
Cash and cash equivalents are composed of:		
Unrestricted cash	**1,939,334**	1,755,239
Restricted cash - external	**1,878,659**	284,591
	3,817,993	2,039,830

The accompanying notes are an integral part of these financial statements

1. Incorporation and nature of the organization

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 Company is a controlled not-for-profit organization of The City of Calgary ("The City").

Calgary Economic Development works with business, government, and community partners to position Calgary as the location of choice for the purpose of attracting business investment, fostering trade and growing Calgary's workforce. The mandate of Calgary Economic Development Ltd. is to lead The City of Calgary's economic development efforts in promoting The City's competitive advantage and pro-business climate. Successful economic development results in business growth and industry development, increased investments 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 since inception to sustain its operations. In the current year, the Company received an operating grant of $9,752,765 (2020 - $10,077,765). For 2022, the City has approved core funding in the amount of $9,752,765.

2. Significant accounting policies

Basis of accounting

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

Use of estimates

The preparation of financial statements in conformity with Canadian Public Sector Accounting Standards for Government 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 and equipment, and intangible assets.

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

Controlled not-for-profit

The Company's financial statements do not include the accounts of Calgary Film Centre Ltd. ("CFCL"), which is controlled by the Company. The required disclosures have been provided in Note 13.

All transactions with the subsidiary are disclosed as related party transactions (refer to Note 7).

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 and other revenue 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.

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

Cash includes balances with banks. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

Capital assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution if fair value can be reasonably determined.

Amortization is provided using methods and rates intended to amortize the cost of assets over their estimated useful lives. Tenant improvements are amortized over the lease term.

	Method	Rate
Technology	straight-line	2 years
Furniture and fixtures	straight-line	5 years
Trademarks	straight-line	5 years
Software	straight-line	2 years
Website development costs	straight-line	30 %

Long-lived assets

Long-lived assets consist of capital 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 operations. Write-downs are not reversed.

Financial instruments

The Company recognizes its financial instruments when the Company becomes 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 PSAS Section 2200 *Related Party Disclosures* (refer to Note 7).

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.

The Company subsequently measures financial assets and liabilities at amortized cost.

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. If so, the Company reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets; and the amount expected to be realized by exercising any rights to collateral held against those assets. Any impairment, which is not considered temporary, is included in current year excess (deficiency) of revenue over expenses. The Company reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in the statement of operations in the year the reversal occurs.

2. Significant accounting policies (*Continued from previous page)*

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 statement.

Measurement uncertainty

In early 2020 there was a global outbreak of COVID-19 (Coronavirus), which has had a significant impact on businesses and governments through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation orders. The extent to which the Company is impacted will depend on future developments, which are highly uncertain and that cannot be predicted with confidence, such as the ultimate geographic spread of the disease, the duration of the outbreak, travel restrictions and social distancing in Canada and other countries, business closures or business disruptions and the effectiveness of actions taken in Canada and other countries to fight the virus.

The amounts recorded in these financial statements are based on the latest reliable information available to management at the time the financial statements were prepared where that information reflects conditions as at the date of the financial statements. However, there is inherent uncertainty about these assumptions and estimates which could result in outcomes that require adjustments to the carrying amount of the affected assets or liabilities in the future.

3. Accounts receivable and accrued revenue

Accounts receivable and accrued revenue relate to the following:

	2021	*2020*
Trade accounts receivable	**350,971**	225,327
Accrued revenue	**320,707**	348,108
Goods and Services Tax receivable	**127,142**	98,070
	798,820	671,505

4. Capital assets

	Cost	***Accumulated Amortization***	***2021 Net book value***	*2020 Net book value*
Technology	**884,959**	**(785,945)**	**99,014**	107,382
Furniture and fixtures	**11,277**	**(2,177)**	**9,100**	4,455
Software	**318,519**	**(289,610)**	**28,909**	-
Trademarks	**22,031**	**(9,921)**	**12,110**	16,316
Website development	**729,690**	**(459,610)**	**270,080**	-
	1,966,476	**(1,547,253)**	**419,213**	128,153

5. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities relate to the following:

	2021	2020
Accrued liabilities	**936,064**	234,637
Trade accounts payable	**404,689**	136,422
	1,340,753	371,059

6. Deferred contributions and restricted cash

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:

	2021	2020
Balance, beginning of year	**284,591**	364,972
Amount received during the year	**3,629,766**	1,042,454
Amounts recognized as revenue during the year	**(2,035,698)**	(1,122,835)
Balance, end of year	**1,878,659**	284,591

7. Related party transactions

Calgary Film Centre Ltd. ("CFCL")

The Company entered into a Management Services Agreement with CFCL, whereby CFCL is required to pay for management fees and other expenses incurred by the Company on behalf of CFCL. These are recorded as a recovery of the corresponding expense in the statement of operations.

Related party balances and transactions with CFCL consist of:

	2021	2020
Due from related party:		
Management Services Agreement and other	**25,507**	30,137
Revenue recognized from CFCL:		
Management Services Agreement	**432,184**	362,063

The City of Calgary

Effective July 12, 2021, the Company entered into an operating and funding agreement with The City under which The City shall advance Operating Funding to CED annually, in quarterly instalments in accordance with the CED Budget Allocation and any adjustments thereto during the term.

Related party balances and transactions with The City consist of:

	2021	2020
Accounts receivable	**-**	14,449
Core funding received from The City	**9,752,765**	10,077,765
Expenses paid to The City	**-**	12,580

7. Related party transactions (*Continued from previous page*)

Opportunity Calgary Investment Fund Ltd. ("OCIF")

The Company entered into a Management Services Agreement with OCIF effective April 19, 2018, which charges incremental costs incurred by the Company to OCIF as a result of providing operating and administrative services to OCIF. These are recorded as a recovery of the corresponding expense in the statement of operations.

Related party balances and transactions with OCIF consist of:

	2021	*2020*
Due from related party	**39,969**	36,284
Expense recovery for operating and administrative services	**531,132**	494,459

Other companies related through common ownership

The Company had the following balances and transactions with other companies related through common ownership by The City, which include expenses for event space, catering, and parking:

	2021	*2020*
Revenue recognized from companies related by common ownership	**35,000**	35,000
Expenses paid to companies related by common ownership	**35,933**	20,356

Other companies related to directors

The Company paid to organizations related to directors of the Company for other services totaling $426,101 (2020 - $308,450), of which $328,000 (2020 - $240,000) is included in program costs. At year end, $7,275 (2020 - $5,000) is included in accounts payable and accrued liabilities. The Company also recognized revenue from these companies totaling $195,000 (2020 - $148,250), which is included in business community revenue related to Team Calgary and other programming. At year end, $60,000 (2020 - $nil) of this amount was outstanding and included in accounts receivable.

All transactions are in the normal course of operations and have been recorded at the agreed to exchange amounts that have been negotiated between the parties.

8. Income taxes

The Company is a tax-exempt organization under the *Income Tax Act* (the "Act") and as such is exempt from income taxes. In order to maintain its tax-exempt status under the Act, the Company must meet certain requirements within the Act. In the opinion of management, these requirements have been met.

9. Commitments

Facility lease

On July 26, 2019, the Company entered into a lease with a term from January 1, 2020 and ending on May 30, 2023. Annual rent for the facility after a property tax exemption is approximately $432,600.

The Company has a lease agreement for office printing/copying equipment that was signed October 1, 2021 and runs until April 2023. Annual lease cost is $9,382, plus printing/usage costs.

The estimated minimum annual payments on leases for facilities and equipment are as follows:

2022	441,982
2023	185,877
	627,860

10. 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 amounts receivable. This risk is somewhat mitigated because the trade accounts receivable and accrued revenue are comprised of amounts due from The City of Calgary and the federal government. To further mitigate this risk, the Company regularly reviews its amounts receivable and follows up on collections in a timely manner. The amounts outstanding at year end, which is the Company's maximum exposure to credit risk, are disclosed in Notes 3, and 7, and summarized below.

	Current	*31-60 days*	*61-90 days*	*91 days and older*	*Total*
2021					
Trade accounts receivable	**287,171**	**53,800**	**10,000**	**-**	**350,971**
Accrued revenue	**-**	**160,000**	**-**	**160,707**	**320,707**
Due from related parties	**65,477**	**-**	**-**	**-**	**65,477**
Employee advances	**-**	**-**	**-**	**12**	**12**
Total	**352,648**	**213,800**	**10,000**	**160,719**	**737,167**
2020					
Trade accounts receivable	194,855	5,000	10,523	14,949	225,327
Accrued revenue	235,765	16,667	25,533	70,143	348,108
Due from related party	66,421	-	-	-	66,421
Employee advances	-	-	-	123	123
Total	497,041	21,667	36,056	85,215	639,979

10. Financial instruments (*Continued from previous page*)

Credit concentration

The Company believes that there is no unusual exposure associated with the collection of these amounts. The balance of accounts receivable is widely distributed amongst the remainder of the Company's large membership base. The Company performs regular checks and provides allowances for potentially uncollectible accounts receivable.

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, considering its anticipated cash flows from operations and its holdings of cash and cash equivalents.

	0-90 days	*91 days and older*	*Total*
2021			
Accrued liabilities	**936,064**	**-**	**936,064**
Trade accounts payable	**404,689**	**-**	**404,689**
Lease inducement	**28,900**	**-**	**28,900**
Total	**1,415,291**	**-**	**1,415,291**
2020			
Accrued liabilities	234,637	-	234,637
Trade accounts payable	136,422	-	136,422
Lease inducement	49,300	-	49,300
Total	420,359	-	420,359

11. 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, 2021 was $230,338 (2020 - $224,538).

12. Comparative figures

Certain comparative figures have been reclassed to conform with current year presentation.

13. Controlled not-for-profit

The Company controls its wholly owned subsidiary, the Calgary Film Centre Ltd., formerly The Alberta Creative Hub. The companies are under common management. CFCL has not been consolidated in the Company's financial statements, and its financial statements are available on request. CFCL 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. CFCL 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 CFCL as at and for the years ended December 31, 2021 and December 31, 2020. This information was prepared using the same accounting policies as Calgary Economic Development Ltd.

	2021	*2020*
Financial position		
Total assets	**692,030**	377,704
Total liabilities	**(184,304)**	(211,426)
Total net assets	**507,726**	166,278
Statement of operations		
Revenue	**1,889,389**	930,752
Expenses	**1,547,941**	1,064,092
Excess (deficiency) of revenue over expenses	**341,448**	(133,340)
Cash flows		
Cash flows from operating activities	**155,104**	(131,638)
Cash flows from capital activities	**(69,526)**	-
Cash flows from financing activities	**-**	-
Increase (decrease) in cash and cash equivalents	**85,578**	(131,638)

CFCL 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 CFCL (Note 7).

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Financial Statements

December 31, 2021

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Management's Responsibility

To The Board of Directors of Calgary Film Centre 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 Government 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 is composed entirely of Directors who are neither management nor employees of the Centre. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities. The Board fulfils 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 Centre'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.

March 2, 2022

Brad Parry
President and Chief Executive Officer,
Calgary Economic Development Ltd.

Trevor McKay
Controller,
Calgary Economic Development Ltd.

To the Board of Calgary Film Centre Ltd.:

Opinion

We have audited the financial statements of Calgary Film Centre Ltd. (the "Centre"), which comprise the statement of financial position as at December 31, 2021, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Centre as at December 31, 2021, and the results of its operations and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards for Government Not-for-Profit Organizations.

Basis for Opinion

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian Public Sector Accounting Standards for Government 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.

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

Those charged with governance are responsible for overseeing the Centre’s financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Calgary, Alberta

MNP LLP

March 2, 2022

Chartered Professional Accountants

Calgary Film Centre Ltd.
Statement of Financial Position
As at December 31, 2021

	2021	2020
Assets		
Current		
Cash and cash equivalents	**392,901**	307,323
Amounts receivable *(Note 3)*	**189,101**	37,228
Accrued revenue	**47,234**	32,098
Prepaid expenses	**9,986**	-
	639,222	376,649
Capital assets *(Note 4)*	**52,808**	1,055
	692,030	377,704
Liabilities		
Current		
Accounts payable and accrued liabilities *(Note 5)*	**64,297**	80,290
Tenant deposits (*Note 6*)	**94,500**	100,999
Due to related parties *(Note 8)*	**25,507**	30,137
	184,304	211,426
Commitments *(Note 10)*		
Net Assets		
Invested in capital assets	**52,808**	1,055
Unrestricted	**454,918**	165,223
	507,726	166,278
	692,030	377,704

Approved on Behalf of the Board

Director

Director

The accompanying notes are an integral part of these financial statements

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Calgary Film Centre Ltd.
Statement of Operations
For the year ended December 31, 2021

	2021	2020
Revenue		
Rental revenue	**1,888,377**	930,752
Interest revenue	**1,012**	-
	1,889,389	930,752
Expenses		
Operating and utility costs	**946,225**	719,613
Corporate services *(Note 8)*	**261,735**	198,573
Personnel costs *(Note 8)*	**206,580**	186,685
Professional services	**88,750**	-
Legal services	**26,525**	17,538
Amortization of capital assets *(Note 4)*	**17,773**	9,086
Business travel, entertainment and events	**353**	29
Marketing and promotion	**-**	628
	1,547,941	1,132,152
Excess (deficiency) of revenue over expenses	**341,448**	(201,400)

The accompanying notes are an integral part of these financial statements

Calgary Film Centre Ltd.
Statement of Changes in Net Assets
For the year ended December 31, 2021

	Invested in capital assets	Unrestricted	2021	2020
Net assets, beginning of year	1,055	165,223	**166,278**	367,678
Invested in capital assets	69,526	(69,526)	**-**	-
(Deficiency) excess of revenue over expenses	(17,773)	359,221	**341,448**	(201,400)
Net assets, end of year	52,808	454,918	**507,726**	166,278

Calgary Film Centre Ltd.
Statement of Cash Flows
For the year ended December 31, 2021

	2021	2020
Cash provided by (used for) the following activities:		
Operating		
Excess (deficiency) of revenue over expenses	**341,448**	(201,400)
Adjustments for items not involving cash:		
Amortization	**17,773**	9,086
	359,221	(192,314)
Changes in working capital accounts		
Amounts receivable	**(151,873)**	76,554
Accrued revenue	**(15,136)**	5,324
Prepaid expenses	**(9,986)**	-
Accounts payable and accrued liabilities	**(15,993)**	(35,629)
Tenant deposits	**(6,499)**	5,270
Due to related party	**(4,630)**	9,157
	155,104	(131,638)
Capital		
Purchase of capital assets	**(69,526)**	-
Increase (decrease) in cash and cash equivalents	**85,578**	(131,638)
Cash and cash equivalents, beginning of year	**307,323**	438,961
Cash and cash equivalents, end of year	**392,901**	307,323

The accompanying notes are an integral part of these financial statements

1. Incorporation

Calgary Film Centre Ltd. (the “Centre”) was incorporated under the authority of the Alberta Companies Act on December 17, 2009. The Centre is a wholly owned subsidiary of Calgary Economic Development Ltd. the (“Parent Company”) and was granted para-municipal status retroactive to the incorporation date.

The Centre was formed with the primary purpose of supporting the growth and development of the film, television, media and other creative industries.

On June 23, 2014, the Centre changed its name from The Alberta Creative Hub to Calgary Film Centre Ltd.

On October 19, 2018, the Centre sold the land, buildings and its related fixtures and equipment to The City of Calgary (“The City”). The Centre pays The City $10 a year to utilize the building to continue to fulfill its primary purpose.

2. Significant accounting policies

Basis of accounting

The financial statements are expressed in Canadian dollars. The financial statements have been prepared in accordance with Canadian Public Sector Accounting Standards for Government Not-for-Profit Organizations, with the optional 4200 series, as established by the Public Sector Accounting Board. The significant policies are described below.

Cash and cash equivalents

Cash and cash equivalents include balances with banks and short-term investments with maturities of three months or less.

Revenue recognition

The Centre 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.

Rental revenue is recognized on a monthly basis pursuant to the terms of the lease agreement.

Contributed materials and services

The Centre received various contributions in the form of materials or services that it used to carry out its objectives. Because of the difficulty in determining the fair value of these materials and services, the Centre does not recognize the amounts in the financial statements.

Capital assets

Purchase capital assets are recorded at cost. Contributed capital 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. Furniture, fixtures and equipment is amortized between 2 and 5 years. Website is amortized using the straight-line method at a rate of 30% per year. Amortization is calculated in the month the asset is put into use and ends in the month of disposal.

2. Significant accounting policies (*Continued from previous page)*

Financial instruments

The Centre recognizes its financial instruments when the Centre becomes 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 PSAS Section 2200 *Related Party Disclosures* (refer to Note 8). At initial recognition, the Centre may irrevocably elect to subsequently measure any financial instrument at fair value. The Centre has not made such an election during the year.

The Centre subsequently measures financial assets and liabilities at amortized cost.

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

Financial asset impairment

The Centre assesses impairment of all of its financial assets measured at cost or amortized cost. When there is an indication of impairment, the Centre determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year. If so, the Centre reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets; and the amount expected to be realized by exercising any rights to collateral held against those assets. Any impairment, which is not considered temporary, is included in current year excess of revenue over expenses. The Centre reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in the statement of operations in the year the reversal occurs.

Use of estimates

The preparation of financial statements in conformity with Canadian Public Sector Accounting Standards for Government 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 over 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 and equipment and intangibles.

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.

Measurement uncertainty

As of the date of the financial statements, governments in the jurisdictions in which the Centre operates have declared states of emergency in response to the COVID-19 pandemic. The Centre's filming activity and rental space continue to function with the implementation of enhanced health related safeguards. Management continues to assess the impact of COVID-19 and governments' responses to it. Portions of the financial results incorporate estimates from management that are subject to increased uncertainty due to market disruptions caused by the COVID-19 pandemic. The amounts recorded in these financial statements are based on the latest reliable information available to management at the time the financial statements were prepared where that information reflects conditions as at the date of the financial statements. However, there is inherent uncertainty about these assumptions and estimates which could result in outcomes that require adjustments to the carrying amount of the affected assets or liabilities in the future.

3. Amounts receivable

Amounts receivable relates to the following:

	2021	*2020*
Rent and recovery of expenses receivable	**189,101**	37,228

4. Capital assets

	Furniture, fixtures and equipment	*Website development costs*	**Total**
Cost:			
Balance December 31, 2020	34,887	38,400	72,287
Additions	69,526	-	69,526
Disposals	-	-	-
Balance December 31, 2021	**104,413**	**38,400**	**142,813**
Accumulated amortization:			
Balance December 31, 2020	(33,832)	(38,400)	72,232
Amortization of capital assets	(17,773)	-	17,773
Balance, December 31, 2021	**(51,605)**	**38,400**	90,005
Net book value December 31, 2020	1,055	-	1,055
Net book value December 31, 2021	**52,808**	-	**52,808**

5. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities relate to the following:

	2021	*2020*
Accrued liabilities	**43,315**	30,361
Goods and Services Tax payable	**11,480**	8,409
Trade accounts payable	**9,502**	41,520
	64,297	80,290

6. Tenant deposits

Tenant deposits at December 31, 2021 consist of $94,500 (2020 - $100,999) received to be refunded upon satisfactory condition of the Centre's film studios and bays.

7. Income taxes

The Centre is registered as a tax-exempt organization under the *Income Tax Act* (the "Act") and as such is exempt from income taxes. In order to maintain its tax free status under the Act, the Centre must meet certain requirements within the Act. In the opinion of management, these requirements have been met.

8. Related party transactions

The Centre is a wholly owned subsidiary of the Parent Company. The Centre entered into a Management Services Agreement with the Parent Company and is required to pay annual management fees, of which $218,612 (2020 - $168,162) is recorded in corporate services expense. Personnel costs of $206,580 (220 - $186,685) and general and administrative expenses of $6,992 (2020 - $6,766) were incurred by the Parent Company and charged to the Centre.

Calgary Economic Development Ltd.	***2021***	*2020*
Due to related party	**25,507**	30,137
Expenses paid to Parent Company	**432,184**	362,063

The City of Calgary and affiliates	***2021***	*2020*
Property tax expense	**305,113**	263,217
Utilities expense	**8,651**	6,471
Rental of leased facility	**10**	10

All transactions were in the normal course of operations and have been recorded at the agreed exchange amounts that have been negotiated between the parties.

9. Financial instruments

General objectives, policies and processes

The Board of Directors has overall responsibility for the determination of the Centre'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 Centre's senior management. The Board of Directors receives quarterly reports from the Centre'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.

Credit risk

Credit risk is the risk that the Centre will incur a financial loss because a lessee, contributor or counterparty has failed to discharge an obligation. The Centre is exposed to credit risk on its amounts receivable.

	0-30 days	*31-60 days*	*61-90 days*	*91 days and older*	***Total***
2021					
Accounts receivable	161,929	18,077	9,095	-	**189,101**
2020					
Accounts receivable	22,970	6,818	7,440	-	37,228

The Centre is also exposed to credit risk as a significant portion of the Centre's cash and cash equivalents are held at one Canadian Chartered Bank. As such, the Centre is exposed to all the risks of that financial institution.

Credit Concentration

As at December 31, 2020, one vendor (2020 – one) accounted for 85% (2020 – 65%) of accounts receivable, of which the vendor has a history with the Centre of making payments. The Centre believes that there is no unusual exposure associated with the collection of these amounts.

Liquidity risk

Liquidity risk is the risk that the Centre will not be able to meet its financial obligations as they fall due. The Centre has a forecasting and budgeting process in place to help determine the funds required to support the Centre's normal operating requirements on an ongoing basis. The Centre 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.

The following table sets out the contractual maturities of financial liabilities:

2021	*0-90 days*	*91 days and older*	***Total***
Due to related party	25,507	-	25,507
Trade accounts payable	9,502	-	9,502
Accrued liabilities	43,315	-	43,315
Total	**78,324**	-	**78,324**

2020	*0-90 days*	*91 days and older*	*Total*
Due to related party	30,137		30,137
Trade accounts payable	41,520	-	41,520
Accrued liabilities	30,361	-	30,361
Total	102,018	-	102,018

10. Commitments

The Centre has entered into an agreement for security and internet services with expiry in 2024, in the amount of $12,900 per year. The Centre has an agreement for snow removal services expiring in April 2022, with a commitment of $27,000 remaining.

11. Comparative figures

Certain comparative figures have been reclassified to conform with current year’s presentation.

Opportunity Calgary
Investment Fund

Financial Statements
December 31, 2021

Opportunity Calgary Investment Fund

Management's Responsibility

To the Board of Directors of Opportunity Calgary Investment Fund 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 Government 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 is composed entirely 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. The Board fulfils 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.

March 18, 2022

Brad Parry Chief Executive Officer Opportunity Calgary Investment Fund Ltd.	Trevor McKay Controller Opportunity Calgary Investment Fund Ltd.

Independent Auditor's Report

To the Board of Directors of Opportunity Calgary Investment Fund Ltd.:

Opinion

We have audited the financial statements of Opportunity Calgary Investment Fund Ltd. (the "Company"), which comprise the statement of financial position as at December 31, 2021, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2021, and the results of its operations and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards for Government Not-for-Profit Organizations.

Basis for Opinion

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian Public Sector Accounting Standards for Government 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.

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

Those charged with governance are responsible for overseeing the Company’s financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Calgary, Alberta

MNP LLP

March 18, 2022

Chartered Professional Accountants

Opportunity Calgary Investment Fund

Opportunity Calgary Investment Fund Ltd.
Statement of Financial Position
As at December 31, 2021

	2021	***2020***
Assets		
Current		
Cash	**139,598**	103,054
Amounts receivable ***(Note 3)***	**30,191**	18,014
Prepaid expenses	**-**	344
Restricted cash ***(Note 5 and Note 7)***	**211,373**	450,370
	381,162	571,782
Liabilities		
Current		
Accounts payable and accrued liabilities ***(Note 4)***	**129,819**	85,127
Due to related party ***(Note 7)***	**39,969**	36,284
Deferred revenue ***(Note 5)***	**211,373**	450,370
	381,161	571,781
Net Assets		
Share capital	**1**	1
	381,162	571,782

Approved on behalf of the Board

M Blackwell

Director

Ian D. Bruce

Director

The accompanying notes are an integral part of these financial statements

Opportunity Calgary Investment Fund

Opportunity Calgary Investment Fund Ltd.
Statement of Operations
For the year ended December 31, 2021

	2021	***2020***
Revenue		
City of Calgary ***(Note 7)***	**1,157,608**	918,920
Expenses		
Corporate services ***(Note 7)***	**611,435**	512,335
Legal services	**345,236**	247,373
Professional services	**186,747**	108,050
Technology services ***(Note 7)***	**14,190**	51,162
	1,157,608	918,920
Excess of revenue over expenses	**-**	-

The accompanying notes are an integral part of these financial statements

Opportunity Calgary Investment Fund

Opportunity Calgary Investment Fund Ltd.
Statement of Changes in Net Assets
For the year ended December 31, 2021

	2021	*2020*
Net assets, beginning of period	**1**	1
Excess of revenue over expenses	**-**	-
Net assets, end of period	**1**	1

The accompanying notes are an integral part of these financial statements

Opportunity Calgary Investment Fund

Opportunity Calgary Investment Fund Ltd.
Statement of Cash Flows
For the year ended December 31, 2021

	2021	**2020**
Cash provided by (used for) the following activities:		
Operating		
Excess of revenue over expenses	**-**	-
Changes in working capital accounts		
Amounts receivable	**(12,177)**	(4,214)
Prepaid expenses	**344**	(344)
Accounts payable and accrued liabilities	**44,692**	52,847
Due to related party	**3,685**	(11,511)
Deferred revenue	**(238,997)**	(269,311)
	(202,453)	(232,533)
Decrease in cash and cash equivalents	**(202,453)**	(232,533)
Cash and cash equivalents, beginning of year	**553,424**	785,957
Cash and cash equivalents, end of year	**350,971**	553,424
Cash and cash equivalents are composed of:		
Unrestricted cash	**139,598**	103,054
Restricted cash	**211,373**	450,370
	350,971	553,424

The accompanying notes are an integral part of these financial statements

1. Incorporation and nature of the organization

Opportunity Calgary Investment Fund Ltd. (the “Company”) was incorporated under the authority of the Business Corporations Act on April 19, 2018. The Company is registered as a non-profit organization under the Income Tax Act of Canada (the “Act”) and is exempt from income taxes. The Company is a wholly owned subsidiary of the City of Calgary (“The City”) and is governed under a unanimous shareholders agreement declared on May 11th, 2018. On May 31, 2021, OCIF and The City amended their Operating and Funding Agreement to include the ability to allocate funds up to $10,000,000 from Reserve towards investment in a Fund Manager.

The Company was established with a mandate to manage the $100,000,000 Fund Reserve (“Fund Reserve”) effectively and in a manner that creates an environment within The City of Calgary that encourages economic recovery and growth, helps reduce the impact of the economic downturn on Calgary’s citizens and businesses and capitalizes on new opportunities to support Calgary’s economic success into the future. The Fund Reserve is an interest-bearing capital and operating reserve fund held and administered by The City, as such, is not reflected in these financial statements.

The Company, in part by engaging the services of Calgary Economic Development Ltd. (“CED”), establishes and carries out a contribution program pursuant to which the Company, as steward of the Fund Reserve, will select, or in certain instances recommend to Calgary City Council (“Council”) projects with The City of Calgary in which to contribute Fund Reserve funds.

The Company is required to conduct and manage the intake and review of applications and business cases, present reviewed business cases to the Company’s Board or if required to present The City of Calgary Priorities and Finance Committee and Council for consideration; maintain timely and appropriate communication with applicants and The City, develop and enter into contribution agreements; request disbursement of funds from the Fund Reserve; and monitor and manage the execution and performance of contribution agreements. Upon approval of an application and business case and execution of a contribution agreement, the Company will deliver a request for funds to The City. The City is responsible for the disbursement of requested funds to the beneficiary from the Fund Reserve.

2. Significant accounting policies

Basis of accounting

The financial statements are expressed in Canadian dollars. The financial statements have been prepared in accordance with Canadian Public Sector Accounting Standards for Government Not-for-Profit Organizations, with the optional 4200 series, as established by the Public Sector Accounting Board. The significant policies are described below.

Cash

Cash includes balances with banks. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash. Restricted cash will be utilized on future eligible expenditures.

Revenue recognition

The Company follows the deferral method of accounting for City of Calgary funding. These funds are recognized as revenue in the year in which the related direct costs required to administer the Fund Reserve are incurred. Interest income is recognized as revenue when earned.

Use of estimates

The preparation of financial statements in conformity with Canadian Public Sector Accounting Standards for Government 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.

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

2. Significant accounting policies *(Continued from previous page)*

Financial instruments

The Company recognizes its financial instruments when the Company becomes 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 PSAS Section 2200 ***Related Party Disclosures*** (refer to Note 7).

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. If so, the Company reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets; and the amount expected to be realized by exercising any rights to collateral held against those assets. Any impairment, which is not considered temporary, is included in current year deficiency of revenue over expenses. The Company reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in the statement of operations in the year the reversal occurs.

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 statement.

Measurement uncertainty

In early 2020 there was a global outbreak of COVID-19 (Coronavirus), which has had a significant impact on businesses and governments through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation orders. The extent to which the Company is impacted will depend on future developments, which are highly uncertain and that cannot be predicted with confidence, such as the ultimate geographic spread of the disease, the duration of the outbreak, travel restrictions and social distancing in Canada and other countries, business closures or business disruptions and the effectiveness of actions taken in Canada and other countries to fight the virus.

The amounts recorded in these financial statements are based on the latest reliable information available to management at the time the financial statements were prepared where that information reflects conditions as at the date of the financial statements. However, there is inherent uncertainty about these assumptions and estimates which could result in outcomes that require adjustments to the carrying amount of the affected assets or liabilities in the future.

3. Amounts receivable

Amounts receivable relates to the following:

	2021	2020
Goods and Services Taxes receivable	**30,191**	18,014

4. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities relate to the following:

	2021	2020
Trade accounts payable	**18,480**	3,307
Accrued liabilities	**111,339**	81,820
	129,819	85,127

5. Deferred revenue

Deferred revenue consists of unspent funds from The City which are restricted for direct costs to administer the Fund Reserve. Recognition of these amounts as revenue is deferred to periods when the specified expenses are made. Changes in the deferred revenue balance are as follows:

	2021	2020
Balance, beginning of period	**450,370**	719,681
Funding received	**918,611**	649,609
Amounts recognized as revenue during the period	**(1,157,608)**	(918,920)
Balance, end of period	**211,373**	450,370

6. Income taxes

The Company is registered as a tax-exempt organization under the Act, and as such is exempt from income taxes. In order to maintain its tax-exempt status under the Act, the Company must meet certain requirements within the Act. In the opinion of management, these requirements have been met.

7. Related party transactions

The Company has an Operating and Funding Agreement ("Agreement") with The City effective May 11, 2018.

The City of Calgary and affiliates

Related party balances and transactions with The City consist of:

	2021	2020
Opening balance restricted cash	**450,370**	719,681
Cash received from The City	**918,611**	649,609
Revenue recognized	**(1,157,608)**	(918,920)
Year end balance restricted cash	**211,373**	450,370

Calgary Economic Development Ltd.

CED and the Company are related by virtue of common control as they are wholly owned subsidiaries of The City, share two common Board of Director members and have common management.

The Company entered into an Administrative Services and Fund Management Agreement with CED effective April 19, 2018. This agreement is in consideration of the performance of the administrative services and the management of the Fund Reserve by CED for a management fee of $1 per month.

In addition, CED will be reimbursed by the Company for reasonable out-of-pocket costs and expense incurred directly by CED including costs or expenses incurred by the retention of additional personnel specifically for the Company.

Related party balances and transactions with CED consist of:

	2021	2020
Due to related party:		
Corporate services	**38,239**	35,071
Technology services	**1,730**	1,213
Total	**39,969**	36,284
Expenses:		
Corporate services	**517,797**	480,241
Technology services	**13,335**	14,218
Total	**531,132**	494,459

All transactions are in the normal course of operations and have been recorded at the agreed exchange amounts that have been negotiated between the parties.

8. Contribution Agreements

The Company develops and executes Contribution Agreements with approved Beneficiaries. Each Contribution Agreement defines the Project, the estimated costs of the Project, schedule of payment and milestones for disbursements of funds that will be made by The City to the Beneficiary, the terms and conditions upon which the funds will be disbursed and restrict the Beneficiaries use of its allocation of the Fund Reserve to the subject of the Project. Further, the Contribution Agreement defines the expected economic outcomes and timeline in respect of the Project; provides for the return of funds from the Beneficiary to The City in the event of a material breach in terms of the Contribution Agreement, or abandonment, delay or suspension of the Project for greater than six months; and provides requirements for the reporting by the Beneficiary to the Company on the status of the subject Project and the use of the disbursed Fund Reserve funds. On May 31, 2021, OCIF and The City amended their Operating and Funding Agreement expanding the ability to include an allocation of funds up to $10,000,000 from Reserve towards investment in a Fund Manager.

The Company will monitor and manage each Contribution Agreement until all obligations of the Beneficiary have been satisfied in full. The Company will not approve and recommend The City to action a payment until the correlating milestones are achieved.

As at December 31, 2021, the Company has executed 20 Contribution Agreements and delivered to The City a commitment for funds totalling up to $59.0 million of which $13.6 million of instalments have been paid. Total anticipated future payments by The City are as follows:

2022	$13,969,451
2023	$12,625,951
2024	$8,265,951
2025	$4,874,823
2026	$5,774,824
Total anticipated future payments by The City	**$45,511,000**

9. 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 management. The Board of Directors receives periodic reports from the Company's management through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets.

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, considering its anticipated cash flows from operations and its holdings of cash and cash equivalents.

9. Financial instruments *(Continued from previous page)*

The following table sets out the contractual maturities of financial liabilities:

2021	***0-90 days***	***91 days and older***	***Total***
Due to related party	39,969	-	**39,969**
Trade accounts payable	18,480	-	**18,480**
Accrued liabilities	111,339	-	**111,339**
Total	169,788	-	**169,788**

2020	***0-90 days***	***91 days and older***	***Total***
Due to related party	36,284	-	36,284
Trade accounts payable	3,307	-	3,307
Accrued liabilities	81,820	-	81,820
Total	121,411	-	121,411

10. Share capital

On April 20th, 2018, the Company issued one common share to The City.