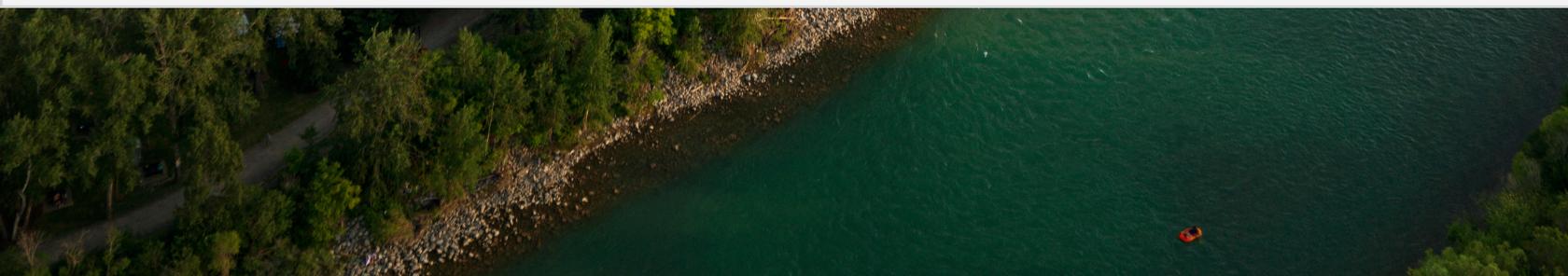




# Opportunity Calgary Investment Fund

2018 Annual Report



## Letter from the Chair

The Opportunity Calgary Investment Fund was created to be a catalyst for transformative investments in our city at a time when business as usual is not going to be enough to drive prosperity in Calgary.

Calgary City Council established this ambitious \$100 million program to proactively support investment attraction and job creation. The Fund is administered by Calgary Economic Development and governed by a volunteer Board of Directors.

As the Chair of the Fund, I know all Board Members feel an immense responsibility to ensure the Fund fulfills its mandate and that we properly steward the capital of Calgary's taxpayers.

We have no doubt about the prospects and opportunities that the Fund can create, but we also understand the level of scrutiny on the Fund. Rigour and discipline in our evaluation processes, creativity in how we structure our proposals to accelerate economic growth, and alignment with the Economic Strategy *Calgary in the New Economy*, which was approved by City Council, drive our efforts.

The Fund began accepting applications from private sector companies and public institutions on April 25, 2018 and the Fund received almost 200 proposals during the year.

The projects which were funded submitted comprehensive business plans, met with the Board and were subject to third-party diligence. The access to funding is further governed by formal Contribution Agreements which have mechanisms to ensure agreed performance targets and other obligations are met. All agreements have mechanisms to withhold payments or request repayment if commitments are not met.

The projects that received funding in 2018 showed a commitment to maintain and grow their head offices in Calgary, support ecosystem development and create quality jobs for Calgarians. All will serve as catalysts for further investments.

The Board members deserve our gratitude for their outstanding insights, guidance and hard work turning an idea into a powerful economic development tool for the City of Calgary. Our Board is particularly grateful for the leadership and inspiration of Jim Gray – who chaired the original steering committee that created the Fund – and is leaving the Board.

The Board also wants to thank City Council, City Administration and the staff at Calgary Economic Development for their tremendous work over the past year. The Board looks forward to continuing its work leveraging the Fund to position Calgary as the location of choice for business investment and to develop our workforce.

**Barry Munro is Chair of the Board of Directors of the Opportunity Calgary Investment Fund**

## Letter from the CEO

The administration of the Opportunity Calgary Investment Fund is the largest endeavor ever undertaken by Calgary Economic Development and a successful launch for the City of Calgary initiative was highlight of the first year of operations.

Calgary is at crossroads and as we take on generational economic challenges, the \$100 million is a tool we can proactively use to attract investment and create jobs while serving as a catalyst for both innovation and economic growth.

The Economic Strategy, *Calgary In the New Economy*, which was also approved by City Council in 2018, is the foundation for all investments reviewed under the Fund. The priority is to support the development of thriving ecosystems in our key industrial sectors. Enhancing the talent base in Calgary is a significant component of every endeavor that receives funding.

The almost 200 applications for funding we received in the first year are a testament to the significant public interest in the Fund. With the appropriate investment evaluation processes in place to ensure that a project will generate a return for Calgary, the Board announced Funding Agreements with two companies in 2018 – MobSquad and ATTAbotics Inc.

With a mature review process in place after our first year of operations, we expect the number of the announcements from the Fund will increase in 2019. Our focus is on cluster development in our industrial sectors, attraction of large anchor companies and companies in the scale-up or expansion phase. As an example, areas like artificial intelligence, life sciences, and talent accelerators offer significant opportunities for Calgary.

Opportunities where we can apply technology to industrial applications to increase the competitiveness and efficiency of Calgary-based businesses, improve safety or lower the environmental impact, advance human health or meet the demand for work-integrated learning are a priority for the Fund.

I want to thank all the companies and institutions that submitted applications. There were many terrific opportunities presented to the Opportunity Calgary Investment Fund. Not all were the right fit for the Fund, but that does not reduce our excitement at Calgary Economic Development or the Opportunity Calgary Investment Fund about the prospects for these businesses. Many of the companies show great potential for our city and several continue to work with Calgary Economic Development.

I also want to thank the members of the Board of Directors, City Council, City Administration and to all the staff at Calgary Economic Development for their tireless work to develop this made-in-Calgary tool to drive innovation and growth. I am proud of what we accomplished in year one and expect to deliver even more impressive results going forward.

***Mary Moran is President and Chief Executive Officer of Calgary Economic Development***

# Opportunity Calgary Investment Fund

The City of Calgary initiative was launched in 2018 as a tool to attract and support transformative investments to develop our talent and drive growth in key industrial sectors. All submissions for non-repayable funding are subject to rigorous review to ensure they will align with the Economic Strategy for Calgary and will be catalysts for economic growth, diversification, and employment.

## Timeline

As at May 10, 2019

### June 2017:

City Council approves \$10 million for Fund, Steering Committee appointed



### December 2017:

Council approves an additional \$90 million



### April 2018:

Official launches, begins accepting applications



### May 2018:

First Shareholder meeting, Board of Directors appointed



### June 2018:

100 applications received in first seven weeks



**December 2018:**  
ATTAbotics funding announcement



**October 2018:**  
MobSquad funding announcement



# 2019

**February 2019:**  
Life Sciences Innovation Hub funding announcement



**May 2019:**  
NPower Canada funding announcement

# Confirmed Projects

As at May 10, 2019

Projects Approved <b>5*</b>	Amount Committed <b>\$18.6M</b>	Committed Jobs <b>770</b>	Amount Remaining <b>\$81.4M</b>
--------------------------------	------------------------------------	------------------------------	------------------------------------

## Investing Calgary

### **BUILDING CALGARY'S PIPELINE OF TOP TECH TALENT**

MobSquad headquartered its operations in Calgary to provide Silicon Valley clients with teams of software engineers and data scientists from locations in Canada. The \$1.5 million investment supports hiring of 150 tech workers in its downtown offices. The investment is intended to grow the tech community and entice other top talent here to spur additional growth.

### **DISRUPTING SUPPLY CHAINS AND GROWING ECOSYSTEMS**

ATTAbotics is a Calgary company reinventing supply chains through robotics with its 3D storage, retrieval and real-time order fulfillment system. The \$4.5 million investment will support the scale up of manufacturing and 150 full-time positions. The investment is intended to be a catalyst for growth in the advanced manufacturing and robotics ecosystems.

### **INCUBATING COMPANIES IN THE LIFE SCIENCES SECTOR**

The Life Sciences Innovation Hub is a centre that serves as a bridge to commercialize advanced research conducted at the University of Calgary. The Hub provides space for researchers and companies to turn ground-breaking ideas into business ventures. The \$8.5 million investment is intended to lead to a steady stream of new companies to drive expansion of Calgary life sciences and health sector.

### **DEVELOPING TECH SKILLS FOR UNDERSERVED YOUTH**

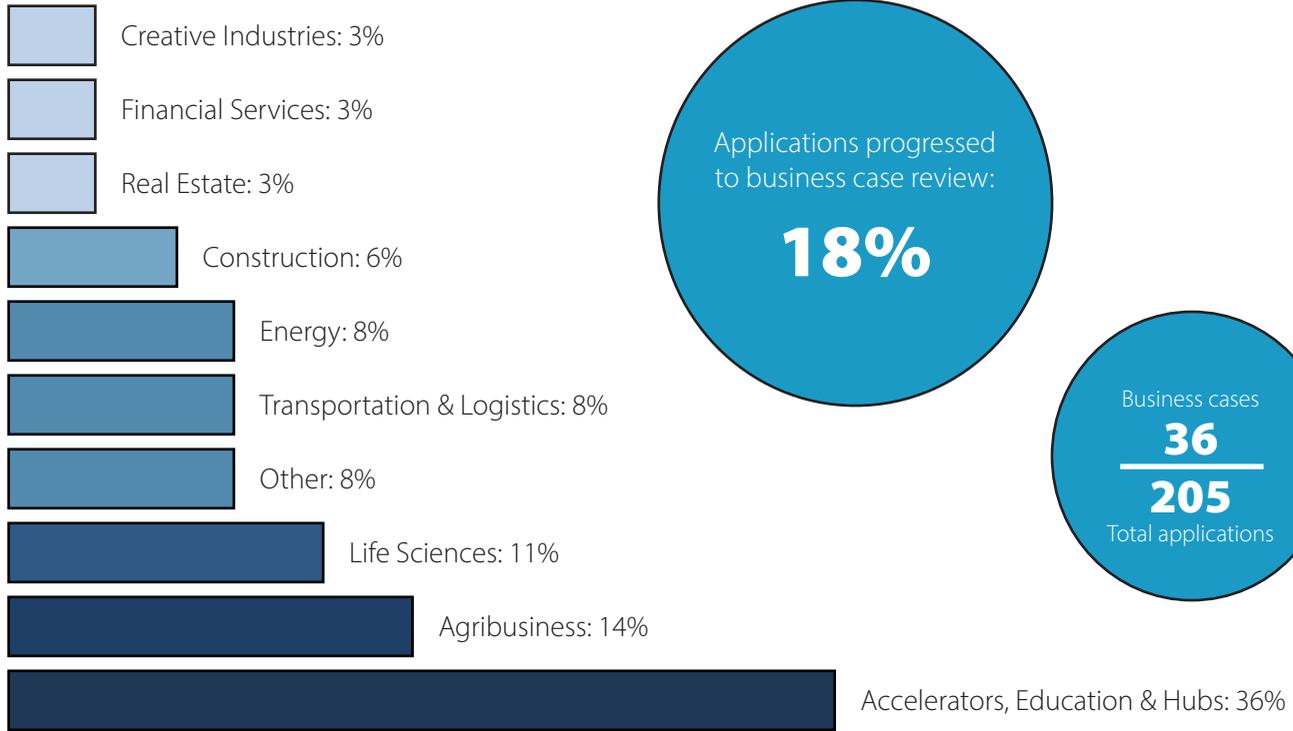
NPower Canada is a non-profit organization that helps launch young adults from underserved communities into careers in tech. The \$100,000 investment supports opening its first location in Western Canada will provide tech training to 300 youth over three years to provide companies with the entry-level workers.

\*Project 5 will be announced in 2019

# Reviews in Progress

As at May 10, 2019

## Business Cases by Sector



## Business Cases by Category

**25**

**Scale-Up & Expansion**

**9**

**Cluster Development**

**2**

**Anchor Companies**

Applications are subject to rigorous review against specific criteria, including:

## Investment Criteria



### Job Creation

Incremental growth in the quantity and quality of full-time direct and indirect jobs



### Economic Benefits

Increases in direct investment, revenues, and property tax



### Alignment with Key Industries and Emerging Sectors

Investment in key industries and emerging, high potential sectors



### Innovation and Sector Benefits

Strategic projects that spur and facilitate growth



### Social Benefits

Benefits to citizens or the environment



### Alignment with Strategic Initiatives

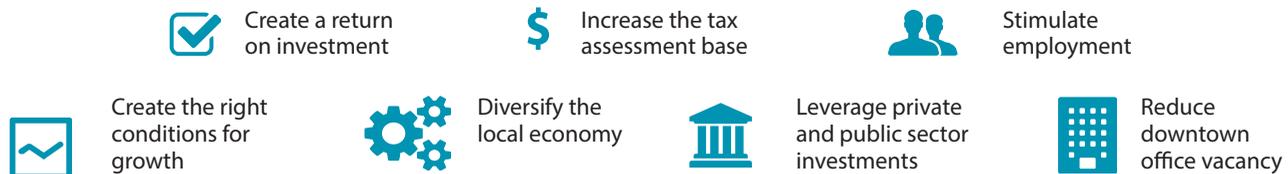
Align with other public and private initiatives

# Economic Strategy For Calgary

Calgary in the New Economy, approved by City Council, is the driving force behind all investments by the Fund.



## Program Goals



## Board of Directors

### Barry Munro

Partner, EY and President, Ernst & Young Orenda Corporate Finance Inc. (Chair)

### Steve Allan

Chair of the Board, Calgary Economic Development (Vice Chair)

### Naheed Nenshi

Mayor

### Jeff Davison

Councillor, Ward 6

### Carol Kitchen

President & CEO, UFA Co-operative Limited (OCIF Audit Committee Chair)

### Cheryl Gottselig

Partner, Burnet, Duckworth & Palmer LLP (OCIF Corporate Governance & Effectiveness Chair)

### Michael Brown

President & CEO, Calgary Municipal Land Corporation

### Ian Bruce

Former CEO, Peters & Co. Limited.

### Jim Gray

Chairman of the Energy Group, Brookfield Asset Management

### Geeta Sankappanavar

Co-founder and President, Grafton Asset Management

## Officers

### Mary Moran

Chief Executive Officer

### Sheila Will

Chief Financial Officer and Secretary of the Corporation

# **Opportunity Calgary Investment Fund**

**Financial Statements  
December 31, 2018**

# Opportunity Calgary Investment Fund

## Management's Responsibility

---

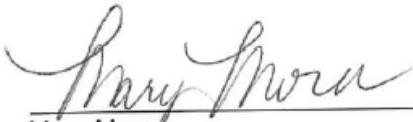
To the Board of Directors of Opportunity Calgary Investment Fund Ltd.:

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 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.



---

Mary Moran  
Chief Executive Officer  
Opportunity Calgary Investment Fund Ltd.



---

Sheila Will  
Chief Financial Officer  
Opportunity Calgary Investment Fund Ltd.

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, 2018, and the statements of operations and changes in net assets and cash flows for the period 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, 2018, and the results of its operations and its cash flows for the period then ended in accordance with Canadian accounting standards for 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 accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

March 8, 2019

*MNP LLP*

Chartered Professional Accountants

# Opportunity Calgary Investment Fund

## Opportunity Calgary Investment Fund Ltd. Statement of Financial Position

As at December 31, 2018

2018

### Assets

#### Current

Cash	187,412
Amounts receivable (Note 3)	12,364
Restricted cash (Note 5)	365,952

565,728

### Liabilities

#### Current

Accounts payable and accrued liabilities (Note 4)	151,766
Due to related party (Note 7)	48,009
Deferred revenue (Note 5)	365,952

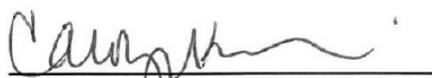
565,727

### Net Assets

Share capital (Note 10)	1
-------------------------	---

565,728

Approved on behalf of the Board

  
Director

  
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 256-day period ended December 31, 2018

---

	<b>2018</b>
<hr/>	
<b>Revenue</b>	
City of Calgary funds (Note 7)	<b>445,048</b>
<hr/>	
<b>Expenses</b>	
Legal services (Note 1)	<b>190,290</b>
Professional services	<b>112,169</b>
Corporate services (Note 1 and Note 7)	<b>89,132</b>
Technology services (Note 7)	<b>53,457</b>
<hr/>	
	<b>445,048</b>
<hr/>	
<b>Excess of revenue over expenses</b>	<b>-</b>
<hr/>	

---

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 256-day period ended December 31, 2018*

---

	<b>2018</b>
Net assets, beginning of period	-
Excess of revenue over expenses	-
Issuance of share capital	1
Net assets, end of period	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 256-day period ended December 31, 2018

2018

---

### Cash provided by (used for) the following activities:

#### Operating

Excess of revenue over expenses	-
---------------------------------	---

---

#### Changes in working capital accounts

Amounts receivable	(12,364)
--------------------	----------

Accounts payable and accrued liabilities	151,766
--	---------

Due to related party	48,009
----------------------	--------

Deferred revenue	365,952
------------------	---------

---

**553,363**

#### Financing

Issuance of share capital	1
---------------------------	---

---

Increase in cash and cash equivalents	553,364
---------------------------------------	---------

Cash and cash equivalents, beginning of period	-
--	---

---

<b>Cash and cash equivalents, end of period</b>	<b>553,364</b>
---	----------------

---

#### Cash and cash equivalents are composed of:

Unrestricted cash	187,412
-------------------	---------

Restricted cash	365,952
-----------------	---------

---

**553,364**

---

---

*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 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 11<sup>th</sup>, 2018.

The Company was established with a mandate to manage the \$100,000,000 OCIF 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 administered by the City, as such, the Fund Reserve 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 OCIF 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 OCIF Board or if required to present the City of Calgary Priorities and Finance Committee ("PFC") 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.

Organizational costs incurred to create the Company were \$153,119, which are included in legal services and technology services.

## 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 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 include balances with banks. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash. Restricted cash will be utilized against 2019 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.

### ***Use of estimates***

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

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary.

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 4260 *Disclosure of Related Party Transactions By Not-For-Profit Organizations* (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.

## 3. Amounts receivable

Amounts receivable relates to the following:

	<b>2018</b>
Goods and Services Taxes receivable	<b>12,364</b>

## 4. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities relate to the following:

	<b>2018</b>
Trade accounts payable	118,203
Accrued liabilities	33,563
	<b>151,766</b>

## 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:

	<b>2018</b>
Balance, beginning of period	-
Funding received	811,000
Amounts recognized as revenue during the period	(445,048)
<b>Balance, end of period</b>	<b>365,952</b>

# Opportunity Calgary Investment Fund

## Opportunity Calgary Investment Fund Ltd. Notes to the Financial Statements For the 256-day period ended December 31, 2018

### 6. Income taxes

The Company 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-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 entered into an Operating and Funding Agreement ("Agreement") with The City.

In the current year, the Company received \$811,000 under this agreement of which \$445,048 was recognized as revenue in 2018 and \$365,952 deferred to 2019.

#### The City of Calgary ("The City") and affiliates

Related party balances and transactions with The City consist of:

	<b>2018</b>
Deferred revenue	365,952
Revenue recognized	445,048
<b>Total</b>	<b>811,000</b>

#### Calgary Economic Development Ltd. ("CED")

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 Reserve Fund 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 in connection with the performance of the administrative services, the Fund management and any additional services including travel and lodging. CED will not be reimbursed for any of CED's ongoing overhead costs and expenses unless such costs or expenses are incurred by the retention of any additional personnel specifically for the Company.

Related party balances and transactions with CED consist of:

	<b>2018</b>
Due to related party:	
Corporate services	47,255
Technology services	754
<b>Total</b>	<b>48,009</b>
Expenses:	
Corporate services	85,155
Technology services	53,457
<b>Total</b>	<b>138,612</b>

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 for the reporting by the Beneficiary to the Company on the status of the subject Project and the use of the disbursed Reserve Funds.

The Company will monitor and manage each Contribution Agreement until all obligations of the Beneficiary have been satisfied in full.

As of December 31, 2018, the Company has developed and executed three Contribution Agreements, and delivered to the City a commitment for funds. The estimated payments from the Fund Reserve are as follows:

- Beneficiary one is expected to receive up to \$1.5 million of the Fund Reserve, paid in instalments as it achieves specific employment numbers. The expected completion date of this Project is December 31, 2020.
- Beneficiary two is expected to receive up to \$4.5 million of the Fund Reserve, paid in instalments as it expands its operations in the City of Calgary. The expected completion date of this Project is September 30, 2020.
- Beneficiary three is expected to receive up to \$4 million of the Fund Reserve, paid in instalments as it relocates to downtown Calgary and achieves specific employment numbers as a result. The expected completion date is January 20, 2020.

Subsequent to year-end, on February 6, 2019, the Company executed an agreement with its fourth Beneficiary, and delivered to the City a commitment for funds. This Beneficiary is expected to receive \$8.5 million of the Fund Reserve, paid in instalments as it develops programming that will support turning advancing research into commercial ventures. The expected completion date is March 31, 2022.

## 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.

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

<b>2018</b>	<i>0-90 days</i>	<i>91 days and older</i>	<b>Total</b>
Due to related party	48,009	-	<b>48,009</b>
Trade accounts payable	118,203	-	<b>118,203</b>
Accrued liabilities	33,563	-	<b>33,563</b>
<b>Total</b>	<b>199,775</b>	-	<b>199,775</b>

# Opportunity Calgary Investment Fund

**Opportunity Calgary Investment Fund Ltd.**  
**Notes to the Financial Statements**  
*For the 256-day period ended December 31, 2018*

---

**10. Share capital**

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





## **Calgary Economic Development**

731 1st Street SE  
Calgary, Alberta  
Canada, T2G 2G9

**ph** 403 221 7831

**fax** 403 221 7828

**toll free** 1 888 222 5855

**web** [www.calgaryeconomicdevelopment.com/about-us/initiatives/opportunity-calgary-investment-fund](http://www.calgaryeconomicdevelopment.com/about-us/initiatives/opportunity-calgary-investment-fund)

**calgary**  
be part of the energy™

**Opportunity Calgary  
Investment Fund**

