

GOVERNMENT OF ALBERTA



Technology and Innovation

Annual Report

2023-24

Alberta 

Technology and Innovation, Government of Alberta | Technology and Innovation 2023–2024
Annual Report

©2024 Government of Alberta | Published: June 2024
ISBN 978-1-4601-6054-1
ISSN 2817-4445

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website www.alberta.ca

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Preface

The Public Accounts of Alberta are prepared in accordance with the *Financial Administration Act* and the *Sustainable Fiscal Planning and Reporting Act*. The Public Accounts consist of the annual report of the Government of Alberta and the annual reports of each ministry.

The 2023-24 Annual Report reflects the 2023-26 Ministry Business Plans, the Government of Alberta Strategic Plan, as well as the ministry's activities and accomplishments during the 2023-24 fiscal year, which ended on March 31, 2024.

The Annual Report of the Government of Alberta contains Budget 2023 Key Results, the audited Consolidated Financial Statements and Performance Results, which compares actual performance results to desired results set out in the government's strategic plan.

This annual report of the Ministry of Technology and Innovation contains the Minister's Accountability Statement, the ministry's Financial Information and Results Analysis, and a comparison of actual performance results to desired results set out in the ministry business plan. This ministry annual report also includes:

- the financial statements of entities making up the ministry including Alberta Innovates, and Alberta Enterprise Corporation; and
- other financial information as required by the *Financial Administration Act* and *Sustainable Fiscal Planning and Reporting Act*, as separate reports, to the extent that the ministry has anything to report.

All Ministry Annual Reports should be considered along with the Government of Alberta Annual Report to provide a complete overview of government's commitment to openness, accountability, and fiscal transparency.

Minister's Accountability Statement

The ministry's annual report for the year ended March 31, 2024, was prepared under my direction in accordance with the *Sustainable Fiscal Planning and Reporting Act* and the government's accounting policies. All the government's policy decisions as at June 3, 2024 with material economic or fiscal implications of which I am aware have been considered in the preparation of this report.

[Original signed by]

Nate Glubish

Minister of Technology and Innovation

Message from the Minister



Technology is not just an industry; it is the future of every industry. Whether it's energy, agriculture or health – technology and innovation are essential for the growth and success of Alberta. As a result of our strategic investments under the Alberta Technology and Innovation Strategy, Alberta's technology and innovation sector continues its strong momentum.

Over the past five years, Alberta technology companies have secured more than \$2.7 billion in venture capital funding across 350 deals, creating thousands of jobs and opportunities for Albertans. At the end of 2023, Alberta's five-year growth rate for invested venture capital dollars reached an impressive 48.5 per cent, more than triple Canada's compounded average growth rate of 13 per cent, according to the 2023 Canadian Venture Capital Private Equity Association fourth-quarter report. Alberta's growth rate means Alberta finished 2023 with \$707 million invested over 86 deals, in line with Alberta's 2022 record-breaking year. We engage the venture capital ecosystem through Alberta Enterprise Corporation (AEC). AEC grows Alberta's venture capital industry by investing in venture capital funds that finance early-stage technology companies. For every \$1 AEC invests, almost \$5 is invested in Alberta companies.

To drive innovation in Alberta, we continue to invest in Alberta Innovates, the largest research and innovation agency in the province. Alberta Innovates supports and accelerates research, innovation, and entrepreneurship in Alberta to drive economic growth and diversification. It provides support to innovators and entrepreneurs to bring their products and services to market and grow our economy. In 2023-24, companies supported by Alberta Innovates within the previous five years attracted more than \$34 in funding from other sources for every dollar of grant funding invested in them by Alberta Innovates.

We also work closely with post-secondary institutions and other partners to support the development of research capacity, turning research into products in sectors such as health and life sciences, advanced manufacturing, artificial intelligence, and quantum science. We are investing \$27.3 million under the Major Innovation Fund to universities of Alberta and Calgary to advance research and commercialization in the areas of medical devices, electronic and mobile health as well as clean energy. To support Alberta's university graduates develop and commercialize innovative technologies and create new tech start-ups, we are investing \$20 million over five years under the Innovation Catalyst Grant program.

We are committed to the Alberta Broadband Strategy, which targets giving all Albertans access to high-speed internet by 2027 no matter where they may live in the province. Through the Universal Broadband Fund, we have committed \$390 million and secured matching commitment from the federal government, totaling \$780 million in joint commitment over five years so Albertans can stay connected, improve access to education, health care, and the global marketplace. So far, we have announced funding for 29 projects with an estimated combined value of \$212 million. When completed, these projects will connect more than 33,000 households in 223 communities.

Looking internally, the department of Technology and Innovation is the technology engine of government tasked with the responsibility of improving government efficiency by designing and supporting modernization of government services. Technology and Innovation continues to collaborate with other ministries to design and develop modern tools that deliver better, faster and smarter services to Albertans and businesses, while maximizing taxpayer value.

We continue with our commitment to provide easy and secure access to government services with the Alberta.ca Account. As the online gateway to government services, there are more than 3.8 million Alberta.ca Accounts in use, meaning most Albertans can interact with government online and access services safely and securely. We continue to maintain in-person options as we deploy technology to deliver better, faster and smarter services to Albertans.

Earlier this year, we introduced privacy legislation, which includes the Data Ethics and Privacy Management Frameworks. Our Data Strategy will guide how Alberta's government manages data in an ethical and secure way that upholds privacy protections for Albertans. Albertans should have the strongest privacy protections in Canada. Every service we provide, every technology we build, every tool we deploy to modernize government systems and services will adhere to the principles in these frameworks. The privacy of Albertans is non-negotiable.

In an increasingly digitized world, our cybersecurity strategy helps us stay ahead of online threats – and helps protect our data. We take a multi-layered approach to security, applying best practices and standards to identify, detect, and address cyber threats, as well as to respond and recover from incidents, should they occur. We have also expanded our services through the CyberAlberta Community of Interest, a group of more than 500 cybersecurity experts from public, private and non-profit organizations working collaboratively to identify and manage cyber threats. Our new CyberAlberta website launched in March 2024 connects Alberta cybersecurity leaders and supports organizations as they respond to threats.

These modest accomplishments encourage us to continue to deploy technology in improving government services, while driving tech sector growth in Alberta through strategic investments and partnerships. Our goal is to make Alberta the most innovative jurisdiction in Canada where people come to invest, grow, and stay.

[Original signed by]

Nate Glubish

Minister of Technology and Innovation

Management's Responsibility for Reporting

The Ministry of Technology and Innovation includes the Department of Technology and Innovation, as well as Alberta Innovates and AEC.

The executives of the individual entities within the ministry have the primary responsibility and accountability for the respective entities. Collectively, the executives ensure the ministry complies with all relevant legislation, regulations and policies.

Ministry business plans, annual reports, performance results and the supporting management information are integral to the government's fiscal and strategic plan, annual report, quarterly reports and other financial and performance reporting.

Responsibility for the integrity and objectivity of the accompanying ministry financial information and performance results for the ministry rests with the Minister of Technology and Innovation. Under the direction of the Minister, I oversee the preparation of the ministry's annual report, which includes the financial information, performance results on all objectives and initiatives identified in the Ministry Business Plan, and performance results for all ministry-supported commitments that were included in the 2023-26 Government of Alberta Strategic Plan. The financial information and performance results, out of necessity, include amounts that are based on estimates and judgments. The financial information is prepared using the government's stated accounting policies, which are based on Canadian public sector accounting standards. The performance measures are prepared in accordance with the following criteria:

- **Reliable** – information used in applying performance measure methodologies agrees with the underlying source data for the current and prior years' results.
- **Understandable** – the performance measure methodologies and results are presented clearly.
- **Comparable** – the methodologies for performance measure preparation are applied consistently for the current and prior years' results.
- **Complete** – outcomes, performance measures and related targets match those included in the ministry's *Budget 2023*.

As Acting Deputy Minister, in addition to program responsibilities, I am responsible for the ministry's financial administration and reporting functions. The ministry maintains systems of financial management and internal control which give consideration to costs, benefits, and risks that are designed to:

- provide reasonable assurance that transactions are properly authorized, executed in accordance with prescribed legislation and regulations, and properly recorded so as to maintain accountability of public money;
- provide information to manage and report on performance;

Introduction

- safeguard the assets and properties of the province under ministry administration;
- provide Executive Council, the President of Treasury Board and Minister of Finance, and the Minister of Technology and Innovation the information needed to fulfill their responsibilities; and
- facilitate preparation of ministry business plans and annual reports required under the *Sustainable Fiscal Planning and Transparency Act*.

In fulfilling my responsibilities for the ministry, I have relied, as necessary, on the executives of the individual entities within the ministry.

[Original signed by]

Maureen Towle

Acting Deputy Minister of Technology and Innovation

June 3, 2024

Results Analysis

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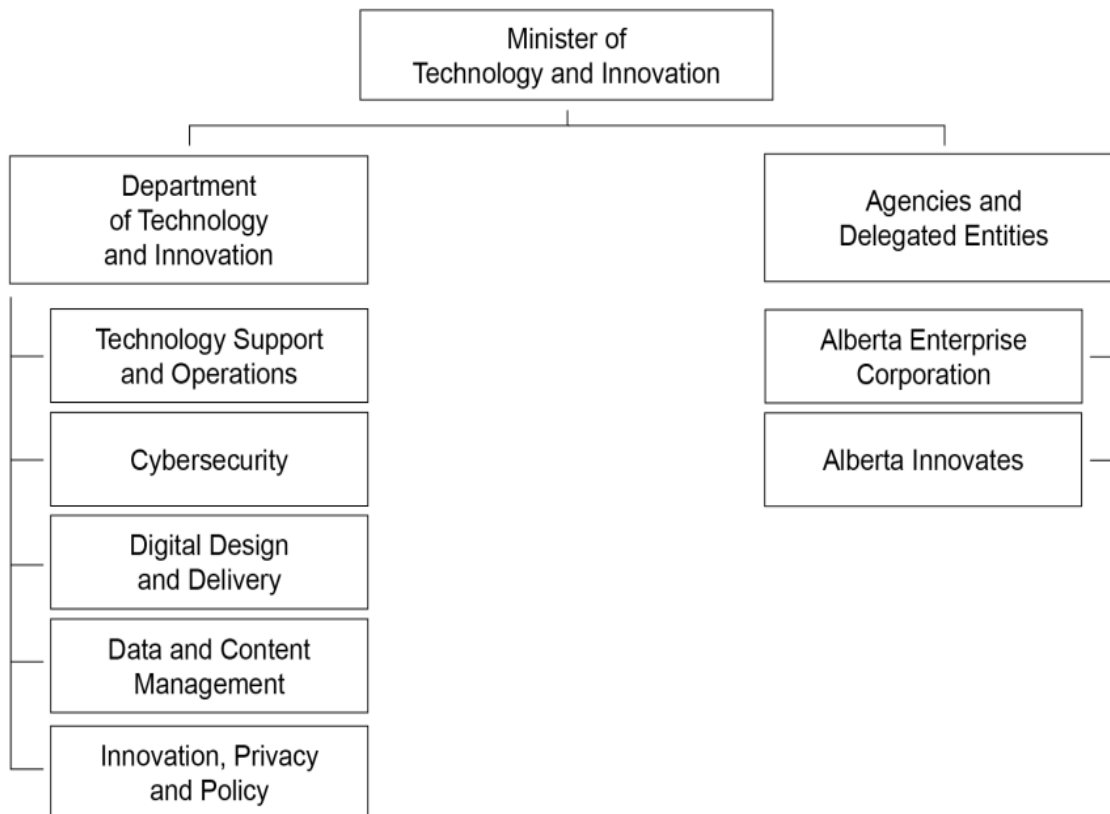
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Ministry Overview

TECHNOLOGY AND INNOVATION has a strategic role within government to support Alberta’s economic growth by driving technology and innovation policy and strategy, creating programs and tools that will help grow Alberta’s economy, modernize government and foster efficient delivery of government programs, services and information. The ministry’s focus is to:

- develop and deploy modern, secure government digital services that are better, faster and smarter that allow Albertans to more easily access government services online and government to operate more efficiently;
- support the growth and development of Alberta’s technology and innovation sector to make Alberta a destination of choice for entrepreneurs, innovators and investors, and foster economic growth and diversification; and
- ensure the privacy and personal information of Albertans is protected and managed through a privacy by design approach.

Organizational Structure



Operational Overview

The Ministry consists of the Department of Technology and Innovation, as well as its agencies; Alberta Innovates and AEC.

Technology and Innovation

Technology Support and Operations

Technology Support and Operations (TSO) provides information and technology (IT) services to support Government of Alberta (GoA) departments in achieving business goals and objectives. The division is responsible for operating secure, resilient technology infrastructure, maintaining government systems, and enabling modernization through cloud services and infrastructure management.

The division manages government's secure platforms, including 1GX (One Government eXperience), and is responsible for providing IT services and support, including computing services, mobile devices, and productivity tools, to government staff. This includes financial and procurement support using standard practices and policies, to effectively manage IT investment within government. Additional responsibilities include overseeing daily operations of the SuperNet and implementing and maintaining a strategy to ensure all Albertans have access to high-quality broadband services, allowing them to access digital government services and participate in the global digital economy.

Cybersecurity

The Cybersecurity Division oversees the security of all digital assets for the GoA.

The division works collaboratively with ministries, public agencies, and external partners to strengthen Alberta's overall cybersecurity posture, thereby safeguarding Albertans and promoting the province's economic and social well-being.

Digital Design and Delivery

Digital Design and Delivery (DDD) is responsible for the design and delivery of digital services for Albertans in partnership with GoA ministries. DDD partners with ministries to design simpler, faster and better services; builds capability and confidence in modern digital practice to help the GoA become a leading digital delivery organization; and ensures service quality and value through ongoing performance measurement, processes and standards.

Data and Content Management

The Data and Content Management division is responsible for the implementation of the Alberta Data Strategy; enterprise-wide content management advice and services including data, information and records services; and the government's internal artificial intelligence program including robotic process automation.

The division also administers the Records Management Regulation.

Innovation, Privacy and Policy

The Innovation, Privacy and Policy division is accountable for the Alberta Technology and Innovation Strategy; the protection of personal information and guidance around the ethical use of data; and governance of Alberta Innovates and the AEC.

The division also advances strategies and policies related to the delivery of data, content management, technology, and privacy-related programs. Responsible for implementation of enterprise-wide content management advice and policy, privacy and advisory services, and governance support.

Alberta Innovates

Alberta Innovates is the GoA's primary research and innovation agency. Its mandate is to support and accelerate Alberta's research, innovation and entrepreneurship through to commercialization to drive provincial economic growth and diversity.

Alberta Innovates delivers seed funding, business advice, applied research and technical services, and avenues for partnership and collaboration, including two applied research subsidiaries: C-FER Technologies and InnoTech Alberta.

Alberta Enterprise Corporation

The AEC is a provincial agency mandated to ensure that venture capital is available to support the development of knowledge-based industries in Alberta. AEC invests in venture capital funds that are strongly committed to Alberta, which includes having a full-time presence in the province, and that invest in early growth-stage technology companies.

In addition to investing in venture capital, AEC support Alberta's venture capital ecosystem by connecting investors, entrepreneurs, and experienced technology executives.

Key Highlights

The Ministry of Technology and Innovation focused on accomplishing three outcomes identified in the 2023-26 Ministry Business Plan:

- Outcome One: Government services are modernized and accessible to all Albertans
- Outcome Two: Digital government services to Albertans are safe to use, secure and their privacy is protected
- Outcome Three: Technology-led innovation contributes to economic diversification and growth

Key highlights and results achieved by the Ministry of Technology and Innovation in 2023-24 include:

- Continuing to eliminate the digital divide between rural, remote, and Indigenous communities by helping an additional 429 communities access to high-speed broadband through the SuperNet network.
- Implementing digital fraud detection tools that helped identify and prevent the disbursement of over \$4 million in fraudulent student aid disbursements and affordability program claims.
- Supporting the provision of government services, including the Affordability Application Portal, through more than 3.8 million active Alberta.ca Accounts.
- Supporting the Affordability Application Portal, which helped provide Albertans, including seniors and vulnerable people, with targeted relief payments of \$600 over six months to help cover the cost of rising inflation.
 - Under the Alberta Affordability Action Plan, more than 1.3 million Albertans were issued over \$770 million in Affordability payments.
- Contributing to the reduction in red tape by eliminating over 140 redundant forms and streamlining workflows.
- Encouraging public engagement and increasing government transparency by adding over 3,400 Alberta government publications and 145 open datasets to the Open Government Portal.
- Implementing machine learning solutions to streamline processes and improve resource allocation.
- Committing \$500,000 to the University of Alberta Innovation Fund, which aims to support research commercialization, job creation, and economic diversification in Alberta.
- Continuing to support Alberta Innovates to develop new technology and attract investment and new opportunities to the province.
 - Through its grant funding programs, Alberta Innovates manages a portfolio of almost 1,300 active projects with an estimated total value of over \$1.3 billion.

- In 2023-24, companies supported by Alberta Innovates within the past five years attracted more than \$34 in funding from other sources for every \$1 of Alberta Innovates-granted funding.
- Alberta Innovates and its subsidiaries directly supported over 2,400 clients in 2023-24.
- Supporting the investment of \$1.2 billion into 87 Alberta companies through AEC and their syndicate partners.
 - Each \$1 of AEC investment has resulted in almost \$5 of investment in Alberta companies.
 - These investments have resulted in more than 3,200 direct jobs and an estimated 15,300 indirect jobs since its inception in 2008.

The Ministry of Technology and Innovation remains committed to regulatory approaches and program delivery that reduces unnecessary government oversight and emphasizes outcomes, to improve access to government services, attract investment, support innovation and competitiveness, and grow Alberta businesses.

Discussion and Analysis of Results

Actions that support the priorities of the Government of Alberta Strategic Plan

Key Priority One:

Securing Alberta's Future

Objective two: Attracting investment and growing the economy

Actions

- Allocating \$22.5 million in 2023-24 to the Alberta Technology and Innovation Strategy to position Alberta as an internationally recognized technology and innovation hub that develops and attracts people, business, and investment, with key initiatives such as innovation-related programming and support for emerging technologies. These technologies include artificial intelligence, quantum science, and the development of an intellectual property commercialization framework that will accelerate commercialization of research developed in Alberta.
- Through the Alberta Enterprise Corporation, the government is connecting Alberta inventors, innovators, and entrepreneurs with venture capital investments, diversifying and developing an innovation-based economy in Alberta.

Detailed reporting found on pages 26 and 29 respectively.

Objective three: Building Alberta

Actions

- Improving broadband services across the province, providing Albertans with access to reliable, high-speed internet by 2026-27 and ensuring that rural, remote, and Indigenous communities are included in the province's economic prosperity.

Detailed reporting found on page 16.

Outcome One: Government services are modernized and accessible to all Albertans

Technology and Innovation creates improved and more accessible service experiences for Albertans by increasing availability of digital government services, accessible anywhere, anytime. In 2023-24, the ministry accomplished several key objectives directed toward achieving this outcome.

Key Objectives

1.1 Based on best practices of global digital leaders, develop, and implement a digital strategy to accelerate the adoption of technology and innovation in government operations.

Technology and Innovation advanced several key areas of the Government of Alberta Digital Strategy including:

- Establishing a Digital Capabilities Program to strengthen competencies across the Alberta Public Service that are needed to adopt and embrace digital service transformation.
- Partnering with all GoA departments to develop digital roadmaps that articulate a path forward to improve how services are delivered to Albertans through adoption of digital technologies.
- Developing an initial version of Digital Service Standards that will be used to evaluate services and help ensure that they are meeting expectations for user-centred experiences, integrated approaches for managing data, and using common platforms to manage authentication, privacy and payments.
- Strengthening GoA Access Management services to provide Albertans with enhanced security over their information.

1.2 Build capability and modernize infrastructure and service delivery approaches to create a stronger, more efficient government that delivers better, faster, and smarter services that are accessible to more Albertans.

To support the Alberta Broadband Strategy goal of universal access to high-speed broadband, Technology and Innovation continued to improve access to high-speed internet for rural, remote and Indigenous communities in the province not reached by fibre or fixed wireless projects. In 2023-24, the SuperNet network connected 429 communities in Alberta with approximately 13,000 kilometers of fibre optic cables and an additional 5,000 kilometers of wireless coverage. The ministry also completed the first full year of operation under SuperNet 2.0, the government's updated service contract with Bell Canada.

In partnership with the Government of Canada, the GoA is co-funding Alberta-based projects through the federal Universal Broadband Fund (UBF). The Starlink Pilot program, a satellite internet pilot program that launched in November 2023, is aimed at providing broadband access to households in remote communities of the province, continuing to explore innovations and technologies and driving broadband coverage forward. The pilot was open for applications until March 31, 2024.

The pilot timeline, including the assessment of eligible areas for the pilot was delayed due to challenges in finalizing negotiations and signing agreements. Delays were due to various factors

such as project scope and budget changes, applicant capacity, and coordination issues within the federal UBF, which manages applications nationwide.

To overcome these challenges, Technology and Innovation worked closely with federal partners and applicants to ensure application negotiations were finalized, with agreements signed and announced as efficiently as possible. The ministry and the federal government remain committed to bring universal connectivity to Alberta's rural, remote and Indigenous households by the end of fiscal year 2026-27.

The ministry also:

- Launched the Digital Literacy Program in January 2024 to provide free courses to Albertans to increase their digital literacy skills in an increasingly digital world. In collaboration with a third-party vendor, six focus group sessions were conducted to meet participant needs.
 - Partnered with Alberta libraries and the Francophone Secretariat to provide digital literacy programming to francophone Albertans.
 - Since the launch of the program, almost 600 digital literacy programs have been started.
- Led efforts to design citizen-centred government services across the province by working in partnership with 16 ministries to collaboratively deliver modern digital services.
- Continued to implement payment portals to ensure public services are available for Albertans when they are needed most. Affordability payments and emergency evacuation payments are key examples of how Technology and Innovation is enhancing how public services are provided.
 - The Affordability Application Portal helped provide Albertans, including seniors and vulnerable people, with targeted relief payments of \$600 over six months to help cover the cost of rising inflation.
 - Under the Affordability Action Plan, more than 1.3 million Albertans were issued over \$770 million in Affordability payments.
- Worked to develop the Surrogate Digital Service (SDS), which provides family members and friends of a deceased Albertan a more convenient, faster and user-friendly way to apply online to the Court of King's Bench for the grant that enables them to administer the estate.
 - The SDS processes applications for grants of probate, grants of Administration and Administration with Will Annexed, and provides digital service to the Public Trustee.
 - Since June 2022, more than 11,500 applications have been submitted province-wide and more than 10,700 grants were issued, impacting almost 44,000 Albertans.
 - This service has enabled cost savings of approximately \$1 million per year in reduced visits to lawyer offices for Albertans.

1.3 Modernize the way government's data and information is managed, which includes the use of enhanced data analytics, and by introducing common and consistent ways of classification, organization, and access.

- The SharePoint Online framework was extended to fully support categorization of data and provide site analytics available to group by ministry. Content is managed in a way that minimizes the impacts associated with government restructuring and ensures that content remains secure, trustworthy and available.
- Successfully launched an integration framework for line-of-business applications to manage content within the Microsoft Office 365 (M365) Enterprise Content Management (ECM) environment. The framework provides ready-made digital accelerators to speed up development time and ensure connected applications are meeting Information Management guidelines to manage content correctly.
- To establish a standardized approach to managing digital content across the government, the Functional Classification Taxonomy agile approach was completed in alignment with the M365 Program in September 2023. Awareness sessions have been continuously provided to GoA employees to emphasize the importance of consistent classification and facilitate the transition to modern content management practices.

Forward Looking Information

Going forward, the ministry will focus on completing the following initiatives in support of desired Outcome One:

- Continue to support the GoA Digital Strategy by implementing a Digital Marketplace to help connect buyers with sellers and provide opportunities for the government to collaborate more effectively with business to solve problems with modern technologies.
- Continue to work with the federal government to negotiate with conditionally approved UBF applicants, sign Contribution Agreements, and to allocate funding to support Alberta-focused broadband projects.
- Continue to work with the federal government to advocate for telecommunications policy reforms that better support development in underserved rural, remote and Indigenous communities.
- Digital Accelerator funding will continue to advance initiatives and support improvements to government programs and services, including the Family Support Order Services Service Delivery and the Property Damage Only Collision Self-reporting program.
- Apply a common and standard approach to the development and delivery of data products through a Data Product Delivery Framework.
- Roll out phases of the Enterprise Digital Platform to continue modernizing GoA Contact Centres.
 - Explore options to address poor cell phone coverage on major highways across Alberta.

- The ministry plans to analyze cellular coverage data to better understand the extent of the problem and will work with Alberta's major cellular providers to help improve public safety, communications and commercial activities on Alberta's highways.
- Support the ministry of Health in reviewing the effectiveness of the IT systems used throughout Alberta's health system and recommending how to strengthen the technology used in Alberta's health-care system.

Initiatives Supporting Key Objectives

The ministry continued to invest \$390 million to improve broadband services across the province by the end of fiscal year 2026-27 and ensure that rural, remote, and Indigenous communities are included in the province's economic growth.

- The ministry signed Contribution Agreements, a contract between the province and recipient, with 21 recipients for 45 projects in over 200 communities across Alberta that will provide up to \$289 million in provincial and federal funding.
- Construction of 21 broadband projects across the province was initiated throughout 2023-24, and the ministry processed and paid or accrued \$31.4 million worth of claims from UBF recipients.
- In November 2023, Rainbow Lake became the first among hundreds of rural remote and Indigenous communities to be fully connected to high-speed internet through the Alberta Broadband Strategy. As of November 15, 2023, 92 households were subscribed to the new service in the northwest community.

In 2023-24, \$1.36 million was spent to continue modernizing government's collaboration, security, and information management tools by implementing Microsoft 365 as the Enterprise Content Management system, making the public service more efficient, and enhancing management and security of government data.

- Technology and Innovation worked with ministry partners to continue the adoption of M365, which enables seamless communication, streamlines processes, improves data security, supports remote work, enhances collaboration, and offers robust analytics and insights. These services help the broader GoA deliver better services, adapt to changing environments and make data-driven decisions, all while reducing red tape and improving the overall efficiency of business operations.
- The Power Platform suite of products was deployed in 2023, which streamlined process automation and customized application development. By leveraging these capabilities, the GoA can enhance efficiency, foster innovation and deliver improved services to Albertans.
- SharePoint 2016 site migrations to SharePoint Online were successfully started for all ministries during 2023-24. SharePoint Online is a key component of the M365 Enterprise Content Management system, which makes the public service more efficient, and enhances management and security of government data.
- In September 2023, the department successfully completed M365 implementation and transitioned the management and support of M365 services to operational teams.

In 2023-24, \$7.5 million was allocated to continue the implementation of the Data Strategy, the GoA’s vision of realizing the full potential of Alberta’s data for the benefit of Albertans, while respecting privacy.

- As part of the implementation, a Data Ethics Framework and Privacy Management Framework were established (and publicly released in January 2024), which informs data collection, use, storage, and disclosure.
- A modern data platform was established to facilitate seamless data exchange through data governance and privacy by design to generate greater organizational insights, improve service delivery and advance data-driven innovation, while protecting Albertan’s information.

In 2023-24, \$40 million was allocated to the Digital Accelerator program to modernize government service delivery and provide better online digital services for Albertans. Of the allocation, \$26.3 million was spent in 2023-24 on several initiatives, including:

- Wildfire Digital Services, which included building new digital services to support the Wildfire Management Branch in predicting, planning, managing, and responding to wildfires in the province.
- Alberta.ca Account Transformation, which strengthened the Alberta.ca Account service that increases the security and integrity of online digital services and provides Albertans with greater protection of their personal information.
- Persons with Development Disabilities Program built new digital services to support adults who have had a disability to coordinate and access services digitally.

Performance Measures

Performance Measure 1.a: Number of services released on modern digital platforms

Description

This measure tracks the number of services available on modern digital platforms, including MyAlberta eServices, which provides Albertans with another way to access government services and programs.

Results and Analysis

The target of 140 services available online was exceeded, with 152 services available in 2023-24, improving accessibility of government services to Albertans.

Number of services released on modern digital platforms including MyAlberta eServices

Year	2021-22	2022-23	2023-24
Number of services released	126	134	152

Source: Technology and Innovation, Digital Design and Delivery Division

Technology and Innovation continues to increase the number of services available, allowing more Albertans to access government services online more easily.

Performance Measure 1.b: Total number of visits to the Open Government Portal

Description

The Open Government Portal is an easy way to access government data and publications, encouraging citizen engagement and increasing government transparency. This measure tracks the number of page views in the Open Government Portal.

Results and Analysis

In 2023-24, the target of 10,200,000 was not achieved, with just under 10 million page views in the Open Government Portal.

Total number of visits to the Open Government Portal

Year	2021-22	2022-23	2023-24
Number of Visits	11,500,263*	8,481,859*	9,985,675

*In 2023-24, the Open Government Portal was updated. Calculation of metrics changed from site visits to page views on the Portal. 2021-22 and 2022-23 numbers have been restated to reflect page views.

Source: Technology and Innovation, Data and Content Management Division

The ministry will continue to track the results and update the target as the trend of the data changes.

Outcome Two: Digital government services to Albertans are safe to use, secure and their privacy is protected

Technology and Innovation continues to grow and maintain a secure and trusted interface to government services for Albertans and businesses. In 2023-24, the ministry accomplished several key objectives directed toward achieving this outcome.

Key Objectives

2.1 Security and privacy controls for digital government services are modernized and optimized to detect and prevent cybersecurity and privacy incidents.

- The ministry continues to ensure reasonable security and privacy protection measures are developed and implemented to prevent and/or mitigate the unauthorized collection, access, use, disclosure and destruction of personal information.
- Protected sensitive digital services with a digital fraud detection system.
- The ministry also oversaw the delivery of enterprise-wide protection of privacy services in accordance with the applicable legislation, policies and processes.

2.2 Provide enterprise privacy services, including the development of a Privacy Management Framework to provide strategic direction from which subsequent policy instruments, training and processes will be developed and enhanced.

- The ministry supported the protection of Albertans' privacy and access to information by continuing to develop policy instruments, such as the Privacy Breach Procedure, which is a standard procedure on managing privacy breaches within the GoA.
- Continued to provide enterprise training related to access to information and privacy to ensure public service awareness and understanding of privacy and information management obligations.
- In January 2024, the Privacy Management Framework and the Data Ethics Framework were published to guide ethical data-driven decisions and provide high-level strategic direction for privacy management across the GoA.

2.3 Develop new cybersecurity talent across the province in collaboration with post-secondary institutions and other Alberta stakeholders and partners to support job diversification and to create new employment opportunities.

- Post-secondary institutions are members of the CyberAlberta Community of Interest (COI), which was created in February 2022.
- The committee is led by Technology and Innovation and formed with the cybersecurity leads of Alberta public and private organizations with a goal of strengthening the province's overall cybersecurity posture.
- To date, the COI has over 500 members, ranging from schools, municipalities, critical infrastructure providers, non-profits, and private businesses.

2.4 Ensure that Government of Alberta critical assets' resiliency is annually tested by conducting disaster recovery tests.

- The GoA's vision for Alberta's cyberspace is built on three core tenets: security, safety and resiliency.
- Disaster recovery planning and testing are key aspects in ensuring that the GoA can uphold these tenets, as they help minimize the impact of a disruption to Albertans by enabling the government to quickly restore operations, minimizing downtime, all while ensuring that all information and IT assets are kept secure and safe from risks and threats.
- In 2023-24, the Technology and Innovation represented the GoA in four major exercises covering our primary data centers, including the first-ever led by Federal Government Cyber-Physical exercise for critical infrastructure.
- These exercises have enhanced the government's preparedness and response capabilities.

2.5 Leverage existing internal and external sources of threat intelligence and evaluate emerging trends to improve government's digital assets protection and provide advice to Alberta stakeholders.

- In 2023-24, the ministry played an important leadership role in bolstering Alberta's cybersecurity posture and fostering a resilient and adaptive security environment within the province.
- Amid an evolving cyber threat landscape, the ministry published over 30 cyber threat intelligence reports, enabling timely responses and reducing the likelihood of successful attacks.

Forward Looking Information

Going forward, the ministry will focus on completing the following initiatives in support of desired Outcome Two:

- Continue to identify opportunities to support privacy legislation to become a leader in how Alberta manages personal information.
- Continue development of policy instruments to ensure privacy is safeguarded while respecting access to information for Albertans.
- Implement an Alberta-wide Cybersecurity Controls Compliance Framework that will lead to the implementation of standard security controls, with a way to assess the maturity of these controls, which will help Alberta organizations identify their strengths and weaknesses, helping them, in turn, to better prioritize controls enhancement work.
- Continue to develop new cybersecurity talent to assist in resolving the current worldwide talent shortage via various training programs such as: work experience and internship programs, formal apprenticeship program and boot camp training.
- Establish new common procurement mechanisms accessible by Alberta public and private organizations to provide quick and reasonably priced access to critical cybersecurity services across the province.

Initiatives Supporting Key Objectives

In 2023-24, \$500,000 was allocated to implement a Development, Security and Operations (DevSecOps) approach to the development and maintenance of digital services to ensure that cybersecurity is embedded throughout the entire lifecycle of all business systems.

- The ministry has continued development of policy instruments to strengthen the government's DevSecOps approach, including standards and guidelines for Secrets Management, Threat Modeling, and Security Assurance. Adoption of DevSecOps capabilities to ensure security is included in digital service life cycle management.
- \$300,000 was spent in 2023-24 to procure enterprise security tools to enable Security to be inserted into the DevSecOps process, with additional funds utilized to implement those tools.

In 2023-24, \$1.7 million was spent to implement digital fraud detection systems to minimize the potential for fraudulent activities on GoA digital services.

Results Analysis

- A number of internal applications, including Alberta.ca Accounts and other processes, were integrated for providing more security and protection under these systems.
- Funds were spent on integrating GoA's specific application environment for collection, analysis, and reporting, and enhancing the GoA's ability to analyze cybersecurity data.

In 2023-24, \$800,000 was assigned to the CyberAlberta program to assist with collaborative work across the cybersecurity industry and post-secondary institutions to fast-track the development of cybersecurity talent across the province of Alberta.

- \$309,000 was used in 2023-24 to hire new staff to complement the branch; however, delays in getting approvals for the creation of the new positions resulted in delays.
- The new positions were approved in February 2024, for the 2024-25 fiscal year.

Performance Measures

Performance Indicator 2.a: Number of malware infections prevented

Description

This indicator reports how many emails were stopped by security measures because they had harmful content or acted suspiciously. This covers, but is not limited to, emails that contain spam messages; contain malicious links and/or attachments; or contain any type of social engineering attack.

Results and Analysis

In 2023-24, 91.2 million malware infections were prevented by cybersecurity controls.

Number of malware infections prevented

Year	2022-23	2023-24
Number of malware infections prevented	95.1 million*	91.2 million

*The result for 2022-23 has been restated to align to the updated methodology being used for this performance indicator.

Source: Technology and Innovation, Cybersecurity Division

To better represent the full scope of the malicious content and behaviors being blocked by cybersecurity appliances, the scope of this performance indicator was expanded, and the methodology was updated to reflect all instances of malware and social engineering attacks directed at all employees and systems. Previously, this performance indicator was focused on global campaigns directed at the GoA.

Due to the expanded scope and updated methodology, the 2022-23 result of 7.8 million was recalculated and updated to 95.1 million to ensure year over year comparability.

Performance Measure 2.b: Percentage of Government of Alberta critical business systems' disaster recovery plans tested annually

Description

This measure tracks the number of disaster recovery plans that are tested annually to ensure Alberta's cyberspace is secure, safe and resilient.

Results and Analysis

The ratio of Critical Systems tested in 2023-24 was 91 per cent, which was lower than the target of 100 per cent, due to ministry's ongoing efforts to modernize critical applications that are in-scope for 2024-25.

Percentage of GoA critical business systems' disaster recovery plans tested annually

Year	2022-23	2023-24
Percentage of GoA disaster recovery plans tested	96%	91%

Source: Technology and Innovation, Cybersecurity Division

The drop in the percentage of applications tested is due to the timing of the exercise, which conflicted with essential business processes requiring uninterrupted access to critical systems. This past year, 11 critical systems initially scheduled for disaster recovery testing could not be impacted during the testing period and received special approval to be omitted from the test. The ministry will ensure that these systems perform disaster recovery testing in 2024-25.

Technology and Innovation will continue to coordinate and facilitate the effective recovery of the GoA's core IT services and critical applications to our secondary data centre through the annual disaster recovery exercise.

Performance Measure 2.c: Annually develop new cybersecurity talent via the work experience program of the Government of Alberta

Description

This measure tracks the number of individuals that were developed through the cybersecurity work experience program to support job diversification and to create new employment opportunities. Cybersecurity Work Experience Program (WEP) is a two-year program where learners are hired as junior cybersecurity staff and mentored by senior cybersecurity staff while being rotated through all cybersecurity service units, rounding off their expertise across all cybersecurity domains.

Results and Analysis

In 2023-24, the target of eight individuals developed through the cybersecurity work experience program was achieved.

Number of new cybersecurity talent via the work experience program of the GoA

Year	2022-23	2023-24
Number of individuals	4	8

Source: Technology and Innovation, Cybersecurity Division

The ministry will continue to work with post-secondary institutions and technology institutions on future program development, student engagement and enrolment to improve the availability of cyber talent across Alberta. The ministry is exploring opportunities to expand the program and develop additional cybersecurity curriculum to generate more graduates in this field.

Outcome Three: Technology-led innovation contributes to economic diversification and growth

Technology and Innovation continues to support a vibrant innovation system, which will lead to technology commercialization, talent creation, highly skilled jobs, company growth as well as economic growth and diversification. In 2023-24, the ministry accomplished several key objectives directed toward achieving this outcome.

Key Objectives

3.1 Lead the government's implementation of the Alberta Technology and Innovation Strategy to ensure that Alberta is the destination of choice for innovators, entrepreneurs and investors resulting in more jobs, investment and companies in the technology sector supporting Alberta's economic diversification.

The ministry continued to implement the Alberta Technology and Innovation Strategy (ATIS), which was released in April 2022. Key results achieved in 2023-24 include:

Artificial Intelligence (AI):

- The ministry has invested \$37 million over four years from 2022 to support AI through Alberta Innovates, with \$30 million allocated to Alberta Machine Intelligence Institute (Amii) to enhance AI and machine learning (AI/ML) capabilities across various economic sectors in Alberta, and \$7 million for Alberta Innovates to deliver ecosystem development programs and initiatives enabling AI awareness and access.
- This multi-year grant with Alberta Innovates has resulted in impactful partnerships with 152 industry partners, 115 events between researchers and end users, and attracted over 367 international participants in workshops, enhancing Alberta's global standing and presence in the AI/ML industry.
- Supporting Amii to launch programs like the AI in classroom: AI Literacy K-12 pilot program and the AI Everywhere undergraduate program at the University of Alberta, which are focused on providing foundational understanding of AI and its applications.

Major Innovation Fund:

- Continued to support four multi-year grants that were awarded in 2022-23. The grants support four highly collaborative, outcome-focused projects in critical sectors, such as Climate Adaptation/Mitigation Technologies, Medical Device Innovations, eHealth and mHealth Technologies, and Space and Defense Technologies.

Quantum Science and Research Innovation:

- Continued to make investments in quantum science to help position Alberta to be a leader in quantum-driven digital technologies, capturing the economic growth and jobs forecasted for this sector over the coming decades. These investments will also attract additional anchor multinational companies interested in commercializing quantum technologies.
- Since 2021-22, Quantum City has supported six spin-out companies, trained over 190 highly qualified personnel and leveraged over \$4 million in funding. Quantum City, in partnership with Amazon, launched the Quantum Challenge for Sustainable Solutions in the Energy sector and has recently secured partnerships with international venture capital firm QAI Ventures, demonstrating Alberta's global presence in the quantum space.

Innovation Catalyst Grant (ICG):

- Through the ICG, companies have been created in the areas of energy capture and transportation, energy grid management, medical devices, and environmental modelling, which increase our innovation competitiveness and further Alberta's reputation as an energy powerhouse.
- In addition to supporting entrepreneurs, the ICG program also supported entrepreneurship in a joint effort between Technology and Innovation and the Ministry of Advanced Education. \$1 million was provided to three post-secondary institutions for the development of micro-credential programming to raise the awareness and importance of protecting intellectual property created in the province.

3.2 Incent investment in research and development to build the province's innovation capacity.

The Research Capacity Program, a competitive funding program, funded several projects in 2023-24 including:

- A University of Alberta project to uncover high-energy neutrinos and study extreme astrophysical phenomena with neutrinos, positioning Alberta as a global leader in astrophysics and fostering technological advancements for scientific and commercial exploration.
- A University of Alberta project to establish a hub for addressing global environmental challenges, bioremediation, and resource recovery, promoting Alberta as a leader in sustainable development and environmental innovation.
- A University of Calgary project to delve into the underlying causes of Multiple Sclerosis disease prevalent in Alberta by using advanced microscopy and MRI techniques, enhancing local expertise and economic growth in life sciences.

- A University of Calgary project to establish a unique facility at the university that could set a new standard in materials characterization, propelling Alberta into a global leader in innovative technologies, boosting the economy and opening new sectors.
- A Northern Alberta Institute of Technology (NAIT) project to expand NAIT's applied research and capacity-building in Indigenous communities to address climate change, enhance forest reclamation, and empower Indigenous communities with economic opportunities in land and environmental management.
- A Lethbridge College project to develop precision irrigation strategies to enhance crop productivity and water use efficiency in Alberta's agricultural sector, benefiting farmers and advancing sustainable agriculture practices while creating research opportunities for future innovation leaders.

The Strategic Research Initiatives (SRI) supports capacity to drive talent, technology and innovation, enabling a future-ready workforce with skills to diversify and grow Alberta's economy in alignment with the ATIS. This past year Technology and Innovation invested in:

- The Canadian Institute for Advanced Research (CIFAR) to advance the ATIS, intended to increase the depth of Alberta's technology and innovation talent pool, leverage additional investments and enhance Alberta's global technology reputation. The ministry's investment of \$2.1 million over three years (\$700,000 in 2023-24) in CIFAR is projected to leverage over \$23 million in funding from federal and private funding sources.
- Genome Alberta to advance GoA priorities, making significant contributions to the ATIS. The ministry's investment of \$15 million over three years (\$7 million in 2023-24) in Genome Alberta would allow it to leverage additional \$75.5 million in funding from federal, provincial, non-profit and private funding sources and further enhance innovation in Alberta by contributing to key sectors, providing training opportunities for top talent, fostering collaboration and leveraging partnerships with Genome Canada to support Alberta-specific projects.

3.3 Provide innovation and commercialization programming, through Alberta Innovates.

Alberta Innovates is the most comprehensive research and innovation agency in the province. It provides funding, business development advice and opportunities for collaboration and partnerships, and operates two subsidiaries:

- InnoTech Alberta and C-FER Technologies offer applied research and development services to industry and government clients. The subsidiaries test, de-risk, scale and validate ideas for successful and accelerated commercialization and market adoption of technologies.

Alberta Innovates is crucial to diversifying Alberta's economy, nurturing new technology development, and attracting investment and new opportunities to the province. It does so through programs focused on five areas of significant economic opportunity for the province; Smart Agriculture, Digital Health, Clean Resource Technologies, AI, and Entrepreneurial Ecosystem.

Smart Agriculture:

- Alberta Innovates invested \$4.2 million in grant funding into agri-food innovation projects in areas including Chronic Wasting Disease, livestock and crop research projects through the Agriculture Funding Consortium, and technology and sector productivity enhancement

in the agri-food value chain in partnership with post-secondary institutions and private industry.

Digital Health:

- In November 2023, Alberta Innovates launched the Digital4Health (D4H) program to respond to provincial health and wellness priorities. D4H will catalyze pilot testing, evaluation, and adoption of technology-enabled care through partnerships between health service delivery and digital health technology solution providers.

Clean Resource Technologies:

- Phase 3 of the Carbon Fibre Grand Challenge within Alberta Innovates' Innovative Hydrocarbon program committed \$7.5 million into four multi-year projects, leveraging funding from Emissions Reduction Alberta into a total \$14.5 million public investment.
- Alberta Innovates is home to the Hydrogen Centre of Excellence. Working with its subsidiaries InnoTech Alberta and C-FER Technologies, Alberta Innovates responds to opportunities to advance Alberta's hydrogen economy through grant funded projects and new capital infrastructure builds.

Artificial Intelligence:

- As part of a \$30 million multi-year grant received from Technology and Innovation, Alberta Innovates paid \$7.5 million to support Amii (Alberta Machine Intelligence Institute), one of Canada's leading artificial intelligence research institutes. This ongoing financial support helps Amii attract top talent, conduct cutting-edge research and foster collaboration between academia and industry.

Entrepreneurial Ecosystem:

- Alberta Innovates operates a suite of programs specifically designed to help Alberta-based technology and knowledge-based businesses reduce the time it takes to commercialize their product or service, including the Alberta Scaleup and Growth Accelerator Program (Scaleup GAP).
- Led by Alberta Innovates and a consortium of partners, Scaleup GAP provides end-to-end-business support services for growth-oriented companies, including education, mentorship, a network of large corporations and access to capital to help start-ups bring their products to market.
- Scaleup Gap funds five accelerators, who in turn have graduated 327 companies. These companies have attracted \$282 million in new investment – an increase of \$147.5 million since last year - and have generated \$58.1 million in new revenue, with nearly half being new export revenues.

3.4 Increase venture capital investment in Alberta's technology companies through the work of the Alberta Enterprise Corporation.

AEC investments are long-term and focused on a range of fields, including industrial technology, information technology and life sciences. Since its launch in 2008, the AEC has provided over \$367 million in investment to 35 venture capital (VC) funds across the province, which has been leveraged to create access to more than \$5 billion in capital for Alberta knowledge-based

companies. During this same period, AEC's investments have led to more than 3,200 direct jobs and an estimated 15,300 indirect jobs.

During 2023-24, AEC continued to focus on attracting investment into Alberta companies by investing in four new funds. To date, AEC has invested in 35 funds, including three angel co-investment funds and three micro-funds based in Alberta. To support VC in Alberta, AEC provided support to Start Alberta (startalberta.ca). This platform provides real-time data for founders, investors, and corporate stakeholders, hosting more than 1,900 verified startups and 500 investors. Other investments during 2023-24 include Calgary-based The51 Food and AgTech Fund, Graphite Ventures, Amplitude Ventures, and Luge Capital.

In 2023-24, the cumulative value of investments by AEC and their syndicate partners into Alberta companies was \$1.2 billion, an increase of \$98 million since 2022-23. For every \$1 AEC invested in Alberta knowledge-based companies, VC funds and their syndicate partners invested almost \$5.

Forward Looking Information

Going forward, the ministry will focus on completing the following initiatives in support of desired Outcome Three:

- Continue working with the Ministry of Advanced Education to release an intellectual property commercialization framework to foster greater commercialization of innovative research developed by Alberta's post-secondary institutions and local industry, leading to economic and social benefits.
- Continue working with life science community to inform development of a life science framework that will accelerate the growth of the sector and address global challenges, leveraging past investments and the competitive strengths in our research institutions.
- Continue to attract investment into Alberta technology companies through investing in venture capital funds that are strongly committed to Alberta and continue to support Alberta's venture capital ecosystem by connecting investors, entrepreneurs and technology executives.

Initiatives Supporting Key Objectives

In 2023-24, \$24.5 million was spent for the implementation of key initiatives of the ATIS including support for emerging technologies such as AI and quantum science, and development of an intellectual property commercialization framework.

- The ATIS outlines Alberta's strategy to align efforts, resources and priorities while leveraging existing strengths, building on ongoing initiatives and setting a path that strengthens the foundational elements needed to grow a robust technology and innovation sector. In addition to setting broad direction, the ATIS outlines specific commitments to support enabling technologies, such as artificial intelligence, quantum science and other sectors where Alberta has a global competitive advantage. In 2023-24, \$5.2 million was provided to the Major Innovation Fund; \$2.3 million to the Innovation Catalyst Grant; \$5 million to Quantum Science; \$10 million to Artificial Intelligence; and \$2 million to the Scale-Up and Growth Accelerator program.

Performance Measures

3.a Performance Measure: Sponsored research revenue attracted by Alberta's comprehensive academic and research universities (\$ millions)

Description

This measure reflects research capability in the province through the success of Alberta's Comprehensive Academic and Research Universities in attracting sponsored research funding from several sources. The results give an indication of the research capability, capacity and competitiveness of these institutions.

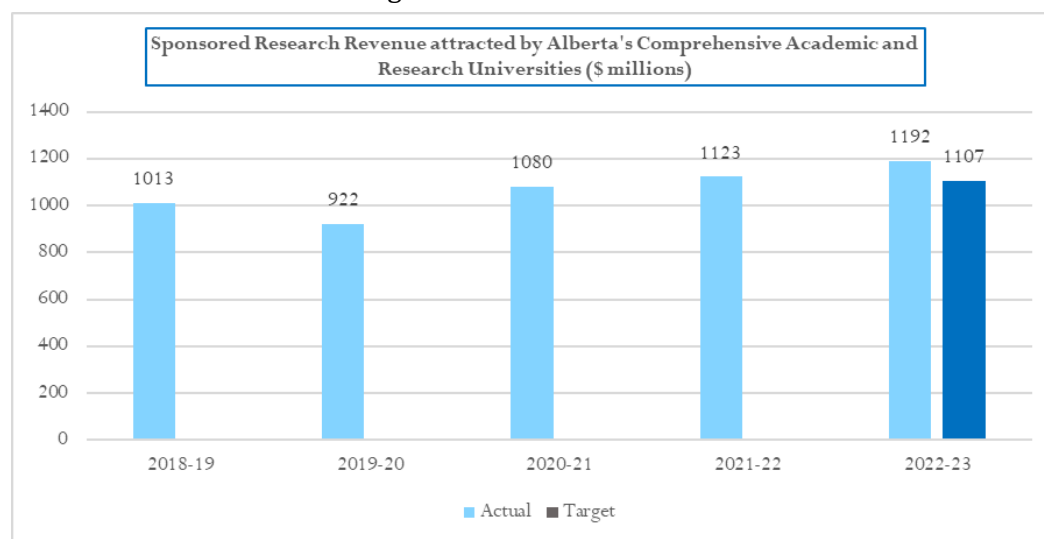
Results and Analysis

This performance measure lags by one year. Results for 2023-24 will be available to report in 2024-25. Sponsored research revenue is generated annually based on information received from Alberta's Comprehensive Academic and Research Universities from previous year activities.

In 2022-23, Alberta's comprehensive academic and research activities attracted \$1,192 million in sponsored research revenue, which exceeds the target of \$1,107 million.

The 2022-23 result increased by six per cent compared to the previous year's revenue of \$1,123 million. The \$68.5 million increase in total sponsored research revenue is related to increased research revenue from government (federal, provincial and other government) contributions. Provincial government funding had the largest increase (40 per cent) in 2022-23, which influenced completed projects and corresponding realization of revenues, and investments into key priority initiatives.

Over the past 10 years, total sponsored research revenue shows an upward trend, with an average yearly increase of 4.73 per cent over that time. The results indicate the research capability, capacity and competitiveness of these institutions in attracting funding from various sources, including the federal government. This includes the Natural Sciences and Engineering Research Council, the Canadian Institutes for Health Research, the Social Sciences and Humanities Research Council, the Indirect Costs of Research Program and the Canada Foundation for Innovation.



Source: Alberta's Comprehensive Academic Research Universities Report, collected and analyzed by Technology and Innovation

Performance Measure 3.b: Cumulative value of Alberta Enterprise Corporation attracted venture capital funds (and their syndicate partners) invested in Alberta businesses (\$ millions)

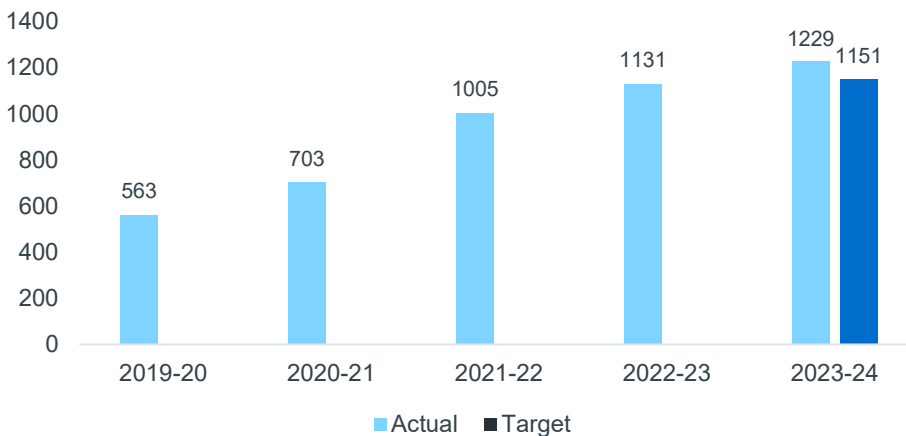
Description

Access to capital enables Alberta businesses to start up and grow, which supports economic growth and diversification. AEC is a fund-of-funds that invests in venture capital funds and angel co-investment funds that subsequently invest in technology companies. This is the cumulative value of investments made by AEC’s venture-capital funds and their syndicate partners into Alberta companies.

Results and Analysis

The target for 2023-24 was set to achieve \$1,151 million of AEC cumulative investment (including AEC funds and syndicate partners) into Alberta companies. The actual result for 2023-24 was \$1,229 million, an increase of \$98 million since 2022-23 due to additional investment into 11 Alberta companies as well as follow-up on investments in existing portfolio companies. The results confirmed that for every \$1 invested by AEC, venture capital funds and their syndicate partners invest almost \$5 into Alberta companies.

Cumulative value of Alberta Enterprise Corporation attracted venture capital funds (and their syndicate partners) invested in Alberta businesses (\$ millions)



Source: Alberta Enterprise Corporation

Performance Measure and Indicator Methodology

Performance Measure 1.a: Number of services released on modern digital platforms

The number of services available through MyAlberta eServices is calculated by tracking the cumulative number of completed on-boarding projects consisting of a product (or products) that can be obtained using MyAlberta eServices. Some projects consist of only one product, while other projects may consist of a few different iterations of the same product or a wide range of products (e.g., apparel/merchandise).

Performance Measure 1.b: Total number of visits to the Open Government Portal

The number of visits is the total number of web pages viewed by all users to the Open Government Portal during the designated date range, as calculated by Google Analytics. Each time a page is loaded or reloaded, a new pageview is tallied. Repeated views of a single page are counted.

Performance Indicator 2.a: Number of malware infections prevented

The scope of this performance indicator and the methodologies used to track and report the number of malware infections prevented have been expanded. The metric reflects the number of emails blocked for containing malicious content or behaving in a manner deemed to be suspect. This includes, but is not limited to, emails that contain spam messages, malicious links and/or attachments or a phishing message, or emails that violate GoA specific block rules and mail flow rules.

Emails sent and received by a GoA account are monitored on an ongoing basis to determine if they contain malicious content or behave in a manner deemed to be suspect. This information is summarized on a monthly basis and collated annually to report on the fiscal year results.

Performance Measure 2.b: Percentage of Government of Alberta critical business systems' disaster recovery plans tested annually

In 2023-24, there were 116 GoA applications classified as being critical. Of the 116 critical applications, 111 have disaster recovery plans in place and 106 of which participated in annual disaster recovery testing.

The percentage of critical business systems' disaster recovery plans tested annually is determined by dividing the number of tested critical applications by the total number of critical applications and multiplying by 100.

Performance Measure 2.c: Annually develop new cybersecurity talent via the work experience program of the Government of Alberta

The Work Experience Program is focused on providing opportunities for new graduates to access entry-level positions in the cybersecurity field. Recruitment procedures are aligned with GoA's talent acquisition process.

The WEP provides training and awareness on 10 key cybersecurity domains and assigns a dedicated mentor who helps create individual learning plans and structured work schedules for participants. To complete the WEP, participants cycle through the domains over a two-year period.

Participants who successfully fulfill the mandatory elements of the two-year WEP program each month of the year are incorporated into the performance metric.

Performance Measure 3.a: Sponsored research revenue attracted by Alberta’s comprehensive academic and research universities (\$ millions)

Sponsored research revenue data are collected directly from the Comprehensive Academic and Research Universities (CARUs). The CARUs submit the data using a template and guidelines that outline the information required and specific instructions regarding how the revenue should be reported. The guidelines provided to the CARUs by the ministry were developed to augment the guidelines in place for corresponding annual reporting submissions by the CARUs to the Canadian Association of University Business Officers to report on Total Sponsored Research Revenue at Alberta universities.

CARUs are required to follow the Canadian Association of University Business Officers reporting guidelines for the appropriate year. The CARUs derive the data from audited financial statements and supplementary schedules. The reported data is compiled and analyzed by the ministry in the Sponsored Research Revenues at Alberta’s Comprehensive Academic and Research Universities report.

Performance Measure 3.b: Cumulative value of Alberta Enterprise Corporation attracted venture capital funds (and their syndicate partners) invested in Alberta businesses (\$ millions)

This measure is reported to the GoA by the AEC as required by legislation (*Alberta Enterprise Corporation Act*, S. 14 Disclosure of Information), and the Transfer Agreement (S. 16 Reporting Requirements). The last actual number was collected from the latest available AEC Annual Report.

AEC gathers information on investments from its venture capital firms as a condition of the Limited Partner Agreement between AEC and its venture capital funds. The value of AEC (venture capital funds and their syndicate partners) funds investment in Alberta business in aggregate to date is collected through the funds’ submissions.

Financial Information

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Reporting Entity and Method Consolidation

The financial information is prepared in accordance with government's stated accounting policies, which are based on Canadian Public Sector Accounting Standards.

The reporting entity is the ministry for which the Minister is accountable. The accounts of the ministry, which includes the department and the entities making up the ministry, are consolidated using the line-by-line method.

Under this method, accounting policies of the consolidated entities are adjusted to conform to those of the government and the results of each line item in their financial statements (revenue, expense, assets, and liabilities) are included in government's results. Revenue and expense, capital, investing and financing transactions and related asset and liability balances between the consolidated entities have been eliminated.

A list of the individual entities making up the ministry are shown on the "Management's Responsibility for Reporting" statement included in this annual report.

Ministry Financial Highlights

Statement of Revenues and Expenses (unaudited)

Year Ended March 31, 2024

(In Thousands)

	2024		2023	Change from	
	Budget	Actual	Actual	Budget	2023 Actual
Revenues					
Internal Government Transfers	88,790	90,892	92,523	2,102	(1,631)
Transfers from Government of Canada	4,200	8,163	7,201	3,963	962
Investment Income (Loss)	500	8,500	(743)	8,000	9,243
Other Revenue	85,376	109,350	92,257	23,974	17,093
	178,866	216,906	191,238	38,040	25,668
Inter-ministry consolidation adjustments	(129,346)	(152,833)	(142,462)	(23,487)	(10,371)
Adjusted Ministry Total	49,520	64,073	48,776	14,553	15,297
Expenses - directly incurred					
	2024		2023	Change from	
	Budget	Actual	Actual	Budget	2023 Actual
Program					
Ministry Support Services	4,448	4,753	5,029	305	(276)
Data, Privacy and Innovation	169,005	199,663	207,567	30,658	(7,904)
Technology Support and Operations	603,375	381,290	331,133	(222,085)	50,157
Digital Design and Delivery	118,113	122,946	105,741	4,833	17,205
Cybersecurity	12,748	12,310	9,607	(438)	2,703
Alberta Enterprise Corporation	3,837	3,754	2,708	(83)	1,046
Alberta Innovates Corporation	252,896	251,178	248,832	(1,718)	2,346
	1,164,422	975,893	910,617	(188,529)	65,276
Inter-ministry consolidation adjustments	(152,077)	(163,983)	(199,547)	(11,906)	35,564
Adjusted Ministry Total	1,012,345	811,911	711,070	(200,434)	100,841
Annual Deficit	(962,825)	(747,837)	(662,294)	214,988	(85,543)

Revenue and Expense Highlights

Revenues

- Revenues totaled \$216.9 million in 2023-24, which is \$38 million higher than the budget. This is primarily attributable to higher shared services revenues through credit and recovery than budget and increased gains in portfolio investments.
- Government of Alberta grants totaled \$90.9 million. This amount includes \$36.5 million from Alberta Heritage Science and Engineering Research Endowment Fund and \$48.0 million from Alberta Heritage Foundation for Medical Research Endowment Fund, which was provided to Alberta Innovates to fund their program initiatives.
- Federal grants received from the Government of Canada totaled \$8.2 million, which is an increase of \$1.0 million from 2022-23.
- Other Revenue totaled \$109.4 million, which mainly includes costs of \$57.2 million recovered for providing shared services to other ministries and external entities, and \$42.9 million of external revenue for Alberta Innovates.

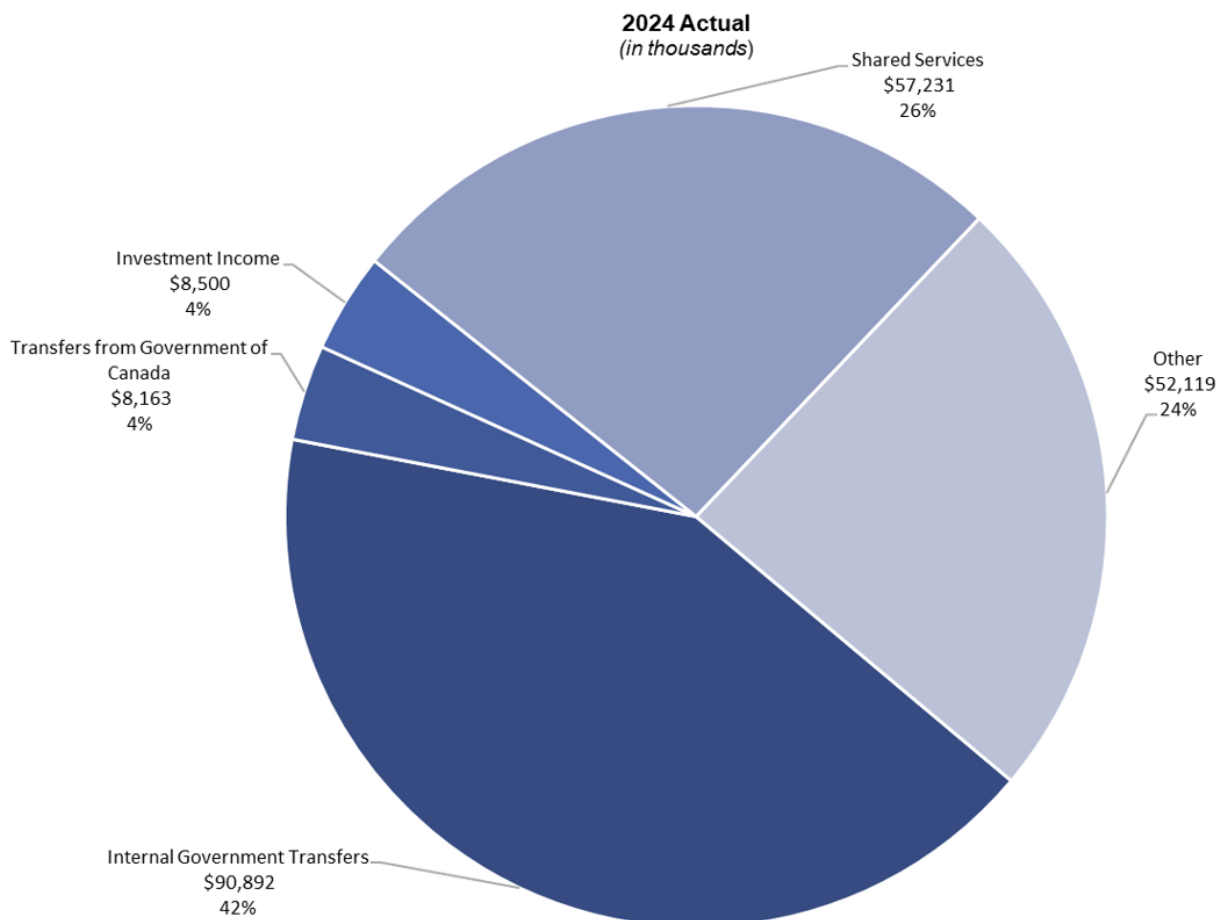
Expenses

- Expenses were \$188.5 million lower than the budgeted amount. This is mainly attributed to unspent budget in Technology Support and Operations due to the delay in the Broadband initiative, aimed at bringing high-speed internet connectivity to rural, remote and Indigenous communities of Alberta and lower amortization expense.
- Expenses in 2023-24 totaled \$975.9 million, reflecting an increase of \$65.3 million from 2022-23 actuals. This is primarily due to:
 - Increase of \$31.4 million in Broadband capital grants as 2023-24 was the first full operating year.
 - Increase of \$27.7 million in IT services expenses on increased costs related to new approved development projects, new maintenance contracts for projects that got implemented and higher fixed price rates on contracts due to inflation and unfavorable exchange rate.

Breakdown of Revenues (unaudited)

	2024		2023
	Budget	Actual	Actual
Revenues			
Internal Government Transfers	88,790	90,892	92,523
Transfers from Government of Canada	4,200	8,163	7,201
Investment Income	500	8,500	(743)
	<u>93,490</u>	<u>107,556</u>	<u>98,981</u>
Other revenue			
Shared Services	39,130	57,231	44,141
Other	46,246	52,119	48,116
	<u>85,376</u>	<u>109,350</u>	<u>92,257</u>
	<u>178,866</u>	<u>216,906</u>	<u>191,238</u>

Breakdown of Revenues (unaudited)

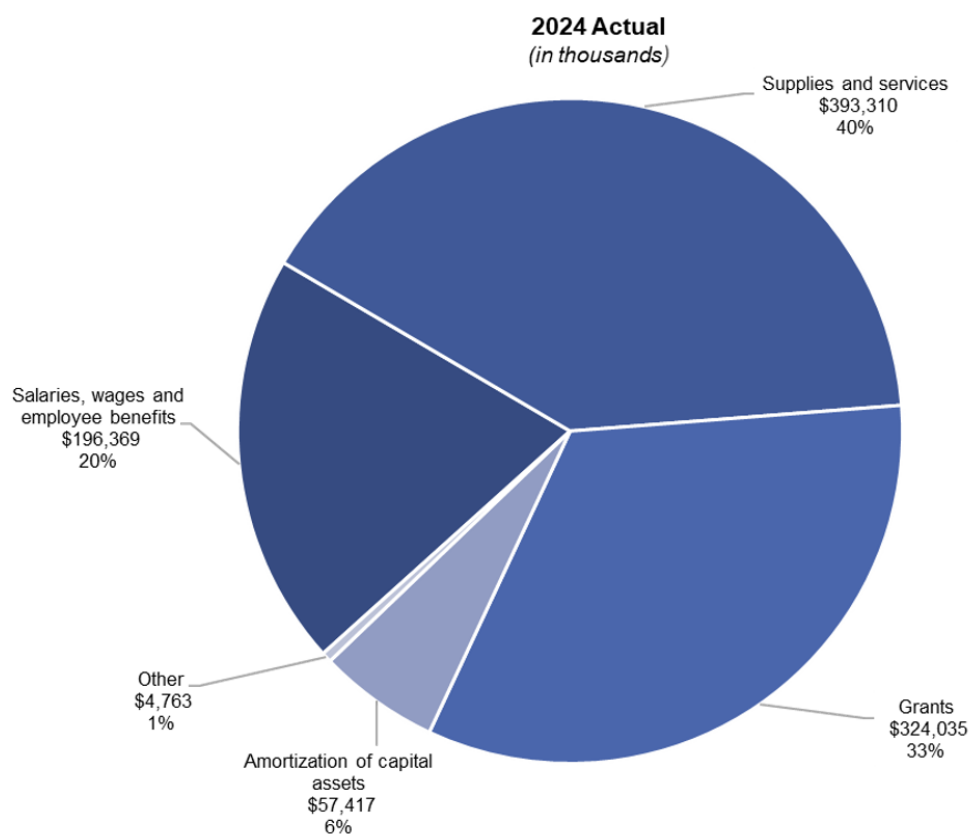


- In 2023-24, Government of Alberta grants totaled \$90.9 million. Actual results consist of transfers from Alberta Heritage Science and Engineering Research Endowment Fund (AHSER) amounting to \$36.5 million. The purpose of AHSER is to support a balanced long-term program of research and innovation directed to the discovery of new knowledge and the application of that knowledge to the commercialization of technology. Also included is \$48.0 million from the Alberta Heritage Foundation for Medical Research Endowment Fund (AHFMR). The purpose of AHFMR is to support a balanced long-term program of research and innovation related to health and directed to the discovery of new knowledge and the application of that knowledge to improve health and the quality of health services in Alberta. Both AHSER and AHFMR are grants to Alberta Innovates.
- Other revenue mainly includes \$57.2 million of shared services provided to other ministries and external entities, and \$42.9 million of external revenue for Alberta Innovates.
- Investment income totaled \$8.5 million is mainly portfolio investments income and interest revenue earned by Alberta Enterprise Corporation and Alberta Innovates.
- Federal grants received from the Government of Canada totaled \$8.1 million is for Alberta innovates to provide various Intellectual Property assistance to IRAP Clients and SMEs.

Expenses – Directly Incurred Detailed by Object (unaudited)

	2024		2023
	Budget	Actual	Actual
	<i>In thousands</i>		
Salaries, wages and employee benefits	\$ 217,432	\$ 196,369	\$ 194,040
Supplies and services	361,024	393,310	353,685
Grants	506,405	324,035	310,961
Amortization of capital assets	78,989	57,417	51,310
Other	572	4,763	621
	\$ 1,164,422	\$ 975,893	\$ 910,617

Expenses – Directly Incurred Detailed by Object (unaudited)



- Supplies and services were the Ministry’s largest operating expense, representing 40 per cent of the total expense.
- Grants paid were the ministry’s second largest expense, which made up 33 per cent of total operating expenses. \$324 million in grants was provided to support organizations and communities through grant programs administered by the Department and Alberta Innovates.
- Expenditures for salaries, wages and employee benefits totaled \$196.4 million and accounted for 20 per cent of the Ministry’s total expense. This includes \$68.2 million for Alberta Innovates, \$2 million for Alberta Enterprise Corporation, and \$126.2 million for the Department in support of the ministry’s operations, provision of shared services, programs and administration of grants.
- Amortization totaled \$57.4 million and accounted for six per cent of the Ministry’s operating expense. Amortization is a non-cash expense representing the depletion or use of a capital asset. It is a proxy for the capital investment required to maintain and replenish assets owned by Technology and Innovation. These assets are used to deliver the department’s programs and the programs of other ministries, through shared services.
- Other expenses totaled \$4.8 million and accounted for one per cent of the Ministry’s total expense. Included in other expenses are investment expenses and write down of capital assets.

Supplemental Financial Information

Tangible Capital Assets (unaudited)

	Technology and Innovation					2023
	2024					
	<i>In thousands</i>					
	Buildings	Equipment ⁽³⁾	Computer Hardware and Software ⁽¹⁾	Other ⁽⁴⁾	Total	
Estimated Useful Life	10-70 yrs	3-25 yrs	3-15 yrs	3-50 yrs	Total	
Historical cost ⁽²⁾						
Beginning of year	\$ 30,500	\$ 300,540	\$ 1,205,862	\$ 960	\$ 1,537,862	\$ 1,470,896
Additions	2,841	12,079	81,879	7	96,806	67,678
Transfers to/from Departments	-	(62)	(2,227)	-	(2,290)	-
Adjustments	-	62	(62)	-	0	-
Disposals including write-downs	-	(145)	(2,284)	-	(2,429)	(712)
	33,341	312,474	1,283,167	967	1,629,949	1,537,862
Accumulated amortization						
Beginning of year	\$ 16,733	\$ 266,831	\$ 904,878	\$ 15	\$ 1,188,457	\$ 1,137,197
Amortization expense	2,267	7,324	47,788	38	57,416	51,309
Transfers to/from Departments	-	(1)	(650)	-	(651)	-
Disposals including write-downs	-	(64)	(9)	-	(73)	(49)
	19,000	274,090	952,007	53	1,245,149	1,188,457
Net book value at March 31, 2024	\$ 14,341	\$ 38,384	\$ 331,160	\$ 914	\$ 384,800	
Net book value at March 31, 2023	\$ 13,767	\$ 33,709	\$ 300,985	\$ 945		\$ 349,406

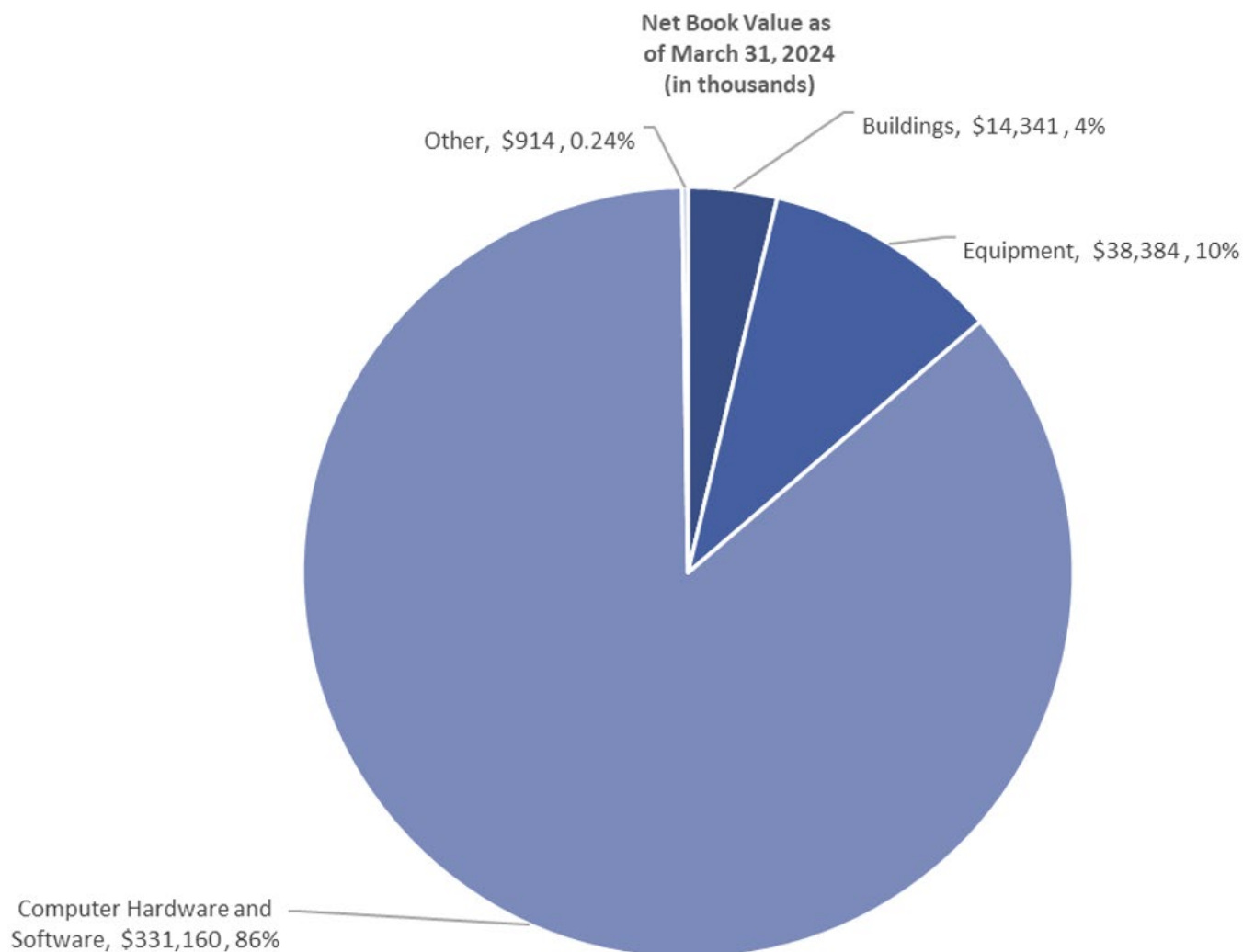
(1) Computer hardware and software assets support and enable the delivery of information management and data services, IMT infrastructure, architecture, security and risk management services.

(2) Historical cost includes assets under construction at March 31, 2024 totalling \$134,948 (2023 - \$124,443) comprised of: equipment \$7,136 (2023 - \$4,585), building and improvements \$1,262 (2023 - \$247), and computer hardware and software \$126,550 (2023 - \$119,611).

(3) Equipment includes laboratory equipment, heavy equipment, vehicles, office equipment, and other equipment.

(4) Other includes Land and Leasehold improvements .

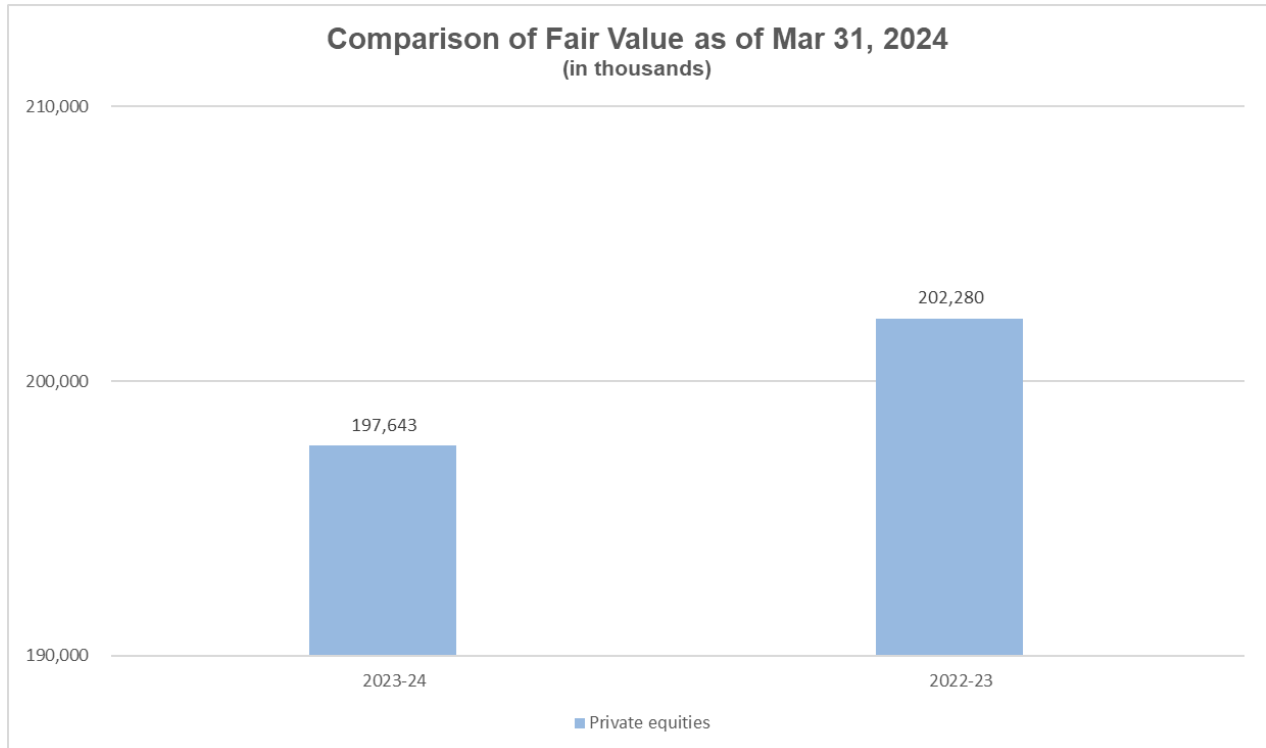
Tangible Capital Assets (unaudited)



Technology and Innovation’s \$384.8 million tangible capital assets are comprised of:

- Information Management and Technology (IMT) assets of \$331.2 million, composed of computer hardware, software and equipment, which supports and enables the delivery of information management and data services, IMT infrastructure, architecture, security and risk management services.
- Equipment of \$38.4 million includes vehicles, laboratory equipment, heavy equipment, office furniture, and other equipment.
- Buildings include Alberta Carbon Conversion Technology Centre (ACCTC) with net book value of \$14.3 million.
- Other of \$0.9 million mainly includes land portion of C-FER Technologies Inc. building for \$0.6 million.

Portfolio Investments (unaudited)



Management is responsible for estimating the relative reliability of data or inputs used by the Ministry to measure the fair value of portfolio investments.

The Ministry's investment fair value is based on valuation methods using inputs that are based on non-observable market data. One or more valuation techniques, such as the market approach and the income approach, are used in determining investment valuation. The use of the market approach generally consists of using comparable market transactions, while the use of the income approach generally consists of the net present value of the estimated future cash flows, adjusted as appropriate for liquidity, credit, market, and/or other risk factors.

As quoted market prices are not readily available, estimated fair values may not reflect amounts that could be realized upon immediate sale, nor amounts that may ultimately be realized. Accordingly, the estimated fair values may differ significantly from the values that would have been used had a ready market existed for these investments.

Financial Statements of Other Reporting Entities

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Alberta Enterprise Corporation**Financial Statements****Table of Contents**

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Management’s Responsibility for Reporting

AEC’s management is responsible for the preparation, accuracy, objectivity and integrity of the information contained in the annual report, including the financial statements, performance results, and supporting management information. Systems of internal control are designed and maintained to produce reliable information that meets reporting requirements, and to ensure that transactions are properly authorized, reliable financial records are maintained, assets are properly accounted for and safeguarded, and relevant legislation and policies are complied with. Corporate business plans, performance results and the supporting management information are also integral to both financial and performance reporting.

The annual report has been approved by the Board of Directors and is prepared in accordance with Ministerial guidelines.

The Auditor General of Alberta, the Corporation’s external auditor appointed under the Auditor General Act, performs an annual independent audit of AEC’s financial statements in accordance with Canadian generally accepted auditing standards.

[Original signed by]

Kristina Williams
President and Chief Executive Officer

June 3, 2024

[Original signed by]

Jennie Allen
Chief Financial Officer

June 3, 2024

Independent Auditor's Report

To the Board of Directors of Alberta Enterprise Corporation



Report on the Financial Statements

Opinion

I have audited the financial statements of Alberta Enterprise Corporation (the Corporation), which comprise the statement of financial position as at March 31, 2024, and the statements of operations, remeasurement gains and losses, change in net financial assets, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 2024, and the results of its operations, its remeasurement gains and losses, its changes in net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for opinion

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

Other information

Management is responsible for the other information. The other information comprises the information included in the *Annual Report*, but does not include the financial statements and my auditor's report thereon. The *Annual Report* is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I will perform on this other information, I conclude that there is a material misstatement of this other information, I am required to communicate the matter to those charged with governance.

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, and for such internal control as management determines is necessary to enable the preparation of the 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 Corporation'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 an intention exists to liquidate or to cease operations, or there is no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the financial statements

My 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 my 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, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my 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 Corporation'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 Corporation's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Corporation 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.

I 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 I identify during my audit.

[Original signed by W. Doug Wylie FCPA, FCMA, ICD.D]
Auditor General

June 3, 2024
Edmonton, Alberta

Statement of Operations

Alberta Enterprise Corporation

Statement of Operations

Year ended March 31, 2024

	2024		2023
	Budget (Note 4)	Actual	Actual
	<i>(in thousands)</i>		
Revenues			
Government transfers (Schedule 3)			
Government of Alberta grants	\$ -	\$ -	\$ 50,000
Other revenue	-	2,900	1,353
	-	2,900	51,353
Expenses (Note 2(b) and Schedule 1)			
Operating costs	3,837	3,461	2,634
Annual operating (deficit) surplus	(3,837)	(561)	48,719
Net investment income (loss) (Note 7)			
Investment income	-	8,594	1,395
Investment operational expense	-	(5,850)	(6,201)
Interest expense	-	(136)	(73)
	-	2,608	(4,879)
Foreign exchange loss	-	(158)	(6)
Annual surplus (deficit)	(3,837)	1,890	43,834
Accumulated surplus, beginning of year		335,538	291,704
Accumulated surplus, end of year		\$ 337,428	\$ 335,538

The accompanying notes and schedules are part of these financial statements.

[Original signed by]

Ted Redmond
Chair of the Board of Directors
June 3, 2024

[Original signed by]

Sharilee Fossum
Audit Committee Chair
June 3, 2024

Statement of Financial Position

Alberta Enterprise Corporation

Statement of Financial Position

Year ended March 31, 2024

	2024	2023
	<i>(in thousands)</i>	
Financial assets		
Cash and cash equivalents (Note 5)	\$ 83,760	\$ 64,489
Accounts receivable (Note 6)	125,505	150,180
Portfolio investments (Note 7)	197,643	203,405
	<u>406,908</u>	<u>418,074</u>
Liabilities		
Accounts payable and other accrued liabilities	4,405	1,377
	<u>4,405</u>	<u>1,377</u>
Net financial assets	<u>402,503</u>	<u>416,697</u>
Non-financial assets		
Tangible capital asset (Note 10)	348	379
Prepaid expenses	167	435
	<u>515</u>	<u>814</u>
Net assets	<u>\$ 403,018</u>	<u>\$ 417,511</u>
Net assets		
Accumulated surplus	\$ 337,428	\$ 335,538
Accumulated remeasurement gains	65,590	81,973
	<u>\$ 403,018</u>	<u>\$ 417,511</u>

Contractual rights (Note 8)

Contractual obligations (Note 9)

The accompanying notes and schedules are part of these financial statements.

Statement of Change in Net Financial Assets

Alberta Enterprise Corporation

Statement of Change in Net Financial Assets

Year ended March 31, 2024

	2024		2023
	Budget	Actual	Actual
	<i>(in thousands)</i>		
Annual surplus (deficit)	\$ (3,837)	\$ 1,890	\$ 43,834
Acquisition of tangible capital assets (Note 10)		(7)	(394)
Amortization of tangible capital assets (Note 10)		38	15
Net remeasurement losses (Note 7)		(16,383)	(1,895)
Decrease (increase) in prepaid expenses		268	(318)
(Decrease) Increase in net financial assets		(14,194)	41,242
Net financial assets at beginning of year		416,697	375,455
Net financial assets at end of year		\$ 402,503	\$ 416,697

The accompanying notes and schedules are part of these financial statements.

Statement of Remeasurement Gains and Losses

Alberta Enterprise Corporation

Statement of Remeasurement Gains and Losses

Year ended March 31, 2024

	2024	2023
	<i>(in thousands)</i>	
Unrealized (losses) gains attributed to:		
Portfolio investments	\$ (8,164)	\$ (10,436)
Foreign exchange	375	9,936
Amounts Reclassified to the Statement of Operations:		
Portfolio investments - realized gains on investments	(8,594)	(1,395)
Net remeasurement losses for the period (Note 7)	(16,383)	(1,895)
Accumulated remeasurement gains at beginning of year	81,973	83,868
Accumulated remeasurement gains as at end of year	\$ 65,590	\$ 81,973

The accompanying notes and schedules are part of these financial statements.

Statement of Cash Flows

Alberta Enterprise Corporation

Statement of Cash Flows

Year ended March 31, 2024

	2024	2023
	<i>(in thousands)</i>	
Operating transactions		
Annual surplus	\$ 1,890	\$ 43,834
Non-cash items included in annual surplus:		
(Gain) Loss on portfolio investments (Note 7)	(2,744)	4,806
Loss on sale of investment	431	-
Other non-cash investment transactions	(431)	-
Amortization of tangible capital assets (Note 10)	38	15
	<u>(816)</u>	<u>48,655</u>
Decrease (increase) in accounts receivable	24,675	(180)
Increase in accounts payable and other accrued liabilities	3,028	974
Decrease (increase) in prepaid expenses	268	(318)
Cash provided by operating transactions	<u>27,155</u>	<u>49,131</u>
Capital transactions		
Acquisition of tangible capital assets (Note 10)	(7)	(394)
Cash (applied) to capital transactions	<u>(7)</u>	<u>(394)</u>
Investing transactions		
Purchase of portfolio investments (Note 7)	(38,140)	(29,920)
Distributions received from limited partnerships (Note 7)	22,434	6,977
Proceeds from sale of investment (Note 7)	7,829	-
Cash (applied to) provided by investing transactions	<u>(7,877)</u>	<u>(22,943)</u>
Increase in cash and cash equivalents	19,271	25,794
Cash and cash equivalents, beginning of year	64,489	38,695
Cash and cash equivalents, end of year	<u>\$ 83,760</u>	<u>\$ 64,489</u>

The accompanying notes and schedules are part of these financial statements.

Notes to the Financial Statements

Alberta Enterprise Corporation

Notes to the Financial Statements

March 31, 2024

Note 1 AUTHORITY

The Alberta Enterprise Corporation (the Corporation) is a Provincial Corporation that operates under the authority of the *Alberta Enterprise Corporation Act*.

The Corporation was established on December 5, 2008 and is part of a strategy to encourage technology commercialization and promote growth in Alberta's venture capital industry.

The Corporation is exempt from income taxes under the *Income Tax Act*.

Note 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

These financial statements are prepared in accordance with Canadian Public Sector Accounting Standards.

(a) Reporting Entity

The reporting entity is the Corporation, which is part of the Ministry of Technology and Innovation (the Ministry) and for which the Minister of Technology and Innovation (the Minister) is accountable. Other entities accountable to the Minister are the Department of Technology and Innovation (the Department) and Alberta Innovates. The activities of these organizations are not included in these financial statements.

The Ministry Annual Report provides a more comprehensive accounting of the financial positions and results of the Ministry's operations for which the Minister is accountable.

(b) Basis of Financial Reporting

Revenues

All revenues are reported on the accrual basis of accounting. Cash received for goods and/or services not yet provided before year end is recognized as unearned revenue and recorded in accounts payable and other accrued liabilities.

Government transfers

Transfers from all governments are referred to as government transfers.

Government transfers and associated externally restricted investment income are recognized as deferred contributions if the eligibility criteria for use of the transfer, or the stipulations together with the Corporation's actions and communications as to the use of the transfer, create a liability. These transfers are recognized as revenue as the stipulations are met and, when applicable, the Corporation complies with its communicated use of these transfers.

All other government transfers, without stipulations for the use of the transfer, are recognized as revenue when the transfer is authorized and the Corporation meets the eligibility criteria (if any).

Investment income

Investment income includes dividend and interest income and realized gains or losses on the sale of portfolio investments. Unrealized gains and losses on portfolio investments that are not from restricted transfers, donations or contributions are recognized in the Statement of Remeasurement Gains and Losses until the related investments are sold. Once realized, these gains or losses are recognized in the Statement of Operations.

Expenses

Expenses are reported on an accrual basis. The cost of all goods consumed and services received during the year are expensed.

Grants and transfers are recognized as expenses when the transfer is authorized and eligibility criteria have been met by the recipient.

Alberta Enterprise Corporation
Notes to the Financial Statements (Cont'd)
March 31, 2024

Note 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (Cont'd)

(b) Basis of Financial Reporting (Cont'd)

Valuation of Financial Assets and Liabilities

The Corporation's financial assets and liabilities are generally measured as follows:

<u>Financial Statement Component</u>	<u>Measurement</u>
Cash and cash equivalents	Cost
Accounts receivable	Lower of cost or net recoverable value
Portfolio investments	Fair value
Accounts payable and other accrued liabilities	Cost

Fair value is the amount of consideration agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act. The fair values of cash, accounts receivable, accounts payable and other accrued liabilities are estimated to approximate their carrying values, because of the short term nature of these instruments.

Financial Assets

Financial assets are assets that could be used to discharge existing liabilities or finance future operations and are not for consumption in the normal course of operations.

Financial assets are the Corporation's financial claims on external organizations and individuals, as well as cash at the end of the year.

Cash and cash equivalents

Cash comprises of cash on hand and demand deposits.

Accounts receivable

Accounts receivable are recognized at the lower of cost or net recoverable value. A valuation allowance is recognized when recovery is

Portfolio investments

Portfolio investments in limited partnerships are recognized at fair value. Fair value is determined by the limited partnerships based upon valuation techniques considered appropriate by the Corporation and may include techniques such as discounted cash flows, prevailing market values for instruments with similar characteristics and other pricing models as appropriate. The Corporation relies upon the General Partner's valuation of the investments in the limited partnerships.

Unrealized gains and losses from changes in the fair value of portfolio investments are recognized in the Statement of Remeasurement Gains and Losses. Once realized, the cumulative gain or losses previously recognized in the Statement of Remeasurement Gains and Losses are recognized in net investment income in the Statement of Operations.

Portfolio investments are reviewed on an annual basis for impairment. If an impairment deemed other-than-temporary is identified, the cost of the investment is written down to its realizable value. Any impairment losses are included on the Statement of Operations.

A write-down of a portfolio investment to reflect a loss in value is not reversed for a subsequent increase in value.

Purchases and dispositions of portfolio investments are recognized on the trade date. Management fees paid are expensed in the year.

Liabilities

Liabilities are present obligations of the Corporation to external organizations and individuals arising from past transactions or events occurring before the year end, the settlement of which is expected to result in the future sacrifice of economic benefits. They are recognized when there is an appropriate basis of measurement and management can reasonably estimate the amounts.

Alberta Enterprise Corporation
Notes to the Financial Statements (Cont'd)
March 31, 2024

Note 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (Cont'd)

(b) Basis of Financial Reporting (Cont'd)

Foreign currency translation

Transaction amounts denominated in foreign currencies are translated into their Canadian dollar equivalents at exchange rates prevailing at the transaction dates. Carrying values of monetary assets and liabilities and non-monetary items included in the fair value category reflect the exchange rates at the Statement of Financial Position date. Unrealized foreign exchange gains and losses are recognized in the Statement of Remeasurement Gains and Losses.

In the period of settlement, foreign exchange gains and losses are reclassified to the Statement of Operations, and the cumulative amount of remeasurement gains and losses are reversed in the Statement of Remeasurement Gains and Losses.

Non-Financial Assets

Non-financial assets are acquired, constructed, or developed assets that do not normally provide resources to discharge existing liabilities, but instead:

- (a) are normally employed to deliver government services;
- (b) may be consumed in the normal course of operations; and
- (c) are not for sale in the normal course of operations.

Non-financial assets include tangible capital assets and prepaid expenses.

Tangible capital assets

(in thousands)

Tangible capital assets are recognized at cost less accumulated amortization, which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets.

The cost, less residual value, of the tangible capital assets, excluding land, is amortized on a straight-line basis over their estimated useful lives as follows:

Leasehold improvements	10 Years
------------------------	----------

Tangible capital assets are written down when conditions indicate that they no longer contribute to the Corporation's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for as expenses in the Statement of Operations.

The threshold for capitalizing tangible capital assets is \$5.

Prepaid expenses

Prepaid expenses is recognized at cost and amortized based on the terms of the agreement.

Alberta Enterprise Corporation
Notes to the Financial Statements (Cont'd)
March 31, 2024

Note 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (Cont'd)

(b) Basis of Financial Reporting (Cont'd)

Measurement Uncertainty

Measurement uncertainty exists when there is a variance between the recognized or disclosed amount and another reasonably possible amount. Portfolio investments recognized at \$197,643 (2023 - \$203,405) in the financial statements are subject to measurement uncertainty.

Measurement uncertainty exists with the determination of the fair value of the investments. The fair value of the investments is estimated by the General Partner of each fund. The process of valuing investments for which no published market exists is inevitably based on inherent uncertainties and the resulting values may differ from value that would have been used had a ready market existed for the investments.

Note 3 CHANGES IN ACCOUNTING STANDARDS

(a) Change in Accounting Policy

Effective April 1, 2023, AEC adopted the PS 3400 Revenue standard. There were no changes to the measurement of revenues on adoption of the new standard.

(b) Future Changes in Accounting Standards

On April 1, 2026, AEC will adopt the following new conceptual framework and accounting standards approved by the Public Sector Accounting Board:

• **The Conceptual Framework for Financial Reporting in the Public Sector**

The Conceptual Framework is the foundation for public sector financial reporting standard setting. It replaces the conceptual aspects of Section PS 1000 Financial Statement Concepts and Section PS 1100 Financial Statement Objectives. The conceptual framework highlights considerations fundamental for the consistent application of accounting issues in the absence of specific standards.

• **PS 1202 Financial Statement Presentation**

Section PS 1202 sets out general and specific requirements for the presentation of information in general purpose financial statements. The financial statement presentation principles are based on the concepts within the Conceptual Framework.

Management is currently assessing the impact of the conceptual framework and the standards on the financial statements.

Note 4 BUDGET

(in thousands)

A business plan with budgeted deficit of \$3,837 was approved by the Board of AEC on March 15, 2023 and the full financial plan was submitted to the Minister of Technology and Innovation.

Alberta Enterprise Corporation
Notes to the Financial Statements (Cont'd)
March 31, 2024

Note 5 CASH AND CASH EQUIVALENTS
(in thousands)

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 83,760	\$ 64,489

\$115,016 (2023 - \$118,113) (Note 7) is committed for partnership capital contributions. In addition to cash, distributions from the Limited Partnerships and the \$125,505 (2023 - \$150,180) Accounts Receivable can be used toward future cash calls.

Cash amount of \$83,760 (2023 - \$64,489) includes \$16,596 (2023 - \$3,070) denominated in US Dollars (USD).

Note 6 ACCOUNTS RECEIVABLE
(in thousands)

Accounts receivable are unsecured and non-interest bearing.

	<u>2024</u>	<u>2023</u>
Grant receivable - Government of Alberta	\$ 125,000	\$ 150,000
Other receivable	505	180
	<u>\$ 125,505</u>	<u>\$ 150,180</u>

Note 7 PORTFOLIO INVESTMENTS
(in thousands)

The Government of Alberta originally allocated \$100,000 in 2008 for investments in limited partnerships that provide venture capital in knowledge-based industries. An additional \$25,000 was allocated in 2016, \$50,000 was allocated in 2017, \$75,000 was allocated in 2021, \$50,000 was allocated in 2022, and \$50,000 was allocated in 2023 for additional investments in limited partnerships. No additional capital was allocated to AEC for the year ended March 31, 2024.

The Corporation is a limited partner in thirty-three (2023 – thirty) active limited partnerships and \$334,400 (2023 - \$326,381) has been contributed and committed to these limited partnerships. Committed funds are paid into the limited partnership in amounts and at times determined by the general partner in order to meet the limited partnerships funding requirements. Distributions from the limited partnerships can be used toward future cash calls from the fund which distributed the capital. The Corporation's contributions to date and commitments are as follows:

Alberta Enterprise Corporation
Notes to the Financial Statements (Cont'd)
March 31, 2024

Note 7 PORTFOLIO INVESTMENTS (Cont'd)
(in thousands)

1. Active Limited Partnerships	Funds Disbursed to Partnerships for Original Commitment	Remaining Commitments	Total Funds Disbursed and Committed, End of the Year
32 Degrees D.E.Fund II (S&T AIV)	\$ 9,964	\$ 36	\$ 10,000
Accelerate Fund I	10,000	-	10,000
Accelerate Fund II	9,550	450	10,000
Accelerate Fund III	9,225	5,774	15,000
Alpaca VC Fund III LP ^(a)	5,015	5,038	10,053
Amplitude Ventures Fund I	3,390	1,610	5,000
Amplitude Ventures Fund II ^(a)	1,711	8,458	10,169
Azure Capital Partners III ^(a)	11,320	-	11,320
Azure Opportunities Feeder Fund ^(a)	2,647	-	2,647
Builders VC Fund I ^(a)	9,552	305	9,858
Builders II Fund ^(a)	8,696	4,514	13,210
EnerTech Capital Partners IV ^(a)	18,202	274	18,476
Evok Fund II ^(a)	5,396	8,140	13,537
Flying Fish Fund II QP LP ^(a)	4,640	5,339	9,979
Graphite IAF IV LP	3,292	6,708	10,000
iNovia Fund 2018 ^(a)	10,813	2,273	13,086
iNovia Fund III	10,000	-	10,000
iNovia Fund V ^(a)	4,392	11,891	16,283
iNovia Growth II ^(a)	12,214	7,635	19,849
Luge Fund II	-	10,000	10,000
McRock iNfund	10,000	-	10,000
McRock Fund II	8,057	1,943	10,000
New Acres Capital Ag & Food	4,928	72	5,000
Panache Ventures Investment Fund	4,654	346	5,000
Panache Ventures Investment Fund II	2,980	7,020	10,000
PillarFour Capital Fund II ^(a)	2,416	1,542	3,958
Relay Ventures Fund III ^(a)	12,662	561	13,223
Relay Ventures Fund V ^(a)	4,150	9,403	13,553
Sprout II	525	1,975	2,500
The51 Food and Agtech Fund I LP	663	4,338	5,000
Yaletown Innovation Growth	8,300	1,700	10,000
Yaletown Innovation Growth Fund II	6,028	7,672	13,700
Yaletown Ventures II	14,000	-	14,000
Total - March 31, 2024	\$ 229,383	\$ 115,016	\$ 344,400
Total - March 31, 2023	\$ 208,268	\$ 118,113	\$ 326,381
2. Dissolved/ Exited Limited Partnerships	Original Commitment to Fund	Total Funds Disbursed	Remaining Commitments
Avrio Ventures II ^(b)	\$ 6,000	\$ 5,980	\$ -
Chrysalix Energy III Fund ^{(a) (b)}	16,923	16,545	-
Total - Dissolved Funds	\$ 22,923	\$ 22,525	\$ -

(a) Commitments payable in USD. Remaining commitments based on the exchange rate at March 31, 2024.

(b) Avrio Ventures II was dissolved on December 31, 2021 and Chrysalix Energy was sold on March 28, 2024. There are no further commitments to these funds.

Alberta Enterprise Corporation

Notes to the Financial Statements (Cont'd)

March 31, 2024

Note 7 PORTFOLIO INVESTMENTS (Cont'd)
(in thousands)

The changes in the fair values of the Corporation's investments in limited partnerships since April 1, 2023 are as follows:

	Investment in partnerships, beginning of year	Funds disbursed to partnerships for investments (b)	Distributions received from limited partnerships	Remeasure- ment gain (loss)	Net investment income (loss)	Investment in partnership, end of year	Percentage share of partnership 2024	Percentage share of partnership 2023
1. Active Limited partnerships								
32 Degrees D.E.Fund II (S&T AIV)	\$ 1,877	\$ 28	\$ (1,022)	\$ 32	\$ (88)	\$ 827	99.99%	99.99%
Accelerate Fund I	8,736	-	-	(1,817)	(25)	6,894	99.99%	99.99%
Accelerate Fund II	8,508	200	-	319	(328)	8,699	95.46%	95.46%
Accelerate Fund III	6,032	2,447	-	(284)	(495)	7,698	64.79%	64.79%
Alpaca VC Fund III LP ^(a)	3,574	1,733	-	(376)	(262)	4,668	9.61%	11.07%
Amplitude Ventures I	2,090	1,011	(103)	(131)	79	2,946	2.45%	2.45%
Amplitude Ventures II ^(a)	-	1,711	-	(52)	(380)	1,279	3.91%	-
Azure Capital Partners III ^(a)	9,416	134	-	(375)	(177)	8,997	12.42%	12.42%
Azure Opportunities Feeder Fund ^(a)	3,885	107	-	(1,054)	55	2,992	19.70%	19.70%
Builders VC Fund ^(a)	15,637	1,181	-	197	(514)	16,501	4.37%	4.37%
Builders II Fund ^(a)	5,156	4,239	-	221	(403)	9,213	4.00%	4.00%
Chrysalix Energy III Fund ^{(a)(c)}	27,983	173	(21,058)	(15,559)	8,461	-	-	10.32%
EnerTech Capital Partners IV ^(a)	4,239	120	(733)	908	(513)	4,021	12.66%	12.66%
Evok Fund III ^(a)	1,599	3,410	-	679	188	5,876	3.52%	4.20%
Flying Fish Fund ^(a)	2,486	1,558	-	(28)	(175)	3,841	10.68%	10.68%
Graphite IAF IV LP	-	3,293	(240)	228	(738)	2,543	9.11%	-
iNovia Fund 2018 ^(a)	9,716	750	(594)	259	(670)	9,460	5.01%	5.01%
iNovia Fund III	3,478	-	(3,760)	150	953	820	9.04%	9.04%
iNovia Fund V ^(a)	(447)	4,392	-	(156)	(116)	3,673	3.69%	3.69%
iNovia Growth II ^(a)	8,319	2,037	-	(217)	(195)	9,943	3.33%	3.33%
Luge Fund II	-	-	-	-	-	-	10.58%	-
McRock iNfund	10,811	240	(32)	1,194	(804)	11,409	14.22%	14.22%
McRock Fund II	6,567	796	(1,608)	(2)	470	6,228	8.92%	8.92%
New Acres Capital Ag & Food	868	29	-	(384)	(15)	496	4.98%	4.98%
Panache Ventures Investment Fund	8,246	31	(287)	(733)	320	7,575	8.61%	8.61%
Panache Ventures Investment Fund II	1,612	979	-	104	(325)	2,370	10.19%	10.19%
PillarFour Capital Fund II ^(a)	1,727	952	-	251	(67)	2,863	9.96%	9.96%
Relay Ventures Fund III ^(a)	24,079	275	(516)	(506)	(130)	23,201	6.80%	6.80%
Relay Ventures Fund V ^(a)	2,016	1,638	(18)	318	(469)	3,484	12.88%	12.88%
Sprout II	236	193	-	40	(44)	424	19.36%	18.05%
The51 Food and Agtech Fund I LP	-	674	-	1	(245)	429	11.32%	-
Yaletown Innovation Growth	5,938	800	(38)	393	(236)	6,856	7.82%	7.82%
Yaletown Innovation Growth II	3,110	3,014	-	(334)	(330)	5,460	6.88%	6.88%
Yaletown Ventures II	15,912	-	(255)	333	(34)	15,956	15.58%	15.58%
Total Portfolio Investments 2024	\$ 203,405	\$ 38,140	\$ (30,263)	\$ (16,383)	\$ 2,744	\$ 197,643		
Total Portfolio Investments 2023	\$ 187,164	\$ 29,920	\$ (6,977)	\$ (1,895)	\$ (4,806)	\$ 203,405		

(a) Investments in US limited partnerships are denominated in USD but reported in CAD.

(b) Total funds disbursed at the end of the year was \$38,140 (2023 - \$29,920), which include management fees of \$7,238 (2023 - \$6,388). Management fees may be recovered from limited partnerships in accordance with the limited partnership agreements.

(c) AEC's holdings with Chrysalix Energy III Fund was sold on March 28, 2024 for \$7,829 net of transaction fees. The proceeds from the sale was included in the \$21,058 distributions received from the limited partnerships column.

Alberta Enterprise Corporation

Notes to the Financial Statements (Cont'd)

March 31, 2024

Note 7 PORTFOLIO INVESTMENTS (Cont'd)

(in thousands)

Fair Value Hierarchy

Management is responsible for estimating the relative reliability of data or inputs used by the Corporation to measure the fair value of the Corporation's investments. The measure of reliability is determined based on the following three levels:

Level One: Fair value is based on unadjusted quoted prices in active markets for identical assets or liabilities traded in active markets. Level one primarily includes publicly traded listed equity investments.

Level Two: Fair value is based on valuation methods that make use of inputs, other than quoted prices included within level one, that are observable by market participation either directly through quoted prices for similar but not identical assets or indirectly through observable market information used in valuation models. Level two primarily includes debt securities and derivative contracts not traded on a public exchange and public equities not traded in an active market. For these investments, fair values are either derived from a number of prices that are provided by independent pricing sources or from pricing models that use observable market data such as swap curves and credit spreads.

Level Three: Fair value is based on valuation methods where inputs that are based on non-observable market data have a significant impact on the valuation. For these investments trading activity is infrequent and fair values are derived using valuation techniques.

Inputs are used in applying the various valuation techniques and broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk. Inputs may include price information, volatility statistics, specific and broad credit data, liquidity statistics, and other factors. An investment's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. However, the determination of what constitutes "observable" requires significant judgment by the Corporation. The Corporation considers observable data to be that market data which is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, provided by multiple, independent sources that are actively involved in the relevant market. The categorization of an investment within the hierarchy is based upon the pricing transparency of the investment and does not necessarily correspond to the Corporation's perceived risk of that investment.

The Corporation's investments have all been classified within level three as the fair value is based on valuation methods where inputs that are based on non-observable market data have a significant impact on valuation. When observable prices are not available for these securities the limited partnerships use one or more valuation techniques (e.g. the market approach, the income approach) for which sufficient and reliable data is available. Within level three, the use of the market approach generally consists of using comparable market transactions, while the use of the income approach generally consists of the net present value of the estimated future cash flows, adjusted as appropriate for liquidity, credit, market and/or other risk factors.

As quoted market prices are not readily available for private investments, estimated fair values may not reflect amounts that could be realized upon immediate sale, nor amounts that may ultimately be realized. Accordingly, the estimated fair values may differ significantly from the values that would have been used had a ready market existed for these investments.

Alberta Enterprise Corporation
Notes to the Financial Statements (Cont'd)
March 31, 2024

Note 7 PORTFOLIO INVESTMENTS (Cont'd)
(in thousands)

Financial Risk Management

The Corporation is exposed to a variety of financial risks associated with the underlying securities held in the limited partnerships. These financial risks include market risk and liquidity risk. Market risk is the risk of loss from unfavourable change in fair value or future cash flows of a financial instrument causing financial loss. Market risk is comprised of price risk and foreign currency risk.

(a) Price Risk

The Corporation's price risk is driven primarily by volatility in its venture capital investments. The Corporation generally invests in limited partnerships in the initial stages of development. Because of the inherent uncertainty of valuations, estimated fair values may differ significantly from the values that would have been used had a ready market for the securities existed, and the difference could be material.

To manage price risk, the Corporation takes a mindful approach to diversify its investments in limited partnerships focusing on different sectors of innovation creating sectoral diversification. In addition, each limited partnership has established a target mix of investment types and the Corporation will aggregate investment types to ensure appropriate sectoral diversification within a reasonable risk tolerance and in accordance with the limited partnership's investment mandate.

Based on the financial position of the Corporation on March 31, 2024, if the value of investments decreased by five percent, with all other variables held constant, net assets decrease approximately by \$9,882 (2023 - \$10,170). In practice, actual investments results may differ from this analysis and the difference could be material.

(b) Foreign Currency Risk

The Corporation is exposed to foreign currency risk associated with portfolio investments and cash denominated in USD. Foreign currency risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Investments and cash denominated in USD currencies are translated into Canadian dollars using the reporting date exchange rate.

The value of the Corporation's investments in limited partnerships denominated in USD may change due the changes in exchange rates. \$110,009, or 56% of the Corporation's investments, are denominated in US dollars (2023 - \$119,390 or 59%). The carrying amount of cash denominated in USD is \$16,596 (2023 - \$3,070).

If the value of the Canadian dollar increased by 10% against the U.S. dollar, and all other variables are held constant, the potential loss in carrying value to the Corporation would be approximately 6.4% of total investments and cash (2023 - 6.0%). The Corporation does not participate in any foreign currency hedging activities.

(c) Liquidity Risk

Liquidity risk is the risk that a given investment or asset cannot be traded quickly enough in the market to prevent a loss. The Corporation's investments are long term and highly illiquid. There is no assurance that the Corporation will ultimately realize the carrying value of the investments.

To manage these risks, the Corporation has established policies around the type of limited partnerships that it invests in. Investment commitments exceed cash on hand, and management plans to use future distributions from the limited partnerships to meet the commitments.

(d) Other Risks

The Corporation is not exposed to significant credit and interest risk.

Alberta Enterprise Corporation

Notes to the Financial Statements (Cont'd)

March 31, 2024

Note 8 CONTRACTUAL RIGHTS

(in thousands)

Contractual rights are rights of the Corporation to economic resources arising from a grant agreement from the Government of Alberta that will result in both assets and revenues in the future when the terms of those contracts or agreements are met. The Corporation did not receive any grants during the year (2023: nil).

Note 9 CONTRACTUAL OBLIGATIONS

(in thousands)

Contractual obligations are obligations of the Corporation to others that will become liabilities in the future when the terms of those contracts are met. The Corporation has committed funds to be paid into limited partnerships. The details of the commitments are listed in Note 7. Other contractual obligations are:

	<u>2024</u>	<u>2023</u>
Obligations under operating leases	\$ 1,012	\$ 1,080
Obligations under service contracts	102	71
	<u>\$ 1,114</u>	<u>\$ 1,151</u>

Estimated payments in each of the next five years and thereafter are as follows:

	<u>Operating Leases</u>	<u>Service Contracts</u>	<u>Total</u>
2024-25	\$ 108	\$ 63	\$ 171
2025-26	108	36	144
2026-27	108	2	110
2027-28	110	1	111
2028-29	110	-	110
Thereafter	468	-	468
	<u>\$ 1,012</u>	<u>\$ 102</u>	<u>\$ 1,114</u>

Alberta Enterprise Corporation
Notes to the Financial Statements (Cont'd)
March 31, 2024

Note 10 TANGIBLE CAPITAL ASSETS
(in thousands)

	Leasehold Improvement	2024	2023
Estimated Useful Life	10 Years		
Historical Cost			
Beginning of Year	\$ 394	\$ 394	\$ -
Additions	7	7	394
	<u>\$ 401</u>	<u>\$ 401</u>	<u>\$ 394</u>
Accumulated Amortization			
Beginning of Year	\$ 15	\$ 15	\$ -
Amortization Expense	38	38	15
	<u>\$ 53</u>	<u>\$ 53</u>	<u>\$ 15</u>
Net Book Value, March 31, 2024	<u>\$ 348</u>	<u>\$ 348</u>	<u>\$ -</u>
Net Book Value, March 31, 2023	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 379</u>

Note 11 COMPARATIVE FIGURES

Certain 2023 figures have been reclassified to conform to the 2024 presentation.

Note 12 APPROVAL OF FINANCIAL STATEMENTS

The Board approved the financial statements of Alberta Enterprise Corporation on June 3, 2024.

Schedule 1 – Expenses – Detailed by Object

Alberta Enterprise Corporation

Expenses – Detailed by Object

Year ended March 31, 2024

	2024		2023
	Budget	Actual	Actual
	<i>(in thousands)</i>		
Salaries, wages and employee benefits	\$ 2,157	\$ 2,153	\$ 1,547
Supplies, services and payments to consultants	1,161	814	895
Grants and sponsorships	460	456	177
Amortization of tangible capital assets (Note 10)	59	38	15
Total expenses	<u>\$ 3,837</u>	<u>\$ 3,461</u>	<u>\$ 2,634</u>

Schedule 2 – Salary and Benefits Disclosure

Alberta Enterprise Corporation

Salary and Benefits Disclosure

Year ended March 31, 2024

	2024			2023	
	Base Salary ⁽¹⁾	Other Cash Benefits ⁽²⁾	Other Non-cash Benefits ⁽³⁾	Total	Total
	<i>(in thousands)</i>				
Chair of the Board	\$ -	\$ 24	\$ 1	\$ 25	\$ 24
Vice Chair of the Board	-	16	1	17	16
Board Members (five) ⁽⁴⁾	-	65	4	69	68
Executives:					
Chief Executive Officer	288	10	34	332	324
Chief Financial Officer ⁽⁵⁾	225	-	10	235	90
Vice President, Investments	241	-	6	247	231
Vice President, Investments ⁽⁶⁾	195	-	6	201	188
	<u>\$ 949</u>	<u>\$ 115</u>	<u>\$ 62</u>	<u>\$ 1,126</u>	<u>\$ 941</u>

(1) Base salary includes regular salary, holiday pay, in Lieu RSP, and vehicle allowance.

(2) Other cash benefits for board members include honoraria payments and per diem allowances. Other cash benefits for executives include life and disability insurance. There were no discretionary amounts paid to executives in 2024 (2023 - \$nil).

(3) Other non-cash benefits include Canada Pension Plan, Retirement Savings Plans, Employment Insurance payments, and parking benefits.

(4) At any given time, the Board of Directors consisted of no more than five members in 2024 (2023 - five) plus the chair and vice chair, whose remuneration is disclosed separately.

(5) Chief Financial Officer effective start date of November 14, 2022.

(6) This position consisted of an 0.8 full-time equivalent in the fiscal year (2023 - 0.8).

Schedule 3 – Related Party Transactions

Alberta Enterprise Corporation

Related Party Transactions

Year ended March 31, 2024

Related parties are those entities consolidated or accounted for on the modified equity basis in the Government of Alberta's Consolidated Financial Statements. Related parties also include key management personnel and close family members of those individuals in the Corporation. The Corporation and its employees paid or collected certain taxes and fees set by regulation for premiums, licenses and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this schedule.

The Corporation had the following transactions with related parties reported in the Statement of Financial Position and Statement of Operations at the amount of consideration agreed upon between the related parties:

	<u>2024</u>	<u>2023</u>
	<i>(in thousands)</i>	
Revenues		
Grants from Technology and Innovation	\$ -	\$ 50,000
Interest revenue from Treasury Board and Finance	2,418	1,346
	<u>\$ 2,418</u>	<u>\$ 51,346</u>
Receivable from Technology and Innovation	<u>\$ 125,000</u>	<u>\$ 150,000</u>

Alberta Innovates**Consolidated Financial Statements****Table of Contents**

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Management's Responsibility for Reporting

Alberta Innovates management is responsible for the preparation, accuracy, objectivity and integrity of the information contained in the annual report including the financial statements, performance results, and supporting management information. Systems of internal control are designed and maintained to produce reliable information that meet reporting requirements, and to ensure that transactions are executed in accordance with all relevant legislation, regulations and policies, reliable financial records are maintained, and assets are properly accounted for and safeguarded. The annual report has been approved by the Board of Directors and is prepared in accordance with ministerial guidelines.

The Auditor General of the Province of Alberta, the corporation's external auditor appointed under the *Auditor General Act*, performs an annual independent audit of Alberta Innovates' financial statements in accordance with Canadian generally accepted auditing standards.

Original signed by Laura Kilcrease

Chief Executive Officer

Original signed by Barry McNabb

Vice President, Finance

Independent Auditor's Report

To the Board of Directors of Alberta Innovates



Report on the Consolidated Financial Statements

Opinion

I have audited the consolidated financial statements of Alberta Innovates (the Group), which comprise the consolidated statement of financial position as at March 31, 2024, and the consolidated statements of operations, change in net financial assets, and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2024, and the results of its operations, its changes in net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for opinion

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

Other information

Management is responsible for the other information. The other information comprises the information included in the *Annual Report*, but does not include the consolidated financial statements and my auditor's report thereon. The *Annual Report* is expected to be made available to me after the date of this auditor's report.

My opinion on the consolidated financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the consolidated financial statements, my responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I will perform on this other information, I conclude that there is a material misstatement of this other information, I am required to communicate the matter to those charged with governance.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 an intention exists to liquidate or to cease operations, or there is no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the consolidated financial statements

My objectives are to obtain reasonable assurance about whether the consolidated 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 my 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 consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated 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 my 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 Group'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 Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I 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 I identify during my audit.

[Original signed by W. Doug Wylie FCPA, FCMA, ICD.D]

Auditor General

May 24, 2024
Edmonton, Alberta

Consolidated Statement of Operations

Alberta Innovates

Consolidated Statement of Operations

Year ended March 31, 2024

	2024		2023
	(Note 5) Budget	Actual	Actual
	<i>(in thousands)</i>		
Revenues (Note 2 (b))			
Government transfers			
Funding from Technology and Innovation			
Base operating grant	\$ 162,346	\$ 163,146	\$ 147,040
Strategic relationship grants	18,000	15,984	17,527
Deferred grants from prior years	12,100	20,195	16,857
Deferred capital contribution	3,000	2,351	1,929
Funding from other Government of Alberta entities - other grants	4,260	6,018	7,993
Federal government transfers	3,600	8,163	7,201
External revenue and industry funding	42,000	42,861	41,790
Investment income	500	3,233	2,621
Other Government of Alberta revenue	1,426	1,786	2,137
	<u>247,232</u>	<u>263,737</u>	<u>245,095</u>
Expenses (Note 2 (b) and Schedule 1)			
Research, innovation and commercialization	160,769	155,416	155,500
Applied research	49,522	53,536	54,920
Administration	33,705	34,790	31,164
Amortization	8,900	7,092	7,248
	<u>252,896</u>	<u>250,834</u>	<u>248,832</u>
Annual surplus (deficit)	<u>(5,664)</u>	<u>12,903</u>	<u>(3,737)</u>
Accumulated surplus at beginning of year	30,557	30,557	34,294
Accumulated surplus at end of year	<u>\$ 24,893</u>	<u>\$ 43,460</u>	<u>\$ 30,557</u>

The accompanying notes and schedules are part of these consolidated financial statements.

Consolidated Statement of Financial Position

Alberta Innovates

Consolidated Statement of Financial Position

As at March 31, 2024

	2024	2023
	<i>(in thousands)</i>	
Financial assets		
Cash (Note 6)	\$ 80,820	\$ 90,431
Accounts receivable (Note 7)	22,148	15,805
	<u>102,968</u>	<u>106,236</u>
Liabilities		
Accounts payable and other accrued liabilities (Note 9)	27,646	24,064
Unspent deferred capital contributions (Note 10)	570	985
Deferred revenue (Note 10)	41,527	60,972
Deferred contract revenue (Note 10)	11,408	9,794
Asset retirement obligations (Note 11)	3,025	2,813
	<u>84,176</u>	<u>98,628</u>
Net financial assets	<u>18,792</u>	<u>7,608</u>
Non-financial assets		
Tangible capital assets (Note 13)	50,024	40,784
Prepaid expenses	4,996	2,150
	<u>55,020</u>	<u>42,934</u>
Net assets before spent deferred capital contributions	<u>73,812</u>	<u>50,542</u>
Spent deferred capital contributions (Note 10)	30,352	19,985
Net assets		
Accumulated surplus (Note 14)	<u>\$ 43,460</u>	<u>\$ 30,557</u>

Contractual rights (Note 8)

Contingent liabilities (Note 15)

Contractual obligations (Note 16)

The accompanying notes and schedules are part of these consolidated financial statements.

Approved by the Board of Directors

[Original signed by]

[Original signed by]

Tony Williams
Board Chair
May 24, 2024

Dr. H.J (Tom) Thompson
Audit Chair
May 24, 2024

Consolidated Statement of Change in Net Financial Assets

Alberta Innovates

Consolidated Statement of Change in Net Financial Assets

Year ended March 31, 2024

	2024		2023
	Budget	Actual	Actual
	<i>(in thousands)</i>		
Annual surplus (deficit)	\$ (5,664)	\$ 12,903	\$ (3,737)
Acquisition of tangible capital assets (Note 13)	(20,107)	(16,413)	(6,497)
Amortization of tangible capital assets (Note 13)	8,900	7,092	7,248
Net loss/(gain) on disposal of tangible capital assets		81	(2)
Proceeds on sale of tangible capital assets		-	2
(Increase)/Decrease in prepaid expenses		(2,846)	8
Net increase in spent deferred capital contributions (Note 10)		10,367	535
Increase (decrease) in net financial assets	(16,871)	11,184	(2,443)
Net financial assets at beginning of year	7,608	7,608	10,051
Net financial assets (net debt) at end of year	\$ (9,263)	\$ 18,792	\$ 7,608

The accompanying notes and schedules are part of these consolidated financial statements.

Consolidated Statement of Cash Flows

Alberta Innovates

Consolidated Statement of Cash Flows

Year ended March 31, 2024

	2024	2023
	<i>(in thousands)</i>	
Operating transactions		
Annual surplus (deficit)	\$ 12,903	\$ (3,737)
Non-cash items included in annual surplus (deficit):		
Amortization of tangible capital assets (Note 13)	7,092	7,248
Deferred contributions recognized as revenue (Note 10)	(134,785)	(130,981)
Net loss/(gain) on disposal of tangible capital assets	81	(2)
	<u>(114,709)</u>	<u>(127,472)</u>
Increase in accounts receivable	(6,343)	(2,163)
(Increase)/Decrease in prepaid expenses	(2,846)	8
Increase/(Decrease) in accounts payable and other accrued liabilities	3,582	(9,188)
Increase/(Decrease) in deferred contract revenue	1,614	(830)
Contributions restricted for operating (Note 10)	111,935	121,156
Increase in asset retirement obligations (Note 11)	212	146
Cash applied to operating transactions	<u>(6,555)</u>	<u>(18,343)</u>
Capital transactions		
Acquisition of tangible capital assets (Note 13)	(16,413)	(6,497)
Proceeds on sale of tangible capital assets	-	2
Cash applied to capital transactions	<u>(16,413)</u>	<u>(6,495)</u>
Financing transactions		
Contributions restricted for capital (Note 10)	13,357	3,373
Cash provided by financing transactions	<u>13,357</u>	<u>3,373</u>
Decrease in cash	(9,611)	(21,465)
Cash at beginning of year	90,431	111,896
Cash at end of year	<u>\$ 80,820</u>	<u>\$ 90,431</u>

The accompanying notes and schedules are part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

Alberta Innovates

Notes to the Consolidated Financial Statements

Year ended March 31, 2024

Note 1 AUTHORITY AND PURPOSE

Alberta Innovates is a Provincial corporation, as defined in the *Financial Administration Act*. It was established effective November 1, 2016 under the *Alberta Research and Innovation Act*. The *Alberta Research and Innovation Act* was amended to dissolve the four corporations: Alberta Innovates - Bio Solutions, Alberta Innovates - Energy and Environment Solutions, Alberta Innovates - Health Solutions, and Alberta Innovates - Technology Futures and create one new research and innovation corporation, "Alberta Innovates." Two wholly owned subsidiary corporations C-FER Technologies (1999) Inc. and InnoTech Alberta Inc. along with the Alberta Foundation for Health Research are also reporting entities of Alberta Innovates ("The Corporation").

The objectives of the Corporation are to support, for the economic and social well-being of Albertans, research and innovation activities aligned to meet Government of Alberta priorities, including, without limitation, activities directed at the discovery, commercialization and application of knowledge in the areas of agriculture, energy, environment, forestry, health and other areas determined by the regulations.

The Corporation is exempt from income taxes under the *Income Tax Act*.

Note 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

These consolidated financial statements are prepared in accordance with Canadian Public Sector Accounting Standards.

(a) Reporting Entity and Method of Consolidation

These consolidated financial statements reflect the assets, liabilities, revenue and expenses of the Corporation and its wholly owned subsidiaries InnoTech Alberta Inc., C-FER Technologies (1999) Inc. and the Alberta Foundation for Health Research (AFHR). The AFHR operates under the *Alberta Companies Act* and is a registered charitable organization for income tax purposes. All inter-entity balances and transactions have been eliminated on consolidation.

The accounts of government sector entities are consolidated using the line-by-line method. Under this method, accounting policies of the consolidated entities are adjusted to conform to the Corporation's accounting policies and the results of each line item in their financial statements (revenue, expense, assets, and liabilities) are included in the Corporation's results. Revenue and expense, capital, investing and financing transactions and related asset and liability balances between the consolidated entities have been eliminated.

(b) Basis of Financial Reporting

Revenues

All revenues are reported on the accrual basis of accounting.

Revenues from transactions with performance obligations are recognized when the Corporation provides the promised goods and/or services to a payor. The Corporation uses the percentage of completion method to recognize revenue tied to performance obligations.

Cash received for goods and/or services not yet provided before year end is recognized as unearned revenue and recorded in deferred contract revenue under liabilities.

Revenues from transactions with no performance obligations are recognized at their realizable value the Corporation has the authority to claim or retain an inflow of economic resources and identifies a past transaction or event that gives rise to an asset.

Government Transfers

Transfers from all governments are referred to as government transfers.

Government transfers and associated externally restricted investment income are recognized as deferred revenue or deferred capital contributions if the eligibility criteria for use of the transfer, or the stipulations together with the Corporation's actions and communications as to the use of the transfer, create a liability. These transfers are recognized as revenue as the stipulations are met and, when applicable, the Corporation complies with its communicated use of the transfer.

Alberta Innovates

Notes to the Consolidated Financial Statements (Continued)

Year ended March 31, 2024

Note 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (Continued)

(b) Basis of Financial Reporting (Continued)

All other government transfers, without stipulations for use of the transfer, are recognized as revenue when the transfer is authorized and the Corporation meets the eligibility criteria (if any).

External Revenue and Industry Funding

External revenue is contract revenue that is recognized using the percentage of completion method. The Corporation makes full provision for all known or estimated losses on uncompleted contracts as soon as they can reasonably be estimated.

Investment Income

Investment income includes interest income. Investment income earned from restricted sources is deferred and recognized when the terms imposed have been met.

Other Government of Alberta Revenue

Other revenue is contract and fee for service work billed to Alberta Government ministries and agencies, post secondary institutions and school divisions.

Donations and Non-Government Contributions

Donations and non-government contributions are received from individuals, corporations, and private sector not-for-profit organizations. Donations and non-government contributions may be unrestricted or externally restricted for operating or capital purposes.

Unrestricted donations and non-government contributions are recognized as revenue in the year received or in the year the funds are committed to the Corporation if the amount can be reasonably estimated and collection is reasonably assured.

Externally restricted donations, non-government contributions and realized and unrealized gains and losses for the associated, externally restricted, investment income are recognized as deferred revenue if the terms for their use, or the terms along with the Corporation's actions and communications as to the use, create a liability. These resources are recognized as revenue as the terms are met and, when applicable, the Corporation complies with its communicated use.

In-kind donations of services and materials are recognized at fair value when such value can reasonably be determined.

Expenses

Expenses are reported on an accrual basis. The cost of all goods consumed and services received during the year are expensed.

Transfers include entitlements, grants and transfers under shared cost agreements. Grants and transfers are recognized as expenses when the transfer is authorized and eligibility criteria have been met by the recipient.

Valuation of Financial Assets and Liabilities

The Corporation's financial assets and liabilities are generally measured as follows:

<u>Financial Statement Component</u>	<u>Measurement</u>
Cash	Cost
Accounts Receivable	Lower of Cost or Net Recoverable Value
Accounts Payable and Other Accrued Liabilities	Cost
Asset Retirement Obligations and Environmental Liabilities	Cost or Present Value

The Corporation has no assets or liabilities in the fair value category, has no significant foreign currency transactions and has no significant remeasurement gains or losses. Consequently, no statement of remeasurement gains and losses has been presented.

Alberta Innovates

Notes to the Consolidated Financial Statements (Continued)

Year ended March 31, 2024

Note 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (Continued)

(b) Basis of Financial Reporting (Continued)

Financial Assets

Financial assets are assets that could be used to discharge existing liabilities or finance future operations and are not for consumption in the normal course of operations.

Financial assets are the Corporation's financial claims on external organizations and individuals, as well as cash.

Cash

Cash comprises of cash on hand and demand deposits.

Accounts Receivable

Accounts receivable are recognized at the lower of cost or net recoverable value. A valuation allowance is recognized when recovery is uncertain.

Liabilities

Liabilities represent present obligations of the Corporation to external organizations and individuals arising from past transactions or events occurring before the year end, the settlement of which is expected to result in the future sacrifice of economic benefits. They are recognized when there is an appropriate basis of measurement and management can reasonably estimate the amounts.

Liabilities also include:

- all financial claims payable by the Corporation at the year end;
- accrued employee vacation entitlements; and
- contingent liabilities where future liabilities are likely.

Asset Retirement Obligations

Asset retirement obligations are legal obligations associated with the retirement of a tangible capital assets (TCA). Asset retirement activities include all activities relating to an asset retirement obligation. These may include, but are not limited to;

- decommissioning or dismantling a tangible capital asset that was acquired, constructed or developed;
- remediation of contamination of a tangible capital asset created by its normal use;
- post-retirement activities such as monitoring; and
- constructing other tangible capital assets to perform post-retirement activities.

A liability for an asset retirement obligation is recognized when, as at the financial reporting date:

- (a) there is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- (b) the past transactions or event giving rise to the liability has occurred;
- (c) it is expected that future economic benefits will be given up; and
- (d) a reasonable estimate of the amount can be made.

When a liability for asset retirement obligation is recognized, asset retirement costs related to recognized tangible capital assets in productive use are capitalized by increasing the carrying amount of the related asset and are generally amortized on a straight-line basis over the estimated useful life of the underlying tangible capital asset. Asset retirement costs related to unrecognized tangible capital assets and those not in productive use are expensed.

Alberta Innovates

Notes to the Consolidated Financial Statements (Continued)

Year ended March 31, 2024

Note 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (Continued)

(b) Basis of Financial Reporting (Continued)

Environmental Liabilities

Contaminated sites are a result of contamination of a chemical, organic or radioactive material or live organism that exceeds an environmental standard, being introduced into soil, water or sediment. A liability for remediation of a contaminated site may arise from an operation that is either in productive use or no longer in productive use and may also arise from an unexpected event resulting in contamination. The resulting liability is recognized when all of the following criteria are met:

- i. an environmental standard exists;
- ii. contamination exceeds the environmental standard;
- iii. the Corporation is directly responsible or accepts responsibility;
- iv. it is expected that future economic benefits will be given up; and
- v. a reasonable estimate of the amount can be made.

Other environmental liabilities are recognized when all of the following criteria are met:

- i. the Corporation has a duty or responsibility to others, leaving little or no discretion to avoid the obligation;
- ii. the duty or responsibility to others entails settlement by future transfer or use of assets, or a provision of services at a specified or determinable date, or on demand;
- iii. the transaction or events obligating the Corporation have already occurred; and
- iv. a reasonable estimate of the amount can be made.

Non-Financial Assets

Non-financial assets are acquired, constructed, or developed assets that do not normally provide resources to discharge existing liabilities, but instead:

- (a) are normally employed to deliver government services.
- (b) may be consumed in the normal course of operations; and
- (c) are not for sale in the normal course of operations

Non-financial assets include tangible capital assets and prepaid expenses.

Tangible Capital Assets

Tangible capital assets are recognized at cost less accumulated amortization, which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost includes overhead directly attributable to construction and development, as well as asset retirement cost. The threshold for capitalizing new systems development is \$250,000 and the threshold for major systems enhancements is \$100,000. The threshold for all other tangible capital assets is \$5,000. All land is capitalized.

Work in progress, which included facilities and improvements projects and development of information systems, is not amortized until after a project is complete (or substantially complete) and the asset is put into service.

Tangible capital assets, excluding land, are amortized on a straight-line basis over their estimated useful lives as follows:

Buildings and improvements	10-30 Years
Equipment	3-25 Years
Computer hardware and software	3-10 Years

Tangible capital assets are written down when conditions indicate that they no longer contribute to the Corporation's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for as expenses in the Consolidated Statement of Operations.

Contributed tangible capital assets from non-related entities are recognized at their fair value at the time of contribution.

Prepaid Expenses

Prepaid expenses are recognized at cost and amortized based on the terms of the agreement.

Alberta Innovates

Notes to the Consolidated Financial Statements (Continued)

Year ended March 31, 2024

Note 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (Continued)

(b) Basis of Financial Reporting (Continued)

Financial Risk Management

The Corporation's financial instruments include cash, accounts receivable and accounts payable and other accrued liabilities. The Corporation is not involved in any hedging relationships through its operations and does not hold or use any derivative financial instruments for trading purposes.

The Corporation's financial instruments are exposed to credit risk, market risk, and liquidity risk.

a) Credit Risk

Counterparty credit risk is the risk of loss arising from the failure of a counterparty to fully honour its financial obligations with the Corporation. The Corporation's accounts receivable are exposed to credit risk. Management manages this risk by continually monitoring the creditworthiness of counterparties and by dealing with counterparties that it believes are creditworthy.

b) Market Risk

Market risk is the risk of loss from unfavourable change in fair value or future cash flows of a financial instrument causing financial loss. Market risk is comprised of currency risk, interest rate risk and price risk. The Corporation's cash is exposed to interest rate risk. Management manages this risk by continually monitoring the Corporation's deposits in the Consolidated Liquidity Solution (CLS) and their corresponding rate of return.

c) Liquidity Risk

Liquidity risk is the risk that the Corporation will encounter difficulty in meeting obligations associated with its financial liabilities. The Corporation's accounts payable and other accrued liabilities are exposed to liquidity risk. Management manages this risk by continually monitoring cash flows.

Measurement Uncertainty

Measurement uncertainty exists when there is a variance between the recognized or disclosed amount and another reasonably possible amount. There is measurement uncertainty related to asset retirement obligations as it involves estimates in determining settlement amount, discount rates and timing of settlement. Changes to any of these estimates and assumptions may result in change to the obligation.

Asset retirement obligations, recognized as \$3,025 (2023 - \$2,813) in these financial statements, consists of estimated decommissioning costs for the Alberta Carbon Capture Technology Centre and estimated end of lease obligations at Bell Tower.

Note 3 CHANGE IN ACCOUNTING POLICY

Effective April 1, 2023, the Corporation adopted the PS3400 Revenue Standard. There were no changes to the measurement of revenues on adoption of the new standard.

At the beginning of the same fiscal reporting period, PSG-8 Purchased Intangibles Guidelines and PS 3160 Public Private Partnerships also came into effect. The new standard and guideline did not have any impact on the Corporation's consolidated financial statements.

Note 4 FUTURE CHANGES IN ACCOUNTING STANDARDS

On April 1, 2026, the Corporation will adopt the following new conceptual framework and account standard approved by the Public Sector Accounting Board:

- **The Conceptual Framework for Financial Reporting in the Public Sector**

The Conceptual Framework is the foundation for public sector financial reporting standard setting. It replaces the conceptual aspects of Section PS 1000 Financial Statement Concepts and Section PS 1100 Financial Statement Objectives. The conceptual framework highlights considerations fundamental for the consistent application of accounting issues in the absence of specific standards.

- **PS 1202 Financial Statement Presentation**

Section PS 1202 sets out general and specific requirements for the presentation of information in general purpose financial statements. The financial statement presentation principles are based on the concepts within the Conceptual Framework.

Management is currently assessing the impact of the conceptual framework and the standard on the consolidated financial statements.

Alberta Innovates

Notes to the Consolidated Financial Statements (Continued)

Year ended March 31, 2024

Note 5 BUDGET*(in thousands)*

A preliminary business plan with a budgeted deficit of \$5,664 was approved by the Board on March 23, 2023 and the full financial plan was submitted to the Minister of Technology and Innovation. The budget reported in the Consolidated Statement of Operations reflects the original \$5,664 deficit and additional reclassifications required for more consistent presentation with current and prior year results.

Note 6 CASH*(in thousands)*

	2024	2023
Cash	\$ 80,820	\$ 90,431

Cash in the amount of \$80,820 (2023 - \$90,431) includes deposits in the Consolidated Liquidity Solution (CLS) of the Province of Alberta amounting to \$58,057 (2023 - \$84,040).

As at March 31, 2024, \$53,505 of the cash balance is restricted as it represents grants received that have restrictions on their use (2023 - \$71,751).

Note 7 ACCOUNTS RECEIVABLE*(in thousands)*

	2024		2023	
	Gross amount	Allowance for doubtful accounts	Net recoverable value	Net recoverable value
Accounts receivable	\$ 11,518	\$ 435	\$ 11,083	\$ 8,148
Accrued income receivable	11,065	-	11,065	7,657
	<u>\$ 22,583</u>	<u>\$ 435</u>	<u>\$ 22,148</u>	<u>\$ 15,805</u>

Accounts Receivable are unsecured, non-interest bearing and reported at their estimated net recoverable value.

Note 8 CONTRACTUAL RIGHTS*(in thousands)*

Contractual rights are rights of the Corporation to economic resources arising from contracts or agreements that will result in both assets and revenues in the future when the terms of those contracts or agreements are met.

	2024	2023
Contractual rights from operating contracts	\$ 63,065	\$ 84,718

	Operating contracts
2024-25	\$ 32,783
2025-26	26,037
2026-27	3,135
2027-28	129
2028-29	46
Thereafter	935
	<u>\$ 63,065</u>

Alberta Innovates

Notes to the Consolidated Financial Statements (Continued)

Year ended March 31, 2024

Note 9 ACCOUNTS PAYABLE AND OTHER ACCRUED LIABILITIES

(in thousands)

	2024	2023
Accounts payable	\$ 4,965	\$ 4,474
Other accrued liabilities	22,681	19,590
	<u>\$ 27,646</u>	<u>\$ 24,064</u>

Note 10 DEFERRED CONTRIBUTIONS

(in thousands)

	2024	2023
Unspent deferred capital contributions (a)	\$ 570	\$ 985
Spent deferred capital contributions (b)	30,352	19,985
Deferred operating contributions (c)	41,527	60,972
Deferred contract revenue	11,408	9,794
	<u>\$ 83,857</u>	<u>\$ 91,736</u>

(a) Unspent deferred capital contributions

	2024			2023		
	Government of Alberta	Other	Total	Total		
Balance at beginning of year	\$ 985	\$ -	\$ 985	\$ 1,094		
Cash contributions received/receivable during year	5,807	7,550	13,357	3,373		
Transferred to spent deferred capital contributions	(6,222)	(7,550)	(13,772)	(3,482)		
Balance at end of year	<u>\$ 570</u>	<u>\$ -</u>	<u>\$ 570</u>	<u>\$ 985</u>		

(b) Spent deferred capital contributions

	2024			2023		
	Government of Alberta	Other	Total	Total		
Balance at beginning of year	\$ 13,208	\$ 6,777	\$ 19,985	\$ 19,450		
Transferred from unspent deferred capital contributions	6,222	7,550	13,772	3,482		
Less amounts recognized as revenue	(2,369)	(1,036)	(3,405)	(2,947)		
Balance at end of year	<u>\$ 17,061</u>	<u>\$ 13,291</u>	<u>\$ 30,352</u>	<u>\$ 19,985</u>		

(c) Deferred operating contributions

	2024			2023		
	Government of Alberta	Other	Total	Total		
Balance at beginning of year	\$ 58,065	\$ 2,907	\$ 60,972	\$ 67,850		
Cash contributions received/receivable during the year	107,998	3,137	111,135	120,304		
Interest income	800	-	800	852		
Recognized as revenue:						
Grants	(126,709)	(3,871)	(130,580)	(127,193)		
Interest income	(800)	-	(800)	(841)		
Balance at end of year	<u>\$ 39,354</u>	<u>\$ 2,173</u>	<u>\$ 41,527</u>	<u>\$ 60,972</u>		

Alberta Innovates

Notes to the Consolidated Financial Statements (Continued)

Year ended March 31, 2024

Note 11 ASSET RETIREMENT OBLIGATIONS*(in thousands)*

	2024	2023
Asset Retirement Obligations, beginning of year	\$ 2,813	\$ 2,667
Accretion expense	72	67
Revision in estimates	140	79
Asset Retirement Obligations, end of year	<u>\$ 3,025</u>	<u>\$ 2,813</u>

Tangible capital assets with associated retirement obligations include buildings and leasehold improvements.

Asset retirement obligations are initially measured as of the date the legal obligation was incurred, based on management's best estimate of the amount required to retire tangible capital assets and may be subsequently re-measured at each financial reporting date taking into account any new information and the appropriateness of assumptions used. The estimate of the liability is based on existing agreement, third party quotes, legislation and professional judgement.

Where a present value technique is used to measure a liability, the liability is adjusted for the passage of time and is recognized as accretion expense in the Consolidated Statement of Operations. When a present value technique is not used, the asset retirement obligation is measured at the current estimated cost to settle or otherwise extinguish the liability.

Included in asset retirement obligation estimate is \$2,424 measured using a present value technique. At March 31, 2024, the undiscounted amount of estimated future cash flows required to settle this obligation is \$2,831 and is discounted using a discount rate of 4.23%.

Asset retirement obligations are expected to be settled over the next 3 to 5 years.

For the year ended March 31, 2024, a recovery of \$1,504 was recognized.

Note 12 BENEFIT PLANS*(in thousands)*

(a) The Corporation participates in the multi-employer pension plans: Management Employees Pension Plan (MEPP), the Public Service Pension Plan (PSPP), as well as, a Supplementary Retirement Plan for Public Service Managers (MSRP). The Corporation does not have sufficient plan information on MEPP, PSPP or the MSRP to follow the standards for defined benefit accounting and therefore follows the standard for defined contribution accounting. Accordingly, pension expense recognized for the MEPP/PSPP/MSRP is comprised of employer contributions to the plan that are required for its employees during the year, which are calculated based on actuarially pre-determined amounts that are expected to provide the plan's future benefits. The expense for these pension plans is equivalent to the annual contributions of \$4,817 for the year ended March 31, 2024 (2023 - \$5,104).

At December 31, 2023, the Management Employees Pension Plan reported a surplus of \$1,316,313 (2022 – surplus of \$924,735), the Public Service Pension Plan reported a surplus of \$4,542,500 (2022 – surplus of \$4,258,721) and the Supplementary Retirement Plan for Public Service Managers reported a deficiency of \$21,343 (2022 – deficiency of \$25,117). The Corporation is not responsible for future funding of the plan deficit other than through contribution increases.

(b) The Benefit Plans consists of the unfunded liability for the Corporation's supplemental retirement plan, the benefits under which are paid for entirely by the Corporation when they come due. There are no plan assets. There are no active members remaining in the plan and one retired member eligible for benefits.

Alberta Innovates

Notes to the Consolidated Financial Statements (Continued)

Year ended March 31, 2024

Note 13 TANGIBLE CAPITAL ASSETS

(in thousands)

	Land	Building and Improvements ⁽²⁾	Equipment ⁽³⁾	Computer Hardware & Software	2024 Total	2023 Total
Estimated Useful Life	Indefinite	10-30 years	3-25 years	3-10 years		
Historical Cost⁽¹⁾						
Beginning of year	\$ 566	\$ 30,500	\$ 88,732	\$ 11,414	\$ 131,212	\$ 125,105
Additions	-	2,841	11,627	1,945	16,413	6,497
Disposals, including write-downs	-	-	(145)	-	(145)	(390)
	<u>566</u>	<u>33,341</u>	<u>100,214</u>	<u>13,359</u>	<u>147,480</u>	<u>131,212</u>
Accumulated Amortization						
Beginning of year	-	16,734	63,498	10,196	90,428	83,570
Amortization expense	-	2,267	4,232	593	7,092	7,248
Effect of disposals, including write-downs	-	-	(64)	-	(64)	(390)
	<u>-</u>	<u>19,001</u>	<u>67,666</u>	<u>10,789</u>	<u>97,456</u>	<u>90,428</u>
Net Book Value at March 31, 2024	<u>\$ 566</u>	<u>\$ 14,340</u>	<u>\$ 32,548</u>	<u>\$ 2,570</u>	<u>\$ 50,024</u>	
Net Book Value at March 31, 2023	<u>\$ 566</u>	<u>\$ 13,766</u>	<u>\$ 25,234</u>	<u>\$ 1,218</u>		<u>\$ 40,784</u>

(1) Historical costs includes work-in-progress at March 31, 2024 totaling \$7,860 (2023 - \$4,051) comprised of building and improvements \$1,262 (2023 - \$247), equipment \$6,598 (2023 - \$3,515), and computer software & hardware \$nil (2023 - \$289).

(2) Buildings and improvements include leasehold improvements (amortized over the life of the lease).

(3) Equipment includes laboratory equipment, heavy equipment, vehicles, office equipment, and other equipment.

Note 14 ACCUMULATED SURPLUS

(in thousands)

	2024			2023	
	Capital Assets ⁽¹⁾	Unrestricted Surplus	Total	Total	Total
Balance, beginning of year	\$ 20,799	\$ 9,758	\$ 30,557	\$ 34,294	
Annual surplus (deficit)	(7,173)	20,077	12,903	(3,737)	
Net investments in capital assets	16,413	(16,413)	-	-	
Transfers to spent deferred capital contributions	(13,772)	13,772	-	-	
Spent deferred recognized in revenue	3,405	(3,405)	-	-	
Balance, end of year	<u>\$ 19,672</u>	<u>\$ 23,789</u>	<u>\$ 43,460</u>	<u>\$ 30,557</u>	

⁽¹⁾ The Corporation's closing accumulated surplus invested in tangible capital assets have been reduced by the Corporation's asset retirement obligation of \$3,025.

Note 15 CONTINGENT LIABILITIES

(in thousands)

The Corporation is involved in legal matters where damages are being sought. These matters may give rise to contingent liabilities.

Accruals have been made in specific instances where it is likely that losses will be incurred based on a reasonable estimate. As at March 31, 2024 accruals totaling \$368 (2023 - \$368) have been recognized as a liability.

Alberta Innovates

Notes to the Consolidated Financial Statements (Continued)

Year ended March 31, 2024

Note 16 CONTRACTUAL OBLIGATIONS*(in thousands)*

Contractual obligations are obligations of the Corporation to others that will become liabilities in the future when the terms of those contracts or agreements are met.

	2024	2023
Obligations under operating leases and contracts	\$ 133,307	\$ 148,236

Estimated payment requirements for each of the next five years and thereafter are as follows:

	Operating leases and contracts
2024-25	\$ 78,775
2025-26	37,906
2026-27	11,941
2027-28	4,357
2028-29	188
Thereafter	140
	<u>\$ 133,307</u>

Note 17 ALBERTA CARBON CONVERSION TECHNOLOGY CENTRE*(in thousands)*

The Alberta Carbon Conversion Technology Centre (ACCTC) is a commercialization and testing centre designed to advance CO₂ capture and conversion technologies, and conduct related research. InnoTech Alberta Inc, a wholly owned subsidiary of the Corporation, completed the purchase and transfer of the ACCTC on March 15, 2018. \$23,835 (2023 - \$23,543) is recorded in tangible capital assets in Note 13. \$9,509 (2023 - \$11,377) of related spent deferred capital contributions is recorded in Note 10. There were no in-kind contributions received at March 31, 2024 (2023 - \$nil).

From June 2018 until March 2021 the ACCTC was the host site for the NRG COSIA Carbon XPRIZE – a competition to pilot various carbon capture and conversion technologies. InnoTech was not directly involved in supervising or overseeing the XPRIZE Competition, aside from its day to day role as the owner and operator of the ACCTC. Now that the XPRIZE competition is over, InnoTech will own and operate the ACCTC, which will be marketed to industry and government as a carbon capture testing site until December 2027. At that time, exclusive use of the site and ownership of the ACCTC will pass back to the owner of the land, who may elect to wholly or partially de-commission the ACCTC. Accordingly, \$2,424 (2023 - \$2,277) of asset retirement obligations have been recorded in Note 11.

The corporation has entered into various contractual arrangements with respect to ACCTC including a license of occupation, an operating costs recovery agreement, and a repayable contribution agreement. The impact on contractual rights, contractual obligations, contingent assets, and contingent liabilities, when known, has been reflected in these consolidated financial statements in accordance with the accounting policies described in Note 2.

Note 18 COMPARATIVE FIGURES

Certain 2023 figures have been reclassified, where necessary, to conform to the 2024 presentation.

Schedule 1 – Consolidated Expenses – Detailed by Object

	<u>2024</u>	<u>2024</u>	<u>2023</u>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
		<i>(in thousands)</i>	
Grants	\$ 139,355	\$ 129,083	\$ 131,936
Salaries, wages and employee benefits	66,197	68,285	66,780
Supplies and services	38,444	46,374	42,868
Amortization of tangible capital assets (Note 13)	8,900	7,092	7,248
	<u>\$ 252,896</u>	<u>\$ 250,834</u>	<u>\$ 248,832</u>

Schedule 2 – Salary and Benefits Disclosure

Alberta Innovates

Salary and Benefits Disclosure

Year ended March 31, 2024

(in thousands)

	2024			2023	
	Base Salary (1)	Other Cash Benefits (2)	Other Non-Cash Benefits (3)	Total	Total
Chair of the Board	\$ -	\$ 20	\$ 1	\$ 21	\$ 28
Board Members	-	50	2	52	82
Chief Executive Officer	441	122	22	585	737
Executive/Vice Presidents:					
Chief Cleantech Officer & Vice President, Clean Resources	285	11	73	369	359
Chief Operating Officer	313	9	82	404	395
Executive Vice President, Impacts	269	1	68	338	324
General Counsel & Corporate Secretary	263	1	70	334	331
Vice President, Finance (4)	239	25	19	283	225
Vice President, Health	285	30	18	333	313
Vice President, Marketing & Communications	249	26	11	286	257
Associate Vice President, Investments	200	1	41	242	233
	<u>\$ 2,544</u>	<u>\$ 296</u>	<u>\$ 407</u>	<u>\$ 3,247</u>	<u>\$ 3,284</u>

(1) Base salary includes regular salary.

(2) Other cash benefits include honoraria for the Chair and Board Members. Other cash benefits for the Executive/Vice Presidents include vacation payouts, car and living allowance, payments in lieu of pension, employee health care expense accounts and lump sum amounts.

(3) Other non-cash benefits include employee benefits and contributions or payments made on behalf of employees including pension and supplementary retirement plan, parking, dental coverage, major medical, group life insurance, short term disability plan, CPP, EI, Workers Compensation Board premiums and professional memberships.

(4) Vice President, Finance was effective June 13, 2022.

Schedule 3 – Related Party Transactions

Alberta Innovates

Related Party Transactions

Year ended March 31, 2024

Related parties are those entities consolidated or accounted for on the modified equity basis in the Government of Alberta's Consolidated Financial Statements. Related parties also include key management personnel and close family members of those individuals in the Corporation. The Corporation and its employees paid or collected certain taxes and fees set by regulation for premiums, licences and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this schedule.

The Corporation had the following transactions with related parties recognized in the Consolidated Statement of Operations and the Consolidated Statement of Financial Position at the amount of consideration agreed upon between the related parties.

	Entities in the Ministry		Other Entities Outside of the Ministry	
	2024	2023	2024	2023 (restated)
	<i>(in thousands)</i>			
Revenues				
Grants	\$ 201,676	\$ 183,353	\$ 6,018	\$ 7,993
Interest	-	-	3,157	2,378
Other	-	-	1,786	2,137
	<u>\$ 201,676</u>	<u>\$ 183,353</u>	<u>\$ 10,961</u>	<u>\$ 12,508</u>
Expenses - Directly Incurred				
Grants	\$ -	\$ -	\$ 54,434	\$ 55,878
Other services	-	-	5,630	6,479
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 60,064</u>	<u>\$ 62,357</u>
Receivables from	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,045</u>	<u>\$ 1,496</u>
Payable to	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,075</u>	<u>\$ 3,555</u>
Prepaid expenses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25</u>	<u>\$ -</u>
Unspent deferred capital contributions	<u>\$ 570</u>	<u>\$ 985</u>	<u>\$ -</u>	<u>\$ -</u>
Spent deferred capital contributions	<u>\$ 16,991</u>	<u>\$ 13,120</u>	<u>\$ 70</u>	<u>\$ 88</u>
Deferred revenue	<u>\$ 35,578</u>	<u>\$ 50,557</u>	<u>\$ 3,776</u>	<u>\$ 7,533</u>
Deferred contract revenue	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 326</u>	<u>\$ 100</u>
Contractual obligations	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 53,324</u>	<u>\$ 57,109</u>
Contractual rights	<u>\$ 39,300</u>	<u>\$ 60,500</u>	<u>\$ 3,574</u>	<u>\$ 2,523</u>

Alberta Innovates

Related Party Transactions (Continued)

Year ended March 31, 2024

Schedule 3 - Related Party Transactions (Continued)

The above transactions do not include support service arrangement transactions disclosed below. The Corporation also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to provide the service. These amounts are not reported in the consolidated financial statements. Accommodation expenses incurred by others are disclosed in Schedule 4.

	Other Entities Outside of the Ministry	
	2024	2023
	<i>(in thousands)</i>	
Expenses - Incurred by others ⁽¹⁾		
Accommodation ⁽²⁾	\$ 22,311	\$ 21,976
	<u>\$ 22,311</u>	<u>\$ 21,976</u>

⁽¹⁾ During the year, the Corporation received financial processing and reporting services from Service Alberta and the Department of Technology and Innovation at no cost. The dollar value of these services cannot be accurately determined.

⁽²⁾ The Corporation's share of accommodation costs is based on the proportion of space occupied compared to the total space occupied by all Ministries.

Schedule 4 – Consolidated Allocated Costs

Alberta Innovates

Consolidated Allocated Costs

Year ended March 31, 2024

Program	2024		2023	
	Expenses - Incurred by Others			
	Expenses ⁽¹⁾	Accommodation Costs	Total Expenses	Total Expenses
<i>(in thousands)</i>				
Research, innovation and commercialization	\$ 155,416	\$ -	\$ 155,416	\$ 155,500
Applied research	53,536	-	53,536	54,920
Administration	34,790	22,311	57,101	53,140
Amortization	7,092	-	7,092	7,248
	<u>\$ 250,834</u>	<u>\$ 22,311</u>	<u>\$ 273,145</u>	<u>\$ 270,808</u>

⁽¹⁾ Expenses - Directly Incurred as per Consolidated Statement of Operations.

Other Financial Information

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Lapse/Encumbrance (unaudited)

Department of Technology and Innovation

Year Ended March 31, 2024

(in thousands)

Expense Vote By Program	Voted Estimate	Supplementary Estimate	Adjustments <i>In thousands</i>	Adjusted Voted Estimate	Voted Actuals	Over Expended (Unexpended)
Operating Expense						
Program 1 Ministry Support Services						
1.1 Minister's Office	\$ 639	\$ -	\$ -	\$ 639	\$ 634	\$ (5)
1.2 Deputy Minister's Office	709	-	-	709	709	(0)
1.3 Corporate Services	3,062	-	-	3,062	3,395	333
	<u>4,410</u>	<u>-</u>	<u>-</u>	<u>4,410</u>	<u>4,738</u>	<u>328</u>
Program 2 Data, Privacy and Innovation						
2.1 Data, Information and Privacy Governance	32,597	-	1,100	33,697	36,685	2,988
2.2 Innovation System Integration	59,408	-	-	59,408	69,481	10,073
2.3 Grant to Alberta Innovates Corporation	180,346	-	-	180,346	179,346	(1,000)
	<u>272,351</u>	<u>-</u>	<u>1,100</u>	<u>273,451</u>	<u>285,512</u>	<u>12,061</u>
Program 3 Technology Support and Operations	315,246	-	30,000	345,246	332,462	(12,784)
Program 4 Digital Design and Delivery						
4.1 Digital Delivery and Innovation	102,713	-	-	102,713	86,675	(16,038)
	<u>102,713</u>	<u>-</u>	<u>-</u>	<u>102,713</u>	<u>86,675</u>	<u>(16,038)</u>
Program 5 Cybersecurity	12,748	-	-	12,748	11,838	(910)
Capital Grants						
Program 3 Technology Support and Operations	229,000	-	-	229,000	31,440	(197,560)
Capital Payments To Related Parties						
Program 2 Data, Privacy and Innovation						
2.3 Grant to Alberta Innovates Corporation	11,607	-	-	11,607	10,807	(800)
	<u>11,607</u>	<u>-</u>	<u>-</u>	<u>11,607</u>	<u>10,807</u>	<u>(800)</u>
Total	948,075	-	31,100	979,175	763,472	(215,703)
Credit or Recovery Shortfall			(2,999)	(2,999)		2,999
	<u>\$948,075</u>	<u>\$ -</u>	<u>\$ 28,101</u>	<u>\$976,176</u>	<u>\$763,472</u>	<u>\$ (212,704)</u>
(Lapse)/Encumbrance						<u>\$ (212,704)</u>
Capital Investment Vote By Program						
Department Capital Acquisitions						
Program 2 Data, Privacy and Innovation					\$ 75	\$ 75
Program 3 Technology Support and Operations	\$ 28,105	\$ -	\$ 2,386	\$ 30,491	\$ 27,848	\$ (2,643)
Program 4 Digital Design and Delivery	84,280	-	(3,295)	80,985	52,463	(28,522)
Total	112,385	-	(909)	111,476	80,386	(31,090)
Credit or Recovery Shortfall						
	<u>\$112,385</u>	<u>\$ -</u>	<u>\$ (909)</u>	<u>\$111,476</u>	<u>\$ 80,386</u>	<u>\$ (31,090)</u>
(Lapse)/Encumbrance						<u>\$ (31,090)</u>
Financial Transactions Vote By Program						
Program 2 Innovation, Privacy and Policy						
2.3 Grant to Alberta Enterprise Corporation	\$ -	\$ 25,000		\$ 25,000	\$ 25,000	\$ -
Total	-	25,000		25,000	25,000	-
Credit or Recovery Shortfall						
	<u>\$ -</u>	<u>\$ 25,000</u>	<u>\$ -</u>	<u>\$ 25,000</u>	<u>\$ 25,000</u>	<u>\$ -</u>
(Lapse)/Encumbrance						<u>\$ -</u>
Contingency Vote By Program						
Program 1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(Lapse)/Encumbrance						<u>\$ -</u>

Lapse/Encumbrance (unaudited)...Continued

- (1) As per "Expense Vote by Program," "Capital Investment Vote by Program" and "Financial Transaction Vote by Program" page 209 of the 2023-24 Government Estimates.
- (2) Adjustments include encumbrances, capital carry over amounts, transfers between votes, credit or recovery increases approved by Treasury Board and credit or recovery shortfalls. An encumbrance is incurred when, on a vote by vote basis, the total of actual disbursements in the prior year exceed the total adjusted estimate. All calculated encumbrances from the prior year are reflected as an adjustment to reduce the corresponding voted estimate in the current year.

Adjustments also include supply vote transfers for "Contingency" as approved by the Lieutenant Governor in Council under the direction of the Minister of Finance. The Contingency supply vote consists of a provisional funding authority transferable to any ministry. Upon approval by the Lieutenant Governor in Council, the President of Treasury Board and Minister of Finance may either spend or transfer all or a portion of this supply vote to another minister for public emergencies, disasters or unanticipated costs.

- (3) Actuals exclude non-voted amounts as no cash disbursement is required (non-cash amounts), or because the Legislative Assembly has already provided the funding authority pursuant to a statute other than an appropriation act. Non-cash amounts (such as amortization, valuation adjustments, and other provisions are excluded as these amounts do not require any expenditure or payment of public money. Year-end expense accruals & payables which will immediately require a cash outlay (payment of public money) to settle or otherwise extinguish the liabilities are included in Actuals.

Statement of Credit or Recovery (unaudited)

Department of Technology and Innovation

Year Ended March 31, 2024

(in thousands)

The following has been prepared pursuant to Section 24(3) of the *Financial Administration Act*.

	<u>Authorized</u>	<u>Actual Revenue</u>	<u>(Shortfall)⁽²⁾/ Excess</u>
Shared Services ⁽¹⁾	\$ 60,230	\$ 57,231	\$ (2,999)
	<u>\$ 60,230</u>	<u>\$ 57,231</u>	<u>\$ (2,999)</u>

⁽¹⁾ The Ministry receives revenue to recover the cost of providing standardized shared services.

⁽²⁾ Shortfall is deducted from current year's authorized spending.

Public Interest Disclosure (Whistleblower Protection) Act
Year Ended March 31, 2024

Section 32 of the *Public Interest Disclosure (Whistleblower Protection) Act* reads:

- 32(1) Every chief officer must prepare a report annually on all disclosures that have been made to the designated officer of the department, public entity or office of the Legislature for which the chief officer is responsible.
- (2) The report under subsection (1) must include the following information:
- (a) the number of disclosures received by the designated officer, the number of disclosures acted on and the number of disclosures not acted on by the designated officer;
 - (b) the number of investigations commenced by the designated officer as a result of disclosures;
 - (c) in the case of an investigation that results in a finding of wrongdoing, a description of the wrongdoing and any recommendations made or corrective measures taken in relation to the wrongdoing or the reasons why no corrective measure was taken.
- (3) The report under subsection (1) must be included in the annual report of the department, public entity or office of the Legislature if the annual report is made publicly available.

There were no disclosures of wrongdoing filed with the Public Interest Disclosure Office for Technology and Innovation between April 1, 2023 and March 31, 2024.