

# Canadian Energy Centre



**Annual  
Report  
2022**



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## Message From the CEO

It was a great year for the Canadian Energy Centre.

The agency solidified its foundation of communications products, advocacy work and research, and started to take on its marketing role in a significant and meaningful way.

The CEC has always had a mandate to act as a marketer of Canada's energy industry, to the country and around the world. It allows us the ability to provide Canadians and others with a steady flow of energy news and facts. A constant rain always soaks, and we provide the rain.

The CEC came out of fiscal year 2021-22 with a successful campaign into the United States. When the US administration asked Russia and the OPEC nations to pump more oil, we responded with billboards in Times Square urging our American friends to Look North for energy security and supply.

When the Russian invasion of Ukraine exposed the fragility and flaws of western energy policy, we amplified our campaign, targeting specific states and audiences with the same message – where your oil and gas comes from matters now more than ever.

The campaign saw more than 1.2 million visits to its website and follow-up public polling determined a large majority of Americans want to see energy needs over and above which can be met domestically, to be supplied by Canada.

This effort set the stage for a longer-term US campaign, extolling the benefits of Canadian energy over oil and gas produced by regimes not focused on the environment, human rights, labour issues and Indigenous opportunity.

We also began the planning for an increased Canadian campaign telling Canadians across the country why Canadian energy is good for Canada, and good for the world.

The Pandemic and the Russian aggression against Ukraine shifted the energy conversation, with people more willing to engage in meaningful and realistic conversations about future energy mix, including the importance of oil and gas to achieve a lower carbon future globally.

The fact is killing Canada's oil and gas industry would not reduce global emissions. The demand would still exist and be met elsewhere. And strides made on environmental performance would be lost to the rest of the world.

The fact is Canada's industry is leading the way in cleantech, spending more than \$1 billion annually on Research and Development.

The fact is the International Energy Agency projects that in 2050 oil and gas will still supply half of the world's energy mix.

The future will require all forms of energy.

A thoughtful conversation about what that means is vitally important to Canada and the world.



**Tom Olsen**

Chief Executive Officer  
June 30, 2022





## Marketing

The Canadian Energy Centre started to expand the scope of marketing campaigns across Canada to include promotions in the U.S. and internationally.

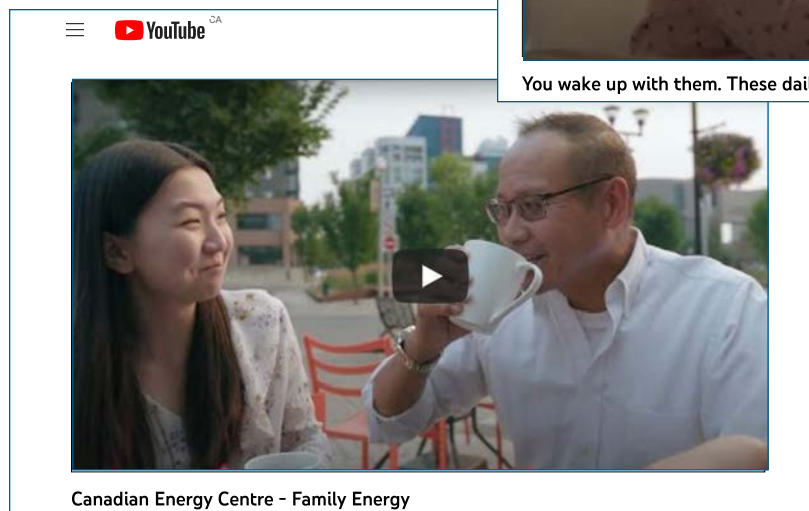
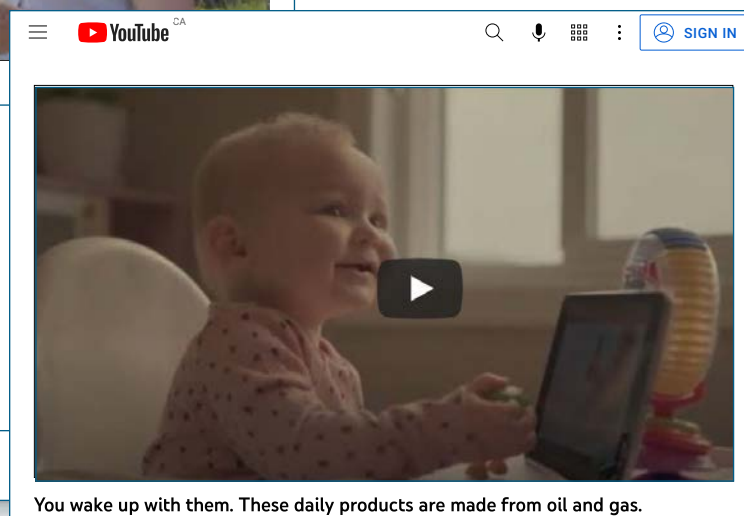
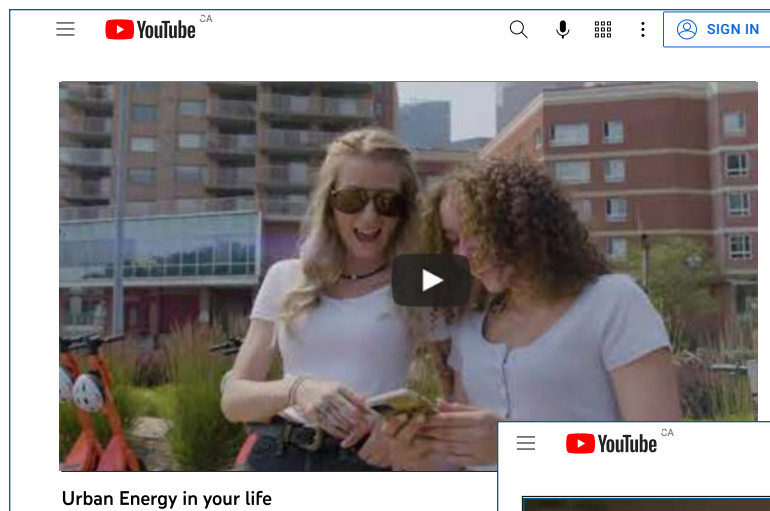
### CAMPAIGNS OVERVIEW

#### Oil & Gas in Your life Youtube Video Campaign

The Canadian Energy Centre started a new ongoing marketing initiative “*Oil and Gas in Our Lives*”. The purpose of this campaign is to demonstrate the intrinsic dependency on petroleum products in our everyday lives.

The campaign consisted of 3 Youtube videos featuring everyday urban life scenes of young family, teenage girls and kids, in scenarios such as waking up with energy, traveling to work, riding scooters or bicycles, and highlighting products in everyday life that are petroleum based.

Our results were nothing short of impressive with a total of **1,500,000** views of the 3 videos over 3 weeks. Our average viewership rate was 58%. *Oil and Gas in our Lives* is now a regular monthly content feature on our website.



## U.S. Blitz Campaign – Cleaner. Closer. Committed to Net Zero

In response to President Biden asking for more oil supply from OPEC rather than Canada to ease gas prices, we launched a 4-week blitz campaign in the U.S: Cleaner. Closer. Committed to Net Zero.

The Campaign message was simple:

*Choose Friendly Oil*

*Get friendlier gas prices*

*Canadian Oil*

*Cleaner. Closer. Committed to Net Zero.*

*Friendlyenergy.com*

The campaign ran for 4 weeks from September 27 to October 24, 2021.

The campaign consisted of Digital out-of-home placements in New York's Times Square and Washington, DC's Capitol One Arena, along with online display and native ads targeting New York and Washington, DC. Traffic was directed to [www.friendlyenergy.com](http://www.friendlyenergy.com), a supporting online campaign microsite that included multiple stories and rationale for the American market, explaining why Canada is the supplier of choice for oil imports to the US. Our total reach and viewership exceeded **12,000,000** in just four weeks.



### DIGITAL ADS:





# Canada is the solution

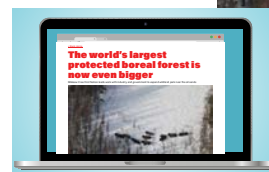


**Choose friendly energy. Choose Canada.**

Canada's responsibly produced oil and gas should be the supplier of the World's energy needs.  
Secure and safe, with a sharp focus on human, environmental and labour rights.  
Say no to tyranny oil. The choice is obvious.



**WATCH: Canada is the world's energy solution**



**The world's largest protected boreal forest is now even bigger**

## RFP PROCESS

The Canadian Energy Centre went through a rigorous RFP process to find a suitable partner as an agency of record (AOR). The process included the help of third-party firm to oversee procedures to ensure the process was fair and the agency chosen aligned with our work methodology which often includes fast response marketing campaigns reacting to world events. A targeted exercise task was assigned to the top three agencies that participated, and resulted in CEC choosing to partner with DDB Canada as our Agency of Record.

Our initial task for DDB was to conduct extensive research about the general population across Canada to assess sentiment regarding Canadian oil and gas to establish a baseline. This baseline will help us define growth in support of Canadian oil and gas following campaigns in the coming year.

Photo credit: Precision Drilling





## Content

CEC's content team continues to showcase the leadership of Canada's oil and gas sector in environmental, social and governance (ESG) performance, and highlight the importance of the oil and gas industry to Canada's economy, through fact-based articles and rapid response.

The goal of the content team is to provide both energy literacy and respond to misinformation. These are stories that readers are unlikely to find in mainstream media.

Over the last year the content team published approximately **150** articles including:

- 42** on environmental performance and technological innovation,
- 25** on Indigenous benefits and opportunities,
- 36** on the sector's economic contributions (particularly in energy security as global energy markets reel from Russia's invasion of Ukraine),
- 18** on Canada's role in global oil and gas markets, and
- 28** Matter of Fact pieces responding to misinformation. This is an increase in coverage in nearly all areas.

We also published our Introduction to ESG, a downloadable visual reference guide of quick facts on environment, social and governance performance within Canada's oil and gas sector.

In the year ahead, we will continue to improve our content delivery to keep at pace with current events and align with our marketing and advocacy campaigns. We will also continue increasing the number of stories we tell through the personal lens of Canadians who contribute to and benefit from Canada's energy leadership, particularly from the perspective of Indigenous people.





## Advocacy

Advocating for Canada's energy industry by building a nation-wide network of supporters has become a key focus for the CEC. We encourage our network to turn that support into action by signing letters, petitions or pledges aimed at standing up for our oil and gas sector.

Our main advocacy site, [supportcanadianenergy.ca](https://supportcanadianenergy.ca), promotes national campaigns to show public support for critical energy projects, respond to attacks on the Canadian oil and gas industry, disrupt policy initiatives designed to harm industry and build a movement of supporters to rally around Canada's world-class oil and gas sector.

Since its launch in August 2020, we have built a network of more than 45,000 Canadians who receive weekly newsletters and participate in regular advocacy campaigns. Over the last year, the CEC has launched 13 advocacy campaigns, which saw more than 52,000 Canadians participate.

### Highlights of the last year include:

- Nearly **9,000** letters were submitted by supporters of the Canadian oil and gas industry to the federal government's Just Transition public consultation, highlighting the importance of the sector to Canada;
- More than **10,000** emails were sent to the CBC's ombudsman, demanding a new documentary by an American anarchist about opposition to the Costal GasLink pipeline is presented objectively and aligns with the CBC's journalistic standards and practises, given the national broadcaster is providing funding and airtime for the film;
- About **3,500** emails were sent to Canadian ministers attending the COP26 Climate Conference in Glasgow, reminding them that Canadian oil and gas will be key to achieving climate goals in part by helping reduce coal usage around the world;
- Nearly **4,000** emails were delivered to Ottawa City Council in opposition to plans for the municipality to sign on to the Fossil Fuel non-Proliferation Treaty, which would force Canada and its allies to rely on authoritarian states like Russia and Saudia Arabia for critical resources for decades to come; and
- More than **5,600** emails were sent to the David Suzuki Foundation, asking donors to withdraw their financial support after he expressed dangerous rhetoric about the likelihood of climate activists blowing up pipelines.

The CEC also continues to grow its network of supporters on its social media channels, with more than 100,000 followers across its various social media properties. Through this network, by the end of the last fiscal year our content was viewed by more than 2 million people every month on social media and more than a quarter of those liked, shared or otherwise engaged with our content.

# TAKE ACTION



## The world needs more canadian energy

Tell the PM to make Canada the supplier of choice for the world's growing energy needs.

[READ MORE](#)

SHARE: [f](#) [t](#) [in](#) [✉](#)



## Tell the real story at COP 26

Tell Canada's representatives at COP26 Climate Change Conference to brag about what our energy sector is doing to fight climate change.

[READ MORE](#)

SHARE: [f](#) [t](#) [in](#) [✉](#)



## Stop the "just transition"

Make your voice heard. Let the government know what you think about shutting down the oil and gas industry.

[READ MORE](#)

SHARE: [f](#) [t](#) [in](#) [✉](#)



## Website

Over the last year, the Canadian Energy Centre welcomed over half a million page views on its primary platform, the [canadianenergycentre.ca](https://canadianenergycentre.ca) website.

Regular traffic to the website was steady throughout the first two quarters, culminating in a significant uptick in late September with the launch of the CEC's 'Friendly Energy' billboard campaign in Times Square and Washington, D.C.

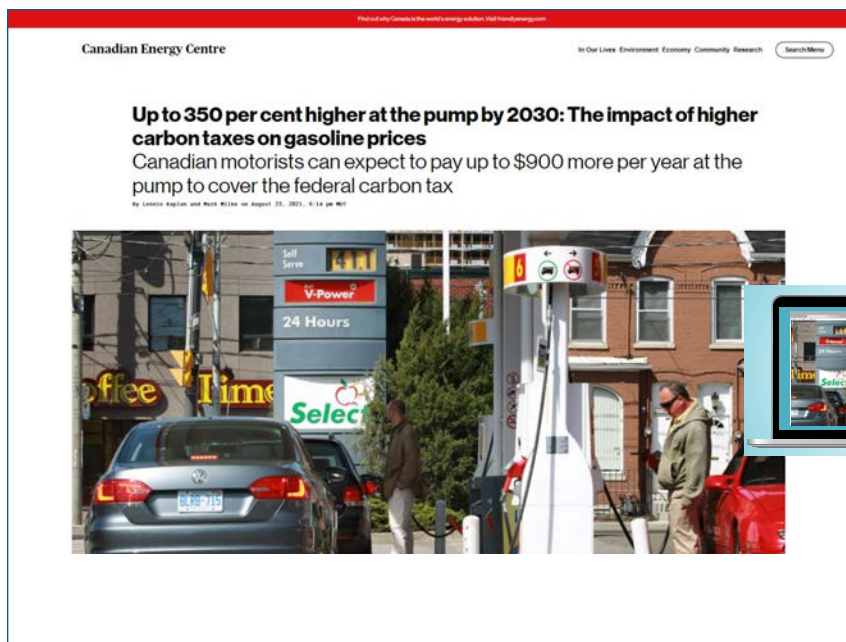
That momentum continued in the latter half of the fiscal year with a refocused rapid response strategy supported by highly utilized matter-of-fact articles, timely research topics, materials supporting why Canadian energy is the solution

to reduce reliance on Russia following the invasion of Ukraine, and the introduction of an ongoing 'Oil and Gas in Our Lives' campaign comprised of videos, graphics and stories highlighting the impact of oil and gas products on the everyday lives of Canadians.

On average, two-thirds of visitors to the CEC website are from outside Alberta, with much of that margin residing in Ontario and British Columbia. At least **12.99%** of the CEC's regular audience is from the United States, a ratio that has grown by three per cent since the beginning of 2021 as we have become part of the international conversation around the future of energy.

Visitors from over **200** countries came to the CEC website over the last year, with dedicated audiences developing in the United Kingdom, India, Australia, Mexico, Ireland, Sweden, China, Germany, the Netherlands, France, Norway, the Philippines, and the United Arab Emirates.

Nearly half of all traffic to the CEC website is driven from its social media channels, with 86% from Facebook and the rest is almost entirely an even split between Twitter and LinkedIn. The remaining half largely comes from organic searches, direct visits, and advertising referrals. Almost two-thirds of CEC website visits are on mobile devices, 30% from computers and just under nine per cent from tablets.



## Research

In 2021-22, the Research Unit at the Canadian Energy Centre published 93 items, including 32 columns, 28 snapshots, 24 fact sheets, and nine research briefs.

- **32** Columns, including those reproduced in Canadian newspapers and online;
- **28** Snapshots of one graph each, capturing current trends in the oil and gas sector;
- **24** Fact Sheets (short 4- to 8-page analyses with data and charts); and
- **9** Research Briefs (longer analyses of issues with data and charts, ranging from 10 to 30 pages).

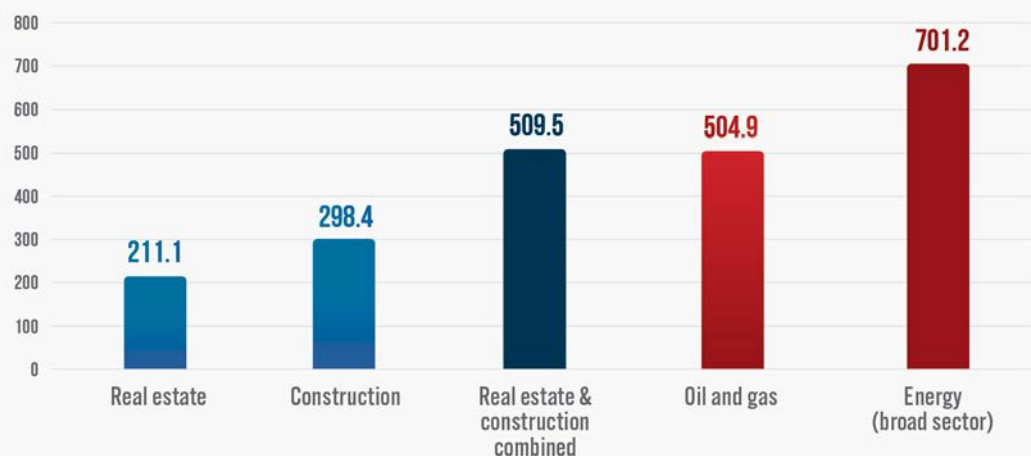
The goal of research conducted at the Canadian Energy Centre is to compile and display oil and gas data and analysis that is not readily available to the general public in a format for any audience, including members of the public, media, business, and government.

Highlights of the research published by the Canadian Energy Centre in 2021/22, included: economic impact of the oil and gas industry on the Canadian economy, and the regional and provincial economies of Atlantic Canada, Ontario, Quebec and B.C.; revenues to Canadian governments from energy and the oil and gas industry; new Canadian involvement in the oil and gas sector; analyzing the contributions of the Canadian crude oil sector to U.S. petroleum refineries; historical and future outlook of GHG emissions and



### Comparing Gross Revenues to Governments by Sector

2000 to 2019\* (in \$ billions, 2020 dollars)



\*Excludes personal income taxes from 2000 to 2006.

Canadian Energy Centre

emissions intensity from Canada and the Canadian energy and oil and gas sector; impact of higher carbon taxes on gasoline prices in Canada; Canadian foreign oil imports; 2021 tyranny index; energy

poverty in the E.U.; Canadian LNG opportunities in the Asia-Pacific region; among many other publications.



## CEC Whistleblower Policy

The CEC is committed to the highest standards of ethical and accountable conduct and complies with the laws and regulations that protect the CEC operations, funds and resources from mismanagement. This is outlined in a number of policies developed for this purpose which include the *Code of Business Conduct and Ethics*, *Respect for Each Other Policy*, and importantly, the *Whistleblower Policy*. Our Whistleblower Policy helps ensure this commitment is upheld by providing CEC employees with guidance on how to deter, detect and disclose wrongdoing within the organization.

In 2021/22, the CEC did not receive any disclosures, nor were any disclosures referred to the CEC designated officer. As such, there were no investigations conducted under this policy.



Photo credit: Alberta Energy Regulator

## Results

In the previous Annual Report, the CEC committed to a number of targets for this fiscal year. We are pleased to have met the targets that were set.

1

### CEC's content team targets publishing 115 pieces of content

- This includes **10** or more by Indigenous contributors
- And **24** or more by carefully selected freelance writers.



#### Result – Completed.

Through the fiscal year we built **150** pieces of content, **7** of which were by Indigenous contributors, and **39** of which were by freelance writers.

2

### The CEC advocacy team will:

- Expand the monthly reach on social media channels to **1.5 million** Canadians every month;
- Increase our social media followers to **100,000**;
- Expand to other platforms to deliver our message to Canadians, focusing on key regions and demographics; and
- Double our database of emailable supporters to reach **50,000**.



#### Result – Completed.

Changes to the Apple tracking system significantly derailed efforts to identify supporters across Canada. Through this we were able to expand the monthly reach by the end of the fiscal year to **2 million** Canadians, increase our social media followers to **100,000** between Facebook, Twitter, LinkedIn, and YouTube, expanding into YouTube which was not a focus platform prior to this fiscal. Even though we had to contend with the changes to tracking, we were still able to expand our database to **45,000** emailable supporters. The CEC will retarget **50,000** emailable supporters for this fiscal year to achieve last year's goal.

3

### The CEC Research team will provide original publications and products:

- **25** Fact Sheets (shorter analyses);
- **6** Research Briefs (longer analyses);
- **26** Snapshots – quick look at energy issues from a statistical perspective;
- **4** Energy Literacy products; and
- **31** columns.



#### Result – completed.

CEC Research is foundational to our operations. During the year there was a change in leadership which altered some of the targets. The Research division published **24** fact sheets, **9** research briefs, **32** columns, and **28** snapshots totalling **93** items. Within the **93** items were a multitude of energy literacy content which doubled as either a fact sheet, a brief or a snapshot.



4

**CEC Marketing will continue to run national marketing campaigns supporting responsibly developed Canadian Energy including:**

- Support of Canadian pipelines to our own shores;
- The benefit of Canadian natural gas to the global marketplace;
- In consultation with the ESG Secretariat and Invest Alberta, ensuring the international community understands the leadership of Canadian energy in ESG.



**Result – completed** – CEC ran not only national marketing campaigns but international campaigns supporting Canadian pipelines, LNG, and the high ESG rankings of our industry.

5

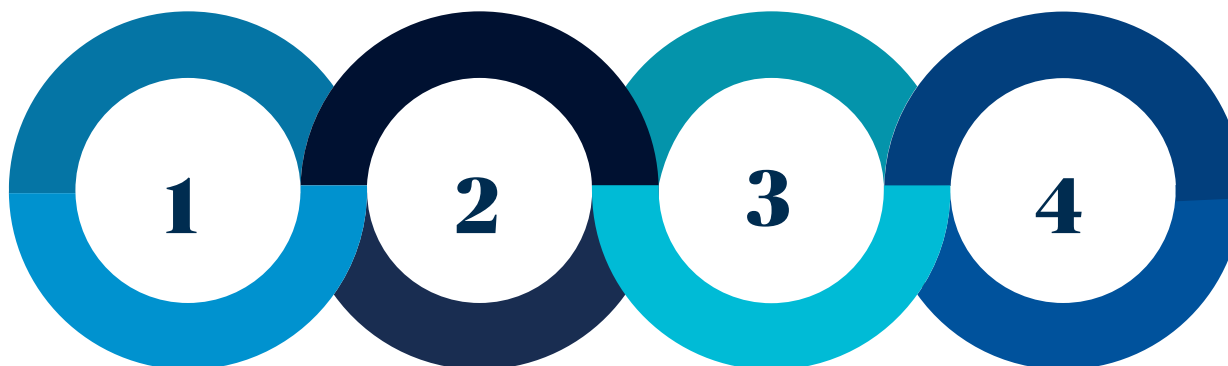
**Using the procurement policy, hire an agency of record to provide marketing materials.**



**Result – Completed.** This target was delayed for several years due to COVID and funding changes. This past fiscal finally saw the completion of the RFP process, landing on a contracted marketing agency to provide creative marketing into national and international markets with our messaging.

## 2022-2023 Targets

We continue to operate in the most efficient and practical way possible. As we committed in the last Annual Report, we are providing defensible targets and metrics for public to review and hold the organization to account.



### 1. Content

The Content team has a goal of publishing **125** pieces of content, **20** percent about indigenous opportunities and successes in the energy industry, and a portion of that written by Indigenous freelancers. The team also has a target of **25%** of the content written by freelancers including Indigenous contributors.

### 2. Research

The Research team is targeting **55** pieces of content divided between **30** research briefs and fact sheets and **25** research snapshots.

### 3. Advocacy

The advocacy team has a goal of reaching **2.5** million Canadians per month by end of fiscal year across all our digital media channels. Since we have started to work around the new restrictions on tracking, we are again targeting **50,000** email database supporters with the stretch goal of surpassing that target.

### 4. Marketing

The marketing team will **increase** the number of international campaigns and **expand** into Europe. The team will run a national campaign into Quebec to extend the oil and gas positive messaging in both official languages.



# Canadian Energy Centre Ltd.

## Financial Statements

Year Ended March 31, 2022

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## Management's Responsibility for Financial Reporting

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The accompanying Canadian Energy Centre Ltd. (CEC) financial statements have been prepared and presented by management, who is responsible for the integrity and fair presentation of the information.

These financial statements are prepared in accordance with Canadian Public Sector Accounting Standards. The financial statements necessarily include certain amounts based on the informed judgments and best estimates of management.

In fulfilling its responsibilities and recognizing the limits inherent in all systems, the CEC has developed and maintained a system of internal control to produce reliable information for reporting requirements. The systems are designed to provide reasonable assurance that CEC transactions are properly authorized, assets are safeguarded from loss and the accounting records are a reliable basis for the preparation of the financial statements.

The Auditor General of Alberta, the CEC's external auditor appointed under the *Auditor General Act*, performed an independent external audit of these financial statements in accordance with Canadian generally accepted auditing standards and has expressed his opinion in the accompanying Independent Auditor's Report.

CEC's board is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal controls. In both the presence and absence of management, the CEC's board meets with the external auditors to discuss the audit, including any findings as to the integrity of financial reporting processes and the adequacy of our systems of internal controls. The external auditors have full and unrestricted access to the CEC's board.

**[Original signed by Tom Olsen]**

Chief Executive Officer/Managing Director

May 9, 2022



# Independent Auditor's Report

To the Board of Directors of the Canadian Energy Centre Ltd.



## REPORT ON THE FINANCIAL STATEMENTS

### Opinion

I have audited the financial statements of the Canadian Energy Centre Ltd. (the CEC), which comprise the statement of financial position as at March 31, 2022, and the statements of operations, change in (net debt) 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 CEC as at March 31, 2022, 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 Financial Statements* section of my report. I am independent of the CEC 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 CEC'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 CEC'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 CEC'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 CEC'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 CEC 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

May 9, 2022

Edmonton, Alberta



## Statement of Operations

Year Ended March 31, 2022

	2022		2021
	Budget (note 4)	Actual	Actual
<b>Revenues</b>			
Government transfers			
Government of Alberta grants	\$ 7,701,784	\$ 7,701,784	\$ 1,673,443
	<b>7,701,784</b>	<b>7,701,784</b>	<b>1,673,433</b>
<b>Expenses (Schedule 1)</b>			
Resource Development and Management	10,326,557	4,158,577	3,734,983
	<b>10,326,557</b>	<b>4,158,577</b>	<b>3,734,983</b>
<b>Annual operating (deficit) / surplus</b>	(2,624,773)	3,543,207	(2,061,540)
<b>Annual (deficit) / surplus</b>	<b>(2,624,773)</b>	<b>3,543,207</b>	<b>(2,061,540)</b>
<b>Accumulated (deficit) surplus at beginning of year</b>	(2,911,552)	974,187	3,035,727
<b>Accumulated (deficit) surplus at end of year (Note 7)</b>	<b>\$ (5,536,325)</b>	<b>\$ 4,517,394</b>	<b>\$ 974,187</b>

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

## Statement of Financial Position

As at March 31, 2022

	2022	2021
<b>Financial Assets</b>		
Cash	\$ 4,742,986	\$ 1,846,504
Accounts receivable	122,380	99,875
	<b>4,865,366</b>	<b>1,946,379</b>
<b>Liabilities</b>		
Accounts payable and other accrued liabilities (Note 6)	654,126	1,015,679
	<b>654,126</b>	<b>1,015,679</b>
<b>Net Financial Assets</b>	<b>4,211,240</b>	<b>930,700</b>
<b>Non-Financial Assets</b>		
Prepaid expenses	306,154	43,487
	<b>306,154</b>	<b>43,487</b>
<b>Net Assets</b>		
Accumulated surplus (Note 7)	4,517,394	974,187
	<b>\$ 4,517,394</b>	<b>\$ 974,187</b>

Contingent liabilities (Note 9) Contractual obligations (Note 10)

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

Approved by: \_\_\_\_\_

[Original signed by Hon. Sonya Savage]

Chair of the Board of Directors

Approved by: \_\_\_\_\_

[Original signed by Tom Olsen]

Chief Executive Officer/Managing Director

## Statement of Change in (Net Debt) Net Financial Assets

Year Ended March 31, 2022

	Budget	2022 Actual	2021 Actual
<b>Annual (deficit) / surplus</b>	\$ (2,624,773)	\$ 3,543,207	\$ (2,061,540)
Increase in prepaid expenses	-	(262,667)	(12,002)
<b>(Decrease) / increase in (net debt) net financial assets</b>	<b>(2,624,773)</b>	<b>3,280,540</b>	<b>(2,073,542)</b>
<b>(Net debt)/net financial assets at beginning of year</b>	<b>(2,911,552)</b>	<b>930,700</b>	<b>3,004,242</b>
<b>(Net debt)/net financial assets at end of year</b>	<b>\$ (5,536,325)</b>	<b>\$ 4,211,240</b>	<b>\$ 930,700</b>

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



## Statement of Cash Flows

Year Ended March 31, 2022

	2022	2021
<b>Operating transactions</b>		
Annual surplus (deficit)	\$ 3,543,207	\$ (2,061,540)
(Increase)/decrease in accounts receivable	(22,505)	968,701
Increase in prepaid expenses	(262,667)	(12,002)
Increase in accounts payable and accrued liabilities	(361,553)	244,087
Cash provided by (applied to) operating transactions	<b>2,896,482</b>	<b>(860,754)</b>
<b>Increase/(decrease) in cash</b>	<b>2,896,482</b>	<b>(860,754)</b>
<b>Cash at beginning of year</b>	<b>1,846,504</b>	<b>2,707,258</b>
<b>Cash at end of year</b>	<b>\$ 4,742,986</b>	<b>\$ 1,846,504</b>

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

## Notes to the Financial Statements

Year Ended March 31, 2022

### NOTE 1 AUTHORITY

The Canadian Energy Centre Ltd. (the "Corporation") is a provincial corporation incorporated under the *Business Corporations Act* (Alberta) on October 9, 2019.

The Corporation is wholly owned by Her Majesty the Queen in the Right of Alberta as represented by the Minister of Energy. It is governed by a Board of Directors appointed by the Province. The Board consists of three Cabinet Ministers appointed by the Government of Alberta.

The mandate of the Corporation is to promote Canada as the supplier of choice for the world's growing demand for responsibly produced energy.

As a provincial corporation, 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) Basis of Financial Reporting

##### Revenues

All revenues are reported on the accrual basis of accounting.

##### 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.

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

**(a) Basis of Financial Reporting (Cont'd)**

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).

**Expenses**

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

**Valuation of Financial Assets and Liabilities**

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

<b>Financial Statement Component</b>	<b>Measurement</b>
Cash	Cost
Accounts receivable	Lower of cost or net recoverable value
Accounts payable and accrued liabilities	Cost

The Corporation does not have any financial instruments classified in the fair value category and does not hold derivative contracts. Therefore, these statements do not present a statement of remeasurement gains and losses as the Corporation is not exposed to remeasurement gains and losses.

**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 at the year end.

**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.



## **NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (Cont'd)**

### **(a) Basis of Financial Reporting (Cont'd)**

#### **Liabilities**

Liabilities are present obligations of the Corporation to external entities 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. They include accounts payable and accrued liabilities.

#### **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 the Corporation 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 are limited to 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 interest costs that are directly attributable to the acquisition or construction of the asset. The cost, less residual value, of the tangible capital assets, excluding land, is amortized on a straight-line basis over their estimated useful lives.

The capitalization threshold for all capital assets is \$2,000. The Corporation, however, does not have any capital assets. Therefore, there is no tangible capital assets reported in the financial statements.

#### **Prepaid expenses**

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

### NOTE 3 FUTURE CHANGES IN ACCOUNTING STANDARDS

During the fiscal year 2022-23, the Corporation will adopt the following new accounting standard of the Public Sector Accounting Board:

- **PS 3280 Asset Retirement Obligations**

This accounting standard provides guidance on how to account for and report liabilities for retirement of tangible capital assets. The Corporation plans to adopt this accounting standard on a modified retroactive basis, consistent with the transitional provisions in PS 3280, and information presented for comparative purposes will be restated. The impact of the adoption of this accounting standard on the financial statements is currently being analyzed.

In addition to the above, the Public Sector Accounting Board has approved the following accounting standards, which are effective for fiscal years starting on or after April 1, 2023.

- **PS 3400 Revenue**

This accounting standard provides guidance on how to account for and report on revenue, and specifically, it differentiates between revenue arising from exchange and non-exchange transactions.

- **PS 3160 Public Private Partnerships**

This accounting standard provides guidance on how to account for public private partnerships between public and private sector entities, where the public sector entity procures infrastructure using a private sector partner.

The Corporation has not yet adopted these standards. Management is currently assessing the impact of these standards on the Corporation's financial statements.

### NOTE 4 BUDGET

A budget of \$10,326,557 was approved by the Board on April 20, 2021.

In addition, \$1,700,000 was approved by the Board for committed additional expenses on March 10, 2022.

Revenue budget reported in the Statement of Operations reflects actual cash received during the Year.

Expenses budget reported in the Statement of Operations reflects the budget and reclassifications required for more consistent presentation with current and prior year results.

## NOTE 5 FINANCIAL RISK MANAGEMENT

The Corporation is exposed to some financial risks. These financial risks include credit risk and liquidity risk.

### (a) Credit Risk

Credit risk is the risk of loss arising from the failure of a counterparty to fully honour its financial obligations with the Corporation. Credit risk on accounts receivable is considered low.

As of March 31, 2022, the balance of accounts receivable does not contain amounts that were uncollectible.

### (b) Liquidity Risk

Liquidity risk is the risk that the Corporation will encounter difficulty in meeting obligations associated with its financial liabilities. Liquidity requirements of the Corporation are met through grants from the Ministry. The Corporation manages liquidity risks by its budget processes and regularly monitoring cash flows to ensure the necessary funds are on hand to fulfill upcoming obligations, including operating expenses.

## NOTE 6 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

		2022		2021
Accounts Payable	\$	163,703	\$	473,643
Accrued liabilities		447,434		472,731
ATB Alberta Rewards Business Card		(6,483)		8,436
Accrued Salaries and Wages		6,000		-
Vacation Payable		43,472		60,869
<b>Balance at end of year</b>	<b>\$</b>	<b>654,126</b>	<b>\$</b>	<b>1,015,679</b>



#### NOTE 7 ACCUMULATED SURPLUS

Accumulated surplus is comprised of the following:

	2022	2021
Balance at beginning of year	\$ 974,187	\$ 3,035,727
Annual surplus (deficit)	3,543,207	(2,061,540)
<b>Balance at end of year</b>	<b>\$ 4,517,394</b>	<b>\$ 974,187</b>

#### NOTE 8 SHARE CAPITAL

Share capital is comprised of the following:

	2022	2021
<b>Issued:</b>		
1 Common Share	\$ 6,800	\$ 6,800
<b>Balance at end of year</b>	<b>\$ 6,800</b>	<b>\$ 6,800</b>

#### NOTE 9 CONTINGENT LIABILITIES

As of March 31, 2022 the Corporation was not named as defendant in any specific legal actions.

## NOTE 10 CONTRACTUAL OBLIGATIONS

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.

	2022	2021
Obligations under contracts	\$ 4,974,141	\$ 269,950
<b>Balance at end of year</b>	<b>\$ 4,974,141</b>	<b>\$ 269,950</b>

Estimated payment requirement for the next one year is as follows:

	Contracts	Total
2022-2023	\$ 4,974,141	\$ 4,974,141
	<b>\$ 4,974,141</b>	<b>\$ 4,974,141</b>

## NOTE 11 APPROVAL OF FINANCIAL STATEMENTS

The Board approved the financial statements of the Corporation.

## NOTE 12 COMPARATIVE FIGURES

Certain 2021 figures have been reclassified, where necessary, to conform to the 2022 presentation.

## Expenses – Detailed by Object

Year Ended March 31, 2022

	2022		2021
	Budget	Actual	Actual
Salaries and Benefits	\$ 1,680,000	\$ 1,571,200	\$ 1,630,505
Office Infrastructure	171,900	77,130	78,225
General and Administrative Expenses	228,500	18,238	9,593
Legal	60,000	137,211	34,050
Accounting	150,000	150,000	150,000
IT	12,000	6,000	6,000
Communications and Marketing	403,692	475,642	1,204,560
Website	50,000	50,180	76,536
Social Advertising	553,000	441,109	294,889
Research	607,750	196,347	127,108
Media	150,000	98,674	-
Freelance – Indigenous	100,000	2,487	-
RFP – Agency of Record	6,000,000	934,359	-
Contingency – Other	159,715	-	123,517
<b>Total Expenses</b>	<b>\$ 10,326,557</b>	<b>\$ 4,158,577</b>	<b>\$ 3,734,983</b>



## Salary and Benefits Disclosure

Year Ended March 31, 2022

	2022			2021
	Base Salary (1)	Other Cash Benefits (2)	Total	Total
Chief Executive Officer (CEO) (3)	\$ 194,252	\$ 47,114	\$ 241,366	\$ 240,872
Executive Director (4)	171,600	41,678	213,278	212,784
Executive Director (5)	100,320	69,907	170,227	212,784
Executive Director (6)	72,600	17,918	90,518	-
<b>Total Expenses</b>	<b>\$ 538,772</b>	<b>\$ 176,617</b>	<b>\$ 715,389</b>	<b>\$ 666,440</b>

The Chair and Members of the Board of Directors receive no remuneration for participation on the Board.

- (1) Base salary includes regular salary
- (2) Other cash benefits include compensation in lieu of pension, health benefits and severance. No bonuses were paid during the year.
- (3) CEO was hired on October 9, 2019 with an annual base salary of \$194,252 and additional 14% and 10% of the annual base salary in lieu of pension and health benefits respectively.
- (4) Executive Director was hired on January 27, 2020 with an annual base salary of \$171,600 and additional 14% and 10% of the annual base salary in lieu of pension and health benefits respectively.
- (5) Executive Director was hired on December 1, 2019 with an annual base salary of \$171,600 and additional 14% and 10% of the annual base salary in lieu of pension and health benefits respectively. Last day of employment was October 31, 2021.
- (6) Executive Director was hired on January 8, 2020 and was promoted to current position effective November 1, 2021 with an annual base salary of \$171,600 and additional 14% and 10% of the annual base salary in lieu of pension and health benefits respectively.

## Related Party Transactions

Year Ended March 31, 2022

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

	2022	2021
<b>Revenues</b>		
Grants	\$ 7,701,784	\$ 1,673,443
	7,701,784	1,673,443
<b>Expenses</b>		
Rent	57,354	57,354
Insurance Coverage	1,501	1,394
	58,855	58,748
<b>Common Share - Department of Energy</b>	\$ 6,800	\$ 6,800

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