



2022
ANNUAL REPORT



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IN THE SPIRIT OF RESPECT, RECIPROCITY, AND TRUTH

we honour and acknowledge Moh'kinsstis, and the traditional Treaty 7 territory and oral practices of the Blackfoot confederacy: Siksika, Kainai, Piikani, as well as the Îyâxe Nakoda and Tsuut'ina nations. We acknowledge this territory is home to the Métis Nation of Alberta, Region 3, within the historical Northwest Métis homeland. We acknowledge all people who live, work and play on this land, and who honour and celebrate this territory.

MESSAGE FROM THE BOARD CHAIR

Since its inception in 2018, the Opportunity Calgary Investment Fund (OCIF) has been a catalyst to attract investment, drive innovation and spur digital transformation in the city. While the fundamental vision remains, OCIF has evolved through the years to help Calgary seize opportunities for growth as we navigate changing economic conditions nationally and globally.

Over the past year, the fund delivered value by filling investment attraction gaps to stimulate employment, strengthen the talent pipeline, diversify the local economy and position Calgary as an opportunity-rich global innovation destination.

These investments have spurred a healthy pipeline of companies benefiting from venture capital investment. Our city is emerging as a leading centre of tech and innovation in North America. Calgary attracts startups and global corporations because we have the capital critical for scaling.

As founders, innovators and companies look to succeed in our city, the continuation and further development of support systems in the ecosystem is essential.

As I reflect on my first year as the OCIF Board Chair, the impact and reach of OCIF investments within our city are something to be proud of. In the last two years alone, OCIF investments have contributed to a 304 per cent increase in local companies created and scaled via investment in accelerators and incubators.

A couple of notable highlights from the past year include:

- Calgary and Alberta continued to break venture capital records for the fifth year in a row. Nationally, Calgary ranked the fourth highest city for venture-capital investment with \$647 million invested through 64 deals. In Alberta, 88 per cent of venture capital investment and 89 per cent of the deals were invested in Calgary.
- OCIF helped attract major global tech companies like Mphasis and IBM to further increase Calgary's tech talent pipeline and expand reskilling, upskilling and employment opportunities.
- In total, OCIF investments are projected to spur nearly \$900 million in economic activity. That is more than 11 times the return on investments made for the funding committed.
- In collaboration with our ecosystem partners, OCIF is looking to drive the development of an innovation district. An innovation district is a compact cluster of innovation assets to spur further collisions, economic development and ensure growth beyond the initial investment.

Momentum continues to grow as we surpassed our previous record of capital deployed based on beneficiary milestones achieved in a single year since OCIF's launch. The five funding announcements in 2022 brought total commitments from the \$100 million fund to \$76.5 million in 25 investments with many focused on bringing more people and companies into the downtown core.

OCIF will continue to build on these successes. I am grateful for the partnerships we have formed and the commitment from City Council as we continue to leverage OCIF to support Calgarians. The changes to the Board of Directors are detailed later in this report, but a sincere thank you is due for Mark Blackwell, who completed his term as Board Chair last year. His hard work, insight and guidance were greatly appreciated by all members of the Board. On behalf of the entire Board, we would also like to thank City Council, City Administration, and the staff at Calgary Economic Development for their efforts over the past year. We look forward to continuing our work as a foundational element of growth for the innovation ecosystem in Calgary. We will continue to support a diversified and accessible economy for all that helps companies grow and scale to the size of their ambitions.



Michael Brown
Board Chair
Opportunity Calgary Investment Fund



Photo: Neil Zeller



MESSAGE FROM THE CEO

The Opportunity Calgary Investment Fund (OCIF) is one of the City of Calgary's most effective economic investment tools.

With a portfolio of 25 investments in a variety of sectors, OCIF has demonstrated success through a wide range of public, non-profit and private sector investments and helps to achieve the goals of the community built economic strategy, Calgary in the New Economy.

OCIF works to grow and diversify our economy, create jobs and spur more investment in the city. Over the last five years, OCIF investments are projected to spur nearly \$900 million in economic activity – that is more than 11 times the investment made for the funding committed.

Support from OCIF has also led to investment commitments from organizations of at least \$856 million, the creation and retention of more than 2,900 jobs and the creation or scaling of 500 companies.

With investment from OCIF, Calgary has seen transformation across key sectors of the economy, including technology and life sciences, as well as helping grow and reskill our local workforce to be successful in the digital economy.

In 2022, OCIF investments prioritized creating high-skill jobs and attracting experienced tech talent to support economic diversification in key sectors. Making high-impact investments to help Calgary seize the opportunities for growth despite changing economic conditions is a priority for OCIF.

Attracting anchor companies, such as IBM and Mphasis, that create large numbers of tech jobs and occupy significant downtown real estate were major wins this past year. IBM and Mphasis will provide tech training support to create a stream of talent to fill the new jobs created as well as support talent development initiatives that focus on Equity, Diversity, Inclusion and Accessibility.

To strengthen Calgary's position as a leader in cleantech and the energy transition, OCIF supported the launch of the Energy Transition Centre in downtown Calgary led by Avatar Innovations and in partnership with the University of Calgary, Innovate Calgary, PrairiesCan and the energy sector.

Business accelerators and third-party fund managers are also an important part of the investment formula. OCIF invested in Thin Air Labs Fund I and Combine Ventures to help improve access to pre-seed capital as we work to expand and develop initiatives that encourage innovation and help scale early-stage companies in the city.

As OCIF works to reinforce an environment where innovative Calgary companies can accelerate and scale to compete globally, we are fortunate to collaborate with community and government partners to drive greater impact.

On behalf of the OCIF team, thank you to Mayor Jyoti Gondek, City Council and City Administration for the collaboration and support of our work as administrators of the fund.

We are also thankful for our collaboration with agencies of the Government of Alberta and Government of Canada to further attract private-sector investment in our city. We look forward to building on these relationships to better leverage our strengths.

I also want to thank our team for all their hard work over the last year and express my appreciation and gratitude to Michael Brown and the dedicated Calgarians who volunteer to serve on the OCIF Board of Directors. Your work ethic, invaluable insights and commitment to expanding the opportunity in Calgary are inspiring.

Brad Parry
CEO, Opportunity Calgary Investment Fund;
President & CEO, Calgary Economic Development

OUR VISION

The Opportunity Calgary Investment Fund (OCIF) is a catalyst to attract investment, drive innovation and spur transformative economic development in the city. OCIF investments accelerate achievement of the economic strategy, *Calgary in the New Economy*.

BY THE NUMBERS

CATEGORY	TOTAL	2022
Projects announced	25	5
Funds committed*	\$76.5 M	\$18.5 M
Total investment size	\$458 M - \$865 M	Up to \$445 M
Total jobs**	2,915	995
Companies supported	501	18
Funds disbursed	\$23.4 M	\$9.8 M

* Funds committed encompass all currently executed funding agreements. Amount reflects reconciliation of files upon contract completion.

** Represents combination of actual and forecasted amount of both funded and unfunded jobs.

INVESTMENT PORTFOLIO

2022



2021

- Endeavor Canada
- SVG Ventures | THRIVE
- Plug and Play Alberta
- Accelerate Fund III
- CDL-Rockies
- Movement51

2020

- Harvest Builders
- AltaML
- SAIT DX Talent Hub
- Alberta IoT
- LodgeLink

2019

- Life Sciences Innovation Hub
- NPower Canada
- Parkland Fuel
- Finger Food (Unity Technologies)
- HATCH-YYC
- Lighthouse Labs
- InterGen

2018

- MobSquad
- Attabotics



2022 IN REVIEW

OCIF makes impactful investments that help Calgary seize opportunities for growth in changing economic conditions. In 2022, the Board of Directors approved agreements to help scale local early-stage companies, strengthen the talent pipeline and position Calgary as an opportunity-rich global innovation destination.

Funding focus:

- Create high-skill jobs and attract experienced tech talent to support economic diversification in key sectors.
- Expand and develop initiatives that encourage innovation and help scale early-stage companies in the city.
- Strengthen Calgary's position as a leader in cleantech and the energy transition.
- Support talent development initiatives that focus on Equity, Diversity, Inclusion and Accessibility.



Photo: Roth & Ramberg

Investing for impact

In 2022, OCIF announced funding agreements with Thin Air Labs Fund I, IBM, Avatar Innovations, Mphasis and Combine Venture Builders. To date, OCIF has ensured it has a diversified portfolio of 25 investments that supports achievement of the economic strategy, *Calgary in the New Economy*. The strategy sets forth an ambitious vision:

Calgary is the place where bright minds and big ideas come together with an unmatched spirit to help solve global challenges.

The investments OCIF made over the last five years are projected to spur nearly \$900 million in economic activity — more than **11 times** the return on funding committed. The investments will support the creation or scaling of over **500** companies, and absorption of almost **575,000** sq. ft. of office and commercial space.

In 2022, OCIF supported investments to help grow and develop Calgary's talent pipeline, resulting in the creation of up to 995 forecasted direct jobs.

In total, OCIF investments are forecasted to support the creation or retention of more than **2,900** high-skill jobs and lead to nearly **2,700** individual tech training opportunities. As of year end, over 1,150 of OCIF's total forecasted jobs were created, providing Calgarians with new opportunities to grow their careers.

2022 IN REVIEW

Allocations and disbursements

In 2022, OCIF disbursed \$9.8 million to companies upon achieving milestone-based funding criteria. This is the largest amount of funds disbursed in a single year since OCIF's launch. Of the \$100 million fund, \$76.5 million is now allocated.

In 2021, OCIF issued a request for proposal (RFP) to invest up to \$10 million in fund managers to help improve access to pre-seed capital by early-stage companies. With \$6 million invested in Accelerate Fund III in 2021, the remaining \$4 million was awarded to Thin Air Labs Fund I in 2022.

Catalytic community collaboration

OCIF collaborates with community partners to drive greater impact.

To strengthen Calgary's position as a cleantech leader, OCIF supported the launch of the Energy Transition Centre in downtown Calgary, led by Avatar Innovations and in alignment with the University of Calgary, Innovate Calgary, PrairiesCan and the energy sector.

In July, OCIF announced it would provide up to \$500,000 to Avatar Innovations to help local leaders bring their energy transition solutions to life, creating up to 12 Calgary startups on a net-zero pathway. Following OCIF's investment, Avatar Innovations was able to leverage additional private funding from corporate partners to launch its seed fund, Avatar Leadership Fund I, which supports the creation and scaling of local cleantech companies.



Innovation district study

In partnership with Platform Calgary and the City of Calgary, OCIF and Calgary Economic Development commissioned a scoping study to explore the unlocking of innovation across the city. The study will continue into 2023, including feedback from the community and recommendations for next steps.

Recipient success stories

OCIF amplifies the success of supported companies to demonstrate Calgary is the place where a community helps bright minds and big ideas scale to the size of their ambitions.

In 2022, this included Neo Financial becoming Canada's fastest billion-dollar unicorn, a company that emerged from OCIF-backed venture studio Harvest Builders. Other success stories included achievements by Attabotics, AltaML, Life Sciences Innovation Hub and Unity.

Board of Directors updates

Michael Brown, President & CEO, Trico Residential, was appointed as Board Chair after Mark Blackwell, Partner, Builders VC, completed his term. Marcos Lopez, Founder, Solium Capital, and Executive In Residence, Inovia Capital, joined as a new board member.

2022 INVESTMENTS

June

THIN AIR LABS FUND I (Up to \$4 million)

Headquartered in Calgary, Thin Air Labs invests in early-stage innovation through its venture capital arm and helps founders by fast-tracking business development. OCIF's investment in Thin Air Labs Fund I is expected to generate at minimum \$8 million of investment into Calgary-based pre-Series A companies and help accelerate the growth of the local technology and innovation ecosystem.

IBM (Up to \$5 million)

OCIF supported the opening and scaling of IBM's sustainability-focused Western Canada Client Innovation Centre in Calgary. Over five years, IBM will create up to 430 high-skill local jobs and provide training opportunities to help strengthen the talent pipeline. IBM is focused on building a diverse team with an emphasis on creating career opportunities for equity-deserving groups.



July

AVATAR INNOVATIONS (Up to \$500,000)

Located in the Energy Transition Centre (ETC) in downtown Calgary, Avatar Innovations supports the creation, development and growth of local cleantech companies. Over three years, OCIF is funding the creation of at least 12 Calgary startups driving energy transition. The ETC is a collaboration between the University of Calgary, Innovate Calgary, Avatar Innovations, PrairiesCan and the energy sector.

December

MPHISIS (Up to \$7 million)

Mphasis is a leading multinational information technology solutions provider that opened its North American delivery centre in downtown Calgary. OCIF funding supports global talent attraction and recruitment for up to 560 new intermediate and senior-level technology jobs and the creation of up to 100 work-integrated learning opportunities to grow Calgary's skilled workforce. The impact of Mphasis in the community includes its partnership with Quantum City at the University of Calgary, which establishes our region's leadership in nascent technology and talent development for growth across diverse sectors.



COMBINE VENTURE BUILDERS (Up to \$1.9 million)

Combine is a Calgary-based venture studio that helps scale early-stage companies with services that include product development and access to investors. Over its two-year agreement with OCIF, Combine Labs will identify over 20 concepts and collaborators per year, which will lead to the creation of six or more scaling companies. Combine is expected to attract and retain highly-skilled, diverse talent to its headquarters in downtown Calgary.



BOARD OF DIRECTORS

The governance and decision making for OCIF resides with an independent 12-member volunteer Board of Directors. It is comprised of two representatives from City Council and local business and community leaders who provide diverse perspectives from a variety of sectors. The Board provides oversight and guidance to ensure OCIF has efficient processes, conducts rigorous reviews of funding applications and business plans, supports investment decisions, and maintains transparency and accountability.

Directors

Michael Brown

Chair, OCIF Board
President & CEO, Trico Residential

Nancy Laird

Vice-Chair, OCIF Board
Corporate Director

Jill Angevine

Corporate Director

Ian Bruce

Former CEO, Peters & Co.
Corporate Director

Dr. M. Elizabeth Cannon, OC, AOE

President Emerita, University of Calgary
Corporate Director

Sebastien Gittens

Partner, Bennett Jones LLP

Jyoti Gondek

Mayor of Calgary

Hanif Joshaghani

Co-Founder & CEO, Symend

Marcos Lopez

Founder, Solium Capital
Executive In Residence,
Inovia Capital

Joe Lougheed

Partner, Dentons LLP

Alice Reimer

CEO, Filip Fleet; Advisor, CDL-Rockies & Haskayne
Scale Up; Co-Founder & Director, The51

Sonya Sharp

Councillor Ward 1

Mark Blackwell*

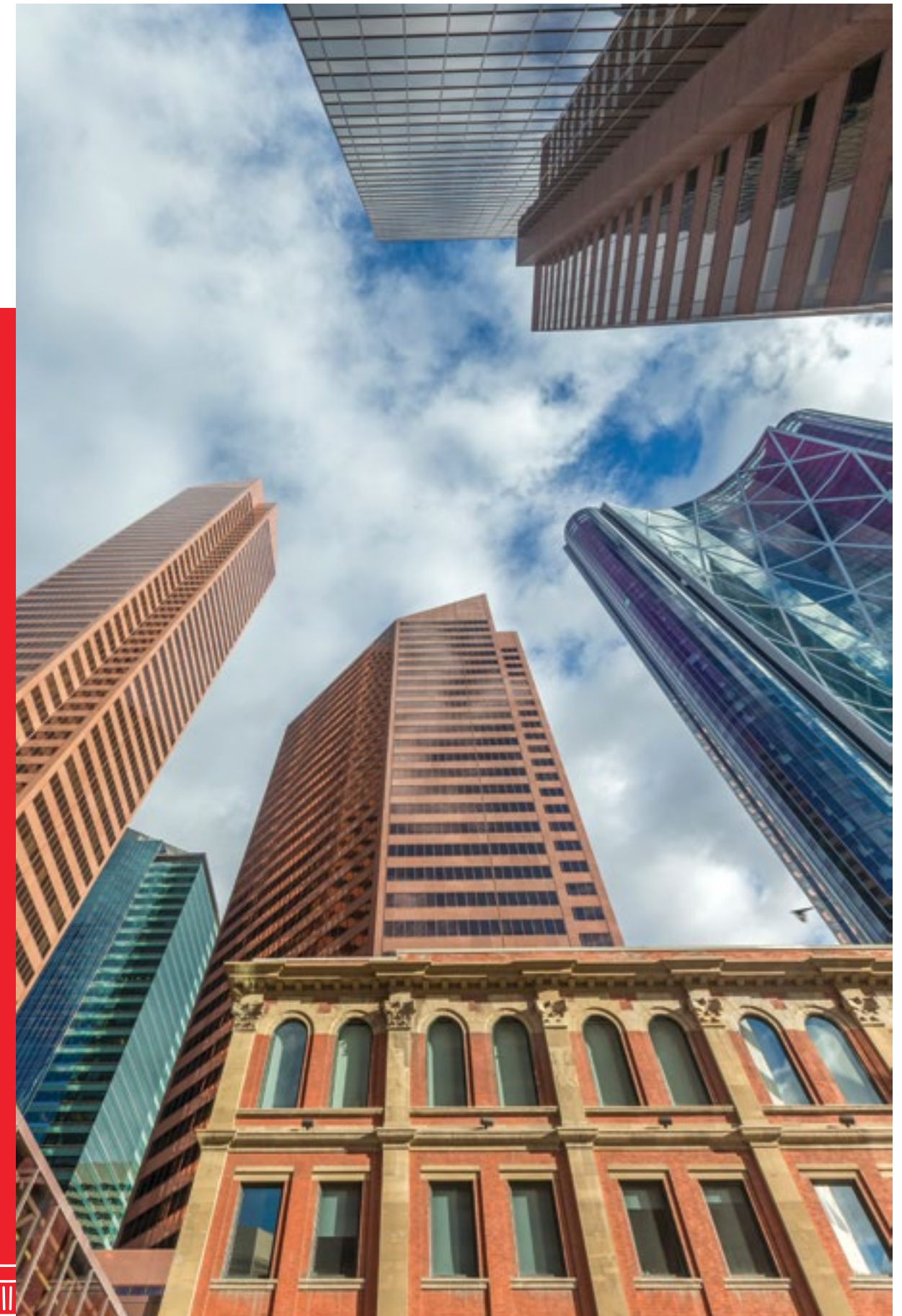
Partner, Builders VC

*Previous Board Chair. Term concluded at the
Annual General Meeting held June 14, 2022

Officers

Brad Parry

CEO, Opportunity Calgary Investment Fund
President & CEO, Calgary Economic Development





FINANCIAL STATEMENTS

December 31, 2022

Management's Responsibility

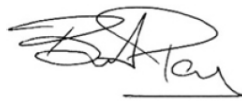
To the Board of Directors of Opportunity Calgary Investment Fund Ltd.:

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 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. 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.



Brad Parry
Chief Executive Officer
Opportunity Calgary Investment Fund Ltd.



Trevor McKay
VP Finance
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, 2022, 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, 2022, 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

March 17, 2023

MNP LLP

Chartered Professional Accountants




Opportunity Calgary Investment Fund Ltd. Statement of Financial Position

As at December 31, 2022

	2022	2021
Assets		
Current		
Cash	90,773	139,598
Amounts receivable (Note 3)	36,569	30,191
Prepaid expenses	4,200	-
Restricted cash (Note 5 and Note 7)	161,089	211,373
	292,631	381,162
Liabilities		
Current		
Accounts payable and accrued liabilities (Note 4)	56,945	129,819
Due to related party (Note 7)	74,596	39,969
Deferred revenue (Note 5)	161,089	211,373
	292,630	381,161
Net Assets		
Share capital	1	1
	292,631	381,162

Approved on behalf of the Board


Director


Director

MNP

Opportunity Calgary Investment Fund Ltd.
Statement of Operations
For the year ended December 31, 2022

	2022	2021
Revenue		
City of Calgary (Note 7)	1,656,471	1,157,608
Interest	70	-
	1,656,541	1,157,608
Expenses		
Corporate services (Note 7)	978,125	611,435
Professional services	310,640	186,747
Legal services	306,220	345,236
Technology services (Note 7)	61,556	14,190
	1,656,541	1,157,608
Excess of revenue over expenses	-	-

Opportunity Calgary Investment Fund Ltd.
Statement of Changes in Net Assets
For the year ended December 31, 2022

	2022	2021
Net assets, beginning of period	1	1
Excess of revenue over expenses	-	-
Net assets, end of period	1	1

Opportunity Calgary Investment Fund Ltd.
Statement of Cash Flows
For the year ended December 31, 2022

	2022	2021
Cash provided by (used for) the following activities:		
Operating		
Excess of revenue over expenses	-	-
Changes in working capital accounts		
Amounts receivable	(6,378)	(12,177)
Prepaid expenses	(4,200)	344
Accounts payable and accrued liabilities	(72,874)	44,692
Due to related party	34,627	3,685
Deferred revenue	(50,284)	(238,997)
Decrease in cash and cash equivalents	(99,109)	(202,453)
Cash and cash equivalents, beginning of year	350,971	553,424
Cash and cash equivalents, end of year	251,862	553,424
Cash and cash equivalents are composed of:		
Unrestricted cash	90,773	139,598
Restricted cash	161,089	211,373
	251,862	350,971



NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2022

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.

Amounts 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.

Opportunity Calgary Investment Fund Ltd.
Notes to the Financial Statements
For the year ended December 31, 2022

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.

3. Amounts receivable

Amounts receivable relates to the following:

	2022	2021
Goods and services taxes receivable	36,569	30,191

4. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities relate to the following:

	2022	2021
Trade accounts payable	1,475	18,480
Accrued liabilities	55,470	111,339
Total	56,945	129,819

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:

	2022	2021
Balance, beginning of year	211,373	450,370
Funding received	1,606,187	918,611
Amounts recognized as revenue during the year	(1,656,471)	(1,157,608)
Balance, end of period	161,089	211,373

Opportunity Calgary Investment Fund Ltd.
Notes to the Financial Statements
For the year ended December 31, 2022

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 with The City effective May 11, 2018.

The City of Calgary and affiliates

Related party balances and transactions with The City consist of:

	2022	2021
Opening balance restricted cash	211,373	450,370
Cash received from The City	1,606,187	918,611
Revenue recognized	(1,656,471)	(1,157,608)
Year end balance restricted cash	161,089	211,373

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:

	2022	2021
Due to related party:		
Corporate services	73,323	38,239
Technology services	1,273	1,730
Total	74,596	39,969
Expenses:		
Corporate services	953,076	517,797
Technology services	20,514	13,335
Total	973,590	531,132

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.

Opportunity Calgary Investment Fund Ltd.
Notes to the Financial Statements
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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.

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, 2022, the Company has executed 25 Contribution Agreements and delivered to The City a commitment for funds totalling up to \$76.5 million of which \$23.4 million of instalments have been paid. Total anticipated future payments by The City are as follows:

2023	16,480,242
2024	13,474,700
2025	10,675,500
2026	8,207,500
2027	4,348,890
Total anticipated future payments by The City	53,186,832

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.

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9. Financial instruments (Continued from previous page)

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

2022	<i>0-90 days</i>	<i>91 days and older</i>	Total
Due to related party	74,596	-	74,596
Trade accounts payable	1,475	-	1,475
Accrued liabilities	55,470	-	55,470
Total	131,541	-	131,541

2021	<i>0-90 days</i>	<i>91 days and older</i>	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

10. Share capital

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



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