

2021 Audited Financial Statements for Business Improvement Areas (BIAs)

RECOMMENDATION:

The Executive Committee recommends that Council receive this report for the Corporate record.

RECOMMENDATION OF THE EXECUTIVE COMMITTEE, 2022 JUNE 29:

That Council receive this report for the Corporate record.

HIGHLIGHTS

- This report fulfills requirement under the *Business Improvement Area Regulation* (the Regulation) for Calgary's 15 Business Improvement Areas (BIAs) to submit audited financial statements annually to Council.
- **What does this mean to Calgarians?** This legislative requirement supports transparency by reporting to Council on how each BIA spent ratepayer funds collected through the BIA tax and other revenue sources. The financial review process assesses each organization's financial health during the previous year.
- **Why does this matter?** BIAs provide valuable local economic development services and programs that contribute to the implementation of *Calgary in the New Economy: an economic strategy for Calgary*.
- This report supports accountability and transparency for BIAs and meets requirements under the Regulation. Reviewing a BIAs' financial health helps manage The City's exposure to third-party risks inherent in partnering.
- All BIAs received an unqualified audit opinion from their external auditors.
- No concerns were raised when the financial statements were evaluated on the financial health and their ongoing ability to meet their financial short- and long-term obligations.
- Strategic Alignment to Council's Citizen Priorities: A prosperous city
- Background and Previous Council Direction is included as Attachment 1.

DISCUSSION

Under the Municipal Government Act (Alberta), municipalities can establish BIAs for the purposes of improving, beautifying, and maintaining property in the zone; developing, improving, and maintaining public parking; and promoting the zone as a business or shopping area.

The Regulation outlines further responsibilities of the BIA and the municipality including a requirement for BIAs to submit annual audited financial statements to Council, submit a balanced budget for Council approval annually, and maintain proper records, among other items.

This report is brought forward annually to meet the requirements in the Regulation and is one part of the accountability measures in place for BIAs. Specifically, as noted in the Regulation, "the board must submit an audited financial statement to the council and any reports required by the council by the date agreed upon with the council." This report presents the audited financial statements for the 15 BIAs operating in Calgary in 2021, which are included in Attachments 2 through 16.

For the 2021 fiscal year, all BIAs received an unqualified audit opinion from their third-party auditors. This means that, in the opinion of the auditors, the financial statements present fairly, in

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all material aspects, the financial position of the individual BIA, in accordance with accounting standards for not-for-profit organizations.

All financial statements were analyzed by Administration to evaluate the financial health of each of the organizations as well as their ongoing ability to meet their financial short- and long-term obligations. The City's analysis includes a review of the third-party audited financial statements with a focus on liquidity capacity, changes to reserves and potential issues with financial deficits. Based on the analysis, no concerns were raised by Administration.

To provide a quick snapshot of BIA operations, a summary of each BIA's Statement of Operations (Attachment 17) and Statement of Financial Position (Attachment 18) are also attached. However, caution should be exercised if comparing one BIA to another as each BIA maintains their accounting records based on their business needs and accounting practices and what is included in a particular category may differ from one BIA to another.

STAKEHOLDER ENGAGEMENT AND COMMUNICATION (EXTERNAL)

- Public Engagement was undertaken
- Public Communication or Engagement was not required
- Public/Stakeholders were informed
- Stakeholder dialogue/relations were undertaken

The Major Partners division engaged each BIA to ensure their audited statements were provided for this report. BIAs were consulted on the decision to make audited statements public starting with this year's report.

IMPLICATIONS

Social

Programs and services offered by BIAs support community vibrancy and a strong local economy, enhance public spaces, and support overall quality of life in Calgary.

Environmental

BIAs support walkable communities and create local hubs that can help support the reduction of local residents' and customers' carbon footprints.

Economic

BIAs contribute to a strong and vibrant local business community by improving, beautifying, and maintaining property in the business improvement area; developing, improving and maintaining public parking; and promoting the business improvement area as a business or shopping area. Their programs and services contribute to implementation of *Calgary in the New Economy: an economic strategy for Calgary*, and they provide knowledge and insight that help guide City strategies including the Downtown Strategy and Chinatown Cultural Plan.

Service and Financial Implications

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No anticipated financial impact

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RISK

The City’s exposure to third-party risks, related to partnering with BIAs, is assessed through the financial review process and, where required, The City works with individual BIAs to understand how identified risks are being mitigated.

ATTACHMENT(S)

1. Previous Council Direction, Background
2. 17th Avenue Retail & Entertainment District BIA
3. 4th Street South West BIA
4. Beltline BIA
5. Bridgeland BIA
6. Calgary Downtown Association BIA
7. Chinatown BIA
8. Crescent Heights Village BIA
9. Greenview Industrial BIA
10. Inglewood BIA
11. International Avenue BRZ
12. Kensington BRZ
13. Mainstreet Bowness BIA
14. Marda Loop BIA
15. Montgomery on the Bow BIA
16. Victoria Park BIA
17. Summary of Statement of Operations
18. Summary of Statement of Financial Position
19. Presentation

Department Circulation

General Manager/Director	Department	Approve/Consult/Inform
Not applicable		