

POPULAR ANNUAL FINANCIAL REPORT



CITY OF CALGARY

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MAYORS LETTER

MAYORS LETTER

IN 2022, OUR COMMITMENT TO THE PEOPLE OF CALGARY REMAINED UNWAVERING. WE DEDICATED OURSELVES TO CREATING A CITY THAT OFFERS OPPORTUNITIES AND ACCESS FOR ALL. DESPITE CHALLENGES LIKE INFLATION AND POPULATION GROWTH, WE TACKLED THEM HEAD-ON WITH A SPIRIT OF COLLABORATION. WE WORKED CLOSELY WITH LOCAL PARTNERS, NEIGHBOURING MUNICIPALITIES, AND OTHER LEVELS OF GOVERNMENT TO ENSURE A BRIGHTER FUTURE. OUR TOP PRIORITIES INCLUDED DOWNTOWN REVITALISATION, PUBLIC SAFETY, AND AFFORDABLE HOUSING, WITH A STRONG FOCUS ON ECONOMIC RESILIENCE, SOCIAL RESPONSIBILITY, AND ENVIRONMENTAL STEWARDSHIP.

ADDITIONALLY, WE RESTRUCTURED OUR ORGANIZATION TO BE MORE ADAPTABLE AND EFFICIENT, IN LINE WITH OUR CITIZENS' EVER-EVOLVING NEEDS AND THE GROWTH OF OUR CITY. THIS NEW APPROACH IS DESIGNED TO PROMOTE BETTER COLLABORATION AND ENHANCE OUR ABILITY TO SERVE CALGARIANS AND OUR LOCAL ECONOMY.

AS YOU READ THE 2022 ANNUAL FINANCIAL REPORT, WE HOPE YOU WILL SHARE IN THE PRIDE WE FEEL FOR THE PROGRESS MADE AND THE PATH WE ARE FORGING TOWARD A FUTURE-PROOFED CITY. TOGETHER, WE ARE BUILDING A BRIGHTER FUTURE FOR CALGARY."



ABOUT THE CITY

The Land Acknowledgement section recognizes that the city of Calgary is situated on ancestral land where Indigenous Peoples have gathered for generations. The traditional names for Calgary are shared, acknowledging the land's historical significance. The importance of acknowledging the land and respecting those who traditionally lived on it is highlighted. Calgary's location on the traditional territories of Treaty 7, as well as its significance to various Indigenous groups, is acknowledged, emphasizing the rich lessons learned from their relationships with the land.

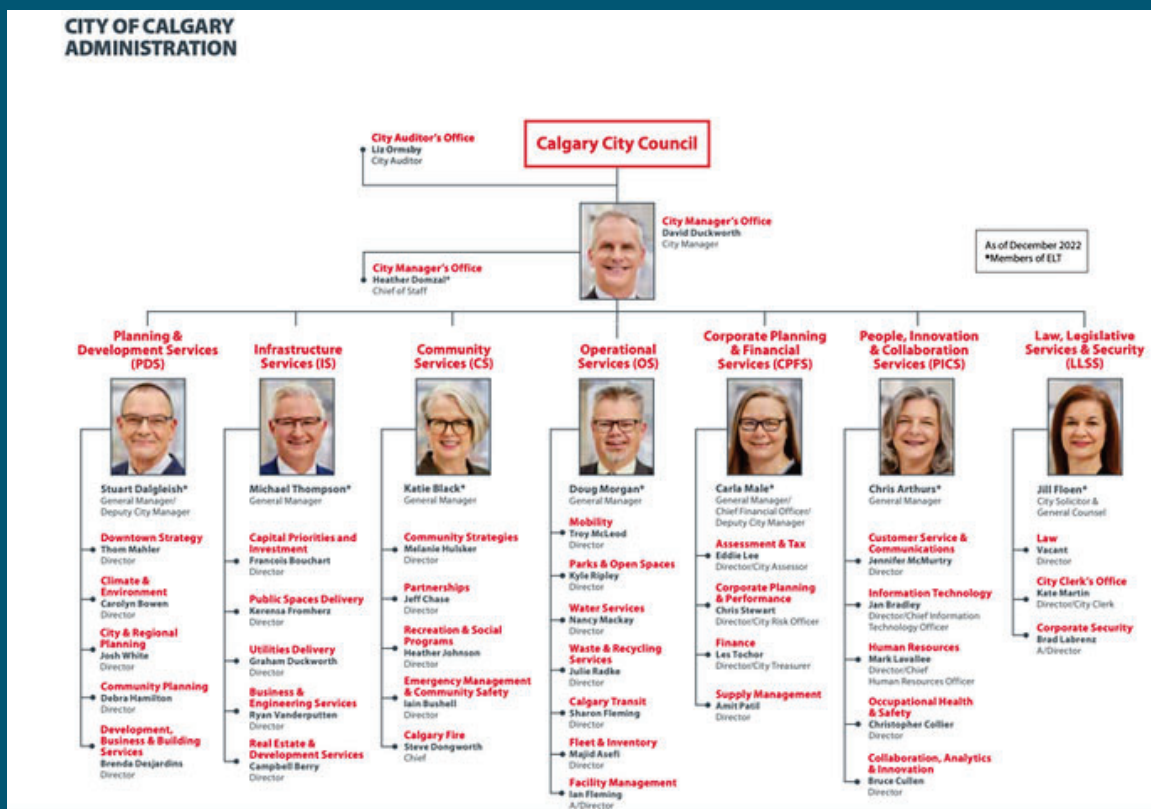
The historical context of Calgary's development is explained, starting with the construction of Fort Calgary in the late 1800s. The city is described as a place where diverse people come together to collaborate and build a better life. Key statistics about Calgary are provided, such as its population, personal income, head office concentration, cost of living, and GDP per capita. The city's demographics and active lifestyle are also highlighted.

Calgary's appeal as a place to make a living and a life is discussed, citing its high quality of life, vibrant arts and culture scene, low taxes, and proximity to the Rocky Mountains. The city's business-friendly environment, with a focus on innovation and entrepreneurship, is emphasized.

The summary concludes with a note on the City of Calgary's role in the city's success story, emphasizing the commitment to building Calgary's future through smart decisions.

Overall, this document conveys Calgary's historical roots, its present status, and its aspirations for the future.

city organizational chart



COUNCIL IS COMPRISED OF 14 COUNCILLORS AND THE MAYOR. IN COUNCIL MEETINGS, EACH MEMBER HAS ONE VOTE. THEY ARE ELECTED BY AND ACCOUNTABLE TO THE PEOPLE OF CALGARY. THE MAYOR AND COUNCILLORS HOLD OFFICE FOR FOUR-YEAR TERMS. THE ROLE OF COUNCIL IS TO GOVERN THE CITY OF CALGARY, CALGARY'S MUNICIPAL CORPORATION, TO ENSURE IT PROVIDES THE CIVIC SERVICES CALGARIANS NEED.

IN 2022, CALGARY CITY COUNCIL CONTINUED TO MAKE STRIDES IN BUILDING A CITY THAT OFFERS OPPORTUNITY AND ACCESS FOR ALL CALGARIANS. WE MANAGED TO PROVIDE QUALITY SERVICES TO THE PEOPLE WE SERVE WHILE RESPECTING THE PRESSURES OF INFLATION AND POPULATION GROWTH. WHILE WE CONTINUE TO FACE THE SAME WICKED PROBLEMS AS CITIES AROUND THE COUNTRY, WE ARE APPROACHING THESE CHALLENGES FROM A PLACE OF COLLABORATION WITH LOCAL PARTNER ORGANIZATIONS, NEIGHBOURING MUNICIPALITIES, AND OTHER ORDERS OF GOVERNMENT. COUNCIL UNDERSTANDS THAT WE ARE ALL STRONGER WHEN WE WORK TOGETHER AND REMAIN FOCUSED ON KEY PRIORITIES ALONG THE ROAD TO RECOVERY, INCLUDING DOWNTOWN REVITALIZATION, PUBLIC SAFETY AND AFFORDABLE HOUSING. TO CREATE A FUTURE-PROOFED CITY, COUNCIL REMAINS COMMITTED TO ECONOMIC RESILIENCE BALANCED WITH SOCIAL AND ENVIRONMENTAL STEWARDSHIP."

- MAYOR JYOTI GONDEK ON BEHALF OF COUNCIL

CORPORATE GOVERNANCE AND ACCOUNTABILITY of Calgary

AUDIT COMMITTEE

THE AUDIT COMMITTEE ASSISTS COUNCIL IN FULFILLING ITS OVERSIGHT AND STEWARDSHIP RESPONSIBILITIES. AUDIT COMMITTEE GAINS REASONABLE ASSURANCE IN RELATION TO FINANCIAL AND GOVERNANCE MATTERS, RISK MANAGEMENT AND COMPLIANCE, INTERNAL CONTROLS, INTEGRITY OF THE CITY'S ANNUAL FINANCIAL STATEMENTS AND WHISTLE-BLOWER PROGRAM.

CITY OF CALGARY ADMINISTRATION

CALGARY'S MUNICIPAL GOVERNMENT IS RESPONSIBLE FOR SUPPORTING, ENCOURAGING AND STRENGTHENING OUR COMMUNITY'S DYNAMIC DEVELOPMENT.

IT IS ADMINISTRATION'S RESPONSIBILITY TO PROVIDE, MANAGE AND SUSTAIN CIVIC INFRASTRUCTURE, FACILITIES AND PROGRAMS THAT SUPPORT THE QUALITY OF LIFE THAT IS SO MUCH A PART OF CALGARY'S APPEAL.

THE ROLE OF THE CITY MANAGER

THE CITY MANAGER LEADS THE EXECUTIVE LEADERSHIP TEAM (ELT) AND WORKS CLOSELY WITH COUNCIL. THE CITY MANAGER IMPLEMENTS THE DECISIONS OF COUNCIL, PROVIDES ADVICE AND MANAGES CITY ADMINISTRATION. HE IS RESPONSIBLE AND ACCOUNTABLE FOR ENSURING ALL CITY WORK, PROJECTS, OPERATIONS AND SERVICES COMPLY WITH COUNCIL'S POLICIES, PRIORITIES, AND DIRECTION.

EXECUTIVE LEADERSHIP TEAM

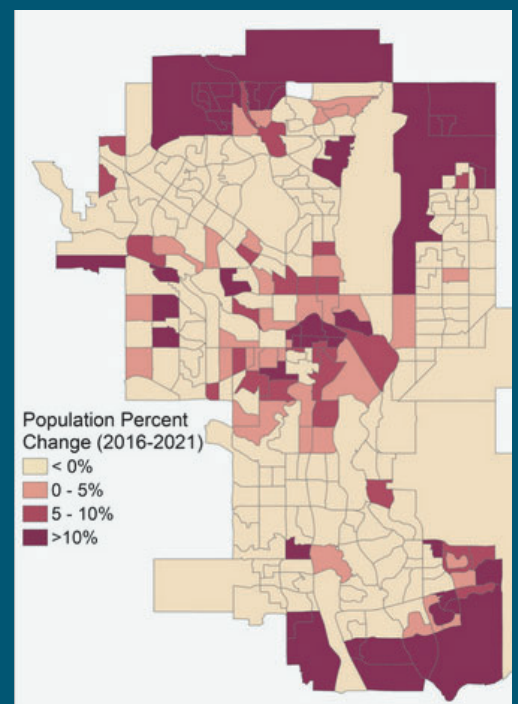
THE ELT OVERSEES ALL CITY OPERATIONS AND STRATEGIC MANAGEMENT BY LEADING, MANAGING AND CO-ORDINATING THE CITY'S PROGRAMS, PROJECTS AND INITIATIVES. THE ELT ALSO PLAYS A MAJOR ROLE IN DEVELOPING AND IMPLEMENTING PUBLIC POLICY AS WELL AS BALANCING THE PRIORITIES AND BEST INTERESTS OF THE COMMUNITY WITH THE CITY'S CORPORATE GOALS AND AVAILABLE RESOURCES.



GEOGRAPHIC LOCATION AND POPULATION

In 2021, Calgary's population increased to 1,306,780, representing a 5.5% growth compared to 2016. During the same period, the number of private dwellings also rose to 531,062, showing an 8.5% increase from 2016. Out of these dwellings, 502,301 were occupied by permanent residents, while 28,761 remained unoccupied or were occupied by temporary residents.

Calgary saw significant demographic shifts in 2021. The population of those aged 65+ grew by 28% since 2016, becoming the fastest-growing group. Those aged 15 to 29 decreased by 3%, the slowest growth. Calgary's median age was 38, relatively low compared to other major Canadian cities, and varied by area, with the highest median age at 60.



In 2021, Calgary had 356,225 census families, with an average size of about three people. Almost half had two members, and 85% were couple families. Additionally, for the first time, data was collected on different-gender, same-gender, and transgender/non-binary couples, revealing 5,000 such couples in the Calgary area, comprising 1.5% of all couple families

In 2021, Calgary had 502,300 households, including multigenerational and one-person households. Multigenerational households were more common in the city's outskirts, especially in the northeast. Living alone increased slightly to 12.6% for adults over 15, and young adults aged 20-34 living with at least one parent rose to 32.8% in 2021.

economic outlook

IN 2020, CALGARY HAD 115,560 INDIVIDUALS IN LOW INCOME (LIM-AT), WITH A RATE OF 8.9%. SENIORS AND YOUNG PEOPLE HAD SLIGHTLY HIGHER RATES. IN 2021, CALGARY SHOWED IMPROVED INCOME EQUALITY WITH A LOWER GINI INDEX (0.376) COMPARED TO 2015 (0.442). THE TOP 10% OF HOUSEHOLDS EARNED 4.1 TIMES MORE THAN THE BOTTOM 10%, SIGNALING MORE EQUALITY THAN IN 2015 (5.1 TIMES MORE).

IN 2021, CALGARY HAD A LABOR FORCE OF 730,055 PEOPLE WITH A 69% PARTICIPATION RATE AND A 12.5% UNEMPLOYMENT RATE. YOUTH LABOR FORCE PARTICIPATION DROPPED, WITH A 25% UNEMPLOYMENT RATE. MEN AND WOMEN'S FULL-TIME

In 2022, the economic environment in the Calgary Economic Region improved due to the waning impact of the COVID-19 pandemic and strong energy prices. Employment in the region increased by 66,100 people, and the unemployment rate decreased from 9.1% to 6.1%. However, living costs in the Calgary census metropolitan area rose significantly, with an inflation rate of 7.2% in 2022 compared to 3.2% in 2021. Building permit values remained consistent, but the number of permits issued decreased. Calgary's population grew, with natural growth expected to outpace the national average due to a younger population and interprovincial migration. City Administration implemented an organizational realignment in 2022, creating seven new departments to modernize municipal government and meet the changing needs of residents and businesses. These changes support the "Rethink to Thrive" corporate strategy, grouping similar functions together to deliver services more efficiently. The realignment process began in 2020 and was implemented in August 2022, with an effective date of January 1, 2022. This transition was well-planned to minimize service disruptions and financial impacts

ENMAX is a company owned by The City of Alberta, holding 30% of the city's financial assets. The City oversees ENMAX's plans and budget, and in 2022, ENMAX had decent credit ratings.

In 2022, The City remained resilient, supporting Calgarians and the economy. They ensured essential services, made strategic investments, and approved budgets for 2023-2026 to improve city services. Ongoing investments in projects like the BMO Convention Centre, Arts Commons, and the Green Line LRT continued to benefit the community. The City maintained a strong credit rating. They also restructured to better serve citizens, forming new departments.

Looking ahead to 2023, The City will focus on cost reduction, modernizing services, and long-term community support.

Achievements

THESE SEVEN QUALITY OF LIFE RESULTS DISCUSSED IN THE FOLLOWING SHOULD BE CONSIDERED AS A WHOLE WHEN DISCUSSING WHAT COMPRISES A HIGH QUALITY OF LIFE IN CALGARY.

CALGARY IS AN INCLUSIVE CITY PEOPLE IN CALGARY FEEL ACCEPTED AND INCLUDED AND ARE PART OF THE GREATER COMMUNITY. THEY CELEBRATE DIVERSITY AND ACCEPT PEOPLE FROM ALL WALKS OF LIFE. CALGARIANS ACKNOWLEDGE, RESPECT, AND EMBRACE INDIVIDUAL RIGHTS AND FREEDOMS, HISTORIES AND CULTURE. AMENITIES ARE ACCESSIBLE BY PEOPLE OF ALL AGES, RACE, GENDER AND ABILITIES. CALGARIANS ARE INCLUDED AND TRUST IN POLITICAL PROCESSES AND SOCIETAL DECISIONS THAT AFFECT THEIR WELL-BEING



CALGARY HAS A PROSPEROUS AND RESILIENT ECONOMY

PEOPLE IN CALGARY HAVE ACCESS TO MEANINGFUL EMPLOYMENT, ENTREPRENEURSHIP AND THE ECONOMIC OPPORTUNITIES THEY NEED AND DESIRE. CALGARIANS HAVE SUFFICIENT INCOME AND OTHER RESOURCES TO MEET THEIR CURRENT AND FUTURE NEEDS. CALGARY IS A BUSINESS AND INVESTMENT-FRIENDLY COMMUNITY WITH A DIVERSE AND ROBUST ECONOMY. IT IS AN ATTRACTIVE PLACE FOR A HIGHLY-SKILLED WORKFORCE IN A GLOBAL ECONOMY

CALGARY IS AN INNOVATIVE CITY THAT THRIVES ON KNOWLEDGE

CALGARY HAS A CULTURE OF CREATIVE THINKING AND DOING THAT INSPIRES INNOVATION AND ENTREPRENEURSHIP. CALGARIANS HAVE ACCESS TO QUALITY EDUCATION AND AN ARRAY OF LIFELONG LEARNING OPPORTUNITIES FOR ALL. CALGARY IS A FORWARD-LOOKING CITY THAT CAN ADAPT TO CHANGE AND IS EDUCATING FOR FUTURE OPPORTUNITIES.

CALGARY IS A CITY OF SAFE AND VIBRANT NEIGHBOURHOODS

CALGARIANS ENJOY LIVING, WORKING, CREATING, AND PLAYING IN SAFE NEIGHBOURHOODS THAT ALLOW PEOPLE TO GATHER AND CONNECT. CALGARIANS HAVE CONVENIENT ACCESS TO AMENITIES THAT MEET THEIR DAILY NEEDS. CALGARY IS A CULTURALLY-DYNAMIC CITY WITH EMPHASIS AND ACCESS TO ARTS, CULTURE AND RECREATION THROUGHOUT THE CITY. PEOPLE IN CALGARY VALUE SOCIAL NETWORKS AND THEY HELP THEIR NEIGHBOURS WHEN NEEDED.

CALGARY IS A CITY THAT MOVES WELL

CALGARIANS HAVE ACCESS TO SAFE AND RELIABLE TRAVEL OPTIONS THAT MATCH THEIR LIFESTYLES AND ABILITIES. PEOPLE AND GOODS MOVE EFFECTIVELY AND EFFICIENTLY WITHIN THE CITY, AS WELL AS WITHIN THE REGION AND INTERNATIONALLY. TRANSPORT IS AFFORDABLE, ACCESSIBLE, AND RELIABLE ACROSS ALL SEASONS FOR ALL WHO LIVE IN AND VISIT CALGARY.

CALGARY IS A HEALTHY CITY

IN CALGARY, EVERYONE HAS THE OPPORTUNITY TO LEAD FULFILLING LIVES. ALL CALGARIANS HAVE ACCESS TO THE RESOURCES THEY NEED FOR PHYSICAL, MENTAL, EMOTIONAL HEALTH AND WELL-BEING. CALGARIANS ENJOY HEALTHY LIFESTYLES, AND HAVE WHAT THEY NEED TO BE HEALTHY.

CALGARY HAS A SUSTAINABLE NATURAL ENVIRONMENT

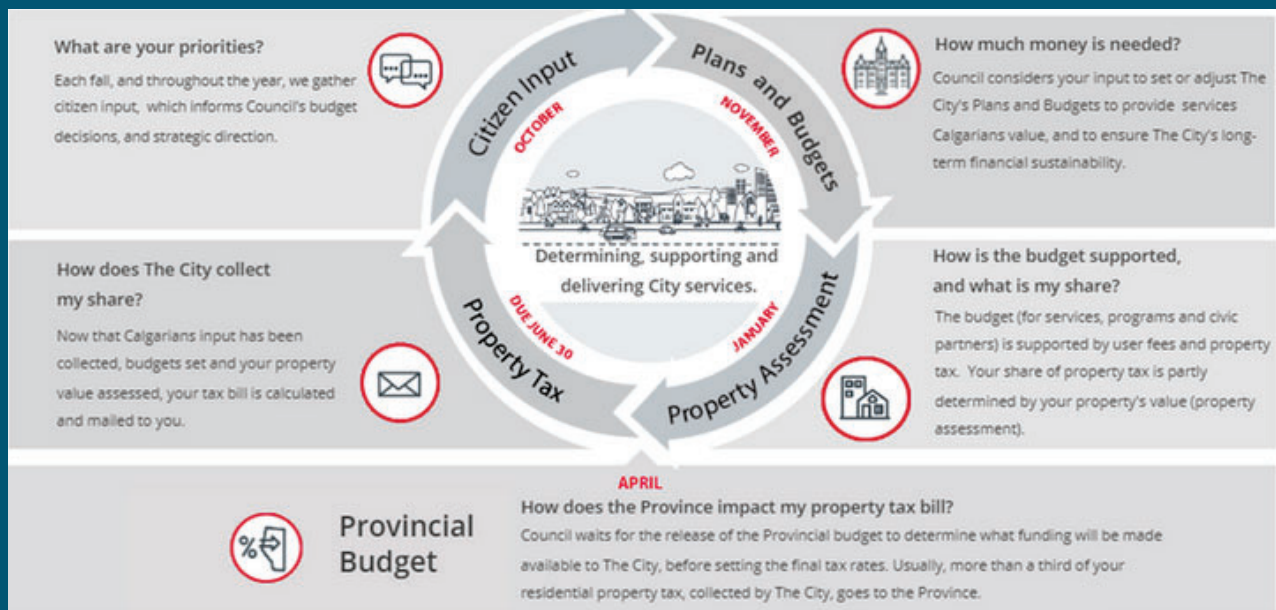
PEOPLE IN CALGARY VALUE THE NATURAL ENVIRONMENT AND ITS ROLE IN HUMAN AND SOCIETAL HEALTH. CALGARY HAS HEALTHY ECOSYSTEMS AND IS RESILIENT TO A CHANGING CLIMATE. CALGARIANS ARE RESPONSIBLE STEWARDS OF AIR, LAND, AND WATER AND ARE ENGAGED IN PRESERVATION OF THE ENVIRONMENT FOR FUTURE GENERATIONS.

FINANCIAL HIGHLIGHTS

The City's finances are based on taxes and user fees - and to a small degree, licenses and permits.

The financial year cycles through assessments, tax season, input from Calgarians, and budget setting. Budgets run for four years, with annual adjustments.

Delivering City services and determining the property tax bill



Municipal property tax dollars make up about 50 per cent of The City's annual operating budget. The other half is collected through user fees, permits and licencing, grants to name a few. The City delivers services and programs that Calgarians need and value every day. One's input, along with several key decisions and dates influence the property tax bill they receive each year.

FINANCIAL FACTS

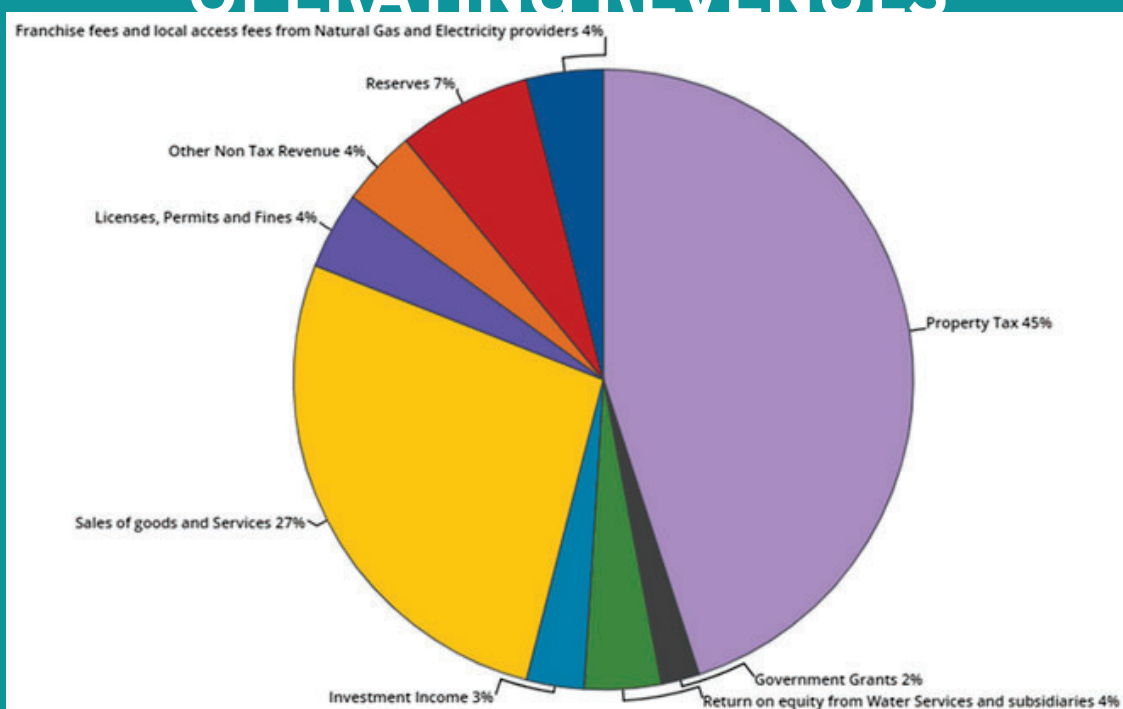
Municipal property tax dollars make up about 50% of The City's annual operating budget. The other half is collected through user fees, permits and licencing, grants to name a few.

The property tax dollars enable city to deliver services Calgarians rely on, such as, Fire, Police and Transit.

As part of The City's 2023-2026 service plans and budgets Calgarian input was collected and used to make additional investments in the services that matter most to people.

It has been recognized as one of the most livable cities in the world (The Economist in 2022) with the second lowest cost of living of any major city in Canada.

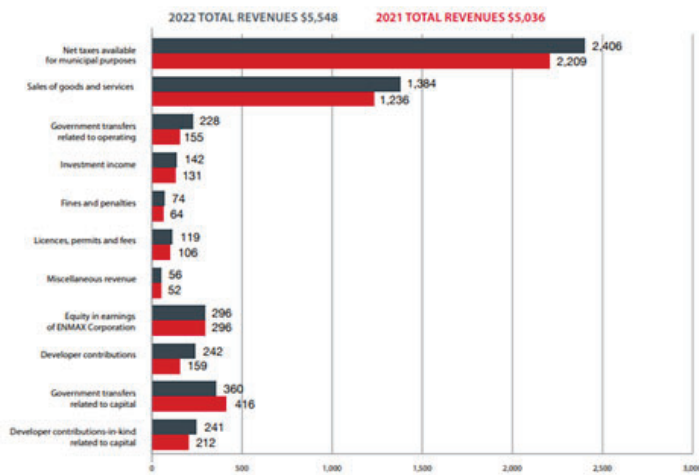
OPERATING REVENUES



REVENUES AND EXPENSES

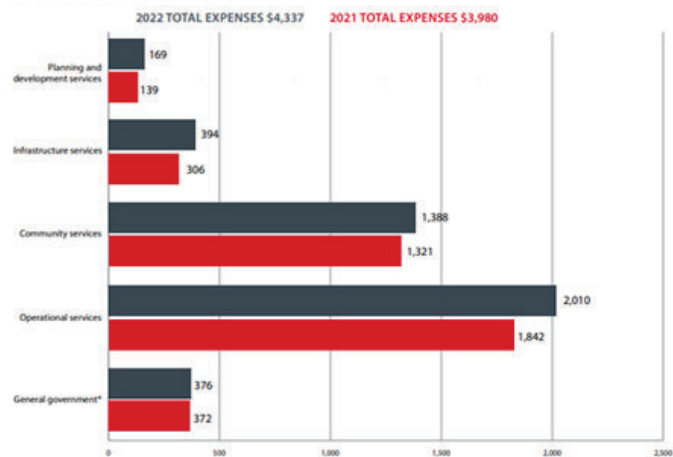
The City had consolidated **revenues** of \$4,704 million in 2022 (2021 – \$4,249 million) before external transfers for infrastructure. External transfers for infrastructure include grants and revenue sharing recognized from other governments plus funds and tangible capital assets from developers totaling \$843 million (2021 – \$787 million).

For the Years Ended December 31 (in millions of dollars)



The City had consolidated expenses of \$4,337 million (2021 – \$3,980 million). Included in expenses is amortization in the amount of \$717 million (2021 – \$707 million) as the estimated annual cost of owning and using The City's tangible capital assets.

For the Years Ended December 31 (in millions of dollars)



The City had excess revenues before other of \$367 million (2021 – \$269 million) and net revenues of \$1,211 million (2021 – \$1,056 million). Inclusive of the net ENMAX unrealized gain of \$124 million (2021 – \$60 million), The City's annual surplus totaled \$1,335 million (2021 – \$1,116 million)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31 (in thousands)

	2022	2021 (Restated Note 34)
FINANCIAL ASSETS		
Cash (Note 2)	\$ 1,311,375	\$ 1,149,220
Investments (Note 3)	5,206,794	4,804,797
Receivables (Notes 4 and 7 c)	484,018	384,329
Land inventory (Note 5)	211,213	257,031
Other assets (Note 6)	115,858	114,148
Investment in ENMAX Corporation (Note 7)	3,072,460	2,714,462
	10,401,718	9,423,987
FINANCIAL LIABILITIES		
Bank indebtedness (Note 8)	348,010	355,179
Accounts payable and accrued liabilities (Notes 7 c) and 9)	965,218	828,217
Deferred revenue (Notes 7 c) and 10)	106,619	98,768
Capital deposits (Note 11)	1,185,905	1,203,110
Provision for landfill rehabilitation (Note 12)	103,033	101,806
Employee benefit obligations (Note 13)	510,709	516,455
Long-term debt (Note 14)	2,695,093	2,770,590
	5,914,587	5,874,125
NET FINANCIAL ASSETS	4,487,131	3,549,862
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 15)	19,702,813	19,321,540
Inventory	77,379	65,462
Prepaid assets	35,474	31,038
	19,815,666	19,418,040
ACCUMULATED SURPLUS (Note 17)	\$ 24,302,797	\$ 22,967,902



MAJOR POLICIES

Ranked as the third most livable city in the world by The Economist in 2022, Calgary has the second lowest cost of living of any major city in Canada, and we are proud to be an amazing place to make a living and to make a life.

QUICK FACTS ABOUT CITY SERVICES



100 corporate head office, most per capita of any Canadian city

Extremely high satisfaction with level and quality of services and programs



1000 kilometers of pathways

3rd most diverse metropolitan area in Canada



Over 5600 parks and open spaces, including 100+ dog parks and 1000 playgrounds

most repaid transit service per million residents of any major Canadian city



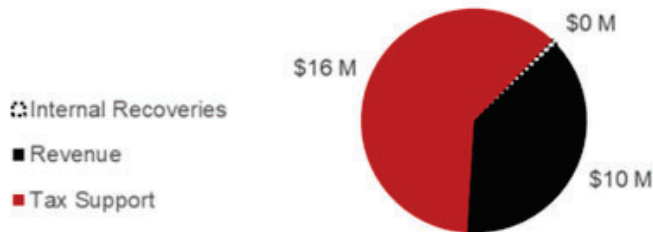
700 startups, many in tech

highest GDP per capita of major Canadian cities



SERVICE PLANS AND BUDGETS

Affordable Housing
2022 Budgeted Gross Operating Expenditures Funding Breakdown (\$ Millions)*



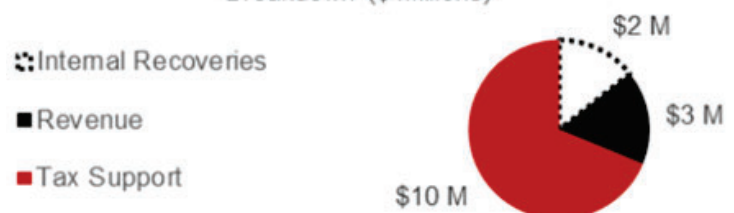
Arts and Culture
2022 Budgeted Gross Operating Expenditures Funding Breakdown (\$ Millions)*



Climate and Environmental Management
2022 Budgeted Gross Operating Expenditures Funding Breakdown (\$ Millions)*



Organizational Health- Safety and Wellness
2022 Budgeted Gross Operating Expenditures Funding Breakdown (\$ Millions)*



METHODOLOGICAL NOTE

1. Introduction

This Methodological Note outlines the approach, criteria, data sources, and the collaborative efforts that went into the creation of the Popular Financial Reporting for the City of Calgary. The report aims to provide a comprehensive analysis of the city's financial situation and major policies, emphasizing their impact on volunteering and community-based projects.

2. Adopted Guidelines and Criteria

The Popular Financial Reporting project was executed in accordance with the guidelines provided by our professor and extensive research conducted on the City of Calgary. The guidelines served as the structural framework for the report, ensuring that it adheres to best practices in financial reporting and transparency.

3. Approach

Our approach to creating this report involved a combination of quantitative and qualitative methods. We conducted extensive research, including a review of the City of Calgary's comprehensive annual financial reports and other relevant documents available on the city's official website. We also analyzed both financial and non-financial data to provide a holistic view of the city's operations and the impact of its policies on the community.

4. Data Sources

To compile this report, we extensively reviewed the following key documents and data sources: Comprehensive annual financial reports of the City of Calgary, including balance sheets, income statements, and auditors' reports.

Official documents, ordinances, and policies related to the city's financial and administrative operations.

Relevant data from governmental and independent sources, including demographic information, well-being indicators, and rankings.

Research conducted on the city's policies, major services, and their impact on the community.

5. Collaborative Efforts

The Popular Financial Reporting for the City of Calgary was a collaborative effort involving all group members. Each member played a specific role in gathering, analyzing, and presenting the data. The contributions of each team member were vital to the successful compilation of this report.

6. Conclusion

This Methodological Note aims to provide transparency and insight into the methodology, data sources, and collaborative efforts involved in preparing the Popular Financial Reporting for the City of Calgary. We strived to follow a systematic, data-driven approach to ensure the accuracy and reliability of the information presented in the report.

We are confident that this report, grounded in a sound methodology and the extensive research conducted, will offer valuable insights into the financial health and major policies of the City of Calgary and their impact on volunteering and community-based projects.

"THIS WORK WAS COMPLETED AS PART OF THE PUBLIC MANAGEMENT COURSE AT THE SAA, UNIVERSITY OF TURIN, UNDER THE SUPERVISION OF PROF. VALERIO BRESCIA. THE ELEMENTS PRESENTED IN THIS ASSIGNMENT HAVE BEEN DEVELOPED IN ACCORDANCE WITH THE GUIDELINES DEFINED BY PROFESSORS PAOLO BIANCONE, SILVANA SECINARO, VALERIO BRESCIA, AND DAVIDE CALANDRA."

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